

# Annual Report 2020





# **Hutt Mana Charitable Trust Annual Report**

Hutt Mana Charitable Trust  
For the year ended 30 June 2020



# Contents

Directory	5
Chairperson's Report 2020	7
<b>Report:</b> Mary Potter Hospice busy creating Te Whare Rānui	8
<b>Report:</b> Keeping Kiwi Safe in the Remutaka Forest Park	10
Approval of the Financial Report	12
Statement of Comprehensive Income	14
Balance Sheet	15
Statement of Changes in Net	16
Assets Statement of Cash Flows	17
Reconciliation of Net Surplus to Cash Flow From Operating Activities	18
Notes to the Financial Statements	19
Independent Auditor's Report	27



# Directory

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

## Trustees

Nicholas Leggett (Chairperson)  
Kenneth Laban (Deputy Chairperson)  
Anita Baker  
Paul Swain  
Campbell Barry



Nick Leggett  
[nick@nickleggett.nz](mailto:nick@nickleggett.nz)



Ken Laban  
[kenlaban@outlook.com](mailto:kenlaban@outlook.com)



Anita Baker  
[anitabaker@xtra.co.nz](mailto:anitabaker@xtra.co.nz)



Paul Swain  
[paul.swain@paulswainconsulting.com](mailto:paul.swain@paulswainconsulting.com)



Campbell Barry  
[Campbell.Barry@huttcity.govt.nz](mailto:Campbell.Barry@huttcity.govt.nz)



# Directory

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

## **Secretaries**

Kendons Chartered Accountants Limited  
69 Rutherford Street  
Lower Hutt

## **Solicitors**

Quigg Partners Barristers & Solicitors  
28 Brandon Street  
Wellington

## **Bankers**

Westpac New Zealand Limited  
210 High Street  
Lower Hutt

## **Auditors**

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

## **Registered Office**

Kendon House  
69 Rutherford Street  
Lower Hutt



## Chairperson's Report 2020

It's been a year of change for Hutt Mana Charitable Trust, although hopefully that won't be too evident to our shareholding communities.

We have had two new trustees, a new chair and deputy – and we have changed the way the assets we hold on behalf of the communities are managed.

This year we have paid out grants to 237 organisations totaling \$580K. Assets stand at \$41.5M which represents a growth across the year of \$400K.

We have also continued to fund the Porirua Housing Project, which has identified several houses where children have been hospitalised with respiratory illnesses. The trust acted as a lightning rod to bring agencies together and to fund a host of assistance for whanau to better heat their homes and prevent such occurrences again. We will be continuing with this, will be evaluating its impact and looking to expanding it in different areas of the Hutt Mana rohe poti.

We have continued with our capital support for the Expressions gallery extension in Upper Hutt, Walter Nash Stadium extension in Hutt City and the new Mary Potter Hospice campus in Porirua.

Most importantly, the new trust has taken time to consider its contemporary purpose and this is reflected in the strategy we have produced.

People in our fantastic communities will always stand up and do what they do to a high standard. We know we have to sharpen the focus of the trust and grow the asset base that supports them to do that.

So what is our approach? Along with supporting general grants that enable great community building, trustees are committed to finding and funding work that may lead to meaningful and measurable social progress. We don't produce big bureaucratic hoops for people to jump through, but we are critically focused on measuring outcomes and the impact of what the trust funds.

I am delighted to welcome new trustees Paul Swain and Campbell Barry who were elected in October 2019. Both bring a strong record of community connection and governance skills.

We also acknowledge two outgoing trustees, John Gwilliam and Prue Lamason, who were chair and deputy chair respectively. Both gave many years service to the trust and were involved with driving significant changes that protected the trust's enduring position as a terrific community asset.

Nick Leggett  
*Chairperson*

# Mary Potter Hospice busy creating Te Whare Rānui

*Sept 2019*

It's an exciting time for Mary Potter Hospice as it goes about creating a community hospice hub in Porirua to support patients and their whanau from Khandallah to Pukerua Bay.

Philippa Sellens, Director Fundraising Marketing and Communications says Mary Potter Hospice is celebrating its 40<sup>th</sup> year of providing free-of-charge palliative care services for the Wellington Region from Miramar to Te Horo.

"For a long time, we've wanted to have a better presence in Porirua to look after our many families in the heart of our area," says Philippa.

The team found a property in Rānui Heights which they've purchased and started renovating but with a \$1 million price tag to complete the renovation, Mary Potter is hard at work fundraising.

"It's all hands to the pump to raise the money but we're confident the community will get behind us.

"We've had incredible support from the Hutt Mana Charitable Trust who have granted us \$100,000. Other charitable trusts have also helped and currently we've got about \$230,000 in the pot. We're approaching other grant funders



*Mary Potter Hospice Te Whare Rānui team*

and individuals for further contributions and we're confident we'll get the support."

So far Mary Potter has renovated a small office space for its staff to work from and are temporarily operating a day unit for patients from the Elim Church Hall in Porirua until they complete the renovations.

"Ngāti Toa have gifted us a name, Te Whare Rānui, which means house of light and warmth. It is the Hospice's vision that people have a wonderful warm experience when they visit. This is a place of special significance for Māori and we're honoured they have gifted us the name."

With fundraising, planning and the building consents process ahead of them Philippa says work won't start for several months but will be worth the wait.

"It will be fantastic. We'll have spaces for community clinics, day visits, bereavement counselling seminars, education, room for the day unit, and nice office space for our staff as well."

Philippa says it's been a stroke of amazing luck to get the \$100,000 from the Hutt Mana Charitable Trust.

"It will make a huge difference to what we can achieve, it takes a lot of pressure off going forward and helps when we approach other funders who want to know that we're not relying on them solely and that there's other support."

"The Trust has been amazing to work with and we were so excited when we heard that the money was being made available to us, we're very grateful," says Philippa.

Mary Potter Hospice looks after approximately 900 patients every year and most of those stay at home surrounded by friends and family, with community teams going out to visit them in their own homes. They also have an inpatient unit for 12 people in Newtown.

"About a third of people who die each year in our area get support from us and we are honoured to provide a service to them."





## Keeping Kiwi Safe in the Remutaka Forest Park

With funding and support from local volunteers, the Remutaka Conservation Trust continues to increase the population of kiwi in the Remutaka Forest Park.

“Our Kiwi Avoidance Training for Dogs is a very successful way to keep kiwi safe when people bring their dogs into the park,” says Rosemary Thompson, Volunteer Coordinator.

“This year a \$2,000 grant from the Hutt Mana Charitable Trust has enabled us to subsidise two weekends of training.”

Dog owners visiting the Remutaka Forest Park for hunting or recreation, are encouraged to attend kiwi avoidance training for dogs to minimise the risk to kiwi. Subsidising the training makes it affordable to dog owners and results in more ‘kiwi safe’ dogs visiting parks throughout the country.

### The Remutaka Conservation Trust Kiwi Project

Making dogs ‘kiwi safe’ is an important part of the Remutaka Conservation Trust Kiwi Project which focuses on keeping and expanding the kiwi population in the Remutaka Forest Park.

“The first six kiwi were introduced in 2006, with another 20 relocated from Hauturu/Little Barrier Island in 2009. Now thanks to our amazing volunteers, the number of kiwi is estimated to be 150,” says Rosemary.

With such an enthusiastic team of volunteers tracking, trapping and monitoring the breeding patterns of the kiwi, the conservation trust is keen to continue their hard work.

“We now have more than 130 keen volunteers involved with tracking and trapping in the park – putting in more than 9,000 hours each year.”

### Kiwi Avoidance Dog Training

“We really appreciate the funding we have received from Hutt Mana Charitable Trust. With their assistance, we can train 70 – 80 dogs in one weekend,” says Rosemary.

A dog can be trained to avoid kiwi in just 15-20 minutes and once the dog has been back to confirm avoidance then it is safe to go to into any park area in the country (subject to regional restrictions).

“We’ve been running our training for 12 years’, and it’s very effective. Dogs coming back for training show consistent avoidance when presented with different kiwi stimuli,” says Melody McLaughlin, Kiwi Project Coordinator.

“This can be a moving bird, nest material, kiwi poo, kiwi calling and other props. Our kiwi avoidance dog trainer Jim Pottinger is very experienced and has a great rapport with dogs and owners alike.”

“We encourage owners to bring their dogs back to training once a year, or every two years, to ensure their dog shows continued avoidance to kiwi. Research around the effectiveness of this form of training shows that after three years the effectiveness reduces,” says Rosemary.

The Remutaka Conservation Trust is a non-profit community group made up of over 170 volunteers. It is the first volunteer group to release and protect kiwi in the wild and relies on grants, sponsorship and donations and amazing volunteers to ensure the kiwi in the Remutaka’s continue to thrive.

## Applying for Funding

“Applying online was so easy!” says Rosemary.

She encourages other volunteer organisations to contact the Hutt Mana Charitable Trust to take advantage of the generous grants that are available to the community,

“We are very grateful to the Hutt Mana Charitable Trust for supporting our projects and for helping us with funding this year.”



Steve Hobman



# Approval of the Financial Report

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

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 2020

## Nature of Business

The Hutt Mana Charitable Trust was established as the Energy Direct 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.

## Financial Highlights for the Year

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

	2020	2019
<b>Financial Highlights</b>		
Opening Accumulated Surplus	6,164,671.24	4,656,049.66
Net Surplus for the year	578,696.09	1,508,622.58
Closing Accumulated Surplus	6,743,367.33	6,164,671.24
Equity	41,743,367.33	41,164,671.24
Liabilities	14,367.37	75,256.23
Total Assets	41,757,734.70	41,239,927.47
	2020	2019
<b>Audit Services</b>		
Audit Fees	16,790.00	20,930.00

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

	2020	2019
<b>Remuneration of Trustees</b>		
Nicholas Leggett	22,240.00	17,557.00
Kenneth Laban	19,900.00	17,557.00
Anita Baker	17,560.00	17,557.00
Paul Swain	11,707.00	-
Campbell Barry	11,707.00	-
Prudence Lamason	7,023.00	21,060.00
John Gwilliam	8,193.00	24,577.00
<b>Total Remuneration of Trustees</b>	<b>98,330.00</b>	<b>98,308.00</b>

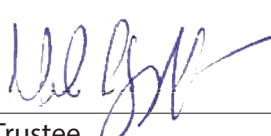
Trustees' remuneration received or due and receivable during the year is as above.

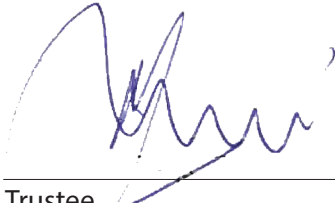
### Trustees

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:

- Nicholas Leggett
- Kenneth Laban
- Anita Baker
- Paul Swain
- Campbell Barry

### For and on Behalf of the Board of Trustees

  
Trustee

  
Trustee

28th August 2020  
Date

28/08/2020  
Date



# Statement of Comprehensive Income

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

	NOTES	2020	2019
<b>Revenue</b>			
Dividends Received		499,306.64	11.02
Interest Received		337,069.95	10,531.47
Investment Distributions		24,717.57	730,728.73
<b>Total Revenue</b>		<b>861,094.16</b>	<b>741,271.22</b>
<b>Less Expenses</b>			
Expenses	4	433,069.21	402,339.82
<b>Total Expenses</b>		<b>433,069.21</b>	<b>402,339.82</b>
<b>Operating Surplus (Deficit)</b>		<b>428,024.95</b>	<b>338,931.40</b>
<b>Other Gains / (Losses)</b>			
Community Grants and Energy Related Grants	10	(1,235,607.55)	(1,003,762.06)
Foreign Currency Gains/Losses		-	(19,141.37)
Realised Gain/Loss on Sale of Investments		42,821.36	209,151.59
Unrealised Gain/Loss on Investments		1,343,457.33	1,983,443.02
<b>Total Other Gains /(Losses)</b>		<b>150,671.14</b>	<b>1,169,691.18</b>
<b>Total Comprehensive Income For The Year</b>		<b>578,696.09</b>	<b>1,508,622.58</b>

These financial statements have been audited, and should be read in conjunction with the accompanying Notes.



# Balance Sheet

Hutt Mana Charitable Trust  
As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	58,150.75	63,089.81
Prepayments	6	109,705.58	6,898.00
<b>Total Current Assets</b>		<b>167,856.33</b>	<b>69,987.81</b>
<b>Non-Current Assets</b>			
Investment Portfolio	7	41,589,878.38	41,169,939.66
<b>Total Non-Current Assets</b>		<b>41,589,878.38</b>	<b>41,169,939.66</b>
<b>Total Assets</b>		<b>41,757,734.70</b>	<b>41,239,927.47</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables Under Exchange Transactions	8	14,367.37	75,256.23
<b>Total Current Liabilities</b>		<b>14,367.37</b>	<b>75,256.23</b>
<b>Total Liabilities</b>		<b>14,367.37</b>	<b>75,256.23</b>
<b>Net Assets</b>		<b>41,743,367.33</b>	<b>41,164,671.24</b>
<b>Trust Funds</b>			
Trust Fund		35,000,000.00	35,000,000.00
Accumulated Surplus	9	6,743,367.33	6,164,671.24
<b>Total Trust Funds</b>		<b>41,743,367.33</b>	<b>41,164,671.24</b>

These financial statements have been audited, and should be read in conjunction with the accompanying Notes.



# Statement of Changes in Net Assets

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

	2020	2019
<b>Movements in Net Assets</b>		
Trust Settlement	35,000,000.00	35,000,000.00
<b>Increases</b>		
Accumulated funds	6,164,671.24	4,656,049.66
<b>Total Increases</b>	<b>6,164,671.24</b>	<b>4,656,049.66</b>
<b>Net Assets at Start of Year</b>	<b>41,164,671.24</b>	<b>39,656,049.66</b>
<b>Movements in Retained Earnings</b>		
<b>Plus:</b>		
Current Year Earnings	578,696.09	1,508,623.58
<b>Total Increases</b>	<b>578,696.09</b>	<b>1,508,623.58</b>
<b>Total Comprehensive Income</b>	<b>578,696.09</b>	<b>1,508,623.58</b>
<b>Net Assets at End of Period</b>	<b>41,743,367.33</b>	<b>41,164,671.24</b>

These financial statements have been audited, and should be read in conjunction with the accompanying Notes.



# Statement of Cash Flows

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

	2020	2019
<b>Cash Flows From Operating Activities</b>		
<b>Cash Was Provided From:</b>		
Investment Income	861,094.00	741,272.00
<b>Cash Was Applied To:</b>		
Operating Expenses	(596,766.00)	(398,512.00)
Community Grants & Energy Efficiency Projects	(1,235,608.00)	(1,003,762.00)
<b>Net Cash Flows from Operating Activities</b>	<b>(971,280.00)</b>	<b>(661,002.00)</b>
<b>Cash Flows From Investing Activities</b>		
<b>Cash Was Provided From:</b>		
Net Sale of Investments	42,004,650.00	1,600,000.00
<b>Cash Was Applied To:</b>		
Net Purchase of Investments	(41,038,310.00)	(965,838.00)
<b>Net Cash Flow From Investing Activities</b>	<b>966,340.00</b>	<b>634,162.00</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(4,940.00)</b>	<b>(26,840.00)</b>
<b>Cash At Beginning of Year</b>		
Cash At Beginning of Year	63,090.00	89,930.00
Total Cash At Beginning of Year	63,090.00	89,930.00
<b>Cash at End of Year</b>	<b>58,150.00</b>	<b>63,090.00</b>

These financial statements have been audited, and should be read in conjunction with the accompanying Notes.



# Reconciliation of Net Surplus to Cash Flow From Operating Activities

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

	2020	2019
<b>Reconciliation of Net Surplus to Cash Flow From Operating Activities</b>		
Total Comprehensive Income	578,696.09	1,508,622.58
<b>Add / (less) Non Cash Items</b>		
Realised Gain on Sale of Investments	(42,821.36)	(209,151.59)
Unrealised Gains	(1,343,457.33)	(1,983,443.02)
<b>Total Add / (less) Non Cash Items</b>	<b>(1,386,278.69)</b>	<b>(2,192,594.61)</b>
<b>Add / Less Movements in Working Capital Items</b>		
Movement in Prepayments	(102,808.00)	54,192.00
Movements in Accounts Payable	(60,889.00)	(31,223.00)
<b>Net Movement in Working Capital</b>	<b>(163,697.00)</b>	<b>22,969.00</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(971,280.00)</b>	<b>(661,003.03)</b>

These financial statements have been audited, and should be read in conjunction with the accompanying Notes.



# Notes to the Financial Statements

Hutt Mana Charitable Trust  
For the year ended 30 June 2020

## 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 28 August 2020.

## 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 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**

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

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Financial Assets*

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Trust's financial assets include: cash and cash equivalents, receivables from exchange transactions, prepayments and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described.

#### *Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Trust's investments fall into this category of financial instruments.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, receivables from exchange transactions and prepayments fall into this category of financial instruments.

#### *Impairment of financial assets*

The Trust assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them.

for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

#### *Financial liabilities*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, receivables from exchange transactions and prepayments fall into this category of financial instruments.

### **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) 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.

### **d) 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.

### **e) Goods and Services Tax**

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

### **f) Statement 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.

#### 4. Expenses

Accounting and Secretarial	85,491.17	81,031.34
Advertising and Promotions	23,683.70	34,967.33
Audit Fees	16,790.00	20,930.00
Election Expenses	54,852.84	61,092.00
Insurance	7,279.50	6,934.50
Investment Consultancy & Management Fees	139,631.92	92,642.74
Trustees Expenses	1,877.75	1,899.87
Trustees Remuneration	98,329.80	98,329.80
Other Expenses	5,132.53	4,512.24
<b>Total Expenses</b>	<b>433,069.21</b>	<b>402,339.82</b>

#### 5. Cash & Cash Equivalents

Westpac Cheque Account	46,470.73	51,416.71
Westpac Call Account	11,680.02	11,673.10
<b>Total Cash &amp; Cash Equivalents</b>	<b>58,150.75</b>	<b>63,089.81</b>

#### 6. Prepayments

Trustee Elections Total Cost	164,558.00	183,274.00
Trustee Election Costs	-	6,898.00
Less Expensed	(54,853.00)	(183,274.00)
<b>Total Prepayments</b>	<b>109,705.00</b>	<b>6,898.00</b>

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

#### 7. Investment Portfolio

<b>International Fixed Interest Securities</b>		
Forsyth Barr	383,618.60	-
Rutherford Reade	-	8,471,871.00
<b>Total International Fixed Interest Securities</b>	<b>383,618.60</b>	<b>8,471,871.00</b>
<b>New Zealand Fixed Interest Securities</b>		
Forsyth Barr Cash	2,874,695.19	200,038.36
Forsyth Barr	13,878,592.64	-
Kiwi Wealth	-	199.40
Rutherford Reade Cash	-	6,002,219.01
<b>Total New Zealand Fixed Interest Securities</b>	<b>16,753,287.83</b>	<b>6,202,456.77</b>
<b>International Equities</b>		
AMP Capital Investors Limited	-	1,673,740.56
Forsyth Barr	14,229,803.29	-
Kiwi Wealth	-	2,455,905.33
Rutherford Reade	-	16,491,033.00
<b>Total International Equities</b>	<b>14,229,803.29</b>	<b>20,620,678.89</b>
<b>New Zealand Equities</b>		
Forsyth Barr	7,472,013.49	-
Rutherford Reade	-	3,407,183.00
<b>Total New Zealand Equities</b>	<b>7,472,013.49</b>	<b>3,407,183.00</b>

	2020	2019
<b>International Properties</b>		
Forsyth Barr	444,113.49	-
Rutherford Reade	-	2,467,750.00
<b>Total International Properties</b>	<b>444,113.49</b>	<b>2,467,750.00</b>
<b>New Zealand Properties</b>		
Forsyth Barr	2,307,041.63	-
Total New Zealand Properties	2,307,041.63	-
<b>Total Investment Portfolio</b>	<b>41,589,878.37</b>	<b>41,169,939.66</b>

## 8. Payables Under Exchange Transactions

Trade Payables	11,663.00	17,784.00
Grants Payable	-	54,768.00
Payable	2,704.00	2,704.00
<b>Total Payables Under Exchange Transactions</b>	<b>14,367.00</b>	<b>75,256.00</b>

## 9. Accumulated Surplus

Balance at Beginning of Year	6,164,671.24	4,656,048.66
Current Year Earnings	578,696.09	1,508,622.58
<b>Balance at End of Year</b>	<b>6,743,367.33</b>	<b>6,164,671.24</b>

## 10. Community Grants & Energy Related Grants

Community Grants	580,691.56	601,722.06
Energy Related Grants	654,915.99	402,040.00
<b>Total Community Grants &amp; Energy Related Grants</b>	<b>1,235,607.55</b>	<b>1,003,762.06</b>

## 11. Financial Instruments

### (a) Classification of financial assets

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

#### Financial assets

##### Loans and receivables

Cash & Cash Equivalents	58,150.75	63,089.91
Prepayments	109,705.58	6,898.00
<b>Total Loans and receivables</b>	<b>167,856.33</b>	<b>69,987.81</b>

##### Financial assets at fair value through surplus and deficit

Cash Funds	5,924,762.86	6,202,456.77
International Fixed Interest Securities	383,618.60	8,471,871.00
New Zealand Fixed Interest Securities	10,828,524.97	-
International Equities	14,229,803.29	20,620,678.89
New Zealand Equities	7,472,013.53	3,407,183.00
International Properties	444,113.49	2,467,750.00
New Zealand Properties	2,307,041.63	-
<b>Total Financial assets at fair value through surplus and deficit</b>	<b>41,589,878.37</b>	<b>41,169,939.66</b>
<b>Total Financial assets</b>	<b>41,757,734.70</b>	<b>41,239,927.47</b>

## (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).

2020	Level 1	Level 2	Level 3	Total
Cash Funds	5,924,763	-	-	5,924,763
International Fixed Interest	383,619	-	-	383,619
New Zealand Fixed Interest	10,828,525	-	-	10,828,525
International Equities	14,229,803	-	-	14,229,803
New Zealand Equities	7,472,014	-	-	7,472,014
International Properties	444,113	-	-	444,113
New Zealand Properties	2,307,042	-	-	2,307,042
	<b>41,589,878</b>	-	-	<b>41,589,878</b>

2019	Level 1	Level 2	Level 3	Total
Cash Funds	6,202,457	-	-	6,202,457
International Fixed Interest	8,471,871	-	-	8,471,871
New Zealand Fixed Interest	-	-	-	-
International Equities	20,620,679	-	-	20,620,679
New Zealand Equities	3,407,184	-	-	3,470,184
International Properties	2,467,750	-	-	2,467,750
New Zealand Properties	-	-	-	-
	<b>41,169,941</b>	-	-	<b>41,169,941</b>

## (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	2020	2019
10% increase in equity investment market prices	\$2,170,182	\$2,402,786
10% decrease in equity investment market prices	(\$2,170,182)	(\$2,402,786)

### 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	2020	2019
5% increase in foreign exchange rates	\$752,877	\$1,578,015
5% decrease in foreign exchange rates	(\$752,877)	(\$1,578,015)

### Interest Rate Risk

The Trust is exposed to interest rate risk on Fixed Interest Securities. The Trust's investments in Fixed Interest Securities all pay fixed interest rates and are generally held to maturity, and therefore the interest rate risk is not considered material. Interest rate risk is managed by investing in Fixed Interest Securities with varying maturity dates.

#### *Sensitivity analysis*

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	2020	2019
1% increase in interest rates	\$171,369	\$146,743
1% decrease in interest rates	(\$171,369)	(\$146,743)

### 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. During the 2020 financial year the investment portfolio was moved to Forsyth Barr to manage the Trust funds.

### 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 2020, there was \$5,741 owing to Kendons Chartered Accountants Limited for these services.

## 13. Contingent Assets & Contingent Liabilities

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

#### 14. Grants Commitments

At 30 June 2020, there are two grant commitments totalling \$150,000 that will be paid during the 2021 income year. Two Grants are a result of making two "Large Ongoing Grants" – a commitment made of a \$200,000 grant made to each of the two organisations named below, at an agreed rate of \$100,000 each per year.

	2020	2019
Expressions Arts & Education Centre	\$100,000	\$100,000
Hutt City Community Facilities Trust	-	\$100,000
Mary Potter Hospice	\$50,000	\$50,000
<b>Total</b>	<b>\$150,000</b>	<b>\$250,000</b>

#### 15. Events After The Reporting Period

On 30 January 2020, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation and the subsequent quarantine measures imposed by New Zealand and other governments as well as the travel and trade restrictions imposed by New Zealand and other countries have caused disruption to business and economic activity.

As a result the global economic effects arising from the outbreak of COVID-19 there has been volatility in local and global markets and it is expected that this volatility will continue for the foreseeable future.

The Trustees have considered the impacts of COVID-19 and based on the following points the trustees have decided this to be a non-adjusting balance sheet event.

- The portfolio has been set up to minimise any significant impact from market volatility.
- The trustees have requested Forsyth Barr to hold cash and be more conservative in the purchasing of investments in the current environment.

Accordingly the financial effects of COVID-19 have not been reflected in the financial statements at 30 June 2020.

**INDEPENDENT AUDITOR'S REPORT****To the Members of Hutt Mana Charitable Trust****Opinion**

We have audited the financial statements of Hutt Mana Charitable Trust (the "Trust") on pages 6 to 18 which comprise the balance sheet as at 30 June 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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.

**Emphasis of Matter – COVID-19**

We draw attention to Note 15 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency on 31 January 2020 relating to the spread of COVID-19. Our opinion is not modified in respect to this matter.

**Responsibilities of the Trustees for the Financial Statements**

The Trustees are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, 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 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), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate 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.

We communicate 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 we identify during our audit.



**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

1 September 2020