

**THE WAIKATO COMMUNITY
TRUST INCORPORATED**

FINANCIAL STATEMENTS

***FOR THE YEAR ENDED
31 MARCH 2018***

THE WAIKATO COMMUNITY TRUST INCORPORATED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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THE WAIKATO COMMUNITY TRUST INCORPORATED

DIRECTORY FOR THE YEAR ENDED 31 MARCH 2018

PRINCIPAL ACTIVITIES: Investment and Grants

TRUSTEES: Nuri, Niwa (Chair)
Barriball, Peggy
Chew, Alan
Christian, Carolyn
Feng, Chong (Appointed 22 June 2017)
Flowers, Lynnette (Retired 21 June 2017)
Follows, Trevor
Gillespie, John (Retired 21 June 2017)
Kedzlie, Michael (Appointed 22 June 2017)
McLennan, Vicky (Appointed 22 June 2017)
Noble, Bill
Paenga, John
Barker, Norman
Sporle, Raewyn
Viggers, Maxine (Retired 21 June 2017)
Wilson, Edgar (Deputy Chair)

CHIEF EXECUTIVE: Turton, Dennis

ACCOUNTANTS: PricewaterhouseCoopers
Hamilton

AUDITORS: KPMG
Hamilton

BANKERS: Bank of New Zealand
Auckland

PHYSICAL ADDRESS: 2 London Street
Hamilton 3240

POSTAL ADDRESS: PO Box 391
Hamilton 3240

WEBSITE: www.trustwaikato.co.nz

THE WAIKATO COMMUNITY TRUST INCORPORATED

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 NZ\$'000	2017 NZ\$'000
Revenue			
Revenue from Exchange Transactions			
Interest, Dividends and Other Investment revenue	4	38,378	42,404
Rental Revenue		22	22
Other Revenue		-	1
<i>Total Exchange Transactions</i>		38,400	42,427
<i>Total Revenue</i>		38,400	42,427
Other Gains/(Losses)			
Gain/(Loss) on Disposal of Property, Plant and Equipment	12	-	6
Expenses			
Employee Benefits		(789)	(816)
Investment Expenses		(3,999)	(3,689)
Trustee Honoraria	17	(183)	(191)
Other Expenses		(643)	(687)
Depreciation and Impairment	12	(68)	(247)
Amortisation	13	(9)	(1)
<i>Total Expenses</i>		(5,691)	(5,631)
Surplus for the Year Before Distributions		32,709	36,802
Distributions			
Donations	20.2	(10,542)	(10,672)
Sponsorships		(251)	(265)
<i>Total Distributions</i>		(10,793)	(10,937)
OPERATING SURPLUS		21,916	25,865
Other Comprehensive Revenue & Expenses			
Land Revaluation Surplus	12	-	2,205
TOTAL COMPREHENSIVE REVENUE & EXPENSES FOR THE YEAR		21,916	28,070

These financial statements must be read in conjunction with the notes on pages 8 to 50.

THE WAIKATO COMMUNITY TRUST INCORPORATED

STATEMENT OF CHANGES IN TRUST FUNDS FOR THE YEAR ENDED 31 MARCH 2018

	2018					Total Trust Funds NZ\$'000
	Base Capital Value (Note 5) NZ\$'000	Investment Fluctuation Reserve (Note 5) NZ\$'000	Grant Reserve (Note 5) NZ\$'000	Land Revaluation Reserve (Note 5 & 12) NZ\$'000	Comprehensive Revenue and Expenses NZ\$'000	
	Balance at 1 April 2017	288,446	72,112	8,490	2,205	
Total Comprehensive Revenue & Expenses for the Year	-	-	-	-	21,916	21,916
Transfers to Reserves	4,336	1,084	16,496	-	(21,916)	-
Balance at 31 March 2018	292,782	73,196	24,986	2,205	-	393,169

	2017					Total Trust Funds NZ\$'000
	Base Capital Value (Note 5) NZ\$'000	Investment Fluctuation Reserve (Note 5) NZ\$'000	Grant Reserve (Note 5) NZ\$'000	Land Revaluation Reserve (Note 5) NZ\$'000	Comprehensive Revenue and Expenses NZ\$'000	
	Balance at 1 April 2016	281,208	61,975	-	-	
Total Comprehensive Revenue & Expenses for the Year	-	-	-	-	28,070	28,070
Transfers to Reserves	7,238	10,137	8,490	2,205	(28,070)	-
Balance at 31 March 2017	288,446	72,112	8,490	2,205	-	371,253

These financial statements must be read in conjunction with the notes on pages 8 to 50.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 NZ\$'000	2017 NZ\$'000
TRUST FUNDS			
Base Capital Value	5	292,782	288,446
Investment Fluctuation Reserve	5	73,196	72,112
Donation Reserve	5	24,986	8,490
Land Revaluation Reserve	5	2,205	2,205
TOTAL TRUST FUNDS		393,169	371,253
CURRENT LIABILITIES			
Accounts Payable and Accruals	6	866	324
Income in Advance		162	-
Donations Payable		1,700	1,700
Derivative Financial Instruments		331	6,620
		3,059	8,644
TOTAL TRUST FUNDS AND LIABILITIES		396,228	379,897
CURRENT ASSETS			
Cash and Cash Equivalents		626	1,257
Accounts Receivable	8	263	56
		889	1,313
NON CURRENT ASSETS			
Investments	9	388,799	374,626
Property, Plant and Equipment	12	6,524	3,877
Intangible Assets	13	16	25
Te Kete Putea Limited Partnership	14	-	56
		395,339	378,584
TOTAL ASSETS		396,228	379,897

For and on behalf of the Trustees, who authorised the issue of these financial statements on the date shown below:

Trustee: _____

Trustee: _____

Date: _____

Date: _____

These financial statements must be read in conjunction with the notes on pages 8 to 50.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 NZ\$'000	2017 NZ\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Net Realisation of Investments		14,496	13,494
Interest		24	30
Other Income		159	8
		14,679	13,532
<i>Cash was applied to:</i>			
Grants		(10,542)	(10,650)
Sponsorships		(251)	(265)
Payments to Suppliers, Trustees and Employees		(2,389)	(2,268)
		(13,182)	(13,183)
Net Cash Provided from Operating Activities	15	1,497	349
CASH FLOW FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Sale of Property, Plant and Equipment	12	15	27
		15	27
<i>Cash was applied to:</i>			
Purchase of Property, Plant and Equipment	12	(2,143)	(298)
Purchase of Intangible Assets	13	-	(26)
		(2,143)	(324)
Net Cash Used in Investing Activities		(2,128)	(297)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(631)	52
Cash and Cash Equivalents at the Beginning of the Year		1,257	1,205
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		626	1,257

These financial statements must be read in conjunction with the notes on pages 8 to 50.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 REPORTING ENTITY

These financial statements are for The Waikato Community Trust Inc ("the Trust"). The Trust is a not for profit charitable trust incorporated under the Charitable Trusts Act 1957, based in the Waikato and domiciled in New Zealand. Its principal activities are the investment and maintenance of the Trust capital and the provision of grants to community groups in the greater Waikato area.

The Trust Bank Waikato Community Trust was established under the Trustee Banks Restructuring Act 1988 and subsequently the Community Trusts Act 1999. The Trust Bank Waikato Community Trust Deed was executed on 30 May 1988 and the Trust was incorporated on 5 August 1988, with Trust capital of \$21,316,622. The name of the Trust was changed to The Waikato Community Trust Incorporated in December 1997. The Trust operates as Trust Waikato.

The financial statements were authorised for issue by the Trustees on 19 July 2018. The Trustees or any other body have the power to amend the financial statements after issue.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the Tier 2 Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS).

The Trust is eligible to report using Tier 2 PBE Standards as it is not publicly accountable and not large. An entity is considered to be large if it has expenses over \$30 million over two consecutive years.

The Trust has elected to take all concessions available to them under Tier 2 PBE Standards although has chosen to disclose financial instruments as required under Tier 1. The Trust has also chosen to fully comply with PBE IPSAS 2 Cashflow Statements.

2.2 Basis of Measurement

The financial statements have been prepared on the basis of historical cost, except for the revaluation of the following assets, which are stated at their fair value:

- Financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses
- Derivative financial instruments
- Available for sale financial assets
- Land

The methods used to measure fair values are discussed further in Note 3.9.

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

2.3 Functional and Presentation Currency

The financial statements are presented in New Zealand dollars, which is the Trust's functional and presentation currency, rounded to the nearest thousand dollars.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2.4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with PBE IPSAS requires management to make certain critical accounting estimates, judgements and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements. Actual results may differ from these estimates.

The estimates and judgements are reviewed by management each year. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about judgements made by management in applying accounting policies that have a significant effect on the amount recognised in the financial statements relate to Grants Payable (Note 3.6.2) and Contingent Liabilities: Grants and Sponsorships (Note 7).

2.5 Changes in Accounting Policy and Disclosures

There have been no changes in accounting policies since 31 March 2017.

3 SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of comprehensive revenue & expenses and the financial position have been applied.

3.1 Revenue Recognition

3.1.1 Revenue from Exchange Transactions

Revenue from exchange transactions is revenue arising from transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. The Trust's revenue from exchange transactions includes investment income, rental income and income from other sundry exchange transactions.

3.1.2 Investment Income

Investment income is presented in the Statement of Comprehensive Revenue & Expenses and comprises interest and dividend income on funds invested, gains and losses on the disposal of investments, changes in the fair value of investments, foreign currency gains and losses, and gains and losses on hedging instruments. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Trust's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.1.3 Rental Income

Rental income (net of any incentives) is recognised on a straight line basis over the lease term.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.1.4 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions are transactions that are not exchange transactions. Exchange transactions are described in note 3.1.1. The Trust's non-exchange transactions include Grants received.

Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding, except for some services-in-kind. The entity recognises only those services-in-kind that are received as part of an organised programme and for which it can determine a fair value by reference to market rates. Other services in-kind are not recognised.

Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the entity recognises a liability until the condition is fulfilled.

Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition. Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

3.1.5 Major Classes of Bequests, Gifts, Grants and Goods In-kind Received

Transfers are received in the form of gifts, grants and goods in kind. Gifts and grants are received primarily from private benefactors. The entity recognises these assets when control passes to them, usually on receipt of the resources, either cash or plant and equipment.

3.2 Investment Expenses

Investment expenses are presented in the Statement of Comprehensive Revenue & Expenses and comprise transaction costs, fund management fees and investment advisory services.

3.3 Lease Expenses

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments under operating leases are recognised in the Statement of Comprehensive Revenue & Expenses on a straight line basis over the term of the lease.

3.4 Grants

Grants are included in the Statement of Comprehensive Revenue & Expenses when the grant has been approved by the Trustees, the recipient has been notified and when all significant conditions attached to the grant have been met.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.5 Trust Funds and Reserves

3.5.1 Base Capital Value

Following the sale of the Trust shares in Trust Bank New Zealand Limited in April 1996, the Trustees agreed that the value of the Trust at that time should be maintained for the benefit of current and future generations living in the Waikato region. For this purpose, the Trustees agreed that \$169,800,000 would be considered as the initial capital of the Trust and adjusted each year to reflect changes in inflation and regional population, as deemed appropriate by the Trustees.

The Base Capital Value is the initial capital adjusted for inflation and regional population growth on an annual basis. See Note 5 for the current value of the Trust's Base Capital Value.

3.5.2 Investment Fluctuation Reserve

The Trustees have adopted an investment strategy with a targeted long term annual rate of return of 5.0% (2017: 6.2%) of the Trust portfolio value. Recognising that actual returns are likely to fluctuate from year to year, the Trust retains the variation from the target in an Investment Fluctuation Reserve, up to a maximum of 25% of the Base Capital Value, so that in years when investment returns are less than the target, sufficient funds are available to meet expenditure and make grants. If the Trust fund falls below the value that needs to be maintained for the benefit of current and future generations the levels of expenditure and grants are reviewed by the Trust.

3.5.3 Grants Reserve

The current grant policy is to distribute annually as grants 4% (2017: 4%) of Base Capital Value, which is the value of the Trust fund that should be maintained for the benefit of current and future generations. The Trustees recognise that for a number of reasons this might not always be achievable and that there will be inevitable fluctuations between the grants distributed and the actual target. The surplus after transfers to the Base Capital Reserve and the Investment Fluctuation Reserve is held in the Grants Reserve. Funds in the Grants Reserve may be used to donate to extraordinary projects, which are in line with the Trust's priorities.

3.5.4 Land Revaluation Reserve

The Land Revaluation Reserve is used to record increases and decreases on the revaluation of land.

3.6 Financial Liabilities

3.6.1 Accounts Payable and Accruals

Accounts payable and accruals are recorded at cost. They are non interest bearing and are normally settled on 30-day terms. Therefore the carrying value of accounts payable and accruals approximates their fair value.

3.6.2 Grants Payable

In the process of applying the Trust's accounting policies, management have made judgements regarding whether or not discretionary grants are payable at year end or if discretionary grants are contingent liabilities at year end. Grants payable are discretionary grants where there are no significant conditions attached or where the significant conditions attached to the grants have been met at balance date. Grants payable are recorded at notional value.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.6.3 Employee Entitlements

Provision is made for wages, salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions in respect of employee entitlements expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Provisions made in respect of employee entitlements not expected to be settled within 12 months are measured at the present value of the estimated cash outflows to be made in respect of services provided up to the reporting date.

3.6.4 Derivative Financial Instruments

The base currency of the international investment portfolio is New Zealand dollars. Where possible, the Trust uses hedged pooled funds to hedge currency exposures back to the New Zealand dollar. Where no suitable hedged pool fund is available, the Trust uses forward exchange contracts managed by the BNZ to reduce currency exposure to foreign currency denominated investments. The Trust may choose on occasion to increase its currency exposure to a maximum of 50% to seek additional return. See Note 11.2.2.

Derivatives that do not qualify for hedge accounting and that are accounted for as fair value through the profit or loss component of comprehensive income are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Changes in the fair value are recognised immediately in the Statement of Comprehensive Revenue & Expenses within Net Increase/(Decrease) in Derivative Financial Instruments.

Further details of the fair value of derivative financial instruments are disclosed in Note 3.9.3.

3.6.5 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives only when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the profit or loss component of the Statement of Comprehensive Revenue & Expenses.

Trust Waikato does not apply hedge accounting.

3.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand. The carrying value of cash at banks and on hand approximates their fair value.

3.8 Financial Assets

Financial assets are classified into the following specified categories: loans and receivables, financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses, held to maturity investments and available for sale financial assets. The classification depends on the nature and purpose of the financial assets, is determined at the time of initial recognition and is reviewed regularly.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.8.1 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than 12 months after the balance date. These are classified as non-current assets. The Trust loans and receivables comprise Accounts Receivable.

Loans and receivables are initially recognised at fair value plus transaction costs. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period, to the net carrying amount of the financial asset.

When an Account Receivable is uncollectible, it is written off against an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss component of the Statement of Comprehensive Revenue & Expenses. Thus the carrying value of accounts receivable approximates their fair values.

The Trust assesses at each balance sheet date whether there is objective evidence that a loan or receivable is impaired.

3.8.2 Financial Assets at Fair Value Through The Profit or Loss Component of the Statement of Comprehensive Revenue & Expenses

The Trust classifies its investments as financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses. These financial assets are designated by management at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses at inception. Subsequent to initial recognition, all financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses are measured at fair value.

Financial assets designated at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust documented investment strategy. Information is provided to management on that basis.

3.8.3 Derivative Financial Instruments at Fair Value Through the Profit or Loss Component of the Statement of Comprehensive Revenue & Expenses

See Note 3.6.4.

3.8.4 Available for Sale Financial Assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories.

The investment in Te Kete Putea Limited Partnership (TKPLP) is classified as an available for sale financial asset. The investment represents the Trust share of an integrated grants and financial management system, owned collectively by 10 Community Trusts. TKPLP is stated at fair value and has been fully impaired as at 31 March 2018, as the Trust retired from TKPLP, effective 1 April 2018.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.9 Determination of Fair Values

Some of the Trust's accounting policies and disclosures require the determination of fair value for financial assets, financial liabilities and land. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

3.9.1 Loans and Receivables

Loans and receivables are initially stated at fair value plus transaction costs. The fair value of long term receivables or loans that are interest free or have interest rates below market values is estimated using the present value of all future cash flow receipts discounted using the prevailing market rate of interest for similar instruments with a similar credit rating.

3.9.2 Financial Assets at Fair Value Through the Profit or Loss Component of the Statement of Comprehensive Revenue & Expenses

The fair value of financial assets is classified by reference to the fair value hierarchy within *PBE IPSAS 30 Financial Instruments: Disclosures*

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

The Trust financial assets are classified as follows:

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

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

Level 2: Australasian Equities, Global Equities and Global Fixed Interest

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

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Level 3: Infrastructure, Private Equity, Global Credit and Unlisted Property

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

The fair value of infrastructure investments is determined by an independent valuer using the discounted cash flow method, which involves projecting the future cash flows generated by an investment or business and discounting those cash flows at an appropriate rate of return.

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

The fair value of the investment in global credit is based on the net asset value adjusted for transaction costs. Listed securities are valued using the last available market close price on the relevant exchange and other assets are valued at their recoverable amount. Valuations of recoverable amounts include assumptions made by the valuer. Liabilities are valued at cost.

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

3.9.3 Derivative Financial Instruments at Fair Value Through the Profit or Loss Component of the Statement of Comprehensive Revenue & Expenses

The Trust classifies forward foreign exchange contracts used to reduce exposure to fluctuations in foreign currency denominated assets as derivative financial instruments. As these are not traded in an active market, but the valuation technique is based on observable market data, the instruments are included in Level 2 of the fair value hierarchy within *PBE IPSAS 30 Financial Instruments: Disclosures*.

The fair value of forward foreign exchange contracts is determined by the mark to market value at each balance date.

3.9.4 Available for Sale Financial Assets

The fair value of TKPLP is determined using an appropriate valuation technique. As the valuation is not based on observable market data, the Trust classifies TKPLP as Level 3 within the fair value hierarchy of *PBE IPSAS 30 Financial Instruments: Disclosures*.

3.9.5 Impairment of Financial Assets

All financial assets are reviewed for impairment at the end of reporting periods and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). The amount of impairment loss needs to be recognised in the Statement of Comprehensive Revenue & Expenses.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.9.6 Land

See Note 12.3.

3.10 Property, Plant and Equipment

Land is measured at fair value at the date of revaluation.

Valuations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value, which is assessed and determined on an annual basis. Valuations take account of observable prices in active markets. Where estimates are made, they are made on the basis of appropriate valuation techniques.

Buildings, office equipment, art and taonga, land improvements and vehicles are stated at cost less accumulated depreciation and any impairment losses. The carrying amounts of Property Plant and Equipment (PPE) are reviewed annually to determine whether there is any indication of impairment.

Rental property, leased under an operating lease, is included in PPE as the rental property is held to provide a social service rather than for rental income or capital appreciation or both.

Depreciation is provided on PPE, including freehold buildings but excluding land. Rental property is depreciated over the expected useful life on a basis consistent with similar owned PPE.

Depreciation on buildings, office equipment, land improvements and vehicles is calculated based on the estimated useful life of the asset. The estimated useful life and depreciation method is reviewed at the end of each annual reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Revenue & Expenses during the financial period in which they are incurred.

Classification of PPE	Assessment of Useful Life	Depreciation Rate	Method
Art and Taonga	99	1%	Straight Line
Buildings	99	1%	Straight Line
Building Furnishings	10	10%	Straight Line
Building Fit out	10	10%	Straight Line
Computer Equipment	3	33%	Straight Line
Furniture	10	10%	Straight Line
Land Improvements	20	5%	Straight Line
Garden Signage and Lighting	10	10%	Straight Line
Office Equipment and Appliances	5	20%	Straight Line
Vehicles	4	25%	Diminishing Value

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.11 Impairment of Property, Plant and Equipment

Property, plant and equipment subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue & Expenses. The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue & Expenses.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return. The Trust's PPE are non-cash generating assets.

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

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The Trust has no cash-generating PPE.

3.12 Intangible Assets

3.12.1 Amortisation

Intangible assets are initially recorded at cost. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the Statement of Comprehensive Revenue and Expenses.

The useful lives and associated amortisation rates of classes of intangible assets have been estimated as follows:

Website 3 years - 33.33%

3.12.2 Impairment

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. Value in use is determined using either an amortised replacement cost approach or restoration cost approach. The most appropriate approach used to measure value in use depends on the nature of the asset and availability of information.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3.13 Cash Flows

Cash flows from operating activities are presented using the direct method.

Definition of terms used in the cash flow statement:

- Cash means cash on deposit with banks net of outstanding bank overdrafts, but does not include cash or deposits held by the fund managers. Therefore the Statement of Cash Flows does not reflect the cash flows within the fund managers' portfolios.
- Investing activities comprise the purchase and sale of property, plant and equipment. Cash flows from the realisation of investments are included in operating activities.
- Financing activities comprise changes in equity of the Trust.
- Operating activities include all transactions and events that are not investing or financing activities.

3.14 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to Inland Revenue is classified as operating cash flows.

3.15 Taxation

Income derived by the Trust is exempt income under Section CW52 of the Income Tax Act 2007.

3.16 Translation of Foreign Currency Transactions and Balances

Foreign currency transactions are translated into the functional currency (New Zealand dollars) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Revenue & Expenses.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	NZ\$'000	NZ\$'000
4. INVESTMENT INCOME		
Net Increase in Investments	33,124	35,237
Net Increase in Derivative Financial Instruments	2,987	4,069
Dividends	869	1,652
Interest	1,398	1,446
	38,378	42,404

5. TRUST FUNDS

	2018	2017
	NZ\$'000	NZ\$'000
Base Capital Value		
Balance at the Beginning of the Year	288,446	281,208
Transfer from Comprehensive Income	4,336	7,238
Balance at the End of the Year	292,782	288,446

Base capital value is adjusted on a quarterly compounding basis for inflation and regional population growth.

Annual Adjustment to Base Capital Value

	2018	2017
Inflation	1.10%	2.15%
Population Growth (Waikato Region) (As per census, half actual growth 2006-2013)	0.40%	0.40%
	1.50%	2.55%

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018 NZ\$'000	2017 NZ\$'000
Investment Fluctuation Reserve		
Balance at the Beginning of the Year	72,112	61,975
Transfer from Comprehensive Income	1,084	10,137
Balance at the End of the Year	73,196	72,112

The Investment Fluctuation Reserve reached its upper limit of 25% of the Base Capital Value. The balance was transferred to Grants Reserve as set out in the Trust Financial Policy.

	2018 NZ\$'000	2017 NZ\$'000
Grants Reserve		
Balance at the Beginning of the Year	8,490	-
Transfer from Comprehensive Income	16,496	8,490
Balance at the End of the Year	24,986	8,490

	2018 NZ\$'000	2017 NZ\$'000
Land Revaluation Reserve		
Balance at the Beginning of the Year	2,205	-
Transfer from Comprehensive Income	-	2,205
Balance at the End of the Year	2,205	2,205

	2018 NZ\$'000	2017 NZ\$'000
6. ACCOUNTS PAYABLE AND ACCRUALS		
Accounts Payable	609	151
Accrued Expenses	188	125
Holiday Pay	54	33
Accrued Salaries	15	15
	866	324

THE WAIKATO COMMUNITY TRUST INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. CONTINGENT LIABILITIES: GRANTS AND SPONSORSHIPS

Grants that are classified as contingent liabilities at balance date are discretionary grant obligations that are reliant on fulfilment of certain conditions in future years. Sponsorships that are classified as contingent liabilities at balance date are sponsorship contracts which are reliant on fulfilment of certain conditions in future years. The following contingent liabilities exist for grants and sponsorships that have been approved in the current or previous years.

	2018	2017
	NZ\$'000	NZ\$'000
Grants	21,000	7,019
Sponsorships	76	251
	21,076	7,270
Subject to fulfilment of the conditions, the contingent liabilities are payable as follows:		
Not later than 1 year	11,568	4,740
Later than 1 year and not later than 5 years	9,508	2,530
	21,076	7,270

8. ACCOUNTS RECEIVABLE

	2018	2017
	NZ\$'000	NZ\$'000
Accounts Receivable	26	1
Prepayments	110	20
GST	127	35
	263	56

9. INVESTMENTS

	2018	2017
	NZ\$'000	NZ\$'000
Movements in Managed Funds		
Balance at the Beginning of the Year	374,626	338,442
Movement in Market Value and Investment Income Net of Fees	31,971	35,209
Net Redemptions	(17,798)	975
Balance at the End of the Year	388,799	374,626

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Investments Managed by Fund Managers

Investments are valued at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses. The basis of the fair value of financial assets has been disclosed in Note 3.9.2.

	2018 Strategic Asset Allocation %	2018 NZ\$'000	2017 Strategic Asset Allocation %	2017 NZ\$'000
<u>Growth Assets</u>				
Global Equities	25		25	
Generation Investment Management LLP		57,735		48,617
Schroder Investment Management Australia Ltd		36,385		49,189
		94,120		97,806
Australasian Equities	10		10	
ANZ Investments Ltd		87		18,649
Devon Funds Management Ltd		20,798		19,438
Mint Asset Management Ltd		12,840		-
		33,725		38,087
Private Equity	5		5	
Pencarrow Private Equity Ltd		19,837		15,590
		19,837		15,590
Unlisted Property	17.5		17.5	
Investa Wholesale Funds Management Ltd		34,185		30,486
QIC Ltd		36,713		34,752
		70,898		65,238
Infrastructure	10		10	
Hastings Funds Management Ltd		31,688		30,550
HRL Morrison & Co PIP Ltd		10,366		6,974
HRL Morrison & Co PIP II Ltd		2,807		2,272
		44,861		39,796
Global Credit	7.5		7.5	
Bentham Asset Management Ltd		29,158		26,955
		29,158		26,955
<u>Income Assets</u>				
New Zealand Fixed Interest	5		5	
ANZ Investments Ltd		18,518		17,375
		18,518		17,375
Global Fixed Interest	12.5		12.5	
PIMCO Global Advisors (Ireland) Ltd		19,196		16,603
Wellington Management Company LLP		28,170		28,196
		47,366		44,799
New Zealand Cash	7.5		7.5	
ANZ Investments Ltd		30,316		28,980
		30,316		28,980
Investments at Fair Value	100%	388,799	100%	374,626

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. COMMITMENTS: INVESTMENTS

The Trust has made commitments to invest in certain managed funds, which will call upon the committed funds as the fund managers identify suitable investment vehicles. These investments will be funded by realising other investments currently held by the Trust.

	2018			
	Commitment	Contribution to date	Commitment Balance	Expected Contribution within 1 year
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
HRL Morrison & Co PIP Ltd	8,000	7,971	29	-
HRL Morrison & Co PIP II Ltd	6,000	2,319	3,681	3,584
Pencarrow Private Equity Ltd - Fund IV	15,000	14,550	450	450
Pencarrow Private Equity Ltd - Fund V	10,000	-	10,000	1,100
	39,000	24,840	14,160	5,134

	2017			
	Commitment	Contribution to date	Commitment Balance	Expected Contribution within 1 year
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
HRL Morrison & Co PIP Ltd	8,000	5,498	2,502	2,502
HRL Morrison & Co PIP II Ltd	6,000	2,227	3,773	-
Pencarrow Private Equity Ltd - Fund IV	15,000	14,250	750	750
	29,000	21,975	7,025	3,252

11. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

The Trust objective when managing Trust capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for the community. The Trust Board regularly reviews the Trust funds and the risks associated with the Trust funds.

11.1 Financial Risk Management

The Trust activities expose it to a variety of financial risks which are managed through an ongoing process of identification, measurement and monitoring. The financial risks include market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk.

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities. The Trust has established investment policies. These policies do not allow the Trust to enter into any transactions that are speculative in nature.

The Trust uses the services of an investment advisor to pursue an investment policy considered appropriate for the Trust. The Trust selects fund managers according to their style and specialist skills.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11.2 Market Risk

Market risk is the risk that the fair value of future cash flows from financial assets and liabilities will fluctuate due to changes in market variables such as foreign currency exchange rates, interest rates and equity prices. Market risk is managed and minimised by ensuring that all investment activities are undertaken in accordance with established mandate limits and the investment strategies and policies set out by the Trust.

11.2.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial assets. The Trust holds investments in domestic and global bonds. The Trust investments in global bonds are held in pooled funds. In determining the volatility factor for interest rate risk, the Trust has analysed the average annual absolute movement in the yields of 10 year New Zealand and US Government bonds. US Government bonds are used as a proxy for global bond markets. Based on this, the Trust has adopted a volatility factor for interest rate risk of 0.78% (2017: 0.81%) for Trust cash, domestic bond and global bond portfolios.

The sensitivity rates differ from the previous year because of the volatility in the international currency and financial markets experienced over the past year. The disclosures adopted provide a more accurate measurement for the movement in the future, due to current market volatility.

11.2.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trust is exposed to currency risk both directly through investments denominated in a foreign currency and also indirectly when investment funds invest in foreign currency securities.

The Trust's usual practice is to hedge close to 100% of its foreign exchange risk by using a separate currency overlay or investing in a hedged pool. The Trust may choose to vary its hedging position when there is strong evidence that the currency appears to be in an extreme position. At such a time the variation will not go below 50% hedging of all foreign exposure. Such forward exchange contracts have the economic effect of converting foreign currency denominated balances into New Zealand Dollars. These forward exchange contracts are not treated as hedges for accounting purposes.

In determining the volatility factor for currency risk the Trust has examined the average absolute divergence between the unhedged and hedged annual returns of the MSCI World Index ex Australia (in NZ Dollar terms) over the past 10 years. Based on this, Trust Waikato has adopted a volatility factor for currency risk of 10% (2017: 10%) for the unhedged portion of the Trust's global investments.

	2018	2017
	NZ\$'000	NZ\$'000
At balance date the Trust exposure to currency risk was as follows:		
Financial Assets with Currency Exposure	282,839	275,105
Hedged Currency Exposure at End of the Year	(233,016)	(229,224)
Unhedged Currency Exposure at the End of the Year	49,823	45,881

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Unhedged Currency Exposure:		
USA and Canada	18,953	15,885
United Kingdom and Europe	6,707	5,535
Australia	21,539	22,295
Japan	2,624	2,166
Unhedged Currency Exposure at the End of the Year	49,823	45,881

11.2.3 Price Risk

Price risk is the risk that the fair value of financial assets will increase or decrease as a result of changes in market prices, whether these changes are caused by factors specific to individual assets or factors affecting all financial assets in the market. The Trust is exposed to price risk relating to investments held by the Trust and classified as financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses, comprising Australasian equities, global equities, unlisted property, infrastructure, private equity and global credit investments.

In determining the volatility factor for price risk the Trust has examined the average market return over the past 10 years for each of the investment classifications. Based on this, Trust Waikato has adopted the following volatility factors for price risk for the Trust investments: Australasian equities 15% (2017: 15%), global equities 19% (2017: 18%), unlisted property 10% (2017: 10%), infrastructure 14% (2017: 11%), private equity 25% (2017: 25%) and global credit 12% (2017: 12%).

The following table summarises the sensitivity of the Trust financial assets and liabilities to interest rate risk, foreign exchange risk and other price risk.

Summary of Sensitivity of Financial Assets and Liabilities to Market Risk

	Volatility Factor 2018	Volatility Impact 2018 NZ\$'000	Volatility Factor 2017	Volatility Impact 2017 NZ\$'000
Interest Rate Risk	0.78%	750	0.81%	738
Currency Risk (including DFI *)	10%	4,982	10%	4,588
Price Risk:				
Australasian Equities	15%	5,059	15%	5,713
Global Equities	19%	17,883	18%	17,605
Unlisted Property	10%	7,090	10%	6,524
Infrastructure	14%	6,281	11%	4,378
Private Equity	25%	4,959	25%	3,897
Global Credit	12%	3,499	12%	3,235
Total Risk		50,503		46,678

* Derivative Financial Instruments

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11.3 Credit Risk Management

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents, accounts receivable (Note 8), and investments (Note 9).

The Trust arrangements with fund managers limit the amount of credit exposure to any one institution. The Trust has processes in place to review the credit exposure and credit quality of funds prior to the funds being deposited with financial institutions.

Due to the timing of its cash inflows and outflows, the Trust invests surplus cash with registered banks. The Trust policy for term deposits requires that deposits are placed with financial institutions registered under the Reserve Bank of New Zealand Act 1989 that have an investment grade credit rating of AA- or higher from Standard and Poor's.

The Trust manages credit concentration risks through:

- maintaining a diversified and non-correlated basket of investments across traditional and alternative classes;
- selecting diverse fund managers;
- ensuring compliance with the individual mandate requirements of each fund manager, where applicable.

The Trust investment advisors and management review the portfolio for compliance against each investment mandate on a regular basis and report findings to the Board of Trustees.

11.4 Liquidity Risk Management

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. In meeting its liquidity requirements, the Trust maintains a level of investments that can be converted into cash at short notice.

The Trust financial liabilities comprise accounts payable and accruals, unconditional unpaid grants and derivative financial instruments. At balance date, all accounts payable and grants payable were current and are settled normally within one month of balance date. Derivative Financial Instruments represent forward exchange contracts used to manage foreign currency exposure. Any liability regarding these will be settled normally within two months of balance date.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11.5 Fair Value of Financial Instruments

The following table analyses Financial Instruments carried at fair value by valuation method. The different levels have been defined in Note 3.9.2.

No investment funds were recategorised between level 1 and level 2 in the period.

	2018 NZ\$'000	2017 NZ\$'000
Level 1		
Australasian Equities	20,885	38,087
New Zealand Fixed Interest	18,518	17,375
New Zealand Cash	30,316	28,980
	69,719	84,442
Level 2		
Australasian Equities	12,840	-
Global Equities	94,120	97,806
Global Fixed Interest	47,366	44,799
Derivative Financial Instruments	(331)	(6,620)
	153,995	135,985
Level 3		
Te Kete Putea Limited Partnership	-	56
Private Equity	19,837	15,590
Infrastructure	44,861	39,796
Unlisted Property	70,898	65,238
Global Credit	29,158	26,955
	164,754	147,635

	2018 NZ\$'000	2017 NZ\$'000
Movements in Level 3 Financial Instruments		
Balance at the Beginning of the Year	147,635	135,834
Plus Additional Investments	4,915	4,798
Realised / Unrealised Gains / (Losses) Recognised in the Statement of Comprehensive Revenue & Expenses	15,196	18,922
Interest Income	4	4
Management Fees Recognised in the Statement of Comprehensive Revenue & Expenses	(1,473)	(1,902)
Less Withdrawals	(1,522)	(10,021)
Balance at the End of the Year	164,755	147,635

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. PROPERTY, PLANT AND EQUIPMENT

	2018						
	NZ\$'000						
	Opening Cost / Valuation	Revaluation	Additions/ (Disposals)	Accumulated Depreciation & Impairment	Depreciation & Impairment Expense	Gain/(Loss) on Disposal	Book Value
Office Equipment	243	-	(57)	130	28	(5)	56
Motor Vehicles	111	-	5	49	19	5	67
Art and Artefacts	31	-	-	3	-	-	28
Buildings	1,253	-	(223)	481	15	-	549
Land	2,846	-	-	-	-	-	2,846
Land Improvements	203	-	(83)	19	6	-	101
Building Project (WIP)	205	-	2,672	-	-	-	2,877
	4,892	-	2,314	682	68	-	6,524

	2017						
	NZ\$'000						
	Opening Cost / Valuation	Revaluation	Additions/ (Disposals)	Accumulated Depreciation & Impairment	Depreciation & Impairment Expense	Gain/(Loss) on Disposal	Book Value
Office Equipment	211	-	32	167	26	-	76
Motor Vehicles	117	-	(6)	57	16	6	54
Art and Artefacts	31	-	-	2	-	-	29
Buildings	1,250	-	3	693	129	-	560
Land	641	2,205	-	-	-	-	2,846
Land Improvements	203	-	-	96	76	-	107
Website (WIP)	4	-	(4)	-	-	-	-
Building Project (WIP)	-	-	205	-	-	-	205
	2,457	2,205	230	1,015	247	6	3,877

12.1 There are no restrictions in title relating to property, plant and equipment, or items pledged as security for liabilities. There are no items of property, plant or equipment which are not in current use. The carrying value of rental properties which is included in buildings above has been disclosed in Note 16.

12.2 During the 2017 financial year, the Trust moved to a revaluation model to revalue its land holdings to fair value. Land is valued based on the current market value assessed by an independent registered valuer. The valuation takes account of observable market prices in active markets. Where estimates are used, they will be made on the basis of appropriate valuation techniques. For 2017 a revaluation of \$2,205,334 was recognised in other comprehensive revenue and expenses and accumulated in Trust Funds under the heading of Land Revaluation Reserve. In 2018, the Trust determined that a third party valuation was not required as an independent registered valuer, Curnow Tizard, confirmed that there are no significant changes in land fair values based on market data.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

- 12.3** During the year, the Trust redeveloped the property and grounds at 4 Little London Lane. The existing building was removed and current landscaping was replaced. In the 2017 year, these assets were impaired to nil book value. The building and improvements and some landscaping assets were disposed of in the 2018 year. The gain or loss on disposal has been recognised in the Statement of Comprehensive Revenue and Expenses and included in the Property, Plant and Equipment schedule above.

13. INTANGIBLE ASSETS

		2018 NZ\$'000				
	Opening Cost	Additions/ (Disposals)	Accumulated Amortisation	Amortisation Expense	Gain/(Loss) on Disposal	Book Value
Website	26	-	10	9	-	16
	26	-	10	9	-	16

		2017 NZ\$'000				
	Opening Cost	Additions/ (Disposals)	Accumulated Amortisation	Amortisation Expense	Gain/(Loss) on Disposal	Book Value
Website	-	26	1	1	-	25
	-	26	1	1	-	25

Website development is capitalised on the basis of the costs incurred to acquire and bring the website into use. Costs that are directly associated with the development of the website are recognised as an intangible asset. Costs associated with maintaining the website are expensed when incurred.

14. TE KETE PUTEA LIMITED PARTNERSHIP

The Trust and ten of the other eleven Community Trusts established under the 1988 Trustee Bank Restructuring Act have combined resources to own and operate an integrated grants and financial management system. The system is owned and operated by a limited partnership named Te Kete Putea Limited Partnership (TKPLP), which was registered on 18 December 2012. The Trust held 872 units in TKPLP.

The investment in TKPLP was initially valued at \$195,000. Subsequent to initial recognition, the investment has been recorded at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses. Fair value is determined using an appropriate valuation technique.

The Trust's investment in TKPLP has been fully impaired as at 31 March 2018, as the Trust retired from TKPLP, effective 1 April 2018.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES	2018 NZ\$'000	2017 NZ\$'000
TOTAL OPERATING SURPLUS	21,916	25,865
Adjust for Non-Cash Items:		
(Profit) / Loss on Sale of Property, Plant and Equipment	-	(6)
Depreciation & Impairment	68	247
Amortisation	9	1
	77	242
Impact of Changes in Net Assets and Liabilities:		
(Increase) / Decrease in Accounts Receivable	(207)	7
(Increase) / Decrease in Investments	(14,117)	(36,132)
Increase / (Decrease) in Derivative Financial Instruments	(6,289)	10,399
Increase / (Decrease) in Accounts Payable and Accruals	(45)	(32)
Increase / (Decrease) in Income in Advance	162	-
	(20,496)	(25,758)
Net Cash Outflow From Operating Activities	1,497	349

16. COMMITMENTS - OPERATING LEASE ARRANGEMENTS

The Trust as Lessee Non - cancellable operating lease payable	2018 NZ\$'000	2017 NZ\$'000
Not Longer than 1 Year	1	3
Longer than 1 Year and Not Longer than 5 Years	-	1
	1	4

The Trust leases a photocopier under a non cancellable lease arrangement. The lease term is for four years. The lease expense is charged to the Statement of Comprehensive Revenue & Expenses.

The Trust as Lessor

The Trust has an operating lease which relates to the building owned by the Trust at 87 Boundary Road, which is included in Property, Plant and Equipment in the Statement of Financial Position. The lease term for 87 Boundary Road is one year with no right of renewal. The final expiry date of the lease is 26 September 2018.

The carrying value of the leased asset is \$883,302 (2017: \$887,302), comprising Land: \$680,000 (2017: \$680,000), and Buildings: \$203,174 (2017: \$207,302), the accumulated depreciation is \$136,824 (2017: \$132,696) and the depreciation charge for the year is \$4,127 (2017: \$4,251).

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17. TRUSTEE MEETINGS AND HONORARIA

The Trust Board held 11 formal meetings during the year. The following table records Trustee attendance at those formal meetings:

Trustee	Meetings Available to Attend	Meeting Attendance	Honorarium \$
Nuri, Niwa (Chair)	11	11	25,330
Barriball, Peggy	11	11	13,932
Chew, Alan	11	7	12,665
Christian, Carolyn	10	9	12,665
Feng, Chong (appointed 22 June 2017)	9	8	9,812
Flowers, Lynnette (retired 21 June 2017)	2	1	2,853
Follows, Trevor	11	9	12,665
Gillespie, John (retired 21 June 2017)	2	1	2,853
Kedzlie, Michael (Liam) (appointed 22 June 2017)	9	9	10,793
McLennan, Vicky (appointed 22 June 2017)	9	8	9,812
Noble, Bill	11	9	12,665
Paenga, John	11	10	12,665
Barker, Norman	11	11	12,665
Sporle, Raewyn	11	9	12,665
Viggers, Maxine (retired 21 June 2017)	2	2	2,853
Wilson, Edgar (Deputy Chair)	11	11	15,831
Total Remuneration			182,724

In addition, during the year Trustees participated in committee meetings, Trust consultations with the community sector and a range of professional development opportunities. Trustees were also invited to 82 events and meetings within the community and were able to achieve representation at approximately 35 of those meetings.

18. CONFLICTS OF INTEREST

During the year Trustees and staff were required to declare when they had either a direct or indirect conflict of interest in a matter being considered by the Trust. During the course of the year, 34 such interests were recorded (2017: 39). A register of those interests is available for inspection at the Trust.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. RELATED PARTY TRANSACTIONS

Related Party Transactions

Transactions with related party organisations totalled \$2,655,196 (2017: \$293,539) during the year. Interests were declared when these transactions were considered and key management personnel took no part in deliberations relating to organisations in which they had an interest. There was \$Nil payable at balance date (2017: \$Nil).

Organisation	2018		Amount \$
	Nature of Related Party	Nature of Transaction	
Child Cancer Foundation	Key management personnel Board Member	Grant	10,000
Institute for Child Protection Studies (Child Matters)	Common Board Member	Grant	25,000
K'aute Pasifika Trust	Common Board Member	Grant	45,000
K'aute Pasifika Trust*	Common Board Member	Grant	2,137,500
Otorohanga District Development Board	Common Board Member	Grant	80,000
Rostrevor House	Common Board Member	Grant	31,000
SADD AOTEAROA - Students Against Driving Drunk Charitable Trust	Common Board Member	Grant	6,000
Seagull Centre Trust	Common Board Member	Grant	10,000
Special Olympics Waikato	Common Board Member	Grant	8,000
Swim Waikato	Trustee family member involved	Grant	16,000
The Gordonton Woodlands Trust	Common Board Member	Grant	1,000
Trust Waikato Hamilton City Netball Centre	Common Board Member	Grant	37,000
Trust Waikato Hamilton City Netball Centre	Common Board Member	Sponsorship	20,000
Waikato Institute of Technology	Common Board Member	Grant	140,000
Waikato Institute of Technology	Common Board Member	Sponsorship	8,696
Waikato Justice of the Peace Association	Common Board Member	Grant	1,000
Waikato Medical Research Foundation	Common Board Member	Grant	75,000
Waikato Water Polo Club	Key management personnel Board Member	Grant	4,000
			2,655,196

* Commitment

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Organisation	2017		Amount \$
	Nature of Related Party	Nature of Transaction	
	Key management personnel	Sale of motor vehicle	21,739
	Key management personnel	Sale of computer	Nil
Habitat for Humanity (Central North Island) Ltd	Common Board Member	Grant	15,000
Institute for Child Protection Studies (Child Matters)	Common Board Member	Grant	25,000
K'Aute Pasifika Services	Common Board Member	Grant	40,000
Momentum Waikato Community Foundation	Common Board Member	Grant	20,000
Rostrevor House	Common Board Member	Grant	28,000
Seagull Centre Trust	Common Board Member	Grant	10,000
South Waikato Transport Steering Group	Trustee Member/Project Manager	Grant	10,000
Swim Waikato	Trustee family member involved	Grant	16,000
Thames Valley Touch Association	Trustee family member involved	Grant	2,000
Toy Library Putaruru	Trustee family member involved	Grant	800
Trust Waikato Hamilton City Netball Centre	Common Board Member	Grant	37,000
Trust Waikato Hamilton City Netball Centre	Common Board Member	Sponsorship	20,000
Trust Waikato Whangamata Surf Life Saving Club	Key management personnel family member involved	Grant	25,000
Trust Waikato Whangamata Surf Life Saving Club	Key management personnel family member involved	Sponsorship	23,000
			293,539

Compensation

The compensation of Key Management Personnel (Trustees and Management), is set out below:

	2018 NZ\$'000	2017 NZ\$'000
Short Term Trustee and Employee Benefits	354	472
	354	472

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20. GRANTS

20.1 Current Year Grants

The Trust issued grants of \$26,911,771 to 590 organisations in the greater Waikato region during the year ended 31 March 2018 (2017: \$11,100,541 to 652 organisations).

An additional \$2,000 (2017: \$510,056) was granted to further groups. However, due to a change in circumstances the grants were refunded or withdrawn. See Note 20.3 for details.

* Grant to be paid out when project proceeds

CAMBRIDGE GROUPS

	NZ\$
Armistice in Cambridge	10,500
Cambridge Autumn Festival Trust	1,000
Cambridge Community House Trust	15,000
Cambridge Disabled Sheltered Workshop	6,000
Cambridge East Maungakawa Pony Club	500
Cambridge Elim Community Trust	5,000
Cambridge Historical Society	1,000
Cambridge Life Skills Institute Trust	6,000
Cambridge Repertory Society	600
Cambridge Stroke and Rehabilitation Club	1,000
Children 1st Charitable Trust	1,000
Citizens Advice Bureau Cambridge	3,000
Community Trusts In Care Aotearoa	5,000
Leamington School	16,000
Maungatautari Ecological Island Trust	55,000
Operation Cover Up Cambridge Branch	500
Raleigh Street Christian Centre	9,000
South Waikato Good Companions Club	500
Stragglers Rod and Kustom Club	2,500
Synergy Cambridge Trust	6,600
Toy Library - Cambridge	500
Visionaries Cambridge	500
CAMBRIDGE TOTAL	146,700

COROMANDEL GROUPS

Colville Community Health Trust	10,000
Colville Social Service Collective Charitable Trust	15,000
Coromandel Budget Advisory Service	10,000
Coromandel Community Recreational Society	6,000
Coromandel Embroidery Guild	500
Coromandel Independent Living Trust	50,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Coromandel Swimming Club	2,000
Coromandel Youth Support Association	4,000
Harataunga Marae	3,400
Mahakirau Forest Estate Society (MFESI)	6,000
Manaia Marae Trustees	75,000
Predator Free Hauraki Coromandel Community Trust	55,000
Te Ahi Kaa Training and Social Services Center	10,000
COROMANDEL TOTAL	246,900
HAMILTON GROUPS	
Afghanistan Hazara Association of Waikato	1,500
Age Concern Hamilton	14,500
Agora Community Trust	3,000
Alf's Imperial Fifth Waikato Dragoons	1,000
Angel Casts Charitable Trust	2,000
Anglican Diocese of Waikato and Taranaki	7,500
Arts For Health Community Trust	15,000
Aspire Community Support Trust	500
Aupiki Trust	2,000
Catholic Family Support Services	43,000
Chapel Hill Community Church	3,000
Child Flight Charitable Trust	3,000
Choirs Aotearoa New Zealand Trust	2,000
Citizens Advice Bureau - Hamilton Area	6,500
City Hope Charities Trust	20,000
Clarence Street Theatre Trust	30,000
Clothe Our Kids	500
College Old Boys Rugby League Club Charitable Trust	2,500
Community Development Trust	20,000
Community Law Waikato	1,500
Community Link Trust	15,000
Conductive Education Waikato Trust	8,000
Country Section New Zealand Indian Association	500
Deanwell Playcentre	500
Desert Spring Ministries Trust	10,000
Diversity Counselling New Zealand	5,000
Draw Charitable Trust	2,000
Dress For Success Hamilton Trust	7,000
Dynamo Cycling and Sports Club	6,000
Dyslexia Association of Waikato	1,500
Eastside Singers	500
'Efalata Family	2,500
Elevate Christian Disability Trust	500

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Fairfield Amateur Swimming Club	4,000
Families Autism Support Trust	25,000
Fit Futures Charitable Trust	1,100
Fitness Action Charitable Trust	2,500
Friends of Hamilton Gardens	1,500
Galaxy Touch Waikato	500
Glenview Community Centre	15,000
Grandview Community Garden Trust	3,000
Hamilton Bengali Association	1,000
Hamilton Budgeting Advisory Trust	25,000
Hamilton Children and Families Trust	3,000
Hamilton Chinese Golden Age Society	1,000
Hamilton Christian Nightshelter Trust	20,000
Hamilton Christmas Charitable Trust	9,000
Hamilton Citizens Band	1,200
Hamilton City Gymsports	3,000
Hamilton Civic Choir	1,000
Hamilton Combined Christian Foodbank Trust	20,000
Hamilton Community Centre of Music	120,000
Hamilton Community Men's Shed Trust	1,000
Hamilton Cricket Association	20,000
Hamilton Disability Pride Film Festival	1,000
Hamilton East Community Trust	1,000
Hamilton East Croquet Club	500
Hamilton East Primary School	8,000
Hamilton Fringe Trust	6,000
Hamilton Gardens Summer Festival Foundation	100,000
Hamilton Golf Club	10,000
Hamilton Harrier Club	5,000
Hamilton Indoor Bowling Sub-Centre	500
Hamilton Kerala Samajam	1,500
Hamilton Koinonia Community Trust	10,000
Hamilton Methodist Social Services	25,000
Hamilton Multicultural Services Trust	66,000
Hamilton Operatic Society	27,500
Hamilton Science Awards Trust	5,000
Hamilton Seventh Day Adventist Primary School	500
Hamilton South Community Centre Te Whare Kokonga	15,000
Hamilton Tulip Festival Trust	500
Hamilton Woodturners	1,500
Hearing Association - Hamilton and District	8,000
Hukanui Rugby League Sports Club	1,000
I AM HE(R) Charitable Trust	1,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
K'aute Pasifika Trust	45,000
K'aute Pasifika Trust*	2,137,500
La Leche League - Hamilton	500
Life Education Trust - Hamilton	11,000
Lifestyle Trust	1,500
Link House Trust	70,000
Lions Club of Dinsdale	8,000
Male Support Services Waikato	16,000
Male Voices Waikato	700
Mana Tangata Boxing 2014	500
Mangaiti Gully Restoration Trust	500
MATES Trust New Zealand	7,500
McKenzie Centre Trust	14,000
Melville Hall Society*	20,000
Mighty River Harmony	500
Neurogenesis	8,000
New Zealand Centre for Gifted Education	2,000
New Zealand Myanmar Ethnic Council	500
New Zealand Parkour Association	2,500
New Zealand Russian (Waikato) Friendship	800
New Zealand Show Horse Council	500
New Zealand Wheelchair Body Building Federation Charitable Trust	500
Pacific Rose Festival Trust	2,000
Parentline Charitable Trust	6,000
Parents Place Charitable Trust	25,000
Patricia Avenue School	1,000
Performing Arts Community Trust	15,000
Phoenix House Charitable Trust	1,000
Pillars	4,000
Play It Strange Trust	2,000
Polio New Zealand - Waikato Branch	500
Positive Change Programmes Charitable Trust	10,000
Prison Care Ministries	12,000
Pukete Neighbourhood House	22,000
Rainbow Chinese Community Centre Charitable Trust	6,000
Rape and Sexual Abuse Healing Centre	20,000
Rauawaawa Kaumatua Charitable Trust	28,000
RAW 2014 (RAW)	20,000
Refugee Orientation Centre Trust	23,000
Resthills Sports Centre	1,000
Riding for the Disabled - Hamilton Group	18,000
Riding For The Disabled - Waikato Group	8,000
River Downs Playcentre	2,500

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Riverlea Theatre and Arts Centre	30,000
Riverside Golf Club	10,000
Rostrevor House	31,000
Rototuna Indoor Recreation Centre	80,000
Rudolf Steiner Early Childhood Trust	1,500
Rudolf Steiner Schools (Waikato) Trust	3,000
SeniorNet Hamilton	3,000
SHAMA Hamilton Ethnic Women's Centre Trust	30,000
Shine Africa United	750
Silverdale Normal School	7,000
Smart Waikato Trust	30,000
Society of St Vent de Paul - Hamilton	20,000
South East Kirikiriroa Community Association	13,000
Sri Balaji Temple Trust Hamilton	1,500
Sri Lanka Friendship Society Waikato	2,000
St Mark's Anglican Parish - Nawton	2,500
St Mary's Convent Chapel Charitable Trust	26,000
St Peters Tennis Club	500
StarJam Charitable Trust	25,000
Streetworks Charitable Trust	3,000
Stroke Foundation Hamilton	3,000
Tainui Waka Cultural Trust	30,000
Te Ahurei a Rangatahi Charitable Trust	25,000
Te Po ki te Ao Marama Tlhei Mauriora	7,000
Te Rongopai Community Trust	18,000
Te Roopu Taurima o Manukau Trust	10,000
Te Whakaruruhau 2013	150,000
Te Whanau Putahi	25,000
Te Whare o Te Ata Fairfield/Chartwell Community Centre Trust	14,000
Tennis Waikato Thames Valley	1,000
The CARE Community Trust	3,000
The Flagstaff Club T/A Suburbs Community Sports Club*	15,000
The House of Grace Trust	5,000
The One Victoria Trust Board	28,000
The Salvation Army New Zealand Trust	45,000
The Taiohi Toa Trust	20,000
TOTI Charitable Trust (Theatre of The Impossible)	25,000
Toughlove Waikato Trust	1,000
Toy Library - Hamilton Toy Box	600
Toy Library - Kidz Korner	600
TriMaori Charitable Trust	15,000
True Colours Children's Health Trust	28,000
Trust Waikato Hamilton City Netball Centre	37,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Turn and Gymnastic Circle	1,000
Waikato Agricultural and Pastoral Association	2,500
Waikato Anglican College Trust - St Pauls Collegiate School	4,500
Waikato Combined Equestrian Group	3,000
Waikato Community Broadcasting Charitable Trust	32,000
Waikato Community Hospice Trust	25,000
Waikato Compassion Meditation Trust	2,000
Waikato Contemporary Dance Projects Trust	1,000
Waikato Ethnic Family Services Trust	4,000
Waikato Family Centre Trust	40,000
Waikato Filipino Association	1,000
Waikato Hispano Latino Cultural Group	1,000
Waikato Institute of Technology	140,000
Waikato Japanese Community Trust	2,400
Waikato Korean Association of New Zealand	1,200
Waikato Medical Research Foundation	75,000
Waikato Multicultural Council	1,200
Waikato Paraplegic and Physically Disabled Association	12,000
Waikato Punjabi Badminton Club	1,000
Waikato Queer Youth	7,000
Waikato Rocks	4,000
Waikato Senior Indian Citizens Association	1,800
Waikato Social Studies Association	500
Waikato Society of Arts	10,000
Waikato Softball Association	7,500
Waikato Unicol Association Football Club	1,500
Waikato Water Polo Club	4,000
Waikato Youth Empowerment Trust	65,000
West Hamilton Probus Club	500
Western Community Association	40,000
Woodstock Primary School	3,600
YMCA of Auckland	4,600
Young Women's Christian Association of Hamilton	30,000
Young Workers Resource Centre	16,000
YouthNet New Zealand	1,500
Zeal Education Trust	38,000
Zipper Cardiac Support Club (New Zealand)	500
HAMILTON TOTAL	4,797,050
HAMILTON SURROUNDS GROUPS	
Horotiu Playcentre	1,000
Puketaha School	3,000
Tamahere Playcentre	1,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
The Gordonton Woodlands Trust	1,000
The Karakariki Camp Trust Board	1,700
Waikato Outdoor Society	500
HAMILTON SURROUNDS TOTAL	8,200
HUNTLY GROUPS	
Friendship House Huntly Community Centre	11,000
Glen Murray Community Association	5,500
Huntly Mining and Cultural Museum Society	8,000
North Waikato Transport Trust	10,000
Onewhero Society of Performing Arts	1,400
HUNTLY TOTAL	35,900
KAWHIA GROUPS	
Kawhia Sports Club	2,000
KAWHIA TOTAL	2,000
MATAMATA GROUPS	
Hearing Association - Matamata Branch	500
Matamata Community Men's Shed	1,500
Matamata Equestrian Group	500
SeniorNet Matamata	1,500
Starfish Social Services Trust	20,000
Totara Springs Christian Centre	15,000
MATAMATA TOTAL	39,000
MORRINSVILLE GROUPS	
Air Training Corp No 31 Squadron - Morrinsville	2,000
Kai-A-Te-Mata Marae	4,000
Morrinsville Agricultural and Pastoral Society	4,500
Morrinsville Art Gallery Charitable Trust	12,500
Morrinsville Community House	20,000
Morrinsville Community MenzShed	1,000
Morrinsville Ezekiel Trust	5,000
Morrinsville Golf Club	2,500
Morrinsville Historical Society	5,000
Morrinsville Māori Wardens Sub Association	1,000
Motumaoho Primary School	6,000
Ngati Haua Mahi Trust	35,000
Northern Rugby Football Club	500
Piako Gymnastics Club	500
Rural Women New Zealand - Tatanui	500
MORRINSVILLE TOTAL	100,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
NGARUAWAHIA GROUPS	
Blue Light Ventures - North Waikato	8,000
Discovery Foundation	5,000
Ngaruawahia Community Care and Crisis Support Trust	25,000
Ngaruawahia Community House	25,000
Ngaruawahia Community Youth Holiday Programme	10,000
Ngaruawahia Golf Club	1,000
Ngaruawahia Rugby League Football Club	1,500
The Nga Miro Charitable Trust	4,500
Turangawaewae Trust Board	9,800
Twin Rivers Arts (Ngaruawahia) Council	20,000
NGARUAWAHIA TOTAL	109,800
NGATEA GROUPS	
Echo Walking Festival	500
Ngatea Rugby and Sports Club	2,000
Te Whangai Trust Board	15,000
Thames Valley Hockey Association	3,000
NGATEA TOTAL	20,500
OTOROHANGA GROUPS	
Kawhia Rowing Regatta Club	6,000
Māori Wardens Association - Otorohanga	1,700
Otorohanga College	1,000
Otorohanga District Development Board	80,000
Otorohanga Parents Centre	1,000
Otorohanga Support House Whare Awhina	35,000
Riding for the Disabled - Otorohanga	500
Thrive Otorohanga Youth Trust	10,000
Toy Library - Otorohanga	1,000
Waitomo Caves School	8,000
OTOROHANGA TOTAL	144,200
PAEROA GROUPS	
Central North Island Kindergarten - Central Kids Ngatea	1,000
Goldfields School	1,000
Life Education Trust - Thames Coromandel Hauraki Waihi	10,000
Paeroa Community Support Trust	28,000
PAEROA TOTAL	40,000
PUTARURU GROUPS	
Overdale Community Centre Charitable Trust	10,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Pikitu Marae Trust*	63,096
Pride in Putaruru Association	5,500
Tirau Senior Citizens	500
Waikato River Trails Charitable Trust	21,500
PUTARURU TOTAL	100,596
RAGLAN GROUPS	
A Rocha Aotearoa New Zealand	5,000
Childrens Bible Ministries - Raglan	20,000
Raglan and District Museum Society	10,000
Raglan Community Arts Council	8,000
Raglan Community House Society	26,000
Raglan Community Patrol Charitable Trust	1,000
Raglan Community Radio	8,000
Raglan Junior Soccer	500
Raglan Māori Wardens Charitable Trust	1,000
Te Mauri Tau	30,000
Toy Library - Whaingaroa	600
Trust Waikato Raglan Surf Life Saving Club	14,000
Whaingaroa Environment Centre	15,000
Xtreme Waste Society	20,000
RAGLAN TOTAL	159,100
REGIONAL GROUPS	
Adult Literacy Rural Trust	3,600
Akina Foundation	53,000
Alzheimers Waikato Charitable Trust	13,000
Amputee Society of Waikato, Bay of Plenty and Districts	2,000
Arthritis Foundation of New Zealand	15,000
Asthma and Respiratory Services (Waikato)	7,000
Auckland District Kidney Society	12,000
Autism New Zealand - Waikato Branch	15,000
Balloons Over Waikato Trust	30,000
Barnardos New Zealand	25,000
Big Buddy Mentoring Trust	9,000
Bowls Waikato	10,000
Brain Injury Waikato	15,000
Canteen Waikato	10,000
Catholic Women's League Hamilton Diocese	1,500
Cerebral Palsy Society of New Zealand	1,000
Chamber Music New Zealand Trust	500
Child Cancer Foundation	10,000
Christians Against Poverty New Zealand	6,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Coastguard Northern Region	15,000
Cochlear Implant Foundation of New Zealand	5,000
Community Waikato Trust	500,000
Connected Media Charitable Trust	2,000
Creative Waikato	500,000
Cycling New Zealand	15,000
Deaf Aotearoa Holdings	5,000
Diabetes New Zealand Waikato Branch	3,000
Ease The Squeeze Charitable Trust	750
Endometriosis Waikato	8,000
English Language Partners Waikato	58,000
Epilepsy Association of New Zealand	4,000
EVelocity	7,000
Girl Guides Association New Zealand	5,000
Grandparents Raising Grandchildren Trust New Zealand	5,000
Habitat for Humanity (Central North Island)	3,200
Haemophilia Foundation of New Zealand	12,000
Home of Cycling Charitable Trust	9,000
IHC New Zealand	5,000
INA (Maori, Indigenous and South Pacific) HIV/AIDS Foundation	9,000
Institute for Child Protection Studies (Child Matters)	25,000
KidsCan Charitable Trust	10,000
Laura Fergusson Trust	5,000
Literacy Waikato	17,000
Macular Degeneration New Zealand	3,500
Māori Women's Welfare League - Tainui Regional Council	26,000
Massive Company Trust	1,500
Maungatautari Ecological Island Trust*	300,000
Men's Health Trust New Zealand	500
Mental Health Foundation	85,000
Mobility Assistance Dogs Trust	5,000
Momentum Waikato Community Foundation (Waikato Regional Theatre)	1,000,000
Momentum Waikato Community Foundation (Waikato Regional Theatre)*	14,000,000
Muscular Dystrophy Northern	5,500
Music Moves Me Trust	3,500
National Heart Foundation of New Zealand - Waikato Branch	4,500
National Wetland Trust of New Zealand	14,000
Netball Waikato Bay of Plenty Zone	50,000
New Zealand Continence Association	5,000
New Zealand Council of Victim Support Groups - Waikato District	35,000
New Zealand Dance Advancement Trust	5,000
New Zealand Family and Foster Care Federation	11,000
Ngā Kaihoe o Aotearoa (Waka Ama New Zealand)	20,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Ngā Watene Māori o Te Rohe Potae Regional Association	15,000
Northern Districts Cricket Association	7,500
Open Home Foundation of New Zealand - Waikato/Hauraki	30,000
Orchestras Central Trust	135,000
Order of St John Central Regional Trust Board	20,000
Order of St John Northern Region Trust Board	3,000
Para Kore Marae	12,000
Parent to Parent New Zealand	12,000
Parent to Parent Waikato	9,000
Parents Centre New Zealand	1,000
Parkinson's Waikato	10,000
Presbyterian Support Services (Northern)	10,000
Project Litefoot Trust	10,000
Recreate New Zealand	15,000
Ronald McDonald House Charities New Zealand Trust	10,000
Royal New Zealand Coastguard Boating Education	1,000
Royal New Zealand Foundation of the Blind	10,000
Royal New Zealand Plunket Society - Waikato Area	35,000
Royal Philatelic Society of New Zealand	4,500
SADD AOTEAROA - Students Against Driving Drunk Charitable Trust	6,000
Shakespeare Globe Centre New Zealand	1,500
Show Me Shorts Film Festival Trust	1,000
Sir Edmund Hillary Outdoors Education Trust	45,000
Space New Zealand Trust	4,500
Special Olympics Waikato	8,000
Spirit of Adventure Trust	10,000
Sport Waikato	700,000
Squash Waikato	14,000
Stage Challenge Foundation	3,000
Stroke Foundation of New Zealand Midland Region	15,000
Surf Life Saving New Zealand	3,375
Surfing New Zealand	1,500
Sweet Louise	5,000
Swim Waikato	16,000
Swimming New Zealand	10,000
Tainui Teachers Association	10,000
Taki Rua Productions Society	2,500
Tangata Whenua Community and Voluntary Sector Research Centre	10,000
Te Ataarangi ki roto o Tainui	3,500
Te Kauri Waikuku Trust	5,000
The Association For Spinal Concerns	5,000
The Community Waikato Trust	13,700
The Parenting Place	5,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
University of Waikato Foundation	34,000
Upper Central Zone of New Zealand Rugby League	20,000
Volunteering Waikato	65,000
Waikato Area Girls' Brigade	1,000
Waikato Badminton Association	25,000
Waikato Basketball Council	15,000
Waikato Bay of Plenty Division of Cancer Society of New Zealand	8,000
Waikato Bay of Plenty Football Federation	20,000
Waikato Environment Centre Trust	90,000
Waikato Hockey Association	35,000
Waikato Indoor Bowling Centre of New Zealand	3,000
Waikato Institute for Leisure and Sport Studies Trust	45,000
Waikato Justice of the Peace Association	1,000
Waikato Museum Te Whare Taonga o Waikato	195,000
Waikato Touch Association	15,000
Waikato Valley Cricket Association	30,000
Women's Institute Community Trust - Waikato	9,000
Youthline Auckland Charitable Trust	2,000
REGIONAL TOTAL	18,903,125
TAUMARUNUI GROUPS	
Enterprising Taumarunui	1,500
Life Education Trust - Central Plateau	10,000
Owhango School	1,000
Ruapehu Community Support Trust	5,000
Ruapehu District Council	10,000
St Patrick's Catholic School Taumarunui	3,000
Taumarunui and District Agricultural and Pastoral Show	4,000
Taumarunui and Districts Historical Society	1,000
Taumarunui Baptist Church Social Services Trust	1,500
Taumarunui Basketball and Sports Association	2,500
Taumarunui Bowling Club	1,000
Taumarunui Christian Education Trust	18,000
Taumarunui Community Christian Foodbank Trust	2,500
Taumarunui Community Kokiri Trust	10,000
Taumarunui Community Kokiri Trust*	500,000
Taumarunui Counselling Services	10,000
Taumarunui High School	5,000
Taumarunui High School and Community Trust	10,000
Taumarunui Hope Charitable Trust	500
Taumarunui Māori Wardens Trust	2,000
Taumarunui Museum Trust	1,500
Taumarunui Women's Refuge and Support Centre	10,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Taumarunui Youth and Community Trust	15,000
Tawata Whānau Trust	4,000
Te Awanui a Rua Charitable Trust	1,000
Te Waka Pu Whenua Trust	15,000
Thrive Taumarunui Trust	77,500
Toy Library - Ruapehu	1,000
TAUMARUNUI TOTAL	723,500
TE AROHA GROUPS	
Domain Day Committee	1,000
Future Te Aroha	10,000
Te Aroha BMX Club	500
Te Aroha Community Patrol	1,000
Te Aroha Indoor Basketball Association	5,000
Te Aroha Kindergarten Association	1,000
Te Aroha Springs Community Trust	500
Tui Park Bowling Club	1,000
Youth Empowerment Service Charitable Trust	7,500
TE AROHA TOTAL	27,500
TE AWAMUTU GROUPS	
Central Country Basketball Association	3,500
Citizens Advice Bureau - Te Awamutu	4,500
CommSafe	1,000
Enrich+	1,000
Frontiers	1,000
Kainga Aroha Society	23,000
Kihikihi Police House Restoration Charitable Trust	500
Pirongia Heritage and Information Centre Te Whare Taonga o Ngaa Rohe o Arekahanara	1,000
Pirongia Rugby and Sports Club	20,000
Rosetown Community Services Trust	10,000
Te Awamutu Bowling Club	500
Te Awamutu Brass Band	1,000
Te Awamutu Competitions Society of the Performing Arts	1,000
Te Awamutu Music Federation	500
Te Awamutu Rugby Sports and Recreation Club	30,000
TE AWAMUTU TOTAL	98,500
TE KAUWHATA GROUPS	
Kidz Social Services Charitable Trust	2,000
Maramarua School	1,000
Meremere Community Development Committee	4,500
Saint Andrews Presbyterian Church Te Kauwhata*	8,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Te Kauwhata and Districts Information and Support Centre	15,000
Te Kauwhata Health Awareness Society	8,500
Te Kauwhata Playcentre	500
Trust Waikato Sunset Beach Lifeguard Service	6,000
Waerenga Hall Society	3,000
TE KAUWHATA TOTAL	48,500
TE KUITI GROUPS	
Maniapoto Family Violence Intervention Network	6,500
Maniapoto Māori Trust Board	70,000
Napinapi Marae	6,000
Piopio Playcentre	500
Piopio Rugby Football Club	1,500
Te Ahoroa Marae	5,000
Te Korapatu Marae	75,000
Te Kuiti Māori Wardens Sub Association	2,000
Te Kuiti 4H Community Trust	2,200
Te Kuiti Community House Trust	18,000
Te Kuiti Croquet Club	700
Te Kuiti Development	10,000
Te Kuiti Playcentre	1,000
Tokikapu Marae	4,800
Waitomo Indoor Sports Centre	8,000
TE KUITI TOTAL	211,200
THAMES GROUPS	
Age Concern Thames	10,000
CAPS Hauraki	40,000
Citizens Advice Bureau - Thames	1,200
Ebenezer Community Trust	18,000
Family Safety Services	15,000
Mobilise Thames Charitable Trust	2,000
Ngati Maru Runanga Trust	15,000
People Relying On People (PROP)	3,500
Saint Georges Choral Group	1,100
Seagull Centre Trust	10,000
SPCA - Thames Branch	6,000
Steampunk the Thames	2,000
Stepping Out Hauraki	8,000
Thames Aglow Fellowship	500
Thames Baptist Community Ministries	2,000
Thames Bowling Club	1,000
Thames Christmas Wonderland	2,500

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Thames Community Centre	10,400
Thames Croquet Club	1,000
Thames Music Group	1,000
Thames Valley Bowls	6,000
Thames Youth Centre	7,000
THAMES TOTAL	163,200
TOKOROA GROUPS	
Activate Church Tokoroa	6,000
Blue Light Ventures - Tokoroa	4,000
Limitless Crew Tokoroa	7,000
Love Soup	5,000
Mangakino Central Charitable Trust	7,000
Mangakino Community Agency	25,000
Mangakino Community Festival Committee	800
Mangakino Family Services	8,000
Pouakani Marae Trustees	3,000
Raukawa Charitable Trust	20,000
Samoan Community Welfare Tokoroa	2,000
South Waikato Pacific Islands Community Services Trust	6,000
South Waikato Rising	75,000
Southern United RFC	3,000
Te Ara Metua Punanga Reo Kuki Airani	6,500
Te Reo Irirangi o Ngati Raukawa Trust	10,000
Tokoroa Agricultural and Pastoral Association	1,500
Tokoroa Budget Advisory Service	15,000
Tokoroa Community Foodbank Trust	3,000
Tokoroa Community Hospice Trust	5,000
Tokoroa Community Patrol	500
Tokoroa Council of Social Services	25,000
Tokoroa Dog Training Club	500
Tokoroa Mountain Bike Club	1,000
Tokoroa Neighbourhood Support	3,000
Tokoroa Senior Citizens and Welfare Centre	3,000
Tokoroa Tennis Club	1,000
Tokoroa Track and Field Club	1,500
United Community Centre	1,500
YMCA South Waikato	35,000
TOKOROA TOTAL	284,800
WAIHI GROUPS	
Athenree Homestead Restoration Trust	1,000
Goldfields Railway	45,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Trust Waikato Waihi Beach Lifeguard Services	4,000
Waihi Beach Community Centre	7,000
Waihi Beach Tennis Club	800
Waihi Community Marae	5,000
Waihi Community Resource Centre	35,000
Waihi Community Youth Trust	7,000
WAIHI TOTAL	104,800
WHANGAMATA GROUPS	
Central North Island Kindergarten - Central Kids Tairua	500
Tairua Care and Friendship Club	4,000
Tairua Information and Community Services Society	8,000
Trust Waikato Onemana Surf Life Saving Club	3,500
Trust Waikato Pauanui Surf Life Saving Club	6,000
Trust Waikato Tairua Surf Life Saving Club	10,000
Trust Waikato Whangamata Surf Lifesaving Club	25,000
Whangamata Community Services Trust	28,000
Whangamata Summer Festival	4,000
Whangamata Youth Trust	4,500
WHANGAMATA TOTAL	93,500
WHITIANGA GROUPS	
Creative Mercury Bay Trust	12,000
Mercury Bay Art Escape Trust	3,000
Mercury Bay Community Support Trust	4,000
Mercury Bay Co-Operating Parish	3,000
Mercury Bay Museum Trust Board	5,000
Toy Library - Whitianga	600
Trust Waikato Hot Water Beach Lifeguard Service	15,000
Whitianga Community Services Trust	40,000
Whitianga Community Services Trust*	220,000
Whitianga Sea Scout Group	600
WHITIANGA TOTAL	303,200
GRAND TOTAL	\$ 26,911,771

20.2 Reconciliation of Grants

	NZ\$
Total grants approved	26,911,771
Less: Future conditional commitments included in above:	
K'aute Pasifika Services	2,137,500
Maungatautari Ecological Island	300,000

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	NZ\$
Melville Hall Society	20,000
Momentum (Waikato Regional Theatre)	14,000,000
Saint Andrews Presbyterian Church Te Kauwhata	8,000
The Flagstaff Club Inc T/A Suburbs Community Sports Club	15,000
Whitianga Community Services Trust	220,000
	<u>16,700,500</u>
Add: Past conditional commitments paid during year	
Gordonton Playgroup	4,500
Hiona Marae	12,000
Matahuru Papakainga Marae Reservation	66,000
Paeroa Christian School	8,000
Parawera Marae	97,000
Pukerewa Marae Trust	69,500
Taumarunui Community Kokiri Enterprises Ltd - Te Arahina O Arihia	3,000
Thames Anglican Parish	13,000
Thames Volunteer Coastguard	40,000
Waahi Whaanui Trust	27,000
	<u>340,000</u>
Less: Payment of grants payable at beginning of year	
Community Waikato	500,000
Creative Waikato	500,000
Sport Waikato	700,000
	<u>1,700,000</u>
Add: Grants approved during the year and payable at end of year	
Community Waikato	500,000
Creative Waikato	500,000
Sport Waikato	700,000
	<u>1,700,000</u>
Less: Grants from prior years refunded during the year	
Te Puawai Tapu	9,000
	<u>9,000</u>
Total Grants for the Year Shown in the Statement of Comprehensive Revenue & Expenses	<u><u>10,542,271</u></u>

20.3 Current Year Grants Refunded or Withdrawn During The Year

	NZ\$
Grants Refunded or Withdrawn	
Pirongia Primary School	2,000
Total Current Year Grants Refunded or Withdrawn	<u><u>2,000</u></u>

**THE WAIKATO COMMUNITY
TRUST INCORPORATED**

SUMMARISED FINANCIAL STATEMENTS

***FOR THE YEAR ENDED
31 MARCH 2018***

THE WAIKATO COMMUNITY TRUST INCORPORATED

SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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THE WAIKATO COMMUNITY TRUST INCORPORATED

DIRECTORY FOR THE YEAR ENDED 31 MARCH 2018

PRINCIPAL ACTIVITIES: Investment and Donations

TRUSTEES: Nuri, Niwa (Chair)
Barriball, Peggy
Chew, Alan
Christian, Carolyn
Feng, Chong (Appointed 22 June 2017)
Flowers, Lynnette (Retired 21 June 2017)
Follows, Trevor
Gillespie, John (Retired 21 June 2017)
Kedzlie, Michael (Appointed 22 June 2017)
McLennan, Vicky (Appointed 22 June 2017)
Noble, Bill
Paenga, John
Barker, Norman
Sporle, Raewyn
Viggers, Maxine (Retired 21 June 2017)
Wilson, Edgar (Deputy Chair)

CHIEF EXECUTIVE: Turton, Dennis

ACCOUNTANTS: PricewaterhouseCoopers
Hamilton

AUDITORS: KPMG
Hamilton

BANKERS: Bank of New Zealand
Auckland

PHYSICAL ADDRESS: 2 London Street
Hamilton 3240

POSTAL ADDRESS: PO Box 391
Hamilton 3240

WEBSITE: www.trustwaikato.co.nz

THE WAIKATO COMMUNITY TRUST INCORPORATED

**SUMMARISED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 NZ\$'000	2017 NZ\$'000
Revenue			
Investment revenue		38,378	42,404
Other Revenue		22	23
<i>Total Revenue</i>		<u>38,400</u>	<u>42,427</u>
Other Gains/(Losses)			
Gain/(Loss) on Disposal of Property, Plant and Equipment		-	6
Operating Expenses			
<i>Total Operating Expenses</i>		(5,691)	(5,631)
Distributions			
Grants and Sponsorships		(10,793)	(10,937)
OPERATING SURPLUS		<u>21,916</u>	25,865
Other Comprehensive Revenue			
Land Revaluation Surplus		-	2,205
TOTAL COMPREHENSIVE REVENUE & EXPENSES FOR THE YEAR		<u><u>21,916</u></u>	<u><u>28,070</u></u>

These financial statements must be read in conjunction with the notes on pages 8 to 11.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**SUMMARISED STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018					Total Trust Funds NZ\$'000
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	
Balance at 1 April 2017	288,446	72,112	8,490	2,205	-	371,253
Total Comprehensive Revenue & Expenses for the Year	-	-	-	-	21,916	21,916
Transfers to Reserves	4,336	1,084	16,496	-	(21,916)	-
Balance at 31 March 2018	292,782	73,196	24,986	2,205	-	393,169

	2017					Total Trust Funds NZ\$'000
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	
Balance at 1 April 2016	281,208	61,975	-	-	-	343,183
Total Comprehensive Revenue & Expenses for the Year	-	-	-	-	28,070	28,070
Transfers to Reserves	7,238	10,137	8,490	2,205	(28,070)	-
Balance at 31 March 2017	288,446	72,112	8,490	2,205	-	371,253

These financial statements must be read in conjunction with the notes on pages 8 to 11.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**SUMMARISED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 NZ\$'000	2017 NZ\$'000
TRUST FUNDS			
Base Capital Value		292,782	288,446
Investment Fluctuation Reserve		73,196	72,112
Grants Reserve		24,986	8,490
Land Revaluation Reserve		2,205	2,205
TOTAL TRUST FUNDS		393,169	371,253
CURRENT LIABILITIES			
Accounts Payable and Accruals		866	324
Income in Advance		162	-
Donations Payable		1,700	1,700
Derivative Financial Instruments		331	6,620
		3,059	8,644
TOTAL TRUST FUNDS AND LIABILITIES		396,228	379,897
CURRENT ASSETS			
Cash and Cash Equivalents		626	1,257
Accounts Receivable		263	56
		889	1,313
NON CURRENT ASSETS			
Investments		388,799	374,626
Property, Plant and Equipment		6,524	3,877
Intangible Assets		16	25
Te Kete Putea Limited Partnership		-	56
		395,339	378,584
TOTAL ASSETS		396,228	379,897

For and on behalf of the Trustees, who authorised the issue of these financial statements on the date shown below:

Trustee: _____

Trustee: _____

Date: _____

Date: _____

These financial statements must be read in conjunction with the notes on pages 8 to 11.

THE WAIKATO COMMUNITY TRUST INCORPORATED

**SUMMARISED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018	2017
		NZ\$'000	NZ\$'000
Net Cash Provided from Operating Activities		1,497	349
Net Cash Used in Investing Activities		(2,128)	(297)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(631)	52
Cash and Cash Equivalents at the Beginning of the Year		1,257	1,205
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		626	1,257

These financial statements must be read in conjunction with the notes on pages 8 to 11.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 REPORTING ENTITY

The Waikato Community Trust Incorporated is a not for profit charitable trust incorporated and domiciled in New Zealand. Its principal activities are the investment and maintenance of the Trust capital and the provision of grants to community groups in the greater Waikato area. The Trust was incorporated on 5 August 1988 with Trust Capital of \$21,316,622.

The Trust operates as Trust Waikato.

2 SUMMARISED FINANCIAL STATEMENTS

These are the summarised financial statements of The Waikato Community Trust Incorporated.

These summarised financial statements are prepared in compliance with PBE IPSAS - 43 'Summary Financial Statements' and have been extracted from the full audited financial statements for the year ended 31 March 2018 which were authorised for issue on 19 July 2018. Summarised financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements, which can be obtained from the office of the Trust or from the Trust website www.trustwaikato.co.nz.

The full financial statements have been subject to audit by KPMG and an unmodified audit report was issued on 19 July 2018. The audit concluded that the full financial statements present fairly in all material respects the trust's financial position as at 31 March 2018 and its financial performance and cashflows for the year ended on that date. These summarised financial statements were authorised by the Trustees for issue on 19 July 2018 and have been examined by KPMG for consistency with the full financial statements.

3 STATEMENT OF COMPLIANCE

The Trust's full financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the Tier 2 Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS). Disclosure concessions have been applied.

4 BASIS OF MEASUREMENT

The financial statements have been prepared on the basis of historical cost, except for the revaluation of the following assets, which are stated at their fair value:

- Financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue & Expenses
- Derivative financial instruments
- Available for sale financial assets
- Land

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. TRUSTEE MEETINGS AND HONORARIA

The Trust Board held 11 formal meetings during the year. The following table records Trustee attendance at those formal meetings:

Trustee	Meetings Available to Attend	Meeting Attendance	Honorarium \$
Nuri, Niwa (Chair)	11	11	25,330
Barriball, Peggy	11	11	13,932
Chew, Alan	11	7	12,665
Christian, Carolyn	10	9	12,665
Feng, Chong (appointed 22 June 2017)	9	8	9,812
Flowers, Lynnette (retired 21 June 2017)	2	1	2,853
Follows, Trevor	11	9	12,665
Gillespie, John (retired 21 June 2017)	2	1	2,853
Kedzlie, Michael (Liam) (appointed 22 June 2017)	9	9	10,793
McLennan, Vicky (appointed 22 June 2017)	9	8	9,812
Noble, Bill	11	9	12,665
Paenga, John	11	10	12,665
Barker, Norman	11	11	12,665
Sporle, Raewyn	11	9	12,665
Viggers, Maxine (retired 21 June 2017)	2	2	2,853
Wilson, Edgar (Deputy Chair)	11	11	15,831
Total Remuneration			182,724

In addition, during the year Trustees participated in committee meetings, Trust consultations with the community sector and a range of professional development opportunities. Trustees were also invited to 82 events and meetings within the community and were able to achieve representation at approximately 35 of those meetings.

6. CONFLICTS OF INTEREST

During the year Trustees and staff were required to declare when they had either a direct or indirect conflict of interest in a matter being considered by the Trust. During the course of the year, 34 such interests were recorded (2017: 39). A register of those interests is available for inspection at the Trust.

THE WAIKATO COMMUNITY TRUST INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7. RELATED PARTY TRANSACTIONS

Related Party Transactions

Transactions with related party organisations totalled \$2,655,196 (2017: \$293,539) during the year. Interests were declared when these transactions were considered and key management personnel took no part in deliberations relating to organisations in which they had an interest. There was \$Nil payable at balance date (2017: \$Nil).

Organisation	2018		Amount \$
	Nature of Related Party	Nature of Transaction	
Child Cancer Foundation	Key management personnel Board Member	Grant	10,000
Institute for Child Protection Studies (Child Matters)	Common Board Member	Grant	25,000
K'aute Pasifika Trust	Common Board Member	Grant	45,000
K'aute Pasifika Trust*	Common Board Member	Grant	2,137,500
Otorohanga District Development Board	Common Board Member	Grant	80,000
Rostrevor House	Common Board Member	Grant	31,000
SADD AOTEAROA - Students Against Driving Drunk Charitable Trust	Common Board Member	Grant	6,000
Seagull Centre Trust	Common Board Member	Grant	10,000
Special Olympics Waikato	Common Board Member	Grant	8,000
Swim Waikato	Trustee family member involved	Grant	16,000
The Gordonton Woodlands Trust	Common Board Member	Grant	1,000
Trust Waikato Hamilton City Netball Centre	Common Board Member	Grant	37,000
Trust Waikato Hamilton City Netball Centre	Common Board Member	Sponsorship	20,000
Waikato Institute of Technology	Common Board Member	Grant	140,000
Waikato Institute of Technology	Common Board Member	Sponsorship	8,696
Waikato Justice of the Peace Association	Common Board Member	Grant	1,000
Waikato Medical Research Foundation	Common Board Member	Grant	75,000
Waikato Water Polo Club	Key management personnel Board Member	Grant	4,000
			2,655,196

* Commitment

Compensation

The compensation of Key Management Personnel (Trustees and Management), is set out below:

	2018 NZ\$'000	2017 NZ\$'000
Short Term Trustee and Employee Benefits	354	472
	354	472