



**Trust  
Waikato**  
TE PUNA O WAIKATO

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# ANNUAL REPORT

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## 2018 - 2019

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**RESILIENT + VIBRANT  
WAIKATO COMMUNITIES**

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# Haere Mai Welcome

**WE'RE PROUD TO PRESENT TO YOU  
TRUST WAIKATO'S ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019.**

## **HE MIHI**

He hoonore he korooria ki te Atua  
He maungaarongo ki te whenua  
He whakaaro pai ki ngaa taangata katoa  
Kia whakapapa pounamu te moana  
Kia tere te kaarohirohi i tou huarahi  
E mihi ana ki a Kiingi Tuheitia  
E pupuru ana ki te Mana Motuhake  
Ki a koutou o ngaa waka, ngaa mana me ngaa maunga koorero  
Kei te mihi atu Te Puna o Waikato ki a koutou,  
Teena koutou, teena koutou, teena koutou katoa.

We acknowledge the creator of all things  
May his peace cover the land, with goodwill to all  
May the calmness come upon the glistening sea  
We acknowledge King Tuheitia, keeper of Mana Motuhake  
We acknowledge all the tribes and all people who hold the  
rich heritage  
Trust Waikato wishes to acknowledge and greet you all.

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*Cover photo of Fraser High School, Pasifika by Nature 2018 winner  
Photo by Tarita Templeton*





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*Hamilton Gardens Arts Festival  
Photo by Mark Hamilton*

# Teena koutou katoa greetings to you all



In October 2018 I had the privilege of taking up the role of Chair for Trust Waikato. I see this as a wonderful opportunity to further enable community groups to meet the needs of people across the Waikato region.

The Trust Waikato Strategic Plan sets five and ten-year goals towards achieving transformational change for people, families, communities and places where the need is greatest. From building resilience in small communities, to supporting groups who are empowering whaanau and intergenerational wellbeing, there are many excellent examples of community-led initiatives that are addressing some of our biggest issues.

We have been very honoured to support the development and evolution of Taumarunui Community Kokiri Trust, which advances the holistic development of whaanau, hapuu and iwi. By placing whaanau at the centre

of everything they do, their model enables the delivery of high quality health and social services that result in positive whaanau ora outcomes. It is a departure from traditional frameworks and enables people to navigate their way forward by connecting them to the right people, at the right place, at the right time to achieve wellness and their own aspirational goals.

Another unique model has been developed by True Colours Children's Health Trust, which supports children and families through the difficulties of a chronic illness. Their integrated model of care ensures the entire family is helped throughout their time of need and is free to families across the greater Waikato region.

The cutting-edge programme 'This is ME', developed by Sport Waikato, has been highly successful in encouraging, supporting and celebrating girls and women to be active by sharing events and positive self-images through physical activity.

We are at a crucial time where a united approach to strategic goals will make a key difference to the generations to come. As a Trust we aim to strengthen the community sector by supporting key stakeholders to raise capacity. To support this, significant increases in grants have been made to the umbrella trusts of Community Waikato, Sport Waikato and Creative Waikato so they can grow their capacity across the region.

An important focus has been to increase the Trust's connectivity across the greater Waikato region and we have worked on this through outward-facing meetings and impact-focused events.

The new Trust Waikato building, which opened officially in July 2018, has also provided many opportunities to connect groups across the Waikato. The purpose-built meeting rooms, which are available for free community use, are extremely well utilised.

Within the Trust Waikato Board of Trustees we have said goodbye to four valued trustees, Raewyn Sporle, Peggy Barriball, John Paenga and Norm Barker. We would like to thank each of them for their commitment, input and guidance. In June 2019 Niwa Nuri also finished at Trust Waikato. Niwa served as a Trustee and Chair since 2011, and did an outstanding job in overseeing governance and policy, helping to ensure that the Trust is where it is today. Over the past year we have welcomed five new trustees, Janise Hine-Kapetiu Eketone, Chris Flatt, Anjum Rahman, Anna Casey-Cox and Barbara Stewart, who all bring diverse and valued perspectives.

Changes in staff include Sue Ratcliffe, Finance and Investment Manager, and Imelda Devaney, Business Services Manager leaving the team. Both were exceptional in their work and we thank them for their service. We have now warmly welcomed Maggie Zhang as Finance and Investment Manager and Melanie Blackmore as Business Services Manager, who bring a wealth of experience and expertise to these roles.

The investments are at a very healthy level and we have another strong budget for the year ahead. For the year ended 31 March 2019, Trust investments have grown by 8.30% and total Trust funds are now valued at \$410 million. This is a substantial increase and I would like to acknowledge

the careful management of the Trust's investments by JANA, Trust Waikato's investment advisors. In the financial year ended 31 March 2019 a total of 591 grants were approved exceeding \$13 million.

In addition to being a signatory to the Principles for Responsible Investment (PRI), which provides international guidelines for taking into account environmental, social and governance investment issues, the Trust has an increasing focus on impact investing. Impact investing focuses on investing into areas of development that have positive outcomes for society as well as investment returns, and there is a real motivation to define new ways for Trust Waikato to invest more into these types of funds.

On behalf of the staff and trustees of Trust Waikato I would like to thank everyone who works so hard to ensure sustained, positive impact for our communities. We see hundreds of large and small community groups that are making a significant difference, often with very limited resources and many hours of volunteer work. It is a real privilege to meet and work with so many of you and we wish you all the best for a rewarding and productive year ahead.

A handwritten signature in dark ink, appearing to read 'Edgar Wilson', with a horizontal line underneath.

**Best regards**  
**Edgar Wilson JP, MA**  
**Trust Waikato Chair**

# Strategic Allocation of Financial Assets

## GROWTH ASSETS



- 25% Global Equities
- 5% NZ Private Equity
- 7.5% Global Credit
- 10% Infrastructure
- 10% Australasian Equities
- 17.5% Property

## INCOME ASSETS



- 12.5% Global Fixed Interest
- 7.5% Cash
- 5% NZ Fixed Interest



Sport Waikato "This is ME Initiative"

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# The Year at a Glance



**\$410M**

VALUE OF THE TRUST FUNDS  
AS AT 31 MARCH 2019



**8.30%**

RETURN ON INVESTMENT



**\$13.1M**  
TOTAL GRANTS  
APPROVED



**\$9M APPROVED FOR  
578 COMMUNITY  
RESPONSE GRANTS**

**\$3.8M**

APPROVED FOR SEVEN  
SIGNIFICANT CAPITAL PROJECTS

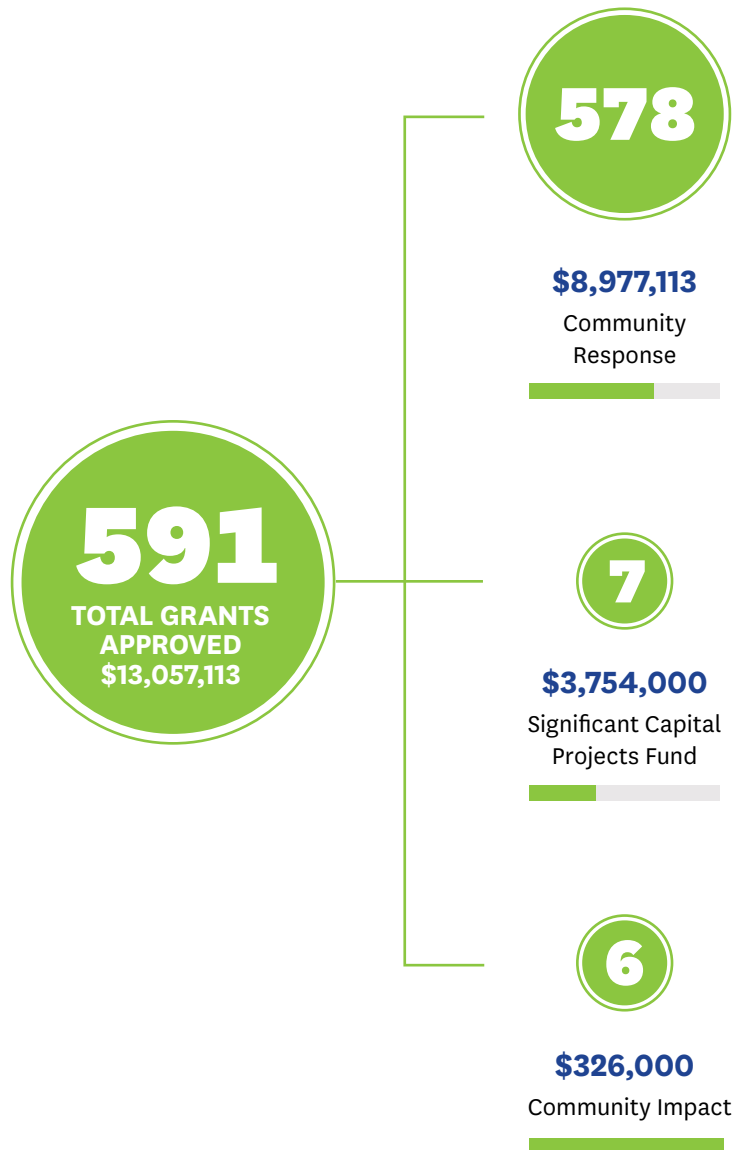


**92% OF ALL APPLICATIONS  
APPROVED IN 2018**



**\$34.44 GRANTED  
PER PERSON IN THE  
WAIKATO**

## Funding Framework



## Community Response Grants Top Ten Categories



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# Summarised Financial Statements

## The Waikato Community Trust Incorporated

### DIRECTORY | FOR THE YEAR ENDED 31 MARCH 2019

**PRINCIPAL ACTIVITIES:** Investment and Grants

**TRUSTEES:** Wilson, Edgar (Appointed to Chair 25 October 2018, previously Deputy Chair)  
Barker, Norman (Retired 22 July 2018)  
Barriball, Peggy (Retired 22 July 2018)  
Chew, Alan  
Christian, Carolyn  
Cox, Anna (Appointed 10 December 2018)  
Eketone, Janise (Appointed 23 July 2018)  
Feng, Chong  
Flatt, Christopher (Appointed 23 July 2018)  
Follows, Trevor  
Kedzlie, Michael  
McLennan, Vicky (Appointed to Deputy Chair 25 October 2018, previously trustee)  
Noble, Bill  
Nuri, Niwa (Retired from Chair 25 October 2018, remains trustee)  
Paenga, John (Retired 22 July 2018)  
Rahman, Anjum (Appointed 23 July 2018)  
Sporle, Raewyn (Retired 22 July 2018)

**CHIEF EXECUTIVE:** Turton, Dennis

**ACCOUNTANTS:** PricewaterhouseCoopers, Hamilton

**AUDITORS:** KPMG, Hamilton

**BANKERS:** Bank of New Zealand, Auckland

**PHYSICAL ADDRESS:** 4 Little London Lane, Hamilton 3240

**POSTAL ADDRESS:** PO Box 391, Hamilton 3240

**WEBSITE:** [www.trustwaikato.co.nz](http://www.trustwaikato.co.nz)



# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES | FOR THE YEAR ENDED 31 MARCH 2019

	2019 NZ\$'000	2018 NZ\$'000
<b>Revenue from Exchange Transactions</b>		
Investment Revenue	34,313	38,378
Other Revenue	36	22
<i>Total Revenue from Exchange Transactions</i>	<b>34,349</b>	38,400
<b>Other Gains/(Losses)</b>		
Gain/(Loss) on Disposal of Property, Plant and Equipment	(7)	-
<b>Operating Expenses</b>		
<i>Total Operating Expenses</i>	<b>(5,771)</b>	(5,691)
<b>Distributions</b>		
Grants and Sponsorships	<b>(11,806)</b>	(10,793)
<b>OPERATING SURPLUS</b>		
<b>Other Comprehensive Revenue</b>		
Land Revaluation Surplus	36	-
<b>TOTAL COMPREHENSIVE REVENUE &amp; EXPENSES FOR THE YEAR</b>	<b>16,801</b>	21,916

# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF CHANGES IN TRUST FUNDS | FOR THE YEAR ENDED 31 MARCH 2019

	2019					
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	Total Trust Funds
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Balance at 1 April 2018	292,782	73,196	24,986	2,205	-	393,169
Total Comprehensive Revenue & Expenses for the Year	-	-	-	-	16,801	16,801
Transfers to Reserves	5,597	1,399	9,769	36	(16,801)	-
Balance at 31 March 2019	298,379	74,595	34,755	2,241	-	409,970

	2018					
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	Total Trust Funds
	NZ\$'000	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

## SUMMARISED CASH FLOW STATEMENT | FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	NZ\$'000	NZ\$'000
Net Cash Provided from Operating Activities	2,382	1,497
Net Cash Used in Investing Activities	(272)	(2,128)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,110</b>	<b>(631)</b>
Cash and Cash Equivalents at the Beginning of the Year	626	1,257
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,736</b>	<b>626</b>

These financial statements must be read in conjunction with the notes on pages 12-13.

# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF FINANCIAL POSITION | AS AT 31 MARCH 2019

	2019 NZ\$'000	2018 NZ\$'000
<b>TRUST FUNDS</b>		
Base Capital Value	298,379	292,782
Investment Fluctuation Reserve	74,595	73,196
Grants Reserve	34,755	24,986
Land Revaluation Reserve	2,241	2,205
<b>TOTAL TRUST FUNDS</b>	<b>409,970</b>	393,169
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accruals	330	866
Income in Advance	46	162
Grants Payable	2,050	1,700
Derivative Financial Instruments	284	331
	<b>2,710</b>	3,059
<b>TOTAL TRUST FUNDS AND LIABILITIES</b>	<b>412,680</b>	396,228
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,736	626
Accounts Receivable	53	263
Assets Classified as Held for Sale	694	-
	<b>3,483</b>	889
<b>NON CURRENT ASSETS</b>		
Investments	403,127	388,799
Property, Plant and Equipment	6,070	6,524
Intangible Assets	-	16
	<b>409,197</b>	395,339
<b>TOTAL ASSETS</b>	<b>412,680</b>	396,228

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



**Edgar Wilson** | Trustee  
18 July 2019



**Vicky McLennan** | Trustee  
18 July 2019

These financial statements must be read in conjunction with the notes on pages 12-13.

# The Waikato Community Trust Incorporated

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2019

## 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 2019 which were authorised for issue on 18 July 2019. 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](http://www.trustwaikato.co.nz).

The full financial statements have been subject to audit by KPMG and an unmodified audit report was issued on 18 July 2019. The audit concluded that the full financial statements present fairly in all material respects the Trust's financial position as at 31 March 2019 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 18 July 2019 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

## 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 Amount \$
Wilson, Edgar (Appointed Chair 25 October 2018)	10	10	19,961
Barker, Norman (Retired 22 July 2018)	2	2	3,923
Barriball, Peggy (Retired 22 July 2018)	2	2	4,316
Chew, Alan	11	4	12,665
Christian, Carolyn	10	8	12,665
Cox, Anna (Appointed 10 December 2018)	2	2	3,889
Eketone, Janise (Appointed 23 July 2018)	8	6	8,742
Feng, Chong	10	10	12,665
Flatt, Christopher (Appointed 23 July 2018)	8	6	8,742
Follows, Trevor	11	8	12,665
Kedzlie, Michael	11	11	13,932
McLennan, Vicky (Appointed Deputy Chair 25 October 2018)	10	10	14,124
Noble, Bill	11	10	12,665
Nuri, Niwa (Retired Chair 25 October 2018)	11	11	19,858
Paenga, John (Retired 22 July 2018)	2	2	3,923
Rahman, Anjum (Appointed 23 July 2018)	8	8	8,742
Sporle, Raewyn (Retired 22 July 2018)	2	2	3,923
<b>Total Remuneration</b>			<b>177,399</b>

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 56 events and meetings within the community and were able to achieve representation at approximately 36 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, 32 such interests were recorded (2018: 34). A register of those interests is available for inspection at the Trust.

## 7. RELATED PARTY TRANSACTIONS

### Related Party Transactions

Transactions with related party organisations totalled \$181,000 (2018: \$2,655,196) 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 (2018: \$Nil).

2019			
Organisation	Nature of Related Party	Nature of Transaction	Amount \$
Shama Hamilton Ethnic Womens Centre Trust	Key management personnel Board Member	Grant	30,000
K'aute Pasifika Trust	Common Board Member	Grant	50,000
K'aute Pasifika Trust	Common Board Member	Grant	20,000
Waikato Institute of Technology	Common Board Member	Grant	80,000
Catholic Diocese of Hamilton	Common Board Member	Grant	1,000
			<b>181,000</b>

### COMPENSATION

The compensation of key management personnel (trustees and management), is set out below:

	2019	2018
	<b>NZ\$'000</b>	NZ\$'000
Short Term Trustee and Employee Benefits	386	354
	<b>386</b>	354

The full financial statements are available on our website:

[www.trustwaikato.co.nz/resources](http://www.trustwaikato.co.nz/resources)



# Independent Auditor's Report

To the beneficiaries of The Waikato Community Trust Incorporated  
**Report on the summary financial statements**

## OPINION

In our opinion, the accompanying summary financial statements on pages 8 - 13:

- i. have been correctly derived from the audited financial statements of The Waikato Community Trust Incorporated; and
- ii. are a fair summary of the financial statements, in accordance with PBE FRS-43 Summary Financial Statements.

The accompanying summary financial statements comprise:

- the summarised statement of financial position as at 31 March 2019;
- the summarised statement of comprehensive revenue and expenses, summarised statement of changes in trust funds, summarised statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



## BASIS FOR OPINION

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*.

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



## USE OF THIS INDEPENDENT AUDITOR'S REPORT

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for the preparation of a summary of the audited financial statements, in accordance with PBE FRS-43 Summary Financial Statements.



## AUDITOR'S RESPONSIBILITIES FOR THE SUMMARY FINANCIAL STATEMENTS

Our responsibility is to express an opinion on the summary financial statements based on our procedures.

We expressed an unmodified audit opinion on the financial statements in our audit report dated 18 July 2019.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Trust.

18 July 2019  
Hamilton



The Underwater Collective 2018, Boon Street Art Festival 2018  
Photo by Amanda Ratcliffe



**RESILIENT + VIBRANT  
WAIKATO COMMUNITIES**

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