

**Nelson College Trust Foundation**



**Annual Report**

**For The Year Ended 31 December 2016**

# **Nelson College Trust Foundation**

## **Annual Report - Contents**

**For The Year Ended 31 December 2016**

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# Nelson College Trust Foundation

## Trust Directory

For The Year Ended 31 December 2016

<b>Nature Of Business</b>	To hold and apply such real and personal property as may from time to time be vested in or held by the Trust for the benefit of Nelson College and assist in the advancement of its students.	
<b>Business Location</b>	67 Waimea Road P O Box 202 Nelson	
<b>Accountant</b>	Brett Mochan Finance Manager Nelson College	
<b>Auditors</b>	Thompson Daly & Co. 266 Hardy Street Nelson	
<b>Bankers</b>	Westpac 168 - 170 Trafalgar Street Nelson	
	First N Z Capital Securities Ltd Level 14 171 Featherston Street P O Box 3397 Wellington	
<b>I R D No.</b>	055-429-650	
<b>Solicitors</b>	Pitt & Moore 78 Selwyn Place Nelson	
<b>Date Established</b>	12-Jul-78	
<b>Trustees</b>	Tony Zohrab	( Chairman - Independent )
	Gary O'Shea	( Headmaster )
	Tim Tucker	( Staff )
	Dennis Christian	( Board Of Trustees )
	Gaye Evans	( Board Of Trustees )
	Colin Gibbons	( Old Boys )
	Doug McKee	( Old Boys )
	Pam Ewan	( P T A )
	Sandra Heney	( P T A )
<b>Secretary and Administrator</b>	Gina Fletcher	
<b>Treasurer</b>	Brett Mochan	

# Nelson College Trust Foundation

## Statement Of Financial Performance

For The Year Ended 31 December 2016

	Notes	2016 \$	2015 \$
<b>Income</b>			
Donations	09	2,631.35	15,732
Dividends		15,206.22	10,382
Gain On Insurance Policies		5,494.70	6,188
Listed PIE Income		6,353.73	7,657
Unlisted PIE income		10,803.18	10,529
Net Gain On Sale Of Shares		19,911.40	10,626
Interest Received		13,685.77	22,003
Sundry Income		-	38
Net Movement On Market Valuation Of Investments		(14,158.49)	24,527
<b>TOTAL Income</b>		<u>59,927.86</u>	<u>107,682</u>
<b>Expenses</b>			
Accountancy & Secretarial Fees		3,089.70	3,140
Audit Fees		2,300.00	1,725
Bank Fees		350.00	50
Fees - First NZ Capital		2,794.87	2,657
General Expenses		4,450.34	5,573
PIE Tax	12	4,931.95	6,296
<b>TOTAL Expenses</b>		<u>17,916.86</u>	<u>19,441</u>
<b>Net Surplus</b>		<u><u>42,011.00</u></u>	<u><u>88,241</u></u>

The attached Notes and Auditor's Report form an integral part of these financial statements

## Nelson College Trust Foundation

### Statement Of Movements In Equity

For The Year Ended 31 December 2016

	Notes	2016 \$	2015 \$
Opening Trust Funds		1,383,157.24	1,393,379
Net Surplus		42,011.00	88,241
<b>TOTAL Recognised Revenue &amp; Expenses</b>		<u>42,011.00</u>	<u>88,241</u>
Distributions To Beneficiaries During The Year	10	102,878.04	98,463
<b>Closing Trust Funds</b>		<u><u>1,322,290.20</u></u>	<u><u>1,383,157</u></u>

The attached Notes and Auditor's Report form an integral part of these financial statements

# Nelson College Trust Foundation

## Statement Of Financial Position

As At 31 December 2016

	Notes	2016 \$	2015 \$
<b>Current Assets</b>			
Westpac - Cheque Account		3,431.98	7,870
First NZ Capital - CMT - NZD		15,712.20	213,483
First NZ Capital - CMT - AUD		1,812.44	3,178
First NZ Capital - CMT - GBP		118.04	53
First NZ Capital - CMT - USD		-	185
Investments	1	177,629.14	90,910
<b>TOTAL Current Assets</b>		<u>198,703.80</u>	<u>315,679</u>
<b>Non Current Assets</b>			
Investments	2	1,061,269.00	1,002,182
AMP Life Policies	6	73,791.22	68,296
<b>TOTAL Non Current Assets</b>		<u>1,135,060.22</u>	<u>1,070,478</u>
<b>TOTAL Assets</b>		<u>1,333,764.02</u>	<u>1,386,157</u>
<b>Current Liabilities</b>			
		11,473.82	3,000
		-	-
<b>TOTAL Current Liabilities</b>		<u>11,473.82</u>	<u>3,000</u>
<b>Net Assets</b>		<u>1,322,290.20</u>	<u>1,383,157</u>
<b>Trust Funds</b>	11	<u>1,322,290.20</u>	<u>1,383,157</u>

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Trustee

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Date

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Trustee

## **Nelson College Trust Foundation**

### **Statement Of Accounting Policies**

**For The Year Ended 31 December 2016**

#### **Reporting Entity**

These are the financial statements of Nelson College Trust Foundation and are presented in New Zealand dollars. Nelson College Trust Foundation is a Charitable Trust registered under the Charities Act 2005, established and domiciled in New Zealand by trust deed.

#### **Statutory Base**

The financial statements are prepared in accordance with applicable financial reporting standards and generally accepted accounting policies appropriate to the circumstances of Nelson College Trust Foundation.

#### **Measurement Base**

The measurement base adopted is historical cost, except as noted otherwise below.

#### **Differential Reporting**

The Trust is a qualifying entity within the framework for differential reporting. The Trust qualifies on the basis that it is not publicly accountable and the entity is not large. The Trust has taken advantage of all available differential reporting concessions.

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

#### **Income Tax**

No provision for Income Tax has been made as the Trust is a registered Charity and wholly exempt from NZ income tax.

#### **Goods and Services Tax**

The entity is not registered for GST Purposes and therefore the financial statements have been prepared on a GST inclusive basis.

#### **Investments**

Investments are recorded at market value at balance date. AMP Life Policies are recorded at surrender value at balance date as calculated by AMP.

#### **Changes In Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used last year.

## Nelson College Trust Foundation

### Notes To The Financial Statements For The Year Ended 31 December 2015

	Quantity	Matures	Rate	Cost	2016 \$	2015 \$
<b>01 Investments - Current</b>						
<b>Current Assets</b>						
Rabobank - Call Account		Call	3.00%	66,427.14	66,427.14	65,213
Telcom Bonds				-	-	25,697
Infratil - Bonds				10,000.00	10,196.00	10,585
Rabobank - Term Deposit		19.09.2017	3.60%	100,000.00	101,006.00	208,277
<b>TOTAL Current Assets / Investments</b>				<u>176,427.14</u>	<u>177,629.14</u>	<u>309,772</u>
<b>02 Investments Non-Current</b>						
<b>Managed Funds</b>						
AMP Capital NZ Fixed Interest Fund	109196	N/A		145,914.00	145,766.00	98,225
Harbour N Z Core Fund	140444	N/A		146,290.00	145,931.00	98,094
Harbour N Z Corporate Bond Fund	142317	N/A		146,053.00	144,770.00	97,839
<b>TOTAL Managed Funds</b>				<u>438,257.00</u>	<u>436,467.00</u>	<u>294,158</u>
<b>Fixed Interest</b>						
ANZ Bank		19.03.2018	3.45%	100,000.00	100,964.00	-
<b>TOTAL Term Deposits</b>				<u>100,000.00</u>	<u>100,964.00</u>	<u>-</u>
<b>TOTAL Fixed Interest</b>				<u>538,257.00</u>	<u>537,431.00</u>	<u>294,158</u>
<b>N Z Equity</b>						
Argosy Property				-	-	30,915
Arvida Group Ltd	14000			16,098.00	17,640.00	-
Contact Energy	2700			15,083.00	12,582.00	12,798
EBOS Group				-	-	20,625
Fletcher Building	1700			14,867.00	18,020.00	12,495
Fonterra Shareholders Fund	6000			35,421.00	36,000.00	-
Freightways	3300			15,217.00	22,275.00	20,493
Genesis Energy Ltd				-	-	9,650
Goodman Property Trust	25000			27,034.00	30,500.00	31,000
Heartland Bank Ltd	6000			7,993.00	9,000.00	7,920
Infratil Ltd	5000			14,576.00	13,750.00	16,375
Metro Performance Glass Ltd	10000			20,170.00	19,200.00	17,200
NPT Limited	45000			27,415.00	28,800.00	30,375
Nuplex Industires				-	-	21,375
NZX Limited	16000			20,169.00	16,800.00	11,770
Precinct Properties Ltd	27000			28,237.00	32,400.00	33,750
Restaurant Brands New Zraland	5971			18,885.00	30,333.00	22,200
Ryman Healthcare	700			5,376.00	5,677.00	5,950
Summerset Group	1500			4,830.00	7,020.00	6,120
Tegel Group Holdings Ltd	6500			10,897.00	9,425.00	-
Z Energy Group	2000			15,553.00	14,520.00	-
				<u>297,821.00</u>	<u>323,942.00</u>	<u>311,011.00</u>
<b>Australian Equity</b>						
Australian Foundation Investment	12400			85,153.00	74,280.00	78,731.00



## Nelson College Trust Foundation

### Notes To The Financial Statements

For The Year Ended 31 December 2015

	Quantity	Matures	Rate	Cost	2016 \$	2015 \$
<b>Global Equity</b>						
City Of London Investment Trust PLC	1000			8,033.00	7,235.00	-
Consumer Discretionary Select Sector SPDR Fund				-	-	11,448
Edinburgh Dragon Trust PLC				-	-	4,170
iShares MSCI All Country Asia ex-Japan Index Fund	110			9,134.00	8,723.00	8,605
iShares Russell 200 Index Fund	40			7,483.00	7,787.00	-
iShares S & P 500 Index Fund	100			28,258.00	32,480.00	7,502
iShares S & P Global Financials Sector Index Fund	0			-	-	5,045
iShares S & P Global Financials Sector Index Fund	80			5,838.00	6,673.00	-
J P Morgan EUR Smaller Companies Trust	1300			5,379.00	6,788.00	8,165
Polar Capital Technology Trust PLC	550			5,362.00	8,297.00	7,443
Powershares Byback Achievers Portfolio	130			6,895.00	9,470.00	8,656
Schroder Japan GWT	2000			7,096.00	6,789.00	6,702
Vanguard FTSE Emerging Markets ETF	150			9,204.00	7,748.00	7,187
Wisdomtree Europe Hedged Equity Fund	85			6,052.00	7,043.00	6,699
Wisdomtree Japan Hedged Equity Fund				-	-	7,335
Wisdomtree Japan Hedged Equity Fund	100			6,970.00	7,152.00	-
Worldwide Healthcare Trust	250			10,855.00	9,431.00	10,463
				<u>116,559.00</u>	<u>125,616.00</u>	<u>99,420</u>
<b>TOTAL Equities</b>				<u>499,533.00</u>	<u>523,838.00</u>	<u>489,162</u>
<b>TOTAL Non Current Investments</b>				<u>1,037,790.00</u>	<u>1,061,269.00</u>	<u>783,320</u>
<b>TOTAL Investments</b>				<u>1,214,217.14</u>	<u>1,238,898.14</u>	<u>1,093,092</u>

#### 03 Capital Commitments

No Capital Commitments have been contracted for or provided for at balance date ( 2015 Nil )

#### 04 Contingent Liabilities

There were no contingent liabilities at balance date ( 2015 Nil)

#### 05 Related Parties

The Chairman of the Nelson College Trust Foundation, during the 2015 year, also held Chairman position of the Nelson College Board Of Trustees.

#### Life Insurance Policies

- 06 The Foundation holds 9 whole of life policies with a current cash ( surrender ) value of \$ 73791.22 ( 2015 \$ 68296.52 )  
Each of these policies has potential long term death benefits in excess of the above value.

#### Audit

- 07 The financial statements of the Nelson College Trust Foundation have been audited.

#### Secretarial Fees

- 08 Secretarial Fees of \$ 3000.00 ( 2015 \$ 3000.00 ) were accrued to Nelson College during the year.

#### 09 Donations Received

	2016 \$	2015 \$
<b>John Kramer Sports Endowment Fund</b>		
Nelson College Old Boy	100.00	-
Colin Gibbons	-	500
M Dickie	-	100
M F Peacock Ltd - Sale Of Livestock	-	2,300
Moana Company - O S Rowling	600.00	600
Moana Orchard - Sale of Livestock	1,931.35	8,000
Peter Walsh & Associates	-	4,232
<b>TOTAL Donations Received</b>	<u>2,631.35</u>	<u>15,732</u>

The attached Notes and Auditor's Report form an integral part of these financial statements

## Nelson College Trust Foundation

### Notes To The Financial Statements

For The Year Ended 31 December 2015

	2016	2015
	\$	\$
<b>10 Distributions To Beneficiaries</b>		
Nelson College ex Preserved Capital Fund	2,560.00	4,829.00
Nelson College ex Palmer Scholar Series Award	7,830.00	8,055.00
Nelson College ex Lamb Environment Fund	33,250.00	8,000.00
Nelson College ex The Sturgess Family Trust	10,205.00	10,141.00
Nelson College ex John Kramer Sports Foundation Fund	-	575.00
Nelson College ex Matakia Fund	3,875.00	16,100.00
Nelson College ex Chapman Fund - Whare Wall Coverings	8,424.30	8,917.00
Nelson College ex Chapman Fund - Whare Joinery	-	22,845.19
Nelson College ex Chapman Fund - Organ	-	16,468.00
Nelson College ex Christchurch Old Boys Reserve - Student International Travel Support	-	2,532.00
Nelson College ex Estate Of Barry Owen	36,733.74	-
	<u>102,878.04</u>	<u>98,462</u>

					2016	2015	
					\$	\$	
	Opening Balance	Transfers	Receipts	Payments	Attributed Income	Closing Balance	Closing Balance
<b>Restricted Donor Funds</b>							
Arthur Fair Fund	26,741				1,203	27,944	26,741
Chapman Reserve	45,259			8,424	829	37,664	45,259
Christchurch Old Boys Reserve	21,461				1,824	23,285	21,461
G Cooper Annual English Prize	11,538				519	12,057	11,538
John Kramer Sports Endowment Fund	132,492				5,962	138,454	132,492
Matakia Fund	88,613			36,734	3,161	55,040	88,613
Matakia Lodge	11,630				3,875	436	8,191
Palmer Endowment Fund	86,775				7,830	3,729	82,674
The Lamb Environment Fund	62,686				33,250	273	29,709
The Sturgess Family Trust	260,245				10,205	11,481	260,245
<b>Trust Capital</b>							
Preserved Capital Fund	597,151			2,560	26,752	621,343	597,151
<b>TOTAL Specific Funds</b>	<u>1,344,591</u>	-	-	<u>102,878</u>	<u>56,169</u>	<u>1,297,882</u>	<u>1,344,591</u>
<b>General Funds</b>							
Net Movement On Market Valuation Of Investments	38,567				(14,158)	24,408	38,567
<b>TOTAL Trust Funds</b>	<u>1,383,157</u>	-	-	<u>102,878</u>	<u>42,011</u>	<u>1,322,290</u>	<u>1,383,157</u>

#### Details of Funds

##### Arthur Fair Fund

The Sir Arthur Fair Fund can be transferred ( interest ) with instructions that this bequest is used for the building.

##### Chapman Reserve

The Trust Foundation resolved at a meeting of the Trustees in May 2015 to transfer the original Chapmans Reserve amount of \$ 90819.00 from the Preserved Capital Fund where it was placed in error on 24th June 2010 and to reform its Registered Donor fund status with the original wording as follows :

Chapman Reserve - Donation from Dennis Chapman Estate. It has been agreed that this will be used for Nelson College capital enhancement projects.

##### Christchurch Old Boys Reserve

Original donation of \$ 10,000.00 from Christchurch Branch of the Nelson College Old Boys invested in Infratil Bonds. The purpose of the fund is to provide international travel support for pupils at Nelson College as instructed by the Branch.

## Nelson College Trust Foundation

### Notes To The Financial Statements For The Year Ended 31 December 2015

#### G Cooper Annual English Prize

The G O Cooper Trust can be transferred ( interest ) with instructions that this bequest is used for prizes in English in Year 13.

#### Krammer Sports Endowment Fund

Initial donations from John Krammer and John Ingram. The fund is named in honour of John Krammer to recognise his contribution to sports fundraising. The purpose of the fund is to support Nelson College students who excel in their sport and participate at a regional or national level and also students who may miss out on a chance to excel in a particular sport due to their family's lack of financial means.

#### Palmer Endowment Fund

Donation from Sir Geoffrey and John Palmer. The purpose of the Endowment Fund is to fund the Palmer Scholar Programme and annual visit by globally recognised educator/scholar/researcher. The programme is funded by interest earned by the Endowment Fund plus a maximum of 5 % of the principal if required plus a contribution of \$ 4000.00 from the College.

#### The Lamb Environment Fund

Donations from Peter J Lamb. The purpose of the fund is for the operation and further development of the Lamb Environment Centre at Nelson College. The funds and accrued interest are available to be distributed to the College on application by the Headmaster and used for the purpose of :

- (a) the curriculum delivery of Environment studies courses
- (b) the development and support of facilities associated with (a).

#### The Sturgess Family Trust

Initial donation made on 12th March 2010 in the sum of \$ 250,000.00. This donation being a continuation of donations made directly to the College by the donar in September 2001. Nelson College may use the interest from the principal on an annual basis by negotiation with the donar. It is expected that Nelson College report to the donar as to how the interest monies have been used.

#### Mataki Fund

Bequest from Barry Owen to be used for the future capital maintenance of Nelson College Mataki Lodge. The income that will accrues annually from this fund can be used as follows :

- (a) towards any day to day maintenance of the Lodge
- (b) any funds not spent in any year will be accumulated to the Capital Fund.

#### Preserved Capital Fund

Consolidation of the net proceeds from the sale of Braemar, the artworks and books and the existing Endowment Reserve. The fund will also receive any future monies from Life Insurance policies and other unspecified or untargeted donations. Interest from the Preserved Capital Fund is to be used to cover the administration and running costs of the Foundation, as recorded under General Funds. The remainder of this interest is then distributed to Nelson College in the following income year.

#### Unrealised Surplus Market Valuation Of Investments

In the current year the Trustees have again requested Investments be recorded in the financial statements at their Market Value as assessed by First NZ Capital in their Portfolio Valuation Reports prepared as at balance date. This balance pertains to the net gains attributed to the Market Valuation of Investments and is identified separately in the Trust Funds to recognise its unrealised nature at balance date. The accumulated balance is updated year to year for the net movements in the Market Value of Investments as advised by First NZ Capital each year.

## 12 PIE Tax

In the current year \$ 4931.95 P I E Tax was deducted from both Listed and Unlisted P I E Income from P I E investments. When these investments were made by First NZ Capital on behalf of the Nelson College Trust Foundation they were incorrectly assigned a P I E Tax Rate, so income this year from these investments has been taxed. This has since been corrected given the charitable nature of the Nelson College Trust Foundation. An application for the refund of the P I E Tax paid has been lodged with the Inland Revenue Department but in assessing a refund being made as highly unlikely the P I E Tax paid has been expensed through the Statement Of Financial Performance in the current year.