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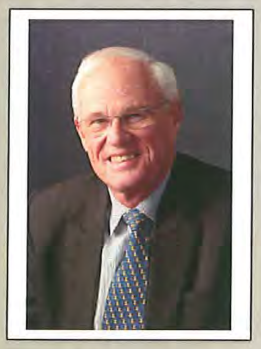


Chairman
Dick Fernyhough

Our Strategic funding goals

1. To be the arts and cultural heartland of New Zealand
2. To enhance the wellbeing of the community
3. To protect and preserve our heritage and environment
4. To encourage high levels of participation in sport and recreation

Chairman's Report

It gives me great pleasure to present the Wellington Community Trust's Annual report for 2012. This year the Trust has continued to support a wide range of cultural, community, sporting and environmental projects across the Wellington region. One of the highlights for me is clearly depicted on the cover of this annual report. The picture was taken at the break of dawn when the Trustees gathered with Tangata Whenua and representatives from the wider Wellington community to celebrate the launch of the Wellington Tenths Trust ceremonial waka. This was one of the projects supported by the Trust this year. Another significant highlight is that the Trust has progressively managed to recover all of the financial losses it sustained in 2009 as a result of the global financial crisis. Despite continued high volatility in investment markets the results indicate the considered and measured approach adopted by the Trust since 2009 has been appropriate.

The Trust derived a satisfactory rate of return of 8.00% on its investment assets for the year ended 31 March 2012, against its benchmark return of 4.6%. Donations made during the year were $1.205M, ($0.998M 2011), slightly over budget, and the net surplus, after expenses and donations, was $1.343M ($1.967M 2011).

As noted in last year's report, the Trust has set itself a long term objective of achieving a real rate of return (i.e. after investment expenses and inflation) of 5% pa. To achieve this, the Board has adopted an asset allocation of 60% growth and 40% income earning assets, based on advice from the Trust's investment adviser. The gross rate of return since 1 October 2003 has been 8.43% pa and the real net return has been 4.88% pa. While this is slightly below the 5% target, it is considered reasonable, given the relatively short period since 2003 and the volatility of markets during the measurement period.

The current asset allocation is based on the following objectives:

- preserve the capital of the Trust over the longer term
- maintain an inflation reserve to preserve, in real terms, the initial capital asset 'The Real Capital value'
- maintain a Capital Growth reserve to grow the Real Capital, in real terms, by 0.75% pa
- maintain a distribution reserve to ensure regular and annual distributions.

The Trust's Statement of Investment Policy Objectives (SIPO) establishes the framework for the investment and governance of the investment assets by providing a clear statement of investment policies and objectives. The original SIPO was prepared in 1998, significantly modified in 2002 and has been reviewed and revised annually since then.

The SIPO takes into account the Trust's distribution policy which is to make donations to not-for-profit organisations in the Wellington region and limits annual distributions from between 1% and 5% per annum. The donation budget is set in advance, based on historical and anticipated earnings, and is subject to modification if anticipated earnings look like being significantly different from that forecast.

Chairman's Report continued...

Onslow College students perform 'Much Ado about Nothing' for the National Shakespeare Festival

Our vision

The Trust's long term strategy through to 2020 provides a vision in which our region is renowned for its:

- *cultural vibrancy, creativity and diversity*
- *highly effective community and social services*
- *caring for its environment and heritage*
- *residents' healthy active lifestyles*

Prior to the adoption of the current SIPO (2003) and during the period 1997 to 2001, the Trust made a number of significant donations to three Trusts - the Wellington Museum Trust ($3.0M), St James Theatre Trust ($2.4M) and the Wellington Regional Stadium Trust ($3.0M). These donations were capital distributions, as the collective value of the donations far outweighed the Trust's income during that period. Since then, the policy has been to maintain the Trust's real capital and, in more recent times, an allowance has been made for the region's long term expected growth in population. Annual distributions since 2003 have ranged from $428,000 to $1,624,000 per annum. The donation budget for 2012/13 is $1,000,000.

Trustees are currently looking at how the Trust might enhance its income from other sources. There are a number of possibilities, ranging from the provision of administration services to allied community groups, to being a repository for donations and legacies.

As this will be my last year as a trustee and Chair of the Trust, I wish to acknowledge and thank Francie Russell for her long service and for the assistance she has given me over many years. To my fellow Trustees, thank you for your support and your collective contribution. For my part, it has been a pleasure and privilege to serve the Trust and to observe first hand the huge and ongoing contributions made by countless groups and volunteers throughout the region.

Dick Fernyhough

Wellington Tenths Trust launch their waka ama

Executive Director's Report

For 23 years the Wellington Community Trust has partnered with local community organisations whose initiatives and activities make a difference within the region. We do not have lofty ambitions to transform the world but we do aim to improve our small part of it. When Trustees agree to make a contribution to support a project they believe a significant difference will be made as a result of the donation.

Executive Director
Frances Russell

The Trust is the link-pin that unites the efforts of all our recipients; the values they have, the opportunities they support and the services they provide. Our work today is just as important as it was 23 years ago. Changing times have given the Trust an array of opportunities to get behind projects that would never have been considered at the beginning. Lifestyles are different, expectations are diverse, and dependency has increased.

The Trust is committed to working with those who are endeavouring to make a difference to the social fabric of the community through the arts, to the wellbeing of the community, to our environment and heritage, and also to the physical health of the residents by delivering opportunities for sport and recreation. To be fair minded, the Trust supports the most vulnerable in the community but also adds its support to projects that can be enjoyed by all.

This year the Trust partnered with 78 organisations which were assessed to have projects that progressed at least on the Trust's goals. $1,205,640.00 was donated into the community which included the Community Award winners. Another 26 organisations received non monetary support.

Investment returns are the key to our distribution strategy. The challenges before us are therefore huge as many organisations are supportive of our strategy and our vision. With a small asset base and a large urban population Trustees are acutely aware that every dollar distributed must deliver a positive outcome for the community.

"The Trust looks for enduring projects and is mindful that making progress is not the work of days, months or years- but is frequently the work of generations."

The Trust looks for enduring projects and is mindful that making progress is not the work of days, months or years – but is frequently the work of generations.

Grant making today is not only about the tried and true, but also about fresh thinking and innovation; new ways of doing old things; and organisations with realistic and challenging ideas for the future. Just as we need to continually monitor ourselves we also need to monitor the progression of our recipients.

Executive Director's Report Continued...

Even though many not-for-profit organisations struggle for survival, many have not yet taken the opportunity to seriously assess the work practices and service delivery of their 'business'. Serious discussions around collaboration are still rare. Sharing is relatively uncommon. Merging is still a dirty word as not losing one's identity appears to be more important than a quality service being provided to the consumer. Yet it is this giant leap that will ensure a sustainable voluntary sector, no matter what service or opportunity is being delivered.

As part of the assessment process the Trust looks at what is available to the community. It is not our role to decide who is the 'best' provider, the consumer will do this. However we do consider areas of duplication and we do have thoughts on effective and efficient practice. The Trust's dollars are precious and it is important that Trustees have sufficient information to make informed decisions when allocating funds.

This year the Trust implemented a new donation management system in conjunction with the family of community trusts from around the country. The project has been underway for a few years with significant effort being directed to future proofing our businesses. Application and recipient management and monitoring is key for the Trust and this system delivers. On-line applications are the next step and this will become a reality during the current financial year.

Claire Rosanowski joined the Trust this year as the Funding Adviser. Her knowledge of the community is fundamental to the role and she, as with all of us, will be an ongoing student in this regard. This year we lose our Chairman, Dick Fernyhough. Dick has been a model of integrity. He has given countless hours to the role especially ensuring the Trust is represented everywhere it should be. I wish to take this opportunity to say a big 'thank you' for your total commitment to the role.

My Board is a group of inspirational and committed people. Their collective links into the community are many and varied, and it is this that ensures the Trust is connected and knowledgeable. Thank you for the privilege of working with such a dedicated team.

Frances Russell

A Pakaha in its new home on Matiu/Somes Island

Wakefield Park's new artificial turf in action

2011-2012 - at a Glance

Trustees

Wellington Community Trust is governed by a Board of 9 Trustees. They are appointed by the Minister of Finance for a term of four years. Trustees work under The Community Trust Act 1999 and a Trust Deed. They are also committed to a strategic plan (to the year 2020) and an annual plan and budget along with a suite of policies. See below for a list of Trustees.

Size of fund

Trust equity at the end of the financial year was $46,224,010.00

Assets by population

The population of the Trust's region is 447,100 which is equivalent to $103.00 per person.

Community distributions

In 2011/2012 Trustees evaluated 245 applications from community groups. 78 applicant groups were successful. In all, $1,205,640.00 was distributed to the community. This included 24 recipients of the 2011 Community Awards.

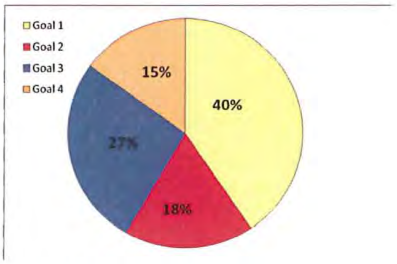
An additional 26 organisations received non-monetary support and complimentary tickets.

Register of interests

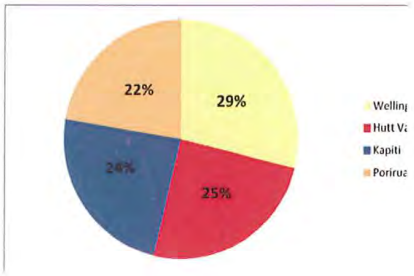
A register of interests is held at the office of the Trust and is available for public inspection.

Code of Conduct

The Trustees have a Code of Conduct. There were no breaches of this Code during the year ended 31 March 2012.



Goal 1: *Arts and Culture*
Goal 2: *Welfare and community*
Goal 3: *Heritage and environment*
Goal 4 *Sport and recreation*



Trustees 2011-2012

Dick Fernyhough
Chairman since 2009
Appointed 2004

Ian Frater
Convenor, Finance & Audit Committee
Appointed 2005

Gerardine Clifford-Lidstone
Appointed 2010

Jan Dowland
Appointed 2009

Anne Hare
Appointed 2010

Liz Kelly JP
Appointed 2011

Karen Sagaga
Appointed 2008

Dawn Sanders QSM
Appointed 2009

Vernon Winitana
Appointed 2009

Financial Overview for the year ended 31 March 2012

Our Financial Performance During the year we received income from:	2012 $	2011 $
Investments	3,052,362	3,451,233
Other Income	324,863	343,011
	3,377,225	**3,794,244**
We used this income for:		
Administration	(529,852)	(528,573)
Investment Management	(298,876)	(300,383)
Donations to the Community	(1,205,640)	(998,121)
Leaving a balance to be added to Trust Capital	**1,342,857**	**1,967,167**

Our Financial Position We began the year with:	2012 $	2011 $
Total Equity	44,881,153	42,913,986
added the surplus for the year	1,342,857	1,967,167
finished with total equity of	**46,224,010**	**44,881,153**
This amount is represented by		
Current Assets	5,202,808	2,575,915
International Fixed Interest	12,335,345	13,228,485
International Shares	16,332,075	16,434,651
Trans Tasman Shares	6,785,590	7,102,843
Trans Tasman Property	4,825,017	4,692,368
Karori Sanctuary Trust	833,334	933,334
Property, plant and equipment	6,069	8,416
Database Project - Loan Advance	25,000	25,000
	46,345,238	**45,001,012**
Less Current Liabilities	(121,228)	(119,859)
Total Trust Equity	**46,224,010**	**44,881,153**

Trustee Attendance

Each year the Trust discloses statistics for meeting attendance by Trustees and the fees they receive (set at levels determined by the Minister of Finance).

Name of Trustee	Board meetings held	Board meeting attended	Other Meetings Attended	Honorarium & Meeting Fees
Richard (Dick) Fernyhough	10	9	13	12,120.00
Gerardine Clifford-Lidstone	10	7	0	2,900.00
Jan Dowland	10	9	9	6,925.00
Ian Frater (leave of absence for 3 months)	7	5	6	4,270.00
Anne Hare	10	10	8	5,075.00
Elisabeth (Liz) Kelly (appointed June 2011)	8	7	3	3,298.00
Karen Sagaga	10	8	2	3,425.00
Dawn Sanders	10	10	7	4,825.00
Margaret (Margie) Wheeler (retired May 2011)	2	1	0	941.00
Vernon Winitana	10	8	1	3,250.00
				$ 47,029.00

The Year in Review

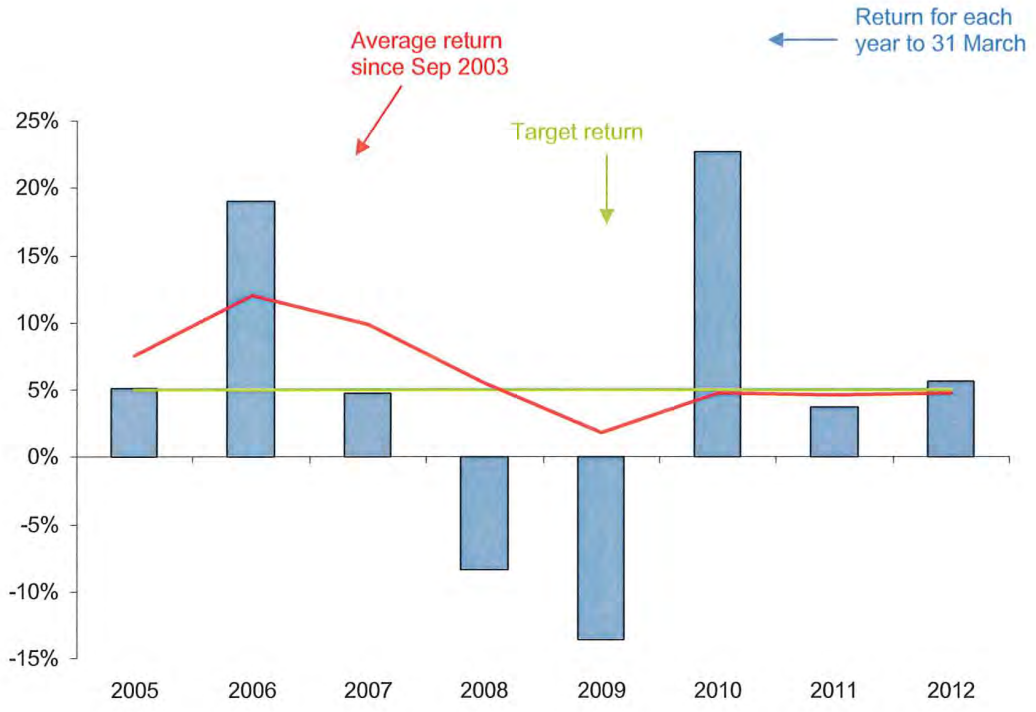
Global financial markets were highly volatile during the year with concerns over global growth prospects and the impact of sovereign debt problems in Europe dominating investor sentiment. As a result, investors sold shares and bought 'safe haven' assets like bonds. In contrast, the New Zealand economy recovered somewhat, with the primary sector playing a leading role and the Rugby World Cup providing an extra boost to economic activity. In turn, the New Zealand sharemarket was one of the better performing markets although the strong New Zealand dollar was not so helpful.

Results

Despite the volatile environment the Trust's investments returned a very pleasing 5.6% (after inflation and fees) for the year. The good result was helped by the Trust's allocation to global bonds (which returned nearly 10%) and trans-Tasman listed property, which was one of the best performing asset classes over the period, returning 18%. The result was also assisted by good active management (generating returns over and above the market) from its global equity and bond managers.

The chart below shows annual investment returns (after inflation and fees) along with the average annual return since 2003. The Trust's objective is to earn an average of 5% per annum (after inflation and fees) over a 15 year period.

Trust Investment Returns (after inflation and fees)



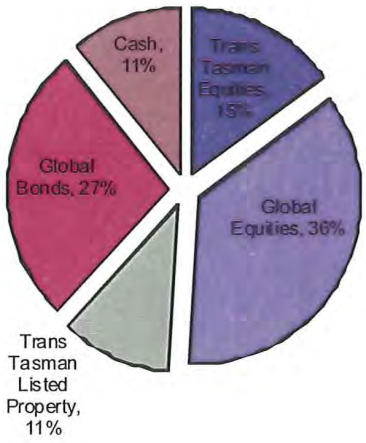
Activity

During the year the Trust:

- Reconfirmed its commitment to holding a diversified investment portfolio with 60% invested in growth assets (such as equities and property).
- Added two extra global equity managers and an additional trans-Tasman equity manager to further diversify the portfolio.
- Slightly reduced its exposure to global bonds in response to an increase in perceived risks associated with this portfolio.
- Considered the merits of emerging market equities and infrastructure assets, that may result in future enhancements to the investment portfolio.

Investment portfolio

As at 31 March 2012, the Trust's investment portfolio was invested as follows:



Managers

Trans Tasman Shares

- OnePath (NZ)
- Devon Funds Management

Global Shares

- OnePath (NZ)

Trans Tasman Listed Property

- Mint Asset Management

Global Bonds

- Tower

Cash

- Wellington Community Trust

Donations since inception

Year	Donations	Successful Organisations	Year	Donations	Successful Organisations
1989	0	0	2003	1,624,108	172
1990	95,323	53	2004	428,116	24
1991	272,621	139	2005	826,555	76
1992	309,214	190	2006	1,001,780	82
1993	303,465	262	2007	1,155,908	83
1994	459,338	364	2008	1,397,126	101
1995	627,076	439	2009	1,184,252	116
1996	942,859	601	2010	732,081	67
1997	2,059,405	768	2011	998,121	90
1998	3,602,166	663	2012	1,205,640	98
1999	5,105,114	499			
2000	4,944,404	428		$ 35,053,355.00	6159
2001	3,581,738	414			
2002	2,196,945	430			

Community Donations 2011-2012

Asian Events Trust	5,000
Big Buddy Mentoring Trust	10,000
Brass Band Association of NZ	2,949
Carter Observatory Trust	5,000
Changemakers Refugee Forum Inc	10,000
Choirs Aotearoa NZ	2,000
CMT and National Service Association	5,000
Community Awards	18,000
Creative Capital Arts Trust	10,000
Cricket Wellington	6,000
Dance Aotearoa NZ	2,000
English Language Partners Hutt	2,000
Environmental Education for Resource Sustainability Trust	3,000
Evolve Youth Service	5,000
Expressions Arts & Entertainment Trust	6,000
Folau Alofa Charitable Trust	5,000
Fraser Park Sportsville Inc	5,000
Friends of Baring Head	3,431
Friends of Mana Island	8,130
Gifted Children's Advancement Charitable Trust	5,000
Habitat for Humanity	3,912
Hutt City Council	25,000
Hutt Multicultural Council	3,000
Matiu/Somes Island Charitable Trust	8,000
Naenae Youth Charitable Trust	7,000
Netball Wellington Region	25,000
New Zealand Academy of Fine Arts	3,000
New Zealand Book Council	680
New Zealand Choral Federation - Wellington Region	10,000
New Zealand Federation of Family Budgeting Services	10,000
New Zealand Portrait Gallery	10,000
New Zealand Symphony Orchestra	50,000
NZ Affordable Arts Trust	15,000
NZ Historic Places Trust Pouhere Taonga	50,000
NZ International Arts Festival	200,000
NZ Railway and Locomotive Society Inc	10,000
NZ School of Dance	3,612
Pablos Art Studio	2,000
Paekakariki Station Precinct Trust	3,000
Parents Centre NZ Inc	4,000
Pauatahanui Inlet Charitable Trust	5,000
Philanthropy New Zealand	685
Porirua Community Arts Council	12,000
Porirua Healthlinks Trust	7,500
Radio Network Special Children's Christmas Party	3,000
Refugee Services Aotearoa New Zealand	2,000
Royal Forest & Bird Protection Society of NZ	10,000
Royal New Zealand Ballet	**10,000**
Samaritans of Wellington	**8,000**
Shakespeare Globe Centre New Zealand	5,000
Shakti Ethnic Women's Support Group - Wellington Branch	2,500
Sport Wellington	**56,000**
Steam Incorporated	**40,000**
Swimming Wellington Inc	6,891
Taki Rua Productions	**7,500**
Terry Shore Songwriter's Show	**1,500**
The Enviroschools Foundation	10,000
The Hutt Valley Orchestra Inc	2,000
The Silver Stream Railway Inc	**5,000**
Trinity Youth of our Future Trust	**7,000**
Upper Hutt City Council	25,000
Upper Hutt Ethnic Council	**2,000**
Wellington City Council	**25,000**
Wellington High Performance Aquatics	5,000
Wellington Holocaust Research and Education Centre Inc	15,000
Wellington Hospitals & Health Foundation	**10,000**
Wellington Jazz Orchestra	**5,000**
Wellington Marine Conservation Trust	20,000
Wellington Museums Trust	5,000
Wellington Operatic Society - Wellington Musical Theatre	**60,000**
Wellington Rape Crisis	**10,000**
Wellington Region Heritage Promotion Council	350
Wellington Regional Orchestra Foundation	**15,000**
Wellington Sculpture Trust	**20,000**
Wellington Somali Council	5,000
Wellington Tenths Trust	**130,000**
WellTrust	**80,000**
Young and Hungry Arts Trust	**5,000**
Youth Development Trust Wellington	5,000
Community Awards	18,000
Total Donations	**1,205,640**

Community Award Winners 2011

Recipients of the Wellington Community Trust-Wellington International Airport Regional Community Awards in 2011 were:

Hutt City

Heritage & Environment
Transition Towns
Health & Wellbeing
Pomare Community House
Arts & Culture
Wall of Wainuiomata
Sport & Leisure
Netball Wellington Region
Educational & Child/Youth Development
English Language Partners

Overall Hutt City Winner
Pomare Community House

Upper Hutt City

Heritage & Environment
Clyma Park Community Gardens
Health & Wellbeing
Side by Side Mentors
Arts & Culture
Upper Hutt Highlanders Highland Gathering
Sport & Leisure
Wellington Speedway
Educational & Child/Youth Development
Upper Hutt Parents centre

Overall Upper Hutt City Winner
Wellington Speedway

Kapiti District

Heritage & Environment
Kapiti-Mana Forest & Bird
Health & Wellbeing
Kapiti Community Enterprise Trust
Arts & Culture
Paekakariki Station Precinct Trust Museum
Sport & Leisure
Netball Wellington Region
Educational & Child/Youth Development
Kapiti Coast WEA

Overall Kapiti District Winner
Kapiti Community Enterprise Trust

Porirua City

Heritage & Environment
Mana Recovery Incorporated
Health & Wellbeing
Porirua Citizens Advice
Sport & Leisure
Porirua College Volunteer Coaches
Educational & Child/Youth Development
Foundation for Youth Development

Overall Porirua City Winner
Mana Recovery Incorporated

Wellington City

Heritage & Environment
Mokai Kainga Maori Centre
Health & Wellbeing
Wellington Free Ambulance - Heartbeat
Arts & Culture
Taki Rua Productions
Sport & Leisure
Wellington 2011 Inc
Educational & Child/Youth Development
Maranui Surf Life Saving Club

Overall Wellington City Winner
Wellington 2011 Inc

Grand Final Categories Winners

Heritage and Environment
Clyma Park Community Garden
Health & Wellbeing
Wellington Free Ambulance - Heartbeat
Arts & Culture
Taki Rua Productions
Sport & Leisure
Netball Wellington Region
Educational & Child/Youth Development
Maranui Surf Life Saving Club

Supreme Award Winner

Mana Recovery Incorporated

Congratulations!

To

Wellington Community Trust & Wellington International Airport

Supreme Award Winner

MANA RECOVERY INCORPORATED

Be in to win!

Nomination forms for the

2012 Community Awards

can be downloaded from our website:
www.wct.org.nz

*nominations close 27th July

Supreme winner: Mana Recovery Incorporated

Directory

Chairman	Richard (Dick) Fernyhough
Trustees	Gerardine Clifford-Lidstone Jan Dowland Ian Frater Anne Hare Elisabeth (Liz) Kelly JP Karen Sagaga Dawn Sanders QSM Vernon Winitana
Executive Director	Frances Russell JP
Funding Adviser	Claire Rosanowski
Chartered Accountants	BDO Wellington
Investment Adviser	Mercer (NZ) Ltd
Bankers	BNZ
Investment Managers	Onepath (NZ) Ltd Tower Asset Management Ltd Mint Asset Management Ltd Devon Funds Management Ltd ASB Bank Ltd KiwiBank Ltd Bank of New Zealand Ltd
Auditors	Deloitte.
Business Address	Level 1 28 Grey Street PO Box 25-090 Wellington 6146 Telephone: 499 7966 Fax: 499 3963 admin@wct.org.nz www.wct.org.nz

Wellington
Community Trust
supporting community initiatives

Financial Statements

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE COMMUNITY TRUST OF WELLINGTON

Report on the Financial Statements

We have audited the financial statements of The Community Trust of Wellington on pages 14 to 27, which comprise the balance sheet as at 31 March 2012, and the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in The Community Trust of Wellington.

Opinion

In our opinion, the financial statements on pages 14 to 27 present fairly, in all material respects, the financial position of The Community Trust of Wellington as at 31 March 2012, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

Chartered Accountants
12 June 2012
Wellington, New Zealand

WELLINGTON COMMUNITY TRUST

Statement of Comprehensive Income
For the Year Ended 31 March 2012

	Note	2012 $	2011 $
Revenue			
Investment Income	2	3,052,362	3,451,233
Interest Received from Banks		160,054	125,006
Interest Received on Karori Sanctuary Trust Loan		60,577	63,592
Donations Returned		-	5,119
Rental Income		99,252	137,401
Other Income		4,980	11,893
Total Revenue		3,377,225	3,794,244
Less Expenses			
Donation Expenses		7,616	11,127
Finance Expenses		8	-
Fund Management Fees		298,876	300,383
Personnel Expenses	4	179,742	189,109
Trustee Expenses		4,567	8,088
Trustee Fees		47,029	50,420
Operating Costs	3	280,144	258,722
Other Expenses	5	10,746	11,107
Total Expenses		828,728	828,956
Surplus Before Donations		2,548,497	2,965,288
Less			
Donations		1,205,640	998,121
Surplus for the year		1,342,857	1,967,167
Other Comprehensive Income			
Other Comprehensive Income for the year, Net of Tax		-	-
Total Comprehensive Income for Year, Net of Tax		1,342,857	1,967,167

The accompanying notes form part of these financial statements

WELLINGTON COMMUNITY TRUST

Statement of Changes in Equity
For the Year Ended 31 March 2012

	2012 $	2011 $
Equity at 1 April 2011	44,881,153	42,913,986
Total Comprehensive Income for the Year Net of Tax	1,342,857	1,967,167
Total Movements in Equity for the Year	1,342,857	1,967,167
Equity at 31 March 2012	$46,224,010	$44,881,153

The accompanying notes form part of these financial statements

WELLINGTON COMMUNITY TRUST

Balance Sheet
As at 31 March 2012

	Note	2012 $	2011 $
Current Assets			
Cash and Cash Equivalents		170,155	104,945
Held-to-Maturity Investments	8	4,932,046	2,422,001
Trade Receivables		72,042	24,595
Prepayments		5,039	4,496
Karori Sanctuary Trust	9	100,000	100,000
GST Receivable		23,526	19,878
Investments at Fair Value through profit or loss	7	40,278,027	41,458,347
Total Current Assets		45,580,835	44,134,262
Current Liabilities			
Trade and Other Payables		121,228	119,859
Working Capital		45,459,607	44,014,403
Non Current Assets			
Property, Plant & Equipment	6	6,069	8,416
Combined Community Trust Database Project - Loan Advance		25,000	25,000
Karori Sanctuary Trust	9	733,334	833,334
Total Non Current Assets		764,403	866,750
Net Assets		46,224,010	44,881,153

The accompanying notes form part of these financial statements

WELLINGTON COMMUNITY TRUST

Balance Sheet
As at 31 March 2012

	Note	2012 $	2011 $
REPRESENTED BY:			
EQUITY			
Trust Equity Brought Forward		44,881,153	42,913,986
Total Comprehensive Income for the Year Net of Tax		1,342,857	1,967,167
Total Equity		46,224,010	44,881,153

For and on behalf of the Board of Trustees:

Chairperson

Trustee

12 June 2012 Date

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Community Trust of Wellington ('The Trust'), trading as the Wellington Community Trust, is an incorporated Charitable Trust under the Charitable Trusts Act 1957.

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('GAAP') in New Zealand. They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other Financial Reporting Standards as appropriate for not-for-profit entities that qualify for and apply differential reporting concessions.

Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the statement of comprehensive income and balance sheet on a historical cost basis are followed by the Trust, except that certain investments are disclosed at fair value.

The information is presented in New Zealand dollars as it is the functional and presentational currency.

Differential Reporting

The Trust qualifies for Differential Reporting as it is not publicly accountable, and is not large as defined by the Framework for Differential Reporting. The Trust has taken advantage of all available differential exemptions.

Specific Accounting Policies

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

(a) Revenue

Rental revenue in relation to operating leases is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Dividend revenue from investments is recognised when the Trust's rights to receive payment have been established. Interest income is recognised as interest accrues using the effective interest method.

(b) Income Tax

The Trust is exempt from income tax under section CW 52 of the Income Tax Act 2007.

(c) Property, Plant & Equipment

Property Plant and Equipment is stated at cost less accumulated depreciation and impairment.

(d) Depreciation

Depreciation has been calculated as follows using the diminishing value method:

Furniture	9.0% - 26.4 %
Equipment	33.0% - 80.4%

(e) Investments including Investments in Managed Funds

Shares in listed companies and quoted fixed interest investments are designated as "financial assets at fair value through profit or loss" as the portfolios are managed on a fair value basis in accordance with a documented investment strategy. They are initially recorded at cost and subsequently revalued to bid price each balance date. Gains and losses are recorded in the Statement of Comprehensive Income as part of the investment income.

(f) Financial Instruments

Financial instruments are recognised if the Trust becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value plus transaction costs except for those classified as fair value through profit or loss which are initially measured at fair value. Financial assets are derecognised if the Trust's rights to the cash flows from the financial assets expire or if the Trust transfers a financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations, specified in the contract, expire, are discharged or cancelled.

Held-to-Maturity Investments

If the Trust has the intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Investments at Fair Value through profit or loss

An instrument is classified at fair value through the profit and loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through the profit and loss if the Trust manages such investments and makes purchase and sale decisions based on their fair value. They are initially recorded at cost and subsequently revalued to market bid price each balance date. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Income when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in the Statement of Comprehensive Income.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents comprise cash balances and call deposits.

(g) Impairment

The carrying amount of the Trusts' assets is reviewed each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

The estimated recoverable amount of investments carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

The estimated recoverable amount of other assets is the greater of their fair value, less costs to sell, and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

(h) Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items, are included in the determination of the net surplus in equal instalments over the lease term.

Donations

Donations are paid when approved by the Trustees, and donations are recognised as an expense when they are paid. The Trust donated $200,000 to the New Zealand International Arts Festival this was The Trust's most significant donation for the 2012 year.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Notes to the Financial Statements
For the Twelve Months Ended 31 March 2012

2. Investment Income

	2012 $	2011 $
Portfolio Income-Realised Revenue	3,265,085	1,354,953
Net Change in Fair Value of Financial Assets	(212,723)	2,096,280
Total Investment Income	3,052,362	3,451,233

3. Operating Costs

	2012 $	2011 $
ACC Levy	929	977
Awards Projects	16,780	5,811
Bank Charges	276	(17)
Computer Expenses	6,021	15,477
Consultants/Contract Employees	47,115	25,944
Conventions & Seminars	69	1,300
Equipment Rental	3,756	3,162
Governance Costs	2,296	1,055
Insurance - Office	1,766	1,432
Insurance - Professional	4,813	5,143
Light & Power	3,239	3,583
Postage & Stationery	5,547	6,915
Professional Fees	493	400
Public Relations & Promotion	1,193	1,188
Publications	-	100
Rent	160,355	163,598
Repairs & Maintenance	273	2,811
Subscriptions	3,000	3,000
Telecommunication Expenses	16,614	12,346
Tenancy Expenses	4,290	3,883
Travel Expenses	1,319	613
Total Operating Costs	280,144	258,722

4. Personnel Expenses

	2012 $	2011 $
Wages & Salaries	173,158	182,789
Other Staff Expenses	6,584	6,320
Total Personnel Expenses	179,742	189,109

5. Other Expenses

	2012 $	2011 $
Audit Fee	8,400	7,500
Depreciation	2,346	3,607
Total Other Expenses	10,746	11,107

6. Property, Plant & Equipment

	2012 $	2011 $
Opening Balance at Cost	44,429	41,323
Purchases	-	3,107
Less Accumulated Depreciation	(38,360)	(36,014)
Net Book Value	6,069	8,416
Depreciation Charge for the Year	2,346	3,607

7. Financial Assets designated as Fair Value through profit or loss:

	2012 $	2011 $
International Equities - OnePath (NZ) Ltd	16,332,075	16,434,651
Australasian Equities - OnePath (NZ) Ltd	4,751,950	7,102,843
Trans Tasman Properties - Mint Asset Management Ltd	4,825,017	4,692,368
International Fixed Interest -Tower Asset Management Ltd	12,335,345	13,228,485
Devon Funds Management Ltd	2,033,640	-
Total	40,278,027	41,458,347

OnePath delegates the international equity investment management to MFS Global Equity. Tower delegates the global bonds management to PIMCO Australia Ltd.

8. Held-to-Maturity Investments

	2012 $	2011 $
ASB Term Deposit - 083	236,062	445,630
ASB Term Deposit - 084	255,671	500,000
ASB Term Deposit - 085	500,000	-
ASB Term Deposit - 086	1,000,000	-
BNZ Term Deposit - 03038	664,334	637,407
BNZ Term Deposit - 03040	-	250,000
BNZ Term Deposit - 03041	461,983	588,964
BNZ Term Deposit - 03042	500,000	-
BNZ Term Deposit - 03043	302,611	-
Kiwibank Term Deposit	1,011,385	-
Total Held-to-Maturity Investments	4,932,046	2,422,001

9. Loans and Receivables

	2012 $	2011 $
Karori Sanctuary Trust		
Current Portion	100,000	100,000
Term Portion	733,334	833,334
Total Karori Sanctuary Trust	833,334	933,334

The Loan is guaranteed by the Wellington City Council. The loan has a repayment term of 15 years which commenced on 1 August 2005. The interest rate is calculated against an agreed formula. The rate for the year under review was 6.50%- 7.05%.

10. Financial Instruments

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied in respect of each of the class of financial assets, are disclosed in note 1 to the financial statements.

The Trustees have approved a Statement of Investment Policy and Objectives ('SIPO') which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations undertaken as required.

Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Trust's accounting policies.

Liquidity Risk

All financial assets at fair value through profit and loss can be realised within 12 months. There are no significant financial liabilities.

The Trust's investments are managed to ensure that the Trust will have sufficient liquidity to meet expected cashflow requirements. Liquidity risk is managed through the Trust's asset allocation strategy, which provides exposure to both growth and income assets, and the benchmark portfolio against which investment returns are monitored. The Trust's benchmarks are maintained through rebalancing between investment managers to bring the weights to benchmark.

Credit Risk

Financial instruments which potentially expose the Trust to credit risk consist of cash and short term deposits, fixed interest securities and receivables and, indirectly, investments in unitised products which invest in cash and fixed interest investments. The maximum exposure to credit risk is the carrying value of these financial instruments:

	2012 $	2011 $
Cash	170,155	104,945
Short Term Deposits	4,932,046	2,422,001
Fixed Interest - Offshore	12,335,346	13,228,485

The significant counterparties of the Trust are its investment managers: OnePath (NZ) Ltd, Tower Asset Management Ltd, Mint Asset Management Ltd and Devon Fund Management Ltd which the Trustees consider to be financial institutions of high quality. The investments are held in trust by the investment managers for the benefit of the Trust. The managers operate within the policy approved by the Trustees.

The credit risk on cash and short term deposits is limited because the counterparties are banks; BNZ, ASB and Kiwibank Ltd, with high credit ratings assigned by international credit rating agencies.

Currency Risk

The Trust is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unitised products which invest in foreign currency denominated investments. The Trust has no directly held investments denominated in a foreign currency.

Interest Rate Risk

The Trust is exposed to interest rate risk in that future interest rate movements will affect cash flows and net market values of fixed interest assets and, indirectly, the valuation of investments in unitised products which invest in cash and fixed interest investments.

Interest rate risk management activities are undertaken by the investment adviser in accordance with the investment mandate set by the Trustees.

11. Contingent Liabilities

There are no contingent liabilities as at 31 March 2012 (2011:$Nil).

12. Commitments

(a) Donations

As at 31 March 2012 The Trust had the following commitments:

	2012 $	2011 $
Less than One Year	25,000	285,000
Between One and Five Years	-	200,000
	25,000	485,000

(b) Lease Commitments

Commitments existed for non cancellable operating leases as follows:

	2012 $	2011 $
Less than One Year	40,806	152,000
Between One and Five Years	-	50,097
More than Five Years	-	-
	40,806	202,097

The premises lease expired on 10 July 2009 with a right of renewal for three years to 10 July 2012. The Trust has the right of renewal and will be staying on with a 3 month rolling rental agreement which is yet to be finalised.

The sublease for Property Pack (Wellington) Ltd expired on 9 July 2009 and was extended through to July 2012 on 7 May 2010.

The total of future minimum sublease payments expected to be received under non-cancellable subleases as at 31 March 2012 is $19,480.

(c) Capital Commitments

There are no capital commitments as at 31 March 2012 (2011:$Nil).

13. Related Party Transactions

The Trust has a code of conduct and a register of interests in regard to related party transactions. The code of conduct requires Trustees and management to declare any interests in transactions that the Trust may undertake. The following donations were made in respect of related party transactions.

	2012 $	2011 $
Frances Russell		
New Zealand Affordable Art Trust	5,000	15,000

Frances Russell is the Executive Director of The Trust and also a Trustee of The New Zealand Affordable Art Trust.

Frances' daughter, Carla Russell, is the executive director of The New Zealand Affordable Art Trust.

Dick Fernyhough		
Friends of Mana Island	8,130	12,285
Changemakers Refugee Forum	10,000	20,000
Gifted Children's Advancement Chartitable Trust	5,000	-

Dick Fernyhough is a Trustee of the The Trust. He is also a member of Friends of Mana Island, provided limited accounting assistance to the Changemakers Refugee Forum, and is Chairman of Gifted Children's Advancement Chartiable Trust .

Ian Frater		
Habitat for Humanity	3,912	-

Ian Frater is a Trustee of The Trust. He is also a Director of Habitat for Humanity.

Liz Kelly		
Porirua HealthLinks Trust	7,500	-

Liz Kelly is a Trustee of The Trust. She is Executive Director of Porirua HealthLinks Trust, and Deputy Mayor of Porirua City Council.

Dawn Sanders		
Shakespeare Globe Centre New Zealand	5,000	-

Dawn Sanders is a Trustee of The Trust and is also the chief executive officer of the Shakespeare Globe Centre New Zealand.

14. Disclosure Change

In 2012 the interest earned on the Karori Sanctuary Trust loan has been disclosed separately in the Statement of Comprehensive Income. In 2011 this was included as part of the Interest Received total.

15. Subsequent Events

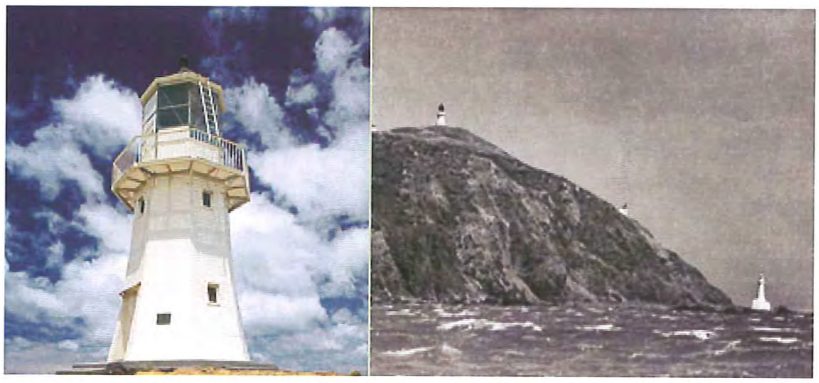
No subsequent event has occured since balance date that would materially impact the financial statements as at 31 March 2012.

A performer at Wakefield Park as part of the International Arts Festival

To be the arts and cultural heartland of New Zealand

To enhance the wellbeing of the community

Crowd enjoying the music at Creekfest '12



Pencarrow Lighthouse

To protect and preserve our heritage and environment

To encourage high levels of participation in sport and recreation

KiwiSport programme being run by Sport Wellington

Wellington
Community Trust
supporting community initiatives