

THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

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THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

DIRECTORY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

BOARD OF TRUSTEES	B Te Paa (Chairperson) J Fairbrother K Pikaahu K Evans S Parata K Pou I Wilkinson
REGISTERED OFFICE	Level 2 123 Carlton Gore Road Newmarket Auckland
NATURE OF BUSINESS	Investment and Education
CHARITIES COMMISSION REGISTRATION NUMBER	CC10860
INDEPENDENT AUDITOR	KPMG 18 Viaduct Harbour Avenue Auckland

THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 \$	2015 \$
Revenue			
Rental Revenue		1,312,734	1,269,678
Interest and Dividend Revenue		357,772	353,900
Other Income		-	169,644
Unrealised Gain on Revaluation of Investment Property	3	4,804,000	10,393,000
Total Operating Revenue		6,474,506	12,186,222
Expenses			
Property Expenses		(602,790)	(428,213)
Management Expense		(200,039)	(203,945)
Administration Expenditure		(86,953)	(24,331)
Total Expenses		(889,782)	(656,489)
Total Surplus for the Period		5,584,724	11,529,733
Net Change in Fair Value of Investments		405,056	174,511
Other Comprehensive Revenue and Expense for the year		405,056	174,511
Total Comprehensive Revenue and Expense for the year		5,989,780	11,704,244

These financial statements should be read in conjunction with the notes to the financial statements.




THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 \$	2015 \$
Current Assets			
Cash and Cash Equivalents		406,677	1,398,622
Trade and Other Receivables		23,809	30,323
Properties Held for Sale	7	8,445,000	-
Total Current Assets		8,875,486	1,428,945
Non Current Assets			
Investments	4	9,199,105	6,982,836
Investment Property	3	49,280,000	52,921,000
Total Non Current Assets		58,479,105	59,903,836
Total Assets		67,354,591	61,332,781
Current Liabilities			
Trade and Other Payables		172,401	115,370
Total Liabilities		172,401	115,370
Total Net Assets		67,182,190	61,217,411
Trust Equity			
Trust Capital		15,417,206	15,417,206
Reserves		1,010,977	605,922
Retained Earnings		50,754,007	45,194,283
Total Trust Equity		67,182,190	61,217,411

For and on behalf of the Board of Trustees who authorised the issue of these financial statements on

 23/11/16

Chairperson

These financial statements should be read in conjunction with the notes to the financial statements.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Trust Capital	Available for Sale Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$
Equity at 1 October 2014	15,417,206	431,410	33,664,550	49,513,166
Surplus for the year	-	-	11,529,733	11,529,733
Other Comprehensive Income	-	174,511	-	174,511
Less Distributions	-	-	-	-
Equity at 30 September 2015	15,417,206	605,921	45,194,283	61,217,410

Equity at 1 October 2015	15,417,206	605,921	45,194,283	61,217,410
Surplus for the year	-	-	5,584,724	5,584,724
Other Comprehensive Income	-	405,056	-	405,056
Less Distributions	-	-	(25,000)	(25,000)
Equity at 30 September 2016	15,417,206	1,010,977	50,754,007	67,182,190

These financial statements should be read in conjunction with the notes to the financial statements.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016 \$	2015 Unaudited \$
Cash Flows From Operating Activities:		
<i>Cash was provided from:</i>		
Receipts from Tenants	1,341,720	1,386,123
Interest Received	23,344	27,616
	1,365,064	1,413,739
<i>Cash was disbursed to:</i>		
Payments to Suppliers and Activities	(859,497)	(798,592)
Net Cash Flows from Operating Activities	505,567	615,147
Cash Flows From Investing Activities:		
<i>Cash was provided from:</i>		
Sale of Investments	14,936	0
Dividend Received	7,537	4,566
	22,473	4,566
<i>Cash was applied to:</i>		
Purchase of Investments	(1,500,000)	0
Net Cash used in Investing Activities	(1,477,527)	4,566
Cash Flows From Financing Activities:		
<i>Cash was applied to:</i>		
Distributions	(20,000)	0
Cash used in Financing Activities	(20,000)	0
Net (Decrease) in Cash Held	(991,961)	619,713
Add Cash at the beginning of the financial year	1,398,636	778,923
Cash at the end of the financial year	406,675	1,398,636
Represented by		
Cash	206,675	248,636
Short Term Deposits	200,000	1,150,000
	406,675	1,398,636

These financial statements should be read in conjunction with the notes to the financial statements.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Overview

Reporting Entity

The financial statements are in respect of the St Stephen's and Queen Victoria Schools Trust Board ('The Trust'). The Trust is a charitable trust registered under the Charitable Trusts Act 1957. The Trust is domiciled in New Zealand and was registered as a Charitable Entity under the Charities Act 2005 on 16 August 2007.

The charitable purpose of the Trust is the advancement and propagation of education for children in New Zealand, principally for girls and boys of New Zealand Maori descent but including peoples of all races and denominations.

These financial statements have been approved and were authorised for issue by the Board of Trustees on (DATE) on page 4.

Statement of Compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with the Public Benefit Entity International Public Sector Accounting Standard ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised by use by the External Reporting Board. For purposes of complying with the NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-for-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

First Time Adoption of PBE Accounting Standards

For the year ended 30 September 2015, the Trust prepared its financial statements using the New Zealand Financial Reporting Standards ("NZ IFRS"). These have now been restated to Not-For-Profit PBE IPSAS-RDR. The date of transition to the new PBE Accounting Standards is 1 October 2014.

The Trust has applied PBE FRS 46 First-time Adoption of PBE Standards by Entities Previously Applying NZ IFRS. There were no adjustments to previously reported equity as a result of adopting these accounting standards.

2. Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been prepared in these financial statements.

2.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, non-derivative financial instruments and land and buildings which are measured at fair value.

2.2 Functional and presentational currency

These financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised

Rental income

Rental income is recognised in the surplus or deficit on a straight line basis over the term of the lease.

Interest Income

Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

Distribution income from equity investments is recognised when the Trust's right to receive payment has been established.

Bequests and Legacies

Bequest income is only recognised when cash is received or donated assets come under the control of the Trust and can be reliably measured. The Trustees have adopted this policy on the basis that until cash is received or donated assets come under control of the Trust, the bequest can be contested by other estate claimants i.e. the economic benefits to the Trust are not probable and income should not be recognised.

2.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash in banks and investments in money market instruments. Bank overdrafts if any, are shown within current liabilities in the Statement of Financial Position.

2.5 Goods and Services Tax

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Revenue and Expenses are stated exclusive of GST. Non-recoverable GST is reported as an operating expense.

2.6 Income Tax

The St Stephen's and Queen Victoria Schools Trust Board has been granted exemption from income tax by the Inland Revenue Department.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

3. INVESTMENT PROPERTY

Initially investment properties and properties held for sale are measured at cost including transaction costs. Subsequent to initial recognition investment properties and properties held for sale are stated at fair value. Gains and losses arising from changes in the fair values of investment properties and properties held for sale are included in the surplus or deficit the year in which they arise.

External, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Trust's investment property portfolio every 12 months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Investment properties and properties held for sale are derecognised when they have either been disposed of or when the investment property and property held for sale is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property or property held for sale are recognised in the surplus or deficit in the year of derecognition.

The following schedule discloses the revaluations of the Investment Properties as at 30 September 2016 and the additions and disposals during the year.

	2015	Revaluations	Additions/ (Disposals)/ (Transfers)	2016
	\$	\$	\$	\$
Freehold Commercial	40,866,000	2,674,000		43,540,000
Freehold Residential	2,550,000	60,000		2,610,000
Leasehold Residential	1,950,000	540,000		2,490,000
Leasehold Commercial	7,555,000	1,530,000	(8,445,000)	640,000
	52,921,000	4,804,000	(8,445,000)	49,280,000

All investment properties are stated at fair value as at 30 September 2016 as determined by independent registered valuing firm Jones Lang La Salle. The valuation has been carried out in accordance with the appropriate Property Institute of New Zealand Professional Practice Standards and PBE IPSAS 16 - Investment Property.



THE ST STEPHEN'S & QUEEN VICTORIA SCHOOLS TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

4. INVESTMENTS

Investments are classified as available for sale financial asset.

Subsequent to initial recognition Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value net of transaction costs In which they arise.

Assets Available-for-Sale are stated at fair value. Gains and losses arising from changes in fair value are recognised in the Available-for-Sale Revaluation Reserve, until the investment is disposed of or is determined to be impaired at which time the cumulative gain or loss previously recognised in reserves is included in the Other Comprehensive Revenue and Expense for the year.

Investments are stated at fair value as at 30 September 2016 which are the quoted prices of the underlying managed funds at balance date.

The following schedule discloses the revaluations of the Investments as at 30 September 2016 and the additions and withdrawals during the year.

	2015	Revaluations	Additions/ (Withdrawals)	2016
	\$	\$	\$	\$
Investment in Shares	67,509	40,228	(14,936)	92,800
Investment in Managed Funds	6,915,328	364,828	1,826,149	9,106,305
	6,982,837	405,056	1,811,212	9,199,105

5. RELATED PARTY TRANSACTIONS

Key Management Personnel of 7 trustees (2015:7) did not receive any remuneration nor other benefits during the year. (2015:NIL)

6. COMMITMENTS AND CONTINGENCIES

At a Board of Trustees meeting dated 18 August 2010, the Trustees have agreed to pledge \$25,000 towards the construction and completion of the Hukarere Girls School Chapel. The distribution of the fund is contingent upon the School achieving their funding target (2015:\$25,000).

7. EVENTS AFTER BALANCE DATE

As at 30 September 2016, the Trust has entered into an unconditional contract to sell the property at 238-246 Great South Road Papakura for \$7,650,000. Settlement took place on 12 October 2016.

The Trust also has entered into a conditional contract to sell the property at 210-214 Great South Road Papakura at \$795,000 plus GST (if any) and is expected to settle on 13 January 2017.

The above properties were previously held as Investment Property and were re-classified as Properties Assets Held for Sale as they are currently actively marketed for sale.

The fair value of these investment properties as at 30 September 2015 was \$7,005,000 A movement in fair value of \$1,440,000 has been recorded in the Statement of Comprehensive Revenue and Expenses as Unrealised Gain on Revaluation of Investment Property.

Post balance date the Trust also entered into conditional contracts to sell the properties at 190-194 Great South Road for \$600,000 and 600 Maraetai Road for \$6,500,000. These properties remain to be Investment Properties as at 30 September 2016.

