

**Community
Trust South**



TE POU ARATAKI POUNAMU O MURIHIKU

**Performance Report
For the year ended 31 March 2024**

Community Trust South
Performance Report
For year ended 31 March 2024

Contents:

	Page
Trust Information	2
Statement of Service Performance	4
Statements of Comprehensive Revenue and Expense	7
Statements of Changes in Net Assets / Equity	8
Statements of Financial Position	9
Statements of Cash Flows	10
Statement of Accounting Policies and Explanatory Notes	11
Independent Auditor's Report	28

Community Trust South

Performance Report

For year ended 31 March 2024

in New Zealand Dollars (\$000s)

TRUST INFORMATION

Trust Entity

The financial statements represented are those for the reporting entity Community Trust South (the "Parent"), its subsidiaries and associates (together the "Group").

Community Trust South ("the Trust") is an 'in perpetuity' trust formed under the Trustee Banks Restructuring Act 1988 and was incorporated under the Charitable Trusts Act 1957, and operates under the Community Trusts Act 1999. The financial statements comply with the Financial Reporting Act 2013.

As a not-for-profit Public Benefit Entity (PBE) domiciled in Invercargill New Zealand, the Trust distributes grants to qualifying organisations in the South region, Stewart Island, Queenstown, Arrowtown and Glenorchy. Through its granting programme the Trust aspires to achieve a thriving South by engaging in effective and innovative philanthropy and grantmaking, demonstrate our commitment to Te Tiriti o Waitangi principles, and to protect and grow our investment fund for the benefit of our community and future generations.

Group Structure

Community Trust South Group consists of the Trust and its controlled entities, Invest South GP Limited and Invest South Limited Partnership. Controlled entities are all those entities over which the Trust has the power to govern the financial and operating policies of other entities so as to benefit from that entity's activities.

Trustees

The Trust is governed by a Board consisting of up to ten trustees appointed by the Minister of Finance. Trustees are appointed for an initial term of up to four years and may, at the conclusion of their term, be appointed for a further term of up to four years. The Governance Charter provides the framework under which the Board and its Committees operate.

Trustees at 31 March 2024 were

Trustee	Date Appointed
Kirsty Pickett (Chair)	September 2020
Stephen Canny (Deputy Chair)	June 2019
David Goble	June 2019
Leanne Samuel	August 2021
Leon Hartnett	August 2021
Mel Montgomery	August 2021
Aimee Kaio	October 2022

Trustee changes during the financial year were:

Bill Moran	June 2019 (Retired May 2023)
Louise Fowler	September 2020 (Retired February 2024)

The Board's workload is allocated to the following Committees:

- Investment
- CEO performance review
- Audit, finance and risk management
- Te Whai Hua

Auditor

KPMG, Christchurch

Legal Counsel

AWS Legal, Invercargill

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

Investment Advisor
JANA (commenced January 2023)

Main Sources of Cash and Resources

The Trust's main source of funds is from returns on its diversified investment portfolio. During the last financial year the portfolio has earned an annual investment net return of 9.8% (2023: -0.9%)

Contact Details

Physical Address:	62 Don Street, Invercargill, 9810
Postal Address	PO Box 1646, Invercargill, 9840
Phone:	03 218 2034
Freephone:	0800 500 185
Email:	info@communitytrustsouth.nz
Website:	www.communitytrustsouth.nz

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENT OF SERVICE PERFORMANCE

WHO WE ARE AND WHAT WE DO

Established in 1988, it is through the Community Trusts Act 1999 and our own Trust Deed that Community Trust South exists as a funder in perpetuity, working with and supporting communities throughout the south to achieve their aspirations.

Our Board consists of up to ten Trustees appointed by the Minister of Finance and four sub-committees (Investment, Audit Finance & Risk Management, Te Whai Hua, and CEO Performance Review) which assist the Board in undertaking its responsibilities. Guided by our Statement of Investment Performance Objectives (SIPO) and our perpetual nature, the Board invests the Trust's assets across a diversified portfolio and it is through investment returns that we fund our annual granting and operating costs. We are also the sole investor in Invest South, a private equity fund based in Invercargill, which aims to provide an investment return to Community Trust South and work with businesses to ensure they are connected, successful, resilient and dynamic.

Our values Manaakitanga | Respect, Tikanga | Integrity, Whanaungatanga | Approachable, Tūhonohono | Proactive, Kotahitanga | Connected, Kaitiakitanga | Guardianship guide us. Underpinning all that we do is our commitment to the Te Tiriti o Waitangi and to working in partnership with Iwi and Māori communities to support their aspirations.

Our strategic vision is for 'A Thriving South' covering Southland, Queenstown, Glenorchy, Arrowtown, Tapanui and Heriot areas. We support achieving our vision through protecting and growing our investment fund and through investing in communities by providing grants, community loans, scholarships for individuals, and through impact investing.

Four strategic pou (pillars) guide our funding:

- Health, Wellbeing & Active Lifestyles
- Education
- Art, Heritage & Culture
- Community Development & Community Economic Development

Through effective and innovative philanthropy and grant making we work with communities to get more people participating to enhance personal and community wellbeing and resilience. We understand there are unique needs of places and communities within our rohe (region) and the need to collaborate and partner to achieve greater impact.

While the Trust's office is located at 62 Don Street, Invercargill, our staff are out and about in our rohe (region) connecting with a diverse range of communities, organisations, and stakeholders.

WHAT WE HAVE DONE

We welcomed the appointments of Kirsty Pickett as Heamana (Chair), Stephen Canny as Heamana Tuarua (Deputy Chair), and Mel Montgomery as Investment Committee Chair. We farewelled two Trustees, Bill Moran and Louise Fowler (Manawhenua endorsed), with new appointments not expected until late 2024. Trustees approved a significant grant of \$5m towards the Te Unua Museum of Southland - Project 1225. An updated SIPO was implemented and the Trust completed a comprehensive review of the Strategic Vision with the updated Strategic Aspiration to be implemented during 2024/25.

Our activities, achievements and highlights for the year ended 31 March 2024 have been focused on supporting our strategic vision and are outlined below.

OUR PERFORMANCE

STRATEGIC OBJECTIVE: Protect and grow our investment fund for the benefit of our community and future generations

Guided by the Trust SIPO, our Investment Committee, supported by an Investment Advisor oversees the Trust's investments with the aim of restoring our investment portfolio value to its inflation-adjusted capital base over the long term. The negative Grants Reserve indicates the dollar value of capital restoration required, being \$78m (2022/23: \$73m).

The Trust's investment portfolio outperformed its CPI+4% Investment objective by 1.8% over the 2023/24 financial year. This was driven by strong returns in global equity markets, with the MSCI World Index returning 28.9% for the year. The relative outperformance was driven by inflation rates moderating, with the New Zealand's CPI rate reducing to 4%pa. The Trust underperformed its Strategic Asset Allocation benchmark due to Private Equity experiencing negative revaluations, while the asset class is benchmarked at an absolute return of 10%.

The Trust's portfolio has a balanced asset allocation, with an overall growth/defensive split of 70%/30% (2022/23: 65%/35%). Based on the advice of the Trust's Investment Advisor, the allocation to growth assets was increased to enhance both returns and capital rebuild.

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

Indicator	2023-2024	2022-2023
Trust capital	\$246m (Target: \$305m)	\$239m (Target: \$293m)
Investment portfolio diversification	69.1% Growth Assets / 30.9% Income Assets (SIPO: 70%/30%)	66.7% Growth Assets / 33.3% Income Assets (SIPO: 65%/35%)
Investment portfolio return	9.8% after fees (SIPO objective: NZ CPI+4% rolling 10-year average 8.0%; Strategic Asset Allocation: 12.8%)	-0.9% after fees (SIPO NZ CPI+4% rolling 10-year average: 10.7% Strategic Asset Allocation -0.7%)
Grants approved as percentage of Trust capital	4.89%	2.56%

STRATEGIC OBJECTIVE: Engage in effective and innovative philanthropy and grant making

Our strategic vision provides the framework which we use to make granting decisions and outlines the direction we take for investing in community across our four strategic pou and associated priorities. We aim to ensure equitable access to opportunities throughout the Trust's rohe (region) through responding to needs and opportunities in our communities.

Providing a range of funding opportunities (general, major, and multi-year grants) helps us to target funding to meet our strategy, supporting both large and small community organisations and groups across a range of sectors through one off programme/project grants and operating grants as well as multiyear untagged operating support where there is strong alignment with our strategy. Ensuring awareness of, access to and diversity, equity and inclusion in our funding is achieved through strong community engagement (district visits, funding clinics and partnering with other funders).

Our special targeted funds include:

- *Tahua Pūtea ki ngā Papatipu Rūnaka* – developed in partnership with the four Papatipu Rūnaka of Murihiku in 2021 this \$320,000pa fund provides flexibility for Rūnaka to respond to whanau, hapū and Iwi wellbeing and aspirations.
- *Regional Sports Organisation & Compete Funds* - over \$775,000 assisted regional sports organisations to support hundreds of community clubs and local sporting groups across the South, encouraging more people to be physically active. It also helped premier sporting teams, arts, and cultural groups to participate outside the region and the hosting of premier events locally.
- *Principals' Discretionary Fund* - through an overall allocation of \$595,203 schools throughout the rohe (region) were supported to ensure students have the opportunity to achieve their potential through enabling students experiencing financial hardship to participate in school activities, supporting schools to raise student achievement, address inequalities and/or reduce barriers to participation and enabling schools and students in isolated areas to have equity of opportunity to take part in educational, sporting and cultural opportunities.

We provide loans for community organisations as a way of producing measurable social impact and providing organisations with access to capital that might otherwise not be available. They also enable us to recycle our capital to assist other projects. In 2023/24 there were two new loans approved and one withdrawn following an organisation advising that the loan, which had not been uplifted, was no longer required. Repayments were received on existing loans.

Indicator	2023-2024	2022-2023
Funding approved	\$12.0m (Grants budget: \$7.0m plus \$5.0m for significant grant for Te Unua Museum of Southland)	\$6.1m (Grants budget: \$7.5m)
Funding by Strategic pou: (excluding the significant grant of \$5.0m)		
Health, Wellbeing & Active Lifestyles	\$3,827,416 (54.7%)	\$2,712,638 (44.3%)
Education	\$1,209,144 (17.3%)	\$1,101,669 (18.0%)
Art, Heritage & Culture	\$904,032 (12.9%)	\$853,535 (13.9%)
Community Development & Community Economic Development	\$1,059,758 (15.1%)	\$1,459,693 (23.8%)
Funding by Area by Territorial Authority (excluding the significant grant of \$5.0m)		
Invercargill City Council (41.5% of rohe population ²)	\$3,098,031 (44.2%)	\$2,790,729 (45.5%)
Southland District Council (23.8% of rohe population ²)	\$1,776,878 (25.4%)	\$1,567,305 (25.6%)

Community Trust South
Performance Report
For year ended 31 March 2024

in New Zealand Dollars (\$000s)

Gore District Council (9.5% of rohe population ²)	\$819,074 (11.7%)	\$718,700 (11.7%)
Queenstown Lakes District Council – Wakatipu (23.4% of rohe population ²)	\$1,230,127 (17.6%)	\$898,322 (14.7%)
Clutha District Council – West Otago (1.7% of rohe population ²)	\$76,240 (1.1%)	\$152,478 (2.5%)
Funding by type (excluding the significant grant of \$5.0m)		
General Granting (under \$75,000)	\$2,583,928 (37%)	\$2,030,540 (33%)
Major Grants (over \$75,000)	No Major Grant Round held	No Major Grant Round held
Multi-year grants (Target: ≤45%)	\$2,613,687 (37%)	\$2,482,612 (41%)
Special Targeted Funds	\$1,692,479 (24%)	\$1,540,132 (25%)
Scholarships for individuals (Create, Sport & Leadership)	\$110,256 (2%)	\$74,250 (1%)
Community loans (Target: ≤ 5% of Trust capital)	6 loans \$4,072,298 (1.66%)	5 loans \$3,103,125 (1.30%)

STRATEGIC OBJECTIVE: Demonstrate commitment to and understanding of Te Tiriti o Waitangi Principles

In 2022 we developed Te Ara Titikaha – Our Te Tiriti o Waitangi Journey Strategic policy which sets out our commitment to Te Tiriti o Waitangi including how we will ensure Trustees and staff understand Te Tiriti o Waitangi principles, it also holds us accountable to action. Te Whai Hui, a sub-committee of the Board, assists the Trust in embedding our commitment into our culture and mahi (work). Enhancing collective understanding of Te Tiriti o Waitangi ensures we are better able to reflect our commitment in practice and throughout 2023/24 opportunities were provided for Trustees and staff to enhance their understanding and upskill in areas such as te reo and tikanga.

The Minister of Finance appoints Trustees, and to give effect to our commitment to Te Tiriti o Waitangi and the principle of partnership the Trust is committed to recommending a Manawhenua endorsed presence on the Board.

Engaging with Iwi and Māori kanohi ki te kanohi (face to face) helps to establish strong and enduring relationships. The Heamana (Board Chair) and CEO attended Waitangi Day commemorations at Te Rau Aroha Marae, Bluff. One trustee and one staff attended a Trust Waikato hosted Combined Community Trusts Te Tiriti o Waitangi Ako, followed by attending Waitangi Day at Hukanui Marae.

Indicator	2023-2024	2022-2023
Manawhenua endorsed Trustee	Partially Achieved ¹	Achieved
Trustees who whakapapa Māori	2 of 9 (from 1 Apr 2023 to 31 May 2023)	2 of 9 (1 April 2022 to 31 March 2023)
	2 of 8 (from 1 June 2023 to 12 Feb 2024)	
	1 of 7 (from 13 Feb 2024 to 31 Mar 2024)	
Kaupapa Māori organisations supported	18	9
Proportion of funding benefiting Māori (self-reported by applicant)	13% of total grant funding (Comparison to 12% CTS rohe Māori population ²)	11% of total grant funding (Comparison 12% CTS rohe Māori population ²)

CLIMATE ACTION

Climate change is one of the most significant issues and long-term challenges facing communities, our region and Aotearoa New Zealand. There is a pressing need to respond to climate change and philanthropy can play an active role. By signing the Aotearoa Funders Commitment on Climate Action in 2021 we committed to act. In 2022 we developed a strategic policy on Climate Action setting out our commitment and initial approach to climate change. We aim to achieve net zero carbon emissions by 2050 or sooner. Initial actions have been undertaken including measuring the operational carbon footprint and changing Trust vehicles from petrol to one hybrid and one electric vehicle. The Responsible Investment Policy in the SIPO was updated to reflect the Trust's climate change commitment. A pilot decarbonisation workshop was provided to seven For Purpose (not-for-profit) organisations. Detailed action plans for operations, granting and investment will be developed in 2024/25.

Indicator	2023-2024	2022-2023
Aotearoa Funders Commitment on Climate Action - Annual reporting	Funders Commitment 2024 Report completed ³	Funders Commitment Inaugural Report 2023 completed

1. The Manawhenua endorsed Trustee resigned effective 13 February 2024 and engagement was begun to identify a replacement, as at year end a replacement had not been appointed.

2. Based on Statistics NZ populations estimates.

3. Both these reports are available now at <https://www.climateactionaotearoa.co.nz/key-documents>

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENTS OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 31 March 2024

		Group		Parent	
	Note	2024	2023	2024	2023
Revenue					
Revenue from investments	3	21,195	(1,738)	20,869	(2,048)
Other income		1,360	191	1,375	206
Share of profit from associates	8	405	528	-	-
Gains/(losses) from change in fair value of other investments	9	(854)	834	-	-
Total Revenue		22,106	(185)	22,244	(1,842)
Operating Expenses					
Investing activity expenses	4	2,133	2,052	1,458	1,340
Trust operating expenses	4	1,464	1,320	1,464	1,320
Grants committed to community groups	5	11,928	5,580	11,928	5,580
Discount on concessionary loans		126	33	126	33
Total Expenses		15,651	8,985	14,976	8,273
Net Surplus/(Deficit) before taxation		6,455	(9,170)	7,268	(10,115)
Other Comprehensive Income					
Property revaluation		-	-	-	-
Total Comprehensive Income/(Deficit) for the year		6,455	(9,170)	7,268	(10,115)
Total Comprehensive Income/(Deficit) is attributed to:					
Owners of the parent		6,455	(9,170)	7,268	(10,115)
		6,455	(9,170)	7,268	(10,115)

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENTS OF CHANGES IN NET ASSETS/ EQUITY

For the year ended 31 March 2024

Group	Trust Capital	Capital Maintenance Reserve	Grants Maintenance Reserve	Asset Revaluation Reserve	Accumulated Revenue and Expense	Total
Opening balance at 1 April 2022	158,460	134,586	(45,546)	805	-	248,305
Total comprehensive revenue and expense	-	-	-	-	(9,170)	(9,170)
Transactions with owners						
Transfer to/(from) reserves	-	18,399	(27,569)	-	9,170	-
Closing balance at 31 March 2023	158,460	152,985	(73,115)	805	-	239,135
Total comprehensive revenue and expense	-	-	-	-	6,455	6,455
Transactions with owners						
Transfer to/(from) reserves	-	11,720	(5,265)	-	(6,455)	-
Closing balance at 31 March 2024	158,460	164,705	(78,380)	805	-	245,590


Parent	Trust Capital	Capital Maintenance Reserve	Grants Maintenance Reserve	Asset Revaluation Reserve	Accumulated Revenue and Expense	Total
Opening balance at 1 April 2022	158,460	116,145	(37,464)	805	-	237,946
Total comprehensive revenue and expense	-	-	-	-	(10,115)	(10,115)
Transactions with owners						
Transfer to/(from) reserves	-	18,399	(28,514)	-	10,115	-
Closing balance at 31 March 2023	158,460	134,544	(65,978)	805	-	227,831
Total comprehensive revenue and expense	-	-	-	-	7,268	7,268
Transactions with owners						
Transfer to/(from) reserves	-	11,720	(4,452)	-	(7,268)	-
Closing balance at 31 March 2024	158,460	146,264	(70,430)	805	-	235,099

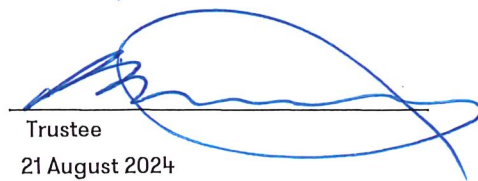
Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group 2024	2023	Parent 2024	2023
Current Assets					
Cash and cash equivalents		696	891	350	411
Accounts receivable	6	3	34	2	2
Other current assets		125	51	125	51
Loan receivables	7	459	1,075	434	1,075
Total Current Assets		1,283	2,051	911	1,539
Non-Current Assets					
Investment in associates	8	2,891	2,486	-	-
Investment in equities (unlisted)	9	20,980	20,334	-	-
Investment in managed funds	11	207,517	197,131	207,517	197,131
Loan receivables	7	22,329	21,963	20,875	20,226
Property, plant and equipment	13	1,397	1,370	1,384	1,362
Related party advances	17	-	-	15,070	13,570
Total Non-Current Assets		255,114	243,284	244,846	232,289
Total Assets		256,397	245,335	245,757	233,828
Current Liabilities					
Accounts payable (exchange transactions)		60	164	23	72
Other current liabilities		207	329	95	218
Grant obligations	14	8,018	3,504	8,018	3,504
Total Current Liabilities		8,285	3,997	8,136	3,794
Non-Current Liabilities					
Grant obligations	14	2,522	2,203	2,522	2,203
Total Non-Current Liabilities		2,522	2,203	2,522	2,203
Total Liabilities		10,807	6,200	10,658	5,997
Net Assets		245,590	239,135	235,099	227,831
Trust Equity	15				
Trust capital		158,460	158,460	158,460	158,460
Reserves		87,130	80,675	76,639	69,371
Total Trust Equity		245,590	239,135	235,099	227,831


Board Chair
21 August 2024


Trustee
21 August 2024

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENTS OF CASHFLOWS

For the year ended 31 March 2024

	Group 2024	2023	Parent 2024	2023
Cash Flows from Operating Activities				
Receipts from:				
Receipts from customers	-	-	15	15
Interest and dividends	3,128	1,442	2,803	1,131
Foreign exchange	1,253	4,530	1,253	4,530
Grants/scholarships repaid	16	13	16	13
Other income	78	-	78	1
Total cash inflows from operating activities	4,475	5,985	4,165	5,690
Payments to:				
Suppliers, trustees and staff	2,783	2,561	2,432	2,090
Other expenses	1,016	641	677	432
Foreign exchange	2,351	4,269	2,351	4,269
Grants to community organisations	7,110	7,235	7,110	7,235
Total cash outflows from operating activities	13,260	14,706	12,570	14,026
Net cash (outflow) from operating activities	(8,785)	(8,721)	(8,405)	(8,336)
Cash Flows from Investment Activities				
Receipts from:				
Investment in managed funds	34,148	14,885	34,149	14,885
Loan receivable repayments	293	307	9	19
Total cash inflow from investing activities	34,441	15,192	34,158	14,904
Payments to:				
Investment in unlisted equities	1,500	1,994	-	-
Investment in managed funds	23,329	7,837	23,329	7,837
Loan receivable advances	954	-	929	-
Associated party advance	-	-	1,500	2,000
Property, plant and equipment	68	50	56	49
Total cash outflow from investing activities	25,851	9,881	25,814	9,886
Net cash (outflow) from investing activities	8,590	5,311	8,344	5,018
Net Increase / (Decrease) in Cash held	(195)	(3,410)	(61)	(3,318)
Add cash at beginning of year	891	4,301	411	3,729
Total Cash Balance at End of Year	696	891	350	411
Represented by				
Cash and cash equivalents	696	891	350	411
Total Cash Balance	696	891	350	411

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES

1. Reporting entity

The financial statements represented are those for the reporting entity Community Trust South (the "Parent"), its subsidiaries and associates (together the "Group").

Community Trust South ("the Trust") is an 'in perpetuity' trust formed under the Trustee Banks Restructuring Act 1988 and was incorporated under the Charitable Trusts Act 1957, and operates under the Community Trusts Act 1999. The financial statements comply with the Financial Reporting Act 2013.

These financial statements have been approved for issue by the Trustees on 21 August 2024.

2. Statement of Accounting Policies

Statement of Compliance

The financial statements of the group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). The Parent and Group are considered public benefit entities for financial reporting purposes.

The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities as its primary objective is for community benefit.

The group qualifies and has elected to prepare financial statements as a Tier 2 reporting entity as total expenditure is less than \$30 million, and the group is not considered publicly accountable as defined by XRB A1.

(a) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(i) Historical cost convention

The financial statements have been prepared on the basis of historical cost as modified by the revaluation of certain assets as identified in specific accounting policies below.

(ii) Presentation and functional currency

These financial statements are presented in New Zealand dollars, which is the Parent and Group's functional and presentation currency. All figures are rounded to the nearest thousand dollars.

(iii) Going concern assumption

These financial statements have been prepared on a going concern basis.

(iv) Accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(v) Estimates & Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of investment and are discussed further in note 11.

(b) Principles of consolidation

The Group financial statements incorporate the financial statements of the Trust and all entities controlled by the Trust (its subsidiaries) that comprise the Group, being Community Trust South (the parent entity) and its controlled entities, Invest South GP Limited and Invest South Limited Partnership.

Controlled entities are all those entities over which the Group has the power to govern the financial and operating policies of other entities so as to benefit from that entity's activities. The financial statements of the controlled entities are consolidated from the date on which control commences until the date on which control ceases.

The consolidation of the Parent and subsidiaries involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

2. Statement of Accounting Policies (continued)

(i) Associates

Associates are all entities over which the Group has significant influence but not control, generally evidenced by a holding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in the surplus or deficit for the year, and its share of post-acquisition movements in reserves is recognised in other comprehensive revenue and expense.

(c) Income tax

The Parent is exempt from income tax under section CW52 of the Income Tax Act 2007.

The Group's current year income tax for the period is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(d) Revenue from investments

Revenue from investments includes interest, dividends, realised and unrealised gains and losses related to investments classified as fair value through revenue and expense.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Goods and Services Tax (GST)

The statements of comprehensive revenue and expense have been prepared so that all components are stated exclusive of GST. All items in the statements of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(f) Impairment of non financial assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Cash-generating assets are assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

For cash generating assets, 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 assets.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach - depending on the nature of the asset and impairment, and the availability of information.

(g) Property, plant & equipment

All plant and equipment are stated at cost less depreciation and impairment. The cost of purchased assets includes the original purchase consideration given to acquire the assets, and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

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

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line or diminishing value method. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The following rates have been used:

Buildings	1.5-12.5%	Straight line
Plant & equipment	8-80%	Straight line
Leasehold alterations	3-40%	Straight line
Office equipment	8-67%	Straight line
Motor Vehicles	13.5%	Straight line

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

2. Statement of Accounting Policies (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit for the year.

Land and buildings are measured at fair value and were revalued at 31 March 2022. Fair value is determined on the basis of an independent valuation prepared by external valuation experts, based on a discounted cash flows or capitalisation of net income approach. The fair values are recognised in the financial statements of the Trust and are reviewed at the end of each reporting period to ensure the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in surplus or deficit, in which case the increase is credited to the surplus or deficit to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land and buildings is charged as an expense in the surplus or deficit to the extent it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of the asset.

Depreciation on revalued buildings is charged to surplus or deficit. On the subsequent sale of the revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank overdrafts, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less.

The Trust has a Business MasterCard, this has a \$10,000 limit.

(j) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

(k) Employee entitlement

Liabilities for wages and salaries (including non-monetary benefits and annual leave) to be settled within 12 months of the reporting date are recognised in employee entitlements in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(l) Investments in subsidiaries and associates

Investment in subsidiaries and associates in the parent financial statements are stated at cost less any impairment losses.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

(n) Statements of cash flows

The Statements of Cash Flows are prepared exclusive of goods and services tax (GST), which is consistent with the method used in the statements of comprehensive income.

'Operating activities' represents all transactions and other events that are not investing or financing activities.

'Investing activities' are those activities relating to the acquisition and disposal of property, plant & equipment and investments.

(o) Financial assets and liabilities

(i) Investments

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are recognised at fair value through surplus or deficit.

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

2. Statement of Accounting Policies (continued)

(ii) Financial assets at fair value through surplus or deficit

The Group classifies its managed funds and investments in listed and unlisted equities as financial assets at fair value through surplus or deficit. These financial assets are designated by management at fair value through surplus or deficit at inception.

Financial assets designated at fair value through surplus or deficit at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy and for which information is provided internally to key management personnel on that basis.

After initial recognition investments are managed at their fair value through surplus or deficit. Revaluations are undertaken at each reporting date based on the methodologies outlined in PBE IPSAS 41 Financial Instruments. All realised and unrealised gains and losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense. Associated transaction costs are recognised in revenue or expense as incurred.

Investments are derecognised when the rights to receive cash flows from the managed funds have expired or the Group has transferred substantially all risks and rewards of ownership.

(iii) Loans and receivables

Accounts receivable, advances to third parties, short term deposits and trust advances are carried at amortised cost using the effective interest method less impairment.

Concessionary loans issued are loans issued to third parties at rates and/or terms below market. Any difference between fair value and transaction price of the concessionary loan at initial recognition is recognised as a finance cost in surplus or deficit.

(iv) Impairment of financial assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

3. Revenue from Investments

Cash and cash equivalents

Interest on managed funds

Dividends

Unrealised gains / (losses) from change in fair value of managed funds

Realised gains/(losses) from change in fair value of management funds

Unrealised gains/(losses) from foreign exchange

Realised gains/(losses) from foreign exchange

Group		Parent	
2024	2023	2024	2023
-	-	-	-
920	811	913	808
1,184	1,708	866	1,402
17,398	(5,181)	17,398	(5,181)
2,392	331	2,392	331
358	308	358	308
(1,058)	284	(1,058)	284
21,195	(1,738)	20,869	(2,048)

4. Investing Activity and Trust Expenses

The breakdown of expenses into investing activity costs and Trust operating costs is as follows:

	Note	Group			
		Investing Activity Expenses		Trust Operating Expenses	
		2024	2023	2024	2023
Trustee fees	16	-	-	149	160
Director fees		137	143	-	-
Employee entitlements		354	335	669	643
Fund manager fees		1,458	1,340	-	-
Depreciation/Amortisation		6	3	35	27
Audit of financial statements - KPMG		52	50	49	44
Legal expenses		-	-	33	52
Administration expenses		126	181	529	394
		2,133	2,052	1,464	1,320

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

4. Investing Activity and Trust Expenses continued

	Note	Parent			
		Investing Activity Expenses		Trust Operating Expenses	
		2024	2023	2024	2023
Trustee fees	16	-	-	149	160
Employee entitlements		-	-	669	643
Fund manager fees		1,458	1,340	-	-
Depreciation/Amortisation		-	-	35	27
Audit of financial statements - KPMG		-	-	49	44
Legal expenses		-	-	33	52
Administration expenses		-	-	529	394
		1,458	1,340	1,464	1,320

5. Grants

Grants to eligible organisations are recognised as an expense in the Statement of Comprehensive Revenue and Expense when they are approved by the Trustees of the Group. Payments to grant recipients are made on the satisfaction of specified funding conditions. Grants covering multiple years are recognised as a commitment in principal for future years.

	Group		Parent	
	2024	2023	2024	2023
Grants approved in current year	12,000	6,128	12,000	6,128
Grants withdrawn for current year	(13)	(9)	(13)	(9)
Grant withdrawn in prior years	(262)	(170)	(262)	(170)
Grants repaid	(16)	(6)	(16)	(6)
Grants approved in principal relating to future years	219	(363)	219	(363)
	11,928	5,580	11,928	5,580

The names of the organisations to whom grants have been approved by the Trustees of the Group under section 13 of The Community Trust Act 1999 during the financial year are shown in Note 21 and on the website: www.communitytrustsouth.nz

6. Accounts Receivable

Trade receivables	3	34	2	2
	3	34	2	2

7. Loan Receivables

Loans	22,982	23,106	21,503	21,369
Discount provision	(194)	(67)	(194)	(67)
	22,788	23,038	21,309	21,302
Loans to unlisted equity entities/associates	1,479	1,737	-	-
Concessionary loans to community groups	1,042	236	1,042	236
Impact Investment Loan	20,267	21,066	20,267	21,066
	22,788	23,038	21,309	21,302
Current portion	459	1,075	434	1,075
Non-current portion	22,329	21,963	20,875	20,226
	22,788	23,038	21,309	21,302

Loan receivables to entities where the Group are also a shareholder are interest free. One of these is repayable upon 12 month notice period, the other loan is repayable at the discretion of the company.

Face value of concessionary loans to Community Groups	1,236	303	1,236	303
Discount Provision	(194)	(67)	(194)	(67)
Total concessionary loans	1,042	236	1,042	236
Opening balance	236	288	236	288
Amounts advanced	928	-	928	-
Amounts repaid	(9)	(19)	(9)	(19)
Interest charged	13	-	13	-
Unwinding of discount recognised in surplus/deficit	(126)	(33)	(126)	(33)
Closing balance	1,041	236	1,041	236

Generally concessionary loans to not-for-profit organisations are at below market interest rates and may be interest free, secured where possible by a first ranking mortgage over real property. To comply with PBE Standards, the relevant market interest rate is used to discount all contractual cash flows of principal and interest payments back to present value. Concessionary loans have been discounted to present value at the assessed market rate of 8.64% (2023: 8.39%). This has resulted in \$126,321 being recorded as an expense this year (2023: \$32,732). The discount is unwound when loans are repaid and this is reflected in the Statement of Comprehensive Revenue and Expenses.

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

7. Loan Receivables continued

	Group		Parent	
	2024	2023	2024	2023
Impact Investment Loan				
Invercargill Central Ltd (ICL)	20,267	21,066	20,267	21,066
	20,267	21,066	20,267	21,066

Impact investments are investments made with the intent to generate a measurable positive social or environment impact alongside an investment return and on the basis that the value of the expected social or environment impact exceeds the value of any lost investment return. The ICL investment is for a 15 year term, with an interest rate of 4%pa on the original \$20,000,000 investment. The investment is recorded at cost plus accrued interest to date.

8. Investment in Associates

Associates	Percentage Held 2024	Percentage Held 2023	Balance Date	Principal Activity	Consolidated Carrying Amount 20242023	
New Zealand Beeswax Limited	39.2%	39.2%	31 March	Beeswax processing and	2,891	2,486
<i>The entity is incorporated in New Zealand.</i>				manufacturing		
				Group	Parent	
<i>Movements in carrying amounts</i>				2024	2023	20242023
Balance at 1 April				2,486	1,958	- -
Share of associate earnings				405	528	- -
Balance at 31 March				2,891	2,486	- -

9. Investment in Equities (unlisted)

Investment in Equities (unlisted)	20,980	20,334	-	-
	20,980	20,334	-	-
Investments in unlisted equities are shown at fair value				
Gain/(losses) from change in fair value of investments				
Investments in Unlisted equities	(854)	834	-	-
	(854)	834	-	-

10. Investment in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

Subsidiaries are incorporated in New Zealand.

Subsidiaries	Percentage Held		Balance Date	Principal Activity
	2024	2023		
Invest South GP Limited	100%	100%	31 March	Investment management services
Invest South Limited Partnership	100%	100%	31 March	Private equity investment

11. Investment in Managed Funds

The portfolio is invested in pooled funds managed by 13 investment managers (2023: 12) recommended by the Trust's Investment Advisor, Jana, and approved by the Investment Committee and Board of Trustees. Investments are held and priced by the investment managers. The Trust is not involved with the analysis, sale or purchase of individual asset securities. Each asset grouping and the portfolio as a whole is measured against an appropriate internationally accepted standard benchmark or index.

Exposure to currency, interest rate and credit risk arises in the normal course of the investment managers' management of the managed funds. A range of hedging policies are in place whereby the investment managers use derivative financial instruments as a means of managing exposure to fluctuations in foreign exchange rates and interest rates. While these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by opposite effects and the items being hedged.

	Parent	
Asset Category	2024	2023
Australasian equities	29,663	30,977
Foreign exchange contracts	(926)	392
Infrastructure	18,709	21,309
NZ cash	9,568	12,732
NZ fixed interest	21,604	20,536
Overseas equities	90,194	73,564
Overseas fixed interest	10,765	26,491
Overseas property	9,285	8,422
Private Credit	16,084	-
Private Equity	2,570	2,708
	207,517	197,131

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

11. Investment in Managed Funds continued

Fair Value Measurement

The following table details the basis for the valuation of financial assets measured at fair value. This includes those financial assets that are fair valued through the surplus or deficit. Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair Value may be determined using different methods depending on the type of asset.

Asset category	Basis of fair value measurement
Australasian equities	Based on quoted market prices at the balance sheet date
Overseas equities	Based on quoted market prices at the balance sheet date
Infrastructure	Based on quoted market prices at the balance sheet date
Overseas property	Based on quoted market prices at the balance sheet date
NZ fixed interest/ NZ Cash	Based on quoted market prices at the balance sheet date where such quoted market prices are available, and otherwise based on valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates
Foreign exchange contracts	
Overseas fixed interest	
Private Credit	
Australasian private equities	The fair value is based on net asset value of the private equity partnership, determined using valuation techniques such as market multiples, discounted cashflows and precedent transactions using observable inputs where available.

12. Financial Instruments

Financial Risk Management

The Group's activities expose it to a variety of financial risks including market risk (including fair value interest rate risk, cash flow interest rate risk, currency risk, and equity price risk), credit risk and liquidity risk.

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

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices. There has been no change to the Group's exposure to market risks or in the manner it manages and measures the risk.

The investment valuations are based on the prevailing economic, market and other conditions as at 31 March 2024. Such conditions can change significantly over relatively short periods of time. The situation is continuing to evolve, and many uncertainties remain as to the effect that it will have on the Group and the broader domestic and global economies.

The measures the Trustees have put in place to manage these risks are:

- to retain an investment advisor to advise the Trust as to appropriate investment objectives, policies, and strategies;
- to use external fund managers to undertake the management of the investments; and
- to operate a widely diversified portfolio of investments.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to fair value interest rate risk is limited to its fixed rate cash at bank and fixed rate cash and fixed interest deposits with fund managers.

(ii) Currency Risk

Currency risk is the risk that the value of a foreign currency denominated financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency risk both directly through investments denominated in a foreign currency, and also indirectly where fund managers invest in foreign currency securities.

(iv) Equity Price Risk

The Group is exposed to equity price risk. This arises from managed funds held by the Trust and classified as financial assets at fair value through surplus or deficit.

Credit Risk Management

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

The Group manages credit risk through a diversified and non-correlated basket of investments across traditional and alternative asset classes. The Group further limits risk through its policy of placing managed funds with eleven separate fund managers, with each fund manager having an investment mandate which requires that they diversify their instruments on the Group's behalf. The Group has sought and obtained the advice of professional investment advisors prior to making its investment allocations and placement decisions.

Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Group maintains a target level of investments that collectively provide liquidity equivalent to an average level of two years' grant distributions allowing for expected interest income.

Community Trust South

Performance Report

For year ended 31 March 2024

in New Zealand Dollars (\$000s)

12. Financial Instruments continued

Capital Risk Management

The Group's objective when managing Group capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for the community. The capital structure of the Group consists of Group capital and reserves. The Trustees review the Trust funds and risks associated with the Trust funds, with advice and guidance from the Trust's investment advisor.

Following the sale of the Trust's shares in Trust Bank New Zealand Limited in April 1996 for \$158,460,000, the Trustees agreed that the value of the Trust at that time should be maintained for the benefit of current and future generations living in the region. For this purpose the Trustees agreed that \$158,460,000 would be considered as the "Trust Capital" value of the Trust. Trustees further agreed that over the long term the net assets of the Trust would not be allowed to reduce to a level below the inflation-adjusted real value of this Trust Capital.

Recognising that actual returns are likely to fluctuate from year to year, the Trust aims to build a reserve above the inflation-adjusted Trust capital so that in years when investment returns are less than the target, sufficient funds are available to meet expenditure and make distributions. The Trust has a negative reserve which indicates that expenditure and grant distributions have been funded from the inflation-adjusted capital base. The Trust fund has fallen below the value that needs to be maintained for the benefit of current and future generations, the level of targeted and actual expenditure and distributions are reviewed by the AFRM Committee and Board.

The Trust's spending policy (including both granting and operational expenditure) is to not exceed 3.75% of the Trust's average equity over the previous 20 quarters. This amount has been calculated based on the Trustees' long-term investment expectations, together with the objective of rebuilding the capital value of the fund for the benefit of current and future generations. Capital rebuild and the robustness of the community sector in the Trust's area, will be considerations in any decision to increase or decrease the spending budget. As a result, there may be fluctuations between the level of targeted and actual expenditure and distributions.

The Trust uses the services of an investment advisor to pursue an investment policy considered appropriate for the Trust. The Policy aims to achieve a long-term asset allocation as follows:

Liquidity – Cash	4.0%
Income – Cash	1.0%
Income – NZ Bonds	5.0%
Income – Overseas Bonds	5.0%
Income – NZ Loan	8.0%
Income – Private Credit	7.0%
Growth – Infrastructure/Property	15.0%
Growth – Listed Shares	40.0%
Growth – Global Private Equity	5.0%
Growth – NZ Private Equity	10.0%
	<u>100%</u>

Fair Values

Although the General Partner uses its best judgement in estimating the fair value of investments, there are inherent limitations in any estimation techniques. The fair value estimates presented herein are not necessarily indicative of an amount the Group could realise in a current transaction.

PBE IPSAS 30 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following Levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 – Inputs other than quotes prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest Level input that is significant to the fair value measurement in its entirety.

The determination of what constitutes 'observable' requires significant judgement by the General Partner. The General Partner considers observable data to be market data that is readily available, regularly distributable or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Group's financial assets (by class) measured at fair value on the Statement of Financial Position.

31 March 2024

Financial assets at fair value through profit or loss

Investment in managed funds

Unlisted equity securities

	Level 1	Level 2	Level 3	Total
Investment in managed funds	57,095	142,754	7,668	207,517
Unlisted equity securities	-	-	20,980	20,980
	<u>57,095</u>	<u>142,754</u>	<u>28,648</u>	<u>228,497</u>

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

12. Financial Instruments continued

31 March 2023

Financial assets at fair value through profit or loss

Investment in managed funds

Unlisted equity securities

	Level 1	Level 2	Level 3	Total
	60,151	126,645	10,335	197,131
	-	-	20,334	20,334
	<u>60,151</u>	<u>126,645</u>	<u>30,669</u>	<u>217,465</u>
	Investment in managed funds			Unlisted equity
Balance at 1 April 2023	197,131			20,334
Additional investments/transfers	25,680			1,500
Settlements and repayments	(35,402)			-
Change in value of financial assets at fair value through profit or loss	19,090			(854)
Reinvested earnings	1,018			-
Balance at 31 March 2024	<u>207,517</u>			<u>20,980</u>
Balance at 1 April 2022	208,267			17,509
Additional investments/transfers	12,107			1,991
Settlements and repayments	(19,416)			-
Change in value of financial assets at fair value through profit or loss	(4,258)			834
Reinvested earnings	431			-
Balance at 31 March 2023	<u>197,131</u>			<u>20,334</u>

Included in profit or loss for the year is a net loss of \$(853,798) (31 March 2023: net profit of \$834,307) relating to level 3 assets held at the end of the reporting year. Fair value gains or losses on those assets are included in "change in fair value of financial assets at FVTPL" in the statement of comprehensive income. Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include listed equity securities and investments in listed bond funds.

Loans receivable carried at amortised cost using the effective interest method less impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period, to the net carrying amount of the financial asset.

It is the Trustees' determination that the transaction price is the best evidence of fair value for unlisted equities. Therefore, where possible they have used recent share purchase/offer price to determine the fair value of unlisted equities. If there have been no recent share transactions or offers, then a valuation is requested to determine the fair value.

13. Property, Plant and Equipment

Group

	Land	Buildings	Equipment	Furniture & Fitting	Motor vehicles	Total
Cost or Valuation as at 1 April 2023	585	772	95	210	41	1,703
Additions	-	-	6	11	51	68
Revaluation	-	-	-	-	-	-
Unwinding Asset Valuations	-	-	(5)	(10)	-	(15)
Cost or Valuation at 31 March 2024	<u>585</u>	<u>772</u>	<u>96</u>	<u>211</u>	<u>92</u>	<u>1,756</u>
Accumulated depreciation at 1 April 2023	-	82	78	172	1	333
Depreciation	-	11	10	9	11	41
Unwinding Accumulated Depreciation	-	-	(5)	(10)	-	(15)
Accumulated depreciation at 31 March 2024	-	<u>93</u>	<u>83</u>	<u>171</u>	<u>12</u>	<u>359</u>
Net book value 31 March 2023	<u>585</u>	<u>690</u>	<u>17</u>	<u>38</u>	<u>40</u>	<u>1,370</u>
Net book value 31 March 2024	<u>585</u>	<u>679</u>	<u>13</u>	<u>40</u>	<u>80</u>	<u>1,397</u>

Parent

	Land	Buildings	Equipment	Furniture & Fitting	Motor vehicles	Total
Cost or Valuation as at 1 April 2023	585	772	95	191	41	1,685
Additions	-	-	6	-	51	57
Revaluation	-	-	-	-	-	-
Unwinding Asset Valuations	-	-	(5)	(9)	-	(14)
Cost or Valuation at 31 March 2024	<u>585</u>	<u>772</u>	<u>96</u>	<u>182</u>	<u>92</u>	<u>1,728</u>
Accumulated depreciation at 1 April 2023	-	82	78	161	1	322
Depreciation	-	11	10	3	11	35
Unwinding Accumulated Depreciation	-	-	(5)	(9)	-	(14)
Accumulated depreciation at 31 March 2024	-	<u>93</u>	<u>83</u>	<u>155</u>	<u>12</u>	<u>344</u>
Net book value 31 March 2023	<u>585</u>	<u>690</u>	<u>17</u>	<u>31</u>	<u>40</u>	<u>1,362</u>
Net book value 31 March 2024	<u>585</u>	<u>680</u>	<u>13</u>	<u>27</u>	<u>80</u>	<u>1,384</u>

A revaluation of freehold land and buildings was completed in March 2022. The values listed are those calculated by Chadderton Valuation, an independent valuer at that date less an annual depreciation allowance. Refer to the policy which is outlined within Note 2(h).

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

14. Grant Obligations

Grants approved by the Board but unpaid at balance date are recognised as Current Liabilities. For grants that cover multiple years, the portion that relates to future years, which have been approved in principal by the Board are recognised as Non-Current Liabilities.

Commitments of \$10,540,448 (2023: \$5,706,612) exist for grants of the Group and \$10,540,448 (2023: \$5,706,612) for the Parent which will be distributed from either capital or income sources in future years.

	Group		Parent	
	2024	2023	2024	2023
Balance at 1 April	5,707	7,357	5,707	7,357
Grants approved in current year	12,000	6,128	12,000	6,128
Grants paid in current year	(7,110)	(7,235)	(7,110)	(7,235)
Grants approved in principal relating to future years	219	(363)	219	(363)
Grants withdrawn for current year	(14)	(9)	(14)	(9)
Grants withdrawn for prior years	(262)	(171)	(262)	(171)
	10,540	5,707	10,540	5,707
The years in which these commitments fall due are as follows:				
Current	8,018	3,504	8,018	3,504
Within 1-2 years	2,492	1,532	2,492	1,532
Within 2-3 years	30	671	30	671
	10,540	5,707	10,540	5,707

15. Trust Capital

Capital

Trust Capital	158,460	158,460	158,460	158,460
	158,460	158,460	158,460	158,460
Reserves				
Capital maintenance reserve	164,705	152,985	146,264	134,544
Grants maintenance reserve	(78,380)	(73,115)	(70,430)	(65,978)
Asset revaluation reserve	805	805	805	805
	87,130	80,675	76,639	69,371
	245,590	239,135	235,099	227,831

(i) Trust Capital

Trust Capital represents the realised value of its original asset, being shares in Trust Bank New Zealand.

(ii) Capital Maintenance Reserve

The Capital Maintenance Reserve represents the additional amount necessary to preserve the real value of the Trust Capital allowing for inflation as measured by the Consumers Price Index (all groups).

(iii) Grants Maintenance Reserve

The Grants Maintenance Reserve indicates whether the Trust has maintained a grants reserve over the inflation adjusted capital base. The negative reserve indicates that grants have been distributed out the inflation adjusted capital base. In years when net income from investments is higher than both inflation and granting levels, surplus income is transferred to this reserve. In years when both inflation and granting levels are higher than net investment income, the resulting deficit further decreases this reserve.

(iv) Asset Maintenance Reserve

The Asset Revaluation Reserve reflects the gains/(losses) resulting from the revaluation of land and buildings. These movements in fair value are reflected through the Statement of Comprehensive Revenue and Expense.

16. Key Management Personnel

The compensation of the Executives, Trustees & Directors, being the key management personnel is set out below:

	Group		Parent	
	2024	2023	2024	2023
Short term employee benefits - Executives	377	358	184	170
Trustee fees - Trustees	149	160	-	-
Directors fees - Directors	137	143	-	-
	663	661	184	170
Key management comprised the following number of FTEs				
Executives	2.00	2.00	1.00	1.00
Trustees	0.88	1.00	0.88	1.00
Directors	0.27	0.27	-	-
	3.15	3.27	1.88	2.00

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

16. Key Management Personnel continued

Trustee fees are set by the Minister of Finance at a fixed annual amount. Trustee remuneration as follows:

	2024	2023
Aimee Kaio (appointed October 2022)	15	7
Bill Moran (retired May 2023)	6	30
David Goble	17	17
Kirsty Pickett	31	19
Leanne Samuel	15	15
Leon Hartnett	15	15
Louise Fowler (retired February 2024)	14	15
Mata Cherrington (retired August 2022)	-	12
Mel Montgomery	17	15
Stephen Canny	19	15
	149	160

The Board approved the implementation of external committee members for both the Audit, Finance and Risk Committee and the Investment Committee. Remuneration was paid as follows:

Kathryn Ball (appointed July 2021 - AFRM Chair)	5	6
Andrew Johnson (appointed August 2022 - Investment Committee member)	18	17
	23	23

17. Related Party Transactions

Transactions with Key Management Personnel

Key management personnel declared interests in relation to organisations that grants were approved during the year. Interests were declared when these grants were considered, and key management took no part in the grant assessment or deliberations relating to organisations they had an interest in.

(i) 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, 27 such instances were recorded (2023: 41). A register of those interests is available on the Trust website.

(ii) Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies. Interests classified as related party are disclosed below. There was \$209,746 payable at balance date (2023: \$562,500).

Trustees	Recipient organisation	Nature of related party	Transaction	2024	2023
A Kaio	Invercargill Community Connections Charitable Trust	Advisor	Grant	-	75,000
B Moran	Chamber Music at the World's Edge Foundation	Board chair	Grant	25,000	25,000
	Turn Up the Music	Trustee	Grant	-	4,500
L Hartnett	Greenlight Innovations	Director	Grant	8,746	-
M Montgomery	Southland Indoor Leisure Centre Charitable Trust	Employee	Grant	-	250,000
	Stadium Southland	Treasurer	Grants (2)	-	18,000
S Canny	Sthld Regional Development Agency	Employee	Grants (2)	200,000	239,500
Management	Recipient organisation	Nature of related party	Transaction	2024	2023
J Flutey	Phoenix Synchro (Southland)	Committee member	Grant	1,000	4,610

Transactions with subsidiaries

The Limited Partner of Invest South Limited Partnership is Community Trust South. Community Trust South is owed \$15,070,079 from Invest South Limited Partnership (2023: \$13,570,079).

Community Trust South received office rental income of \$15,000 from Invest South GP Limited (2023: \$15,000).

Community Trust South received income for Boardpro subscription of \$534 from Invest South GP Limited (2023: \$528).

Community Trust South

Performance Report

For year ended 31 March 2024

in New Zealand Dollars (\$000s)

17. Related Party Transactions (continued)

Transactions between subsidiaries

Invest South GP Limited is the general partner to Invest South Limited Partnership. During the year, Invest South Limited Partnership paid a management fee to Invest South GP Limited of \$689,857 (2023: \$727,232). At 31 March 2024 Invest South GP Limited was due to receive \$450 (2023: \$80) from Invest South Limited Partnership.

At 31 March 2024 Invest South Limited Partnership owed \$15,070,079 to Community Trust South (2023: \$13,570,079).

	2024	2023
Invest South GP Limited	160,288	188,637
Community Trust South	15,070,079	13,570,079
	<u>15,230,367</u>	<u>13,758,716</u>

The advances are unsecured, repayable on demand and interest free. It is not expected the advances will be repaid or received in the next 12 months.

Shareholder loans have been advanced to New Zealand Beeswax Limited, \$1,085,906 (2023: \$1,368,146) For the year ended 31 March 2024 no interest has been charged on the New Zealand Beeswax Limited (2023: \$Nil). The loan's repayment terms require a notice period of at least 12 months.

Shareholder loans have been advanced to Waikaka Gold Mines Limited, \$368,388 (2023: \$368,388). For the year ended 31 March 2023 no interest has been charged on the Waikaka Gold Mines Limited (2023: \$nil). The loan is repayable at the discretion of Waikaka Gold Mines Limited.

Shareholder loans have been advanced to Bison Group Limited \$25,000 (2023: \$Nil). For the year ended 31 March 2023 no interest has been charged on the Bison Group Limited (2023: \$nil). The loan is repayable at the discretion of Bison Group Limited.

18. Contingencies

There are no contingent liabilities or contingent assets relating to the Group at 31 March 2024 (2023: Nil).

19. Capital Commitments

In May 2019, Trustees approved a loan for \$2,500,000 to Hawthorndale Care Village (formerly Calvary Hospital Southland Foundation), at balance date the loan has not been drawn down.

In March 2024, Trustees approved a loan for \$350,000 to Bluff Oyster & Food Festival Charitable Trust, at balance date the loan has not been drawn down.

At balance date the Trust had committed a total of \$16.3m (2023: \$16.3m) to New Zealand based private equity funds. Of this sum \$14.1m (2023: \$14.0m) has been drawn down to date. The calls on the remaining committed funds are made by Fund Managers as further investments are made. The timing of these calls is uncertain.

20. Events Occurring after Balance Date

Invest South GP Ltd sold an investment subsequent to year end, with total proceeds being \$3.2m. The sale being effective June 2024, with 88% of the proceeds received June 2024 and the remainder expected May 2025.

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

21. Grants			
Grantee	Grant Amount	Grantee	Grant Amount
Active Southland	240,000	Chamber of Commerce Southland	17,500
Age Concern Southland	63,000	Chatbus South Trust	10,000
Alzheimers Disease & Related Disorders Society (ADARDS) Otago	5,500	Choirs Aotearoa New Zealand Trust	2,000
Alzheimers Society Southland	8,000	Christian Mission Fellowship International	5,000
Anxiety New Zealand Trust	5,000	New River Southland Trust	
Aotearoa Jazz Education and Performance	10,000	Citizens Advice Bureau Invercargill	5,500
Charitable Trading Trust		Citizens Advice Bureau Queenstown	15,000
Aparima College	17,369	City of Invercargill Highland Pipe Band	6,000
Aphasia New Zealand (AphasianZ) Charitable Trust	1,000	COIN South	20,000
Arrowtown Autumn Festival	5,500	Community Networking Trust (Eastern Southland)	1,000
Arrowtown Charitable Trust	8,000	Croquet Southland	5,219
Arrowtown School	14,615	Cycling Southland	27,473
Arrowtown Village Association	2,000	Cystic Fibrosis Association of New Zealand	2,500
Arts On Tour Aotearoa NZ Trust	10,000	Dan Davin Literary Foundation	5,500
Ascot Community School	8,893	Diabetes New Zealand	3,500
Athletics Southland	8,071	Dipton School	1,765
Atuitui Charitable Trust	4,000	Disabilities Resource Centre Southland	15,500
Aurora College	16,628	Charitable Trust	
Autism New Zealand	5,500	Disc Golf South	4,540
Balfour School	2,634	Donovan Primary School	11,275
Barnardos New Zealand	50,000	Drummond Golf Club	3,215
Baroque Music Community & Education	3,300	Drummond Primary School	2,744
Trust of New Zealand Trust		Dunedin Community Care Trust	10,000
Batting for Rural Mental Health	2,000	East Gore School	3,854
Bhartiya Samaj Queenstown Charitable Trust	10,000	Eastern Bush Public Hall Society	2,000
Birchwood Hunt	4,600	Eastern Southland Basketball Association	15,282
Blue Mountain College	5,514	Eastern Southland Gallery	6,000
Bluff Hill Motupohue Environment Trust	25,000	Edendale Primary School	23,804
Bluff School	4,037	Eduk8 Southland Charitable Trust	30,000
Bone Marrow Cancer Trust	20,675	FEMME - Southland Girls' High School	3,000
Bowls Southland	21,559	Fernworth Primary School	8,350
C. S. Art Charitable Trust	19,000	Fiordland College	8,414
Camp Quality NZ	4,000	Fiordland Community House	5,000
Cancer Society of New Zealand	8,775	Gabby's Starlit HOPE Charity	5,000
Canterbury-West Coast		Garston School	1,250
Cancer Society of New Zealand Otago and Southland	32,575	Glenorchy School	1,367
CareerFest Southland	8,500	Glenorchy Trails Trust	50,000
CCS Disability Action Southland	60,000	Golf Southland	39,121
Central Lakes Family Services	105,000	Gore Contract Bridge Club	2,000
Central Otago Regional Choir	4,000	Gore Country Music Club	7,000
Central Southland College	14,380	Gore Croquet Club	3,000
Central Southland Hospital Charitable Trust	15,000	Gore District Council	5,500
Central Southland Netball Centre	2,000	Gore Main School	5,994
Central Southland Pony Club	5,000	Gore Southern Shears Committee	5,000
Central Southland Senior Citizens Welfare Centre	2,100	Gorge Road School	1,265
Chamber Music at the World's Edge Foundation	25,000	Graeme Dingle Foundation Southern	73,500
		Greenacres Country Club	10,000
		Greenlight Innovations	8,746

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

21. Grants			
Grantee	Grant Amount	Grantee	Grant Amount
Grey Power Southland Association	20,500	Limehills School	4,667
GymSport New Zealand	16,455	Lochiel School	2,925
Halfmoon Bay School	1,455	Loss and Grief Support Trust Southland	73,000
Happiness House Trust	11,500	Lumsden Body Corporate (Fire and Emergency, St John, NZ Police)	15,000
Hauroko Valley School	2,957	Lumsden School	3,501
Head Injury Society (Southland)	7,875	Makarewa School	4,086
Headlight Trust	20,000	Male Survivors Otago	12,000
Heartland Cricket Trust	3,500	Mararoa School	1,517
Heddon Bush School	2,258	Marching Southland Association	9,104
Hedgehope School	7,992	Māruawai College	16,961
Heriot School	2,695	Mataura Historical Society	2,000
Heritage South	5,520	Mataura School	3,789
Hillside Primary School	1,267	Mataura Softball Club	5,000
Hockey Southland	27,595	Menzies College	11,035
Hokonui Celtic Pipe Band	1,576	Methodist Mission Southern	20,000
Hokonui Runanga Health and Social Services Trust	80,000	Miharo Murihiku Trust	80,000
Hollyford Conservation Trust Board - Te Roopu Manaaki O Whakatipu Waitai	20,000	Mobility Assistance Dogs Trust	2,000
Ice Sports Southland	6,955	Momentum Charitable Trust	2,500
Inclusive Activity Murihiku (IAM)	5,000	Mondo Kids Cafe	1,000
Indian Community Southland	7,500	Mossburn Community Pool	10,000
Insert Coin To Play Charitable Trust	30,000	Mossburn Primary School	1,694
Invercargill City Council	5,000,000	Mossburn Rugby Club	2,000
Invercargill Garrison Band	3,000	Murihiku Māori Secondary Schools Teachers Trust	15,000
Invercargill Gymnastic Club	6,000	Murihiku Young Parents Learning Centre Trust	25,668
Invercargill Intercultural Church	5,000	Myross Bush School	4,422
Invercargill Irish Society	5,000	Netball South Zone	168,998
Invercargill Masonic Heritage Building Charitable Trust	10,000	New River Primary School	7,809
Invercargill Middle School	4,741	New Zealand Competitive Aerobics Federation	6,000
Invercargill Musical Theatre	21,000	New Zealand Continence Association	2,000
Invercargill Netball Centre	5,365	New Zealand Council of Victim Support Groups	18,000
Invercargill Rock 'N' Roll Club	5,500	New Zealand Country Music Festival Trust	35,000
Invercargill Rugby Football Club	10,000	New Zealand Endometriosis Foundation Charitable Trust	2,000
Invercargill Secondary Schools Network Trust	90,000	New Zealand Red Cross	10,000
James Hargest College	43,532	New Zealand Songwriters Trust	9,000
Jubilee Budget Advisory Service	15,000	Newfield Park School	11,579
Jubilee Supergrans	7,000	Northern Southland College	5,591
Kalapu Maile Ua Charitable Trust	3,000	Northern Southland Community Pool Trust	40,000
KingsView School	2,167	Northern Southland Community Resource Centre Charitable Trust	19,000
Kiwi Harvest	50,000	NZ Family and Foster Care Federation	10,000
Knapdale School	1,935	Oraka-Aparima Runaka	80,000
Koha Kai Trust	30,000	Oreti Surf Life Saving Club	4,587
Learning Differences Aotearora Trust	21,000	Otago Secondary Schools Sports Association	5,000
Leukaemia & Blood Cancer New Zealand	5,000	Otago Southland Area of New Zealand Pony Clubs Association	5,000
Life Education Trust Heartland Otago Southland	5,343	Otago Southland Area of New Zealand Pony Clubs Association	5,000
Life Education Trust Southland	18,975	Otago Southland Area of New Zealand Pony Clubs Association	5,000
Lighthouse Southland	25,000	Otama School	920

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

21. Grants			
Grantee	Grant Amount	Grantee	Grant Amount
Otatara School	6,676	Sacred Heart School	1,812
Otautau and District Community Charitable Trust	5,000	Salford School	7,192
Otautau School	5,144	Scholarships - Create	17,150
Outreach Singing Aotearoa	2,500	Scholarships - General Purpose	1,250
Pacific Island Advisory and Cultural Trust	40,000	Scholarships - Leadership	23,106
Parent to Parent NZ (Southland Branch)	8,000	Scholarships - Sport	68,750
People First New Zealand	2,000	Shakespeare in the Park Charitable Trust	2,000
Philanthropy New Zealand	5,500	Shama, Ethnic Women's Trust	23,912
Phoenix Synchro (Southland)	1,000	Sharks Basketball	70,000
Pirates Old Boys Rugby Club (Invercargill)	5,000	Shearing World Record Attempt Event	2,000
Pivotal Point Charitable Trust	25,000	Shotover Primary School	17,601
Pomahaka Water Care Group	5,000	Show Me Shorts Film Festival Trust	3,000
Precious Babies Southland	1,500	Showbiz Queenstown	10,000
Presbyterian Support (Northern)	5,000	Showquest Charitable Trust	5,000
Presbyterian Support Southland	140,000	Snow Sports New Zealand	6,000
Pukerau School	2,117	South Coast Environment Society	35,000
Queens Park Association Football Club	3,500	South Sea Spray Trust	40,000
Queenstown Alpine Ski Team	10,748	Southern Lakes Tennis Association	1,495
Queenstown Art Society	9,000	Southern Rural Education Activities Programme	53,000
Queenstown Cricket Club	11,600	(REAP) Charitable Trust	
Queenstown Dog Agility Club	1,000	Southland Adventist Christian School	2,762
Queenstown Golf Club	22,000	Southland Amateur Rowing Association	7,841
Queenstown Gymnastics Club	3,370	Southland Art Foundation	10,000
Queenstown Lakes Community Housing Trust	5,000	Southland Badminton Association	42,371
Queenstown Lakes District Council	8,000	Southland Beneficiaries and Community	32,500
Queenstown Mountain Bike Club	20,217	Rights Centre	
Queenstown Multicultural Festival Trust	5,000	Southland Blind Low Vision Bowling Club	2,000
Queenstown Pickleball Club	3,000	Southland BMX Club	5,116
Queenstown Primary School	41,123	Southland Board Riders Association	4,932
Rangatahi Tumeke Charitable Trust	40,000	Southland Boys High School	30,110
Rape and Abuse Support Centre Southland	63,000	Southland Canoe Club	4,150
Re:Woven Therapy Charitable Trust	15,000	Southland Community Broadcasters	8,000
Refugees as Survivors New Zealand Trust	4,000	Charitable Trust	
Remarkables Primary School	13,936	Southland Competitions Society	5,500
Richmond Playcentre	1,000	Southland Cricket Association	23,578
Rimu Primary School	2,958	Southland Deaf Community	500
Riversdale Arts	8,500	Southland disAbility Enterprises	36,500
Riversdale School	4,187	Southland District Rugby Football League	11,222
Riverton Bowling Club	10,000	Southland Fijian Community	4,000
Riverton Community Charitable Trust	20,500	Southland Filipino Society	8,000
Riverton Primary School	4,236	Southland Food Bank Trust	15,500
Riverton Senior Citizens Association	2,100	Southland Football	42,065
Road Safety Education	2,000	Southland Girls' High School	25,656
Ronald McDonald House Charities NZ Trust	65,600	Southland Group NZ Riding for the Disabled	41,000
Royal New Zealand Foundation of the Blind	17,500	Southland Indoor Bowls Centre	8,534
Royal New Zealand Plunket Trust	46,894	Southland Indoor Leisure Centre Charitable Trust	250,000
Rugby Southland	176,597	Southland Kiribati Community and Youth	10,000
Ruru Specialist School	2,672	Southland Literacy Association	4,816

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

21. Grants			
Grantee	Grant Amount	Grantee	Grant Amount
Southland Mangaia Club	4,600	Talent Development Southland Charitable Trust	129,500
Southland Mountain Bike Club	8,761	TalkLink Trust	20,000
Southland Multicultural Trust	40,000	Tangata Whenua Community and Voluntary	3,150
Southland Multiple Sclerosis Society	15,500	Sector Research Centre	
Southland Orienteering Club	4,863	Tapanui School	2,613
Southland Otago Axemen's Centre	2,500	Tautawhi Whanau Rangatopu Charitable Trust	40,000
Southland Regional Development Agency Limited	200,000	Te Anau Clay Target Club	7,000
Southland Schools Pipe Band Programme Trust	21,000	Te Anau Golden Age Club	1,000
Southland Secondary School Sports	30,000	Te Anau School	9,699
Southland Softball Association	15,234	Te Anau Waitangi Charitable Trust	18,000
Southland Table Tennis Association	8,071	Te Kāhui Manu Tītī Charitable Trust	40,000
Southland Tennis Association	8,439	Te Kohanga Reo I Nga Hau E Wha	11,150
Southland Triathlon and Multisport Club	5,656	Invercargill Society	
Southland Warm Homes Trust	30,000	Te Kohanga Reo O Murihiku	5,000
Southland Water Polo Club	14,325	Te Kura Whakatipu o Kawarau	7,092
Southland Workers' Educational Association	28,500	Te Oruanui Marae Ohai	7,000
Southland Yachting Association	6,749	Te Rourou, One Aotearoa Foundation	25,000
Southland Youth One Stop Shop	72,500	Te Rūnaka o Awarua Charitable Trust	80,000
Southland Basketball Association	33,531	Te Tipua School	1,248
Special Olympics Southland	17,500	Te Waiau Mahika Kai Trust	10,000
Spirit Army	45,000	Te Whanau O Hokonui Marae	15,000
Sport Otago	21,600	Te Wharekura o Arowhenua	36,185
Sports Chaplaincy New Zealand	1,384	Tennis New Zealand	10,000
Squash City Invercargill	30,000	The Bluff Community Medical Trust	6,000
Squash Southland	14,488	The Boys' Brigade in New Zealand	5,500
St John's Girls' School	3,384	The CanInspire Charitable Trust	2,300
St Joseph's School Invercargill	3,935	The Cavalcade Host Town Committee	8,500
St Joseph's School Queenstown	4,229	The Conductive Education (Southern)	15,000
St Mary's School (Gore)	5,965	Charitable Trust	
St Patrick's School (Nightcaps)	1,319	The Footnote Dance Trust	2,000
St Patrick's School Invercargill	24,665	The Girl Guides Association New Zealand	5,500
St Peter's College	10,674	The Invercargill City Charitable Trust	9,000
St Teresa's School Bluff	804	The Kiwi Kit Community Trust	5,000
St Theresas School Invercargill	8,701	The Lightfoot Initiative Charitable Trust	25,000
St Thomas School Winton	3,324	The National Foundation for the Deaf	4,000
Stadium Southland	18,000	The Nattering Knitter	5,500
Star Rugby Football Club Invercargill	20,000	The Nightcaps Community Medical Trust	10,000
Stewart Island Early Childhood Centre	6,000	The Royal NZ Society for the Prevention of	20,000
Stewart Island Senior Citizens	2,100	Cruelty to Animals	
Storytime Foundation Trust	4,000	The Scout Association of New Zealand	6,500
Stuttering Treatment and Research Trust	1,000	The Scout Association of New Zealand	10,000
Surrey Park Early Learning Centre	10,500	(Gladstone Group)	
Sustainable Coastlines Charitable Trust	2,500	The Sir John Kirwan Foundation	35,000
Swimming Southland	15,443	The Society of Tisbury Residents	15,000
Switzers Museum (Waikaia)	15,000	The South Centre Anglican Care Trust	31,500
Table Tennis New Zealand	6,000	The Southland Christmas Parade	15,500
Takahoa Community Trust	5,000	Charitable Trust	
Takitimu Primary School	2,788	The Stewart Island Promotion Association	20,000

Community Trust South
Performance Report
For year ended 31 March 2024
in New Zealand Dollars (\$000s)

21. Grants

Grantee	Grant Amount	Grantee	Grant Amount
The Stroke Foundation of New Zealand Trust	5,500	Winter Games New Zealand	10,000
The Young Men's Christian Association of Invercargill Charitable Trust	81,500	Winton School	8,441
Thornbury School	2,049	Woodlands Bowling Club	5,400
Thriving Southland Association	20,000	Woodlands Full Primary School	2,979
Tisbury School	3,309	Wyndham School	3,975
Toi Tois Tokanui Lions Club	20,000	Yellow-Eyed Penguin Trust	10,000
Tokanui School	2,116		12,000,350
Tuatapere and District Promotion	7,600	Add:	
Tuatapere Community Worker Support Trust	5,000	Grants committed in principal	228,713
Tuatapere Senior Citizens Association	1,500	Less:	
Tutuki Harnessing Potential Charitable Trust	10,000	Grants repaid	(16,000)
Tuturau Primary School	1,294	Grants written off	(275,412)
Tūturu Charitable Trust	30,000		(291,412)
Tuurama Trust	10,000		
Verdon College	15,948		11,937,651
Village Agrarians Charitable Trust	3,200		
Volley South	18,444		
Volunteer South Trust Kaitūao o te Taitonga	18,000		
Waianiwa School	1,884		
Waiau Area School	4,936		
Waihopai City Lions Club	5,400		
Waihopai Runaka	80,000		
Waihopai School	8,607		
Waikaia Golf Club	25,000		
Waikaia School	1,007		
Waikaia Trails Trust	20,000		
Waikaka Primary School	1,889		
Waikoikoi School	824		
Waimahaka Public Hall	5,000		
Waimea Plains Railway Trust	44,000		
Wakatipu High School	37,079		
Wakatipu Potters Group	2,500		
Wakatipu Rowing Club	20,000		
Wakatipu Youth Trust	31,500		
Wallacetown School	2,800		
Wallacetown Senior Citizens	1,100		
Waverley Park School	7,954		
West Gore School	5,447		
West Otago Vintage Club	7,000		
Whakatipu Wildlife Trust	10,000		
Whanake House Charitable Trust	20,000		
Windsor North School	7,689		



Independent Auditor's Report

To the Trustees of Community Trust South

Report on the audit of the consolidated performance report

Opinion

In our opinion, the consolidated performance report of Community Trust South (the 'trust') and its subsidiaries (the 'group') on pages 4 to 27 presents fairly, in all material respects:

- i. the trusts and group's financial position as at 31 March 2024 and its statement of comprehensive revenue and expenses, statement of changes in net assets/equity and cash flows for the year ended on that date; and
- ii. the service performance for the year ended 31 March 2024 in accordance with the trust's service performance criteria.

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit) issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated performance report which comprises:

- the trust and group statement of financial position as at 31 March 2024;
- the trust and group statements of comprehensive revenue and expenses, changes in net assets/equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies; and
- the trust and group statement of service performance on pages 4 to 6.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the statement of service performance, in accordance with the New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust and group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 are further described in the *Auditor's responsibilities for the audit of the trust and group financial report* section of our report.



Use of this independent auditor's report

This independent auditor's report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees 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 trust and group financial report

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the consolidated performance report in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit)) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a trust and group financial report that is free from material misstatement, whether due to fraud or error;
- service performance criteria that are suitable in order to prepare service performance information in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit)); and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated performance report

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole and the statement of service performance is free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ and NZ AS 1 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this trust and group financial report.

A further description of our responsibilities for the audit of this trust and group financial report is located at the External Reporting Board (XRB) website at:

Please refer to the XRB website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-17/>

This description forms part of our independent auditor's report.



KPMG
Christchurch

22 August 2024