



Whangarei Youth Space — a place where young people have ownership.

Summary Report 2014

ASB Community Trust is an independent grant-making organisation supporting the work of not-for-profit groups in Auckland and Northland. Founded on the sale of its shares in ASB bank, the Trust has made grants worth more than \$800m since being formed in 1988.

“Income in the past year totalled \$81.6 million. This represents a return of 7.6% on our assets, ahead of the Trust’s benchmark return of 6.7%.”
— Ken Whitney, Chair, ASB Community Trust



Ken Whitney
Chair, ASB Community Trust



Kia ora tatou and welcome to the ASB Community Trust’s annual report.

Over the last financial year, the Trust has granted \$34.9 million to community organisations in our region. This is a significant increase on our grants in the previous year of \$21.1 million and reflects a more normalised return from our investments.

We are pleased to have been able to support so many community organisations and their volunteers, and to have helped a range of innovative ideas come to fruition for Auckland and Northland. As trustees, we are privileged to work alongside such a large number of dedicated and passionate people striving to make a difference for our communities and making our region such a great place in which to live.

While we continue to provide our traditional community support funding, the year to 31 March 2014 was the first year of implementation of our five year strategic plan which brings a more focused and strategic perspective to our grant-making. In addition to our community support grants, we now also look for opportunities to work in partnership with grantees and other funders to achieve projects of greater scale and impact for Auckland and Northland.

We have clearly demonstrated what can be achieved through strategic partnerships. Our Māori and Pacific Education Initiative, in which we have invested \$20 million since 2009, is now in its fifth year. This initiative aims to provide sustained multi-year funding and support to a number of organisations pioneering innovative approaches to increasing educational achievement for our Māori and Pacific young people. The success of these programmes shows what is possible if you engage the community in finding solutions to complex social issues.

We are now looking to extend this approach through our Key Community Partners, Iconic and Innovative Projects, and Catalysts for Change funding streams. In the last year we announced our first multi-year Catalysts

for Change grants. The organisations which received these grants are Lifewise, which is addressing homelessness in Auckland, Springboard, which is running innovative youth programmes in Rodney, and Whangarei Youth Space which is improving services to youth in that city. Each of these organisations has the potential to have a significant impact on some of the interwoven social issues that need to be tackled for the long term health of our region.

To support the grants we make to our Catalysts for Change partners, the Trust also made the decision during the year to establish the Centre for Social Impact. This charitable company, wholly owned by the Trust, will support both our grantee partners, and the grants made by other funders to organisations providing innovative responses to intractable social problems. The Centre will provide services such as governance support, capability development and programme monitoring and evaluation as well as offering advice and sharing experience.



The increased scope of our work has been facilitated by the performance of our financial investments. Income in the past year totalled \$81.6 million. This represents a return of 7.6% on our assets which is ahead of the Trust’s benchmark target return of 6.7%. As at 31 March 2014 the Trust’s net assets were sitting at \$1.120 billion, well ahead of the previous total of \$1.077 billion.

I would like to thank my fellow Trustees for their continued commitment and wise counsel this past year. Collectively we would like to express our gratitude and thanks to our CEO, Jennifer Gill, for her inspiring leadership and tireless contribution. Working with community organisations, our dedicated staff have guided the implementation of the Board’s new strategy which is aimed at encouraging the growth of a more inclusive and engaged community. We are proud of the role that effective philanthropy can play in the development of our region.

With such positive results we look ahead with confidence that we have the right tools to continue to build the capacity of the ASB Community Trust to enrich the lives of all our communities in Auckland and Northland. ■

Jennifer Gill
CEO, ASB Community Trust



This past year marks the first year of the Trust’s 2013-2018 Strategic Plan roll out.

This has seen a major revision of all our funding categories, from our small community support grants to our major multi-year grants to high engagement projects. For community groups that need less than \$20,000, our new Quick Response grants are delivering answers, and funding in just eight weeks.

While we support community initiatives, we also work with key community partners to deliver projects with a regional benefit. The Trust identified in 2010, for example, a lack of co-ordination in water-safety for the region. We helped facilitate a process which brought together organisations from across the sector to look at regional needs. The result was the Greater Auckland Aquatic Action Plan (GAAAP). This multi-agency partnership between 27 national and regional aquatically focused organisations helps get primary school children in the water as part of a “swim and survive” programme. In the last year, GAAAP delivered its 400,000th swimming lesson for children from deciles one to six schools. The Trust has supported this important initiative with grants totalling \$800,000 since 2011.

We were also pleased to see the Trust’s substantial investment of more than \$14 million since 2005

in improving the region’s housing recognised with a special award at the 2014 Energy Efficiency and Conservation Authority (EECA) awards. EECA estimates that the insulation of 15,000 homes that we helped fund is likely to provide around \$80 million in benefits, most of which are in health, over the expected lifetime of the insulation. That’s a good return on our investment both for our region and for each family that no longer lives in a cold, damp house.

The Trust’s confidence in the value of its high engagement grant making is strong. As our Māori and Pacific Educational Initiative nears completion and results emerge, we are finding new opportunities to address some of the challenging social issues facing the region. We now have impressive institutional knowledge about how to support organisations to make change effectively.

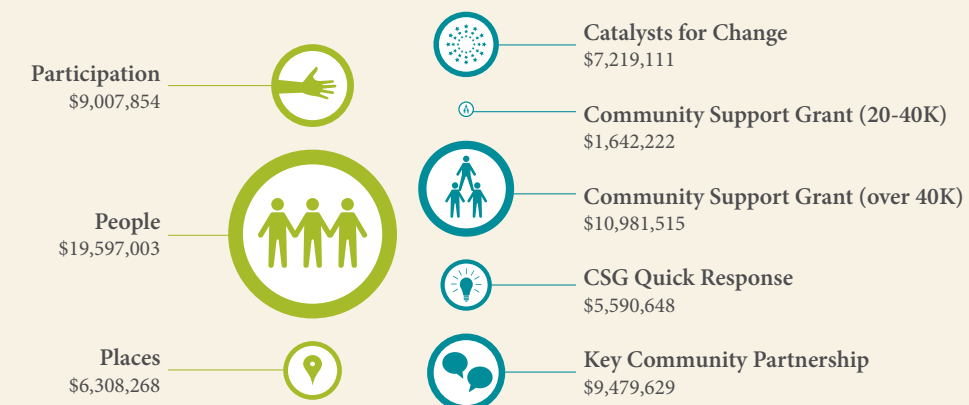
As a result of the success of our high engagement work the Trust agreed in 2013 to create the Centre for Social Impact. The primary focus of this charitable subsidiary of the Trust is to support the Trust’s Catalysts for Change partners. The Centre will also work with other funders who want to invest in engaged philanthropy.

The Centre, which was launched in May 2014, draws on the expertise of the Trust and associate partner organisations to provide programme design, capacity development, leadership development and evaluation services to community organisations. The aim is to deliver programmes for optimum social impact, and capture insights and learnings so that successful innovations can be replicated and integrated into mainstream policy and practice.

Our latest Catalysts for Change partner is Manurewa Marae’s Taiohi Whai Oranga programme. This programme, which addresses youth education, health and employment issues in the area, has been granted a total of \$2 million over five years.

The combination of strategic grant-making and skilled support for social programmes will ensure the Trust delivers an even greater benefit to the region over the next five years. ■

TOTAL GRANTS AWARDED 1 APRIL 2013-31 MARCH 2014 — \$34,913,125



TRUST GOVERNANCE

ASB Community Trust operates under its Trust Deed and the Community Trusts Act 1999.

BOARD MEMBERSHIP

The Board of Trustees comprises 15 Trustees appointed by the Minister of Finance for a four year term.

CONFLICTS OF INTEREST

It is recognised that Trustees will have a wide range of involvement with the community and the potential for conflict of interest will arise from time to time.

To cover this eventuality, any Trustee who has an interest in any matter before the Trust must record that interest in the Trust’s Register of Interests.

That Trustee is not counted in the quorum present at the meeting. They may not vote in respect of the matter they have an interest in and must absent themselves from any discussion or consideration of it.

Before the conduct of business, the Chair of any meeting of the Trustees asks for the disclosure of any interest in the upcoming business. The minutes of the meeting record any disclosure of interest made, the entry in the Register of Interests of that disclosure and the absence of the Trustee from the meeting while the matter is dealt with.

BOARD COMMITTEES 2014/15 FINANCIAL YEAR

The Board has formally established sub-committees to assist with the operation of the Trust:

Grants committees

These committees review all applications which have been assessed by the grants team and make recommendations to the full Board of the Trust. They also consider policy and strategy development.

Investment committee

This committee considers the investment

policy, objectives, strategies and asset allocations of the Trust and makes recommendations to the full Board.

The committee reviews the portfolio against benchmarks and fund managers’ performance against their benchmarks. The Investments Manager, in consultation with the committee Chair and two other members of the committee, has delegated authority to appoint and terminate fund managers.

Audit Finance and Risk committee

This committee is responsible for:

a. Finance — This committee is principally responsible for:

- Reviewing monthly and annual financial statements and information prior to submission to the full Board for approval
- Reviewing annual budgets prior to submission to the full Board for approval
- Reviewing any taxation issues in relation to the Trust

Consideration of any major expenditure items prior to these being discussed and approved by the full Board

Investigating the role of social finance as a function of the Trust.

b. Risk — This committee is principally responsible for:

- Identifying, assessing and managing business and organisational risk and assisting the Board in the discharge of financial reporting responsibilities
- Reviewing the effectiveness of internal control systems
- Providing a formal forum for the Board, auditors and staff
- Agreeing with the external auditors on the nature, scope and cost of the audit
- Ensuring the Board meets financial reporting requirements and that external reporting of information is of high quality.

TRUSTEE MEETING ATTENDANCE

NAME	TOTAL BOARD MEETINGS AVAILABLE TO ATTEND	BOARD MEETINGS ATTENDED	COMMITTEE MEETINGS AVAILABLE TO ATTEND	COMMITTEE MEETINGS ATTENDED	OTHER MEETINGS AVAILABLE TO ATTEND	OTHER MEETINGS ATTENDED
E Auva’a	9	7	14	10	8	6
A Bell	9	9	15	15	7	6
M Brickell	9	9	12	12	8	7
M Broadbelt	9	8	10	10	8	7
P Clark	9	8	13	9	8	3
V Garg	7	6	8	7	9	5
P Kearns	2	1	0	0	0	0
B Leveloff	9	8	15	13	7	6
L Lim	9	8	18	15	7	6
I McDougall	9	9	10	10	8	7
T Millar	9	9	11	11	10	10
M Milne	9	8	14	13	8	7
B Plunkett	9	8	14	14	11	7
J Slater	9	9	15	15	9	9
K Whitney	9	9	21	20	7	7
K Wright	9	9	12	12	11	10
TOTAL	135	125	202	186	126	103

2014 SUMMARY FINANCIAL STATEMENTS

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	GROUP 2014 \$000	GROUP 2013 \$000	TRUST 2014 \$000	TRUST 2013 \$000
Revenue from Investments	81,686	81,165	81,686	81,165
Less:				
Fund Management, Custodian and Advisory Fees	(1,138)	(836)	(1,138)	(836)
Investment Margin	80,548	80,329	80,548	80,329
Other Income	2,132	2,151	2,710	2,151
Administration Expenses	(5,760)	(5,482)	(4,895)	(5,118)
Grants Committed during the year to Community Groups	(34,913)	(21,100)	-	-
Grants Committed during the year to ASB Community Trust Charitable Purposes Limited for granting to Community Groups in current and future years	-	-	(50,000)	(38,500)
Grants Written Back	605	447	199	255
Grant Refunds Received	15	15	-	5
SURPLUS FOR THE YEAR	42,627	56,360	28,562	39,122
Other Comprehensive Income				
Revaluation Loss on Land and Buildings	(152)	(381)	(152)	(381)
Total Comprehensive Income for the year	42,475	55,979	28,410	38,741

SUMMARY STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2014

	GROUP 2014 \$000	GROUP 2013 \$000	TRUST 2014 \$000	TRUST 2013 \$000
Cash at Bank	1,911	2,794	1,911	2,794
Investments	1,141,180	1,097,018	1,141,180	1,097,018
Fixed Assets	8,648	8,897	8,648	8,897
Other Assets	892	1,113	892	1,113
Total Assets	1,152,631	1,109,822	1,152,631	1,109,822
Less:				
Liabilities (including Outstanding Grants Payable Group: \$31.34 million (2013: \$29.84 million) and Trust: \$0.74 million (2013: \$3.41 million))	32,418	32,084	105,222	90,823
NET ASSETS AT 31 MARCH	1,120,213	1,077,738	1,047,409	1,018,999
Represented by:				
FUNDS				
Original Capital	579,106	579,106	579,106	579,106
Capital Maintenance Reserve	327,574	314,175	327,574	314,175
Reserve for Grants	72,804	58,739	-	-
Asset Revaluation Reserve	359	511	359	511
Retained Surplus	140,370	125,207	140,370	125,207
FUNDS AT 31 MARCH	1,120,213	1,077,738	1,047,409	1,018,999

The following notes are an integral part of these summary financial statements.

SUMMARY STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2014

	ORIGINAL CAPITAL \$000	CAPITAL MAINTENANCE RESERVE \$000	REAL CAPITAL \$000	RESERVE FOR GRANTS \$000	ASSET REVALUATION RESERVE \$000	RETAINED SURPLUS \$000	TOTAL FUNDS \$000
GROUP							
Opening Balance at 1 April	579,106	314,175	893,281	58,739	511	125,207	1,077,738
Total Comprehensive Income:							
Surplus for the year	-	-	-	-	-	42,627	42,627
Revaluation Loss on Land and Buildings	-	-	-	-	(152)	-	(152)
Total Comprehensive Income for the year	-	-	-	-	(152)	42,627	42,475
Transfer to Capital Maintenance Reserve	-	13,399	13,399	-	-	(13,399)	-
Net transfer to/(from) Reserve for Grants	-	-	-	14,065	-	(14,065)	-
Closing Balance at 31 March	579,106	327,574	906,680	72,804	359	140,370	1,120,213
TRUST							
Opening Balance at 1 April	579,106	314,175	893,281	-	511	125,207	1,018,999
Total Comprehensive Income:							
Surplus for the year	-	-	-	-	-	28,562	28,562
Revaluation Loss on Land and Buildings	-	-	-	-	(152)	-	(152)
Total Comprehensive Income for the year	-	-	-	-	(152)	28,562	28,410
Transfer to Capital Maintenance Reserve	-	13,399	13,399	-	-	(13,399)	-
Net transfer (from)/to Reserve for Grants	-	-	-	-	-	-	-
Closing Balance at 31 March	579,106	327,574	906,680	-	359	140,370	1,047,409

SUMMARY STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2013

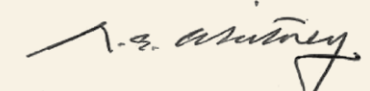

	ORIGINAL CAPITAL \$000	CAPITAL MAINTENANCE RESERVE \$000	REAL CAPITAL \$000	RESERVE FOR GRANTS \$000	ASSET REVALUATION RESERVE \$000	RETAINED SURPLUS \$000	TOTAL FUNDS \$000
GROUP							
Opening Balance at 1 April	579,106	306,207	885,313	41,501	892	94,053	1,021,759
Total Comprehensive Income:							
Surplus for the year	-	-	-	-	-	56,360	56,360
Revaluation Loss on Land and Buildings	-	-	-	-	(381)	-	(381)
Total Comprehensive Income for the year	-	-	-	-	(381)	56,360	55,979
Transfer to Capital Maintenance Reserve	-	7,968	7,968	-	-	(7,968)	-
Net Transfer to/(from) Reserve for Grants	-	-	-	17,238	-	(17,238)	-
Closing Balance at 31 March	579,106	314,175	893,281	58,739	511	125,207	1,077,738
TRUST							
Opening Balance at 1 April	579,106	306,207	885,313	-	892	94,053	980,258
Total Comprehensive Income:							
Surplus for the year	-	-	-	-	-	39,122	39,122
Revaluation Loss on Land and Buildings	-	-	-	-	(381)	-	(381)
Total Comprehensive Income for the year	-	-	-	-	(381)	39,122	38,741
Transfer to Capital Maintenance Reserve	-	7,968	7,968	-	-	(7,968)	-
Net transfer (from)/to Reserve for Grants	-	-	-	-	-	-	-
Closing Balance at 31 March	579,106	314,175	893,281	-	511	125,207	1,018,999

The following notes are an integral part of these summary financial statements.

SUMMARY STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	GROUP 2014 \$000	GROUP 2013 \$000	TRUST 2014 \$000	TRUST 2013 \$000
Net cash inflow (outflow) from operating activities	634	(464)	634	(464)
Net cash outflow from investing activities	(1,517)	(4,323)	(1,517)	(4,323)
Net cash (outflow) inflow from activities	(883)	(4,787)	(883)	(4,787)
Add: Cash at Bank at 1 April	2,794	7,581	2,794	7,581
Cash at Bank at 31 March	1,911	2,794	1,911	2,794
Cash at Bank at 31 March comprises:				
Cash at Bank	1,911	2,794	1,911	2,794

NOTES:

- The information set out in these Summary Financial Statements has been prepared in compliance with FRS 43: Summary Financial Statements, and extracted from the Annual Financial Statements of the ASB Community Trust dated 30 June 2014. The Trust is a Public Benefit Entity which was formed on 30 May 1988 through the creation of a Trust Deed in compliance with the Trustee Banks Restructuring Act 1988. The Annual Financial Statements for the Group dated 30 June 2014 have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for Public Benefit Entities.
 - Because of their summary nature, these Summary Financial Statements cannot provide a full understanding of the financial performance, financial position and cash flows of the Group. This understanding can only be obtained by reference to the Annual Financial Statements of the Group. A copy of the Annual Financial Statements may be obtained on request from the Trust's office (telephone 09 360 0291, mail PO Box 68 048 Newton Auckland) or downloaded from the Trust's website, www.asbcommunitytrust.org.nz
 - Subsidiaries are entities controlled by the Trust. The financial statements of the subsidiaries are included in the Group financial statements from the date control commences until the date that control ceases. The Group financial statements have been prepared using uniform accounting policies for like transactions. Intra-group balances and income and expenses arising from intra-group transactions are eliminated in preparing Group financial statements. The Trust subsidiary company, ASB Trusts Amateur Public Sports Promotion Limited has not operated since incorporation. ASB Community Trust Charitable Purposes Limited commenced operating during the 2009/10 financial year. ASB Community Trust Charitable Purposes Limited is a charity registered under the Charities Act 2005 (Registration # CC38999) with the Charities Commission. Centre For Social Impact New Zealand Limited (a charity registered under the Charities Act 2005, Registration # CC 50226) will commence operating during the 2014/15 financial year.
 - Committed Grants are recognised as an expense and Grants Written Back and Grant Refunds Received are recognised as income in the Statement of Comprehensive Income. Grants to Community Organisations are classified in the Statement of Cash Flows as cash outflows from operating activities.
 - These financial statements are prepared in New Zealand Dollars which is the presentation and functional currency.
 - The Annual Financial Statements of the Group have been audited by KPMG, who has issued an unqualified audit opinion in respect of them. KPMG has audited these Summary Financial Statements and found them to be consistent with the Annual Financial Statements.
 - The Trustees authorised the publication of the Group's Summary Financial Statements on 30 June 2014.
- Approved on behalf of the Board:
- 
Chair, 30 June 2014
- 
Audit, Finance and Risk Committee Chair, 30 June 2014



INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

TO THE TRUSTEES OF ASB COMMUNITY TRUST

The accompanying summary financial statements, which comprise the summary statements of financial position as at 31 March 2014, the summary statements of comprehensive income, changes in funds and cash flows for the year then ended and notes, for both the Trust and the Group, are derived from the audited financial statements of ASB Community Trust ("the Trust") and the Group, comprising the Trust and its subsidiaries, for the year ended 31 March 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 1 July 2014.

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

Trustees' responsibility for the Trust and Group financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the summary Trust and Group financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*.

Our firm has provided taxation services to the Trust and Group. In addition to these services during the year ended 31 March 2014, the Trust and our firm entered into a memorandum of understanding ("the Agreement"). Under this Agreement, the firm may provide professional advice, pro bono, to selected beneficiaries as identified by the Trust should these beneficiaries align with the objectives of the firm's national communities programme. This Agreement does not represent a business relationship between the firm and the Trust, nor does it create any obligation upon either party, however, it may result in our firm providing service, pro bono, to a grantee of the Trust. Subject to certain restrictions, partners and employees of our firm may also deal with the Trust and Group on normal terms within the ordinary course of trading activities of the business of the Trust and Group. These matters have not impaired our independence as auditor of the Trust and Group. The firm has no other relationship with, or interest in, the Trust and Group.

Opinion

In our opinion, the summary financial statements, derived from the audited financial statements of ASB Community Trust and the consolidated financial statements of the Group for the year ended 31 March 2014, are a fair summary of those financial statements, in accordance with FRS-43 *Summary Financial Statements*.



1 July 2014
Auckland

ASB COMMUNITY TRUST

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