

Winston Churchill Memorial Trust

Performance Report

For the year ended
31 March 2016

Contents

	Page
Non-Financial information:	
Entity Information	2
Statement of Service Performance	4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	10
Statement of Responsibility	14
Independent Auditors Report:	

Winston Churchill Memorial Trust

Entity Information

For the year ended
31 March 2016

Legal Name of Entity:	Winston Churchill Memorial Trust
Type of Entity and Legal Basis:	A Statutory Trust established by the Winston Churchill Memorial Trust Act 1965. (the Act)
Registration Number:	CC20454

Purpose or Mission

The Winston Churchill Memorial Trust aims to assist New Zealanders from all sectors, to travel and gain new insights and understanding that will enrich their community and, ultimately, New Zealand as a whole.

The Winston Churchill Memorial Trust Board manages an income earning investment fund and awards Fellowships with accompanying travel grants to persons who will contribute to the advancement of any occupation, calling, trade, business or profession carried out in New Zealand, or to the benefit in general of New Zealand, or to the maintenance or advancement of the Commonwealth as a beneficial influence in world affairs.

Structure

The Winston Churchill Memorial Trust Board has nine members. Board members are appointed by the Governor-General on the recommendation of the Minister for the Community and Voluntary Sector.

Main Sources of Cash and Resources:

The Winston Churchill Memorial Trust fund was created at inception by a contribution from government and by public subscription, and with further public contributions in the intervening years. The investment income from the trust fund, after an allowance for inflation, is used to pay for Fellowships and administrative costs.

The Department of Internal Affairs provides secretariat, advisory and accounting services to the Trust pursuant to a Memorandum of Understanding. The costs of these services are met by the Department of Internal Affairs.

Main Methods Used to Generate Income

The Trust derived income from its investments, interest, dividends and donations. Such income is recognised when earned and is reported in the period to which it relates.

Reliance on Volunteers and Donated Goods or Services

Board members serve voluntarily. On occasion past Fellows and others provide services at no cost to the Trust.

Administrative Costs

The administrative costs of \$19,070 (Last year \$21,514) shown in the Statement of Financial Performance are the only such costs borne by the Trust. The Department of Internal Affairs has an obligation to provide secretariat, advisory and accounting services to the Trust.

Winston Churchill Memorial Trust

Entity Information

For the year ended
31 March 2016

Contact details

Physical Address:	147 Lambton Quay Wellington
Postal Address:	P O Box 805 Wellington 6140
Email/Website:	http://www.dia.govt.nz http://www.churchilltrust.communitymatters.govt.nz



Winston Churchill Memorial Trust

Statement of Service Performance

For the year ended
31 March 2016

Winston Churchill Memorial Trust's Outcomes:

The Fund contributes to the following outcome:

To promote a benefit to the New Zealand community through the continued contribution of those awarded Fellowships.

Winston Churchill Fellowships, including partnered Fellowships, are for travel to learn more about other people and cultures, and to investigate topics that will help the recipient increase their contribution to the community.

Winston Churchill Memorial Trust's Outputs:

Investment of the Fund

During the year income earned from the investment of the fund was \$335,697 (Last year \$341,388).

Fellowships

During the year there were 17 Fellowships totalling \$117,877 awarded from 58 applications received. In the previous year 14 Fellowships totalling \$82,000 were awarded from 56 applications received. The increase was attributable to previous years of earning good income and the awarding of additional Fellowships in recognition of the 50th anniversary of the Trust.

At the end of the financial year three partnered Fellowships were in place. These are the Winston Churchill McNeish Writer's Fellowship, the Winston Churchill Hawkes Bay Design Trust Fellowship and the Winston Churchill New Zealand Chinese Friendship Society Fellowship.

Partnered Fellowships:

Applications are called by WCMT concurrently with Winston Churchill Fellowships, the award of which is subject to the quality of the specific applications applying for the individual Funds.

Winston Churchill McNeish Writer's Fellowship - awarded every two years or as funds permit. Last awarded 2015.

Winston Churchill Hawkes Bay Design Trust Fellowship - will be offered in 2016 and every second year thereafter.

This Fellowship can be offered more frequently by agreement between the parties.

Winston Churchill New Zealand China Friendship Society Fellowship - will be offered for the first time in 2016 for travel in 2017 and thereafter every second year.

Fellows' Fellowship Fund:

As part of the Trust's 50th anniversary the Board established a special fund for Fellows and other to donate to.

Contributions are to be accumulated to build the fund to a level where the earnings will support an ongoing regular Fellowship.

On 31 December 2015, the terms of six Board members expired. Five new Board members were appointed and one Board member was reappointed.



Winston Churchill Memorial Trust
Statement of Financial Performance
For the year ended
31 March 2016

	Actual 2016 \$	Actual 2015 \$
Revenue		
Donations, fundraising and other similar revenue	5,000	8,680
Interest revenue	98,480	109,269
Dividends	65,891	47,289
Unrealised gain on revaluation of investment portfolio	119,810	138,444
Total Revenue	289,181	303,682
Expenses		
Other expenses	4,475	3,942
Audit fee	8,614	8,385
Travel, accommodation and expense	8,671	9,187
Premuim on bonds purchased	3,526	3,488
Realised loss on sale of investments	8,302	17,745
Total Expenses	33,588	42,747
Net income before grants & scholarships	255,593	260,935
Grants made to Fellows		
Grants paid to Fellows during the year	117,877	88,500
Fellowship grants surrendered	-	(6,500)
Net Grants & Scholarships	117,877	82,000
Surplus for the Year	137,716	178,935

The accompanying notes are an integral part of these financial statements.



Winston Churchill Memorial Trust

Statement of Financial Position

As at
31 March 2016

	Note	Actual 2016 \$	Actual 2015 \$
Assets			
Current Assets			
Bank accounts		78,840	177,298
Accounts receivable		5,000	-
Short term investments	1	255,169	759,380
Accrued interest		24,168	17,247
Total Current Assets		363,177	953,925
Non-Current Assets			
Shares and units in listed equities	1	1,588,897	1,212,753
Long term investments	1	1,563,675	1,201,649
Total Non-Current Assets		3,152,572	2,414,402
Total Assets		3,515,749	3,368,327
Liabilities			
Current Liabilities			
Creditors and accrued expenses		11,303	8,416
Fellowship grants payable		18,819	12,000
Total Current Liabilities		30,122	20,416
Total Liabilities		30,122	20,416
Total Assets less Total Liabilities (Net Assets)		3,485,627	3,347,911
Accumulated Funds			
Capital contributed by owners		2,846,337	2,834,997
Accumulated surpluses or (deficits)		574,661	451,304
Restricted funds		64,630	61,610
Total Accumulated Funds	2	3,485,627	3,347,911

The accompanying notes are an integral part of these financial statements.

Winston Churchill Memorial Trust

Statement of Cash Flows

For the year ended
31 March 2016

	Actual 2016 \$	Actual 2015 \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations	-	8,680
Interest, dividends and other investment receipts	154,952	157,818
Fellowship grants surrendered	-	6,500
Cash was applied to:		
Payments to suppliers	18,872	23,527
Fellowship grants paid	111,058	82,000
Net Cash Flows from Operating Activities	25,022	67,471
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of or maturity of investments	827,619	389,816
Cash was applied to:		
Payments to purchase investments	951,099	438,047
Net Cash Flows from Investing and Financing Activities	(123,480)	(48,231)
Net Increase / (Decrease) in Cash	(98,458)	19,240
Add bank accounts as at 1 April	177,298	158,058
Bank accounts as at 31 March	78,840	177,298
This is represented by:		
Bank Accounts	78,840	177,298



Winston Churchill Memorial Trust

Statement of Accounting Policies

For the year ended
31 March 2016

Basis of Preparation

The Winston Churchill Memorial Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector), Tier 3, on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Goods and Services Tax (GST)

The Winston Churchill Memorial Trust is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Taxation

The Winston Churchill Memorial Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions. The Trust is registered as a Charitable entity under the Charities Act 2005. The Trust holds a certificate of exemption from Resident Withholding Tax.

Financial Instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors, creditors and investments. All financial instruments are recognised in the statement of financial position and all revenue and expenses in relation to financial instruments are recognised in the statement of financial performance. The carrying value of these assets approximates their fair value.

Investments

Customarily investments are held to maturity. Shares are generally held long term. Shares and units in listed equities and fixed term investments are stated at market value. Cash deposits are recorded at cost. Any gains and write-downs are recognised in the Statement of Financial Performance.

The discount or premium arising from the purchase of an investment is recognised in the Statement of Financial Performance at the time of acquisition.

Fair Value

The fair value of the financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The carrying cost of financial assets is the fair value. Fixed term investments are recorded at market value adjusted for amortisation of the premium or discount on purchase price. Shares are recorded at market value. Cash deposits are recorded at cost.

The Trust has an investment strategy which limits the percentage of funds that can be invested in different types of securities. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Board. Internal reporting and performance measurement of the investments are based on a fair value basis.

Income

The Trust derived income from its investments, interest, dividends and cancelled fellowships. Such income is recognised when earned and is reported in the period to which it relates.



Winston Churchill Memorial Trust
Statement of Accounting Policies
For the year ended
31 March 2016

Expenditure

Fellowship grants are recognised as expenditure when approved by the Trust Board. Administration costs are costs borne by the Trust.

Capital Fund

At the end of each financial year a transfer is made from Accumulated Surpluses/Deficits to the Capital Fund, equivalent to the increase in the year's Consumer Price Index.

Tier 2 PBE Accounting Standards Applied

PBE IPSAS29

The carrying cost of investment assets is the fair value. The fair value of share investments and held to maturity investments is the market valuation quoted at the reporting date. Surpluses and deficits are shown in the Statement of Financial Performance. Fixed term investments are generally held until maturity. Shares are generally held long term. Cash deposits are recorded at cost.

Changes in Accounting Policies and Transition to the new PBE-SFR-A (PS) Standard

There have been no changes in accounting policies during the financial year (last year - nil).

This is the first set of financial statements prepared using the new PBE SFR-A (PS) standard, and comparative information for the year ended 31 March 2015 has been restated to comply with the new standard. There were no significant adjustments arising on transition to the new standard.



Winston Churchill Memorial Trust

Notes to the Performance Report

For the year ended
31 March 2016

Note 1 : Analysis of Investments

	Actual 2016 Book Value	Actual 2015 Book Value
Short Term Investments	\$	\$
Bank fixed term deposits maturing < 12 months	-	50,000
Bonds and Debentures maturing <12 months	255,169	709,380
Total Short Term Investments	255,169	759,380

	Actual 2016 Book Value	Actual 2015 Book Value
	\$	\$
Shares and units in listed entities	1,588,897	1,212,753

	Actual 2016 Book Value	Actual 2015 Book Value
Long Term Investments	\$	\$
Bank fixed term deposits maturing > 12 months	360,000	-
Bonds and Debentures maturing > 12 months	1,203,675	1,201,649
Total Long Term Investments	1,563,675	1,201,649

	Actual 2016 Book Value	Actual 2015 Book Value
	\$	\$
TOTAL INVESTMENTS	3,407,741	3,173,782

Winston Churchill Memorial Trust

Notes to the Performance Report

For the year ended
31 March 2016

Note 2: Accumulated Funds

Capital Fund	2016	2015
	\$	\$
Opening Balance	2,834,997	2,832,165
*Transfer to Capital Fund for Capital Maintenance	11,340	2,832
Closing Balance	2,846,337	2,834,997

Capital Fund

The Capital Fund is non-distributable whereas the Accumulated Fund can be distributed.

Capital Maintenance

*At the end of each financial year a transfer is made from the Accumulated Fund to the Capital Fund, equivalent to the increase in the year's Consumer Price Index. This is for the purpose of maintaining the Capital Fund in real terms. The amount is based on the Consumer Price Index as at 31 March 2016 applied to the balance in the Capital Fund at the beginning of the year. The yearly increase in CPI as at 31 March 2016 was 0.4% (Last year: 0.1%).

Accumulated Fund	2016	2015
	\$	\$
Opening Balance	451,304	285,986
Surplus for the Year	137,716	178,935
Transfer to Reserves	(2,655)	(2,205)
Transfer to Restricted Fund - Fellows' Fellowship Fund	-	(2,580)
Transfer to Restricted Fund - Hawke's Bay Design Trust Fund	-	(6,000)
Transfer to Restricted Fund - NZ China Friendship Society Fund	(5,000)	-
Transfer from Restricted Fund - McNeish Fund	4,636	-
*Transfer to Capital Fund for Capital Maintenance	(11,340)	(2,832)
Closing Balance	574,661	451,304

McNeish Restricted Fund	2016	2015
	\$	\$
Opening Balance	53,005	50,825
Grants paid to Fellows during the year	(4,636)	-
Transfer from Reserves	2,285	2,180
Closing Balance	50,655	53,005

Winston Churchill McNeish Writer's Fellowship

This Fellowship is to enable young writers or journalists to travel overseas to benefit their writing. The fund is invested within the Winston Churchill Memorial Trust investment portfolio and follows the strategy for fund investment. Interest is apportioned to the fund pro rata to the investments earnings of the Winston Churchill Memorial Trust.

Hawke's Bay Design Trust Restricted Fund	2016	2015
	\$	\$
Opening Balance	6,025	-
Capital Contributed	-	6,000
Transfer from Reserves	259	25
Closing Balance	6,284	6,025

Winston Churchill Hawkes Bay Design Trust Fellowship

This Fellowship is to enable a product and/or industrial-designer to travel and gain experiences overseas so as to contribute to the general advancement of product and/or industrial design in New Zealand. The fund is invested within the Winston Churchill Memorial Trust investment portfolio and follows the strategy for fund investment. Interest is apportioned to the fund pro rata to the investments earnings of the Winston Churchill Memorial Trust.

Fellows' Fellowship Fund	2016	2015
	\$	\$
Opening Balance	2,580	-
Capital Contributed	-	2,580
Transfer from Reserves	111	-
Closing Balance	2,691	2,580

Fellows' Fellowship Fund

As part of the Trust's 50th anniversary, the Board established a special fund for Fellows and others to donate to. The Fellows' Fellowship fund is intended to provide investment earnings to support ongoing Fellowships on a regular basis. This Fund may be applied as distributable income to the extent determined by the Board from 2018 onwards.

New Zealand China Friendship Society Restricted Fund	2016	2015
	\$	\$
Opening Balance	-	-
Capital Contributed	5,000	-
Transfer from Reserves	-	-
Closing Balance	5,000	-

Winston Churchill New Zealand China Friendship Society Fellowship

The Winston Churchill New Zealand China Friendship Society Fellowship is for travel to China to gain knowledge, understanding and experience of Chinese culture and values, and sharing New Zealand culture and values in China for the benefit of an occupation, profession or trade, or to the benefit in general of New Zealand through the creation or deepening of New Zealand-China relationships.

	2016	2015
	\$	\$
Total Restricted Funds	64,630	61,610

	2016	2015
	\$	\$
Total Accumulated Funds	3,485,627	3,347,911

The accompanying notes are an integral part of these financial statements.

Winston Churchill Memorial Trust

Notes to the Performance Report

For the year ended
31 March 2016

Note 3 : Commitments and contingencies

Commitments

There are no commitments as at balance date (Last year - nil)

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last year - nil)

Note 4 : Related Party Transactions

Related Parties are persons who are related to the Trust or to Trustees or they may be entities who are controlled by a Trustee, or are substantially controlled or owned by a Trustee.

There were no transactions involving related parties during the financial year. (Last year - Nil)

Note 5 : Events after balance date

Note 5: Events After the Balance Date

Events after the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.



Winston Churchill Memorial Trust

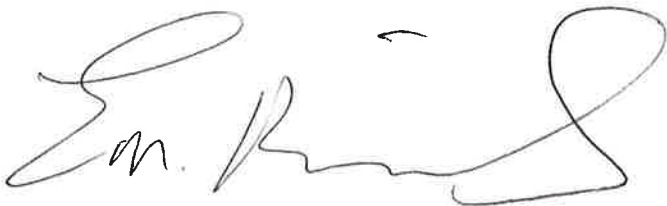
Statement of Responsibility

For the year ended
31 March 2016

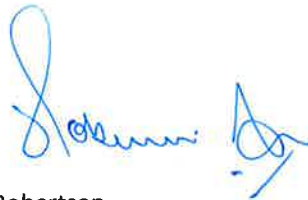
The Trust is responsible for the preparation of the Winston Churchill Memorial Trust financial statements and the judgements made in them.

In the Trust's opinion, these financial statements fairly reflect the financial position and operations of the Winston Churchill Memorial Trust for the year ended 31 March 2016.

Signed on behalf of the Trust:



Elizabeth (Liz) Richards
Chair



Bruce Robertson
Chair - Finance & Investment sub-committee

Date: 30 June 2016

Independent Auditor's Report**To the readers of the
Winston Churchill Memorial Trust's
financial statements
for the year ended 31 March 2016**

The Auditor-General is the auditor of the Winston Churchill Memorial Trust (the Trust). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

Opinion

We have audited the financial statements of the Trust on pages 5 to 13 that comprise the statement of financial position as at 31 March 2016, the statement of financial performance and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 31 March 2016; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).

Our audit was completed on 30 June 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

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

Responsibilities of the Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements of the Trust that comply with generally accepted accounting practice in New Zealand and the Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).

The Trustees' responsibilities arise from section 21(2) of the Winston Churchill Memorial Trust Act 1965.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

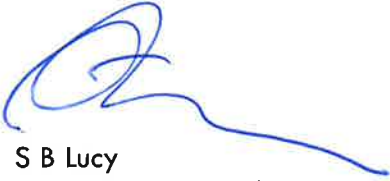
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



S B Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

