





## **CHAIRPERSON'S REPORT**

I am pleased to present the Annual Report of the Otago Community Trust for the year ended 31st March 2009.

#### **A YEAR OF CHALLENGES**

Given the magnitude of the global financial crisis, it would be very easy to allow the impact of this to overshadow the achievements of the Trust in the past year.

If nothing else, the severity of the slump in financial markets serves to reinforce the wisdom of the Trust's conservative approach to investments and the strategies that are in place to mitigate the volatility and risk associated with investing and financial markets. I will deal with the specific impacts on our financial performance and investments later in this report.

It is ironic that in a year in which the Trust faced the impact of financial downturn, it also faced its greatest challenge from donation applications, largely because of the grants sought from the Trust in respect of the Forsyth Barr Stadium. It must be acknowledged that this project has triggered much debate within Dunedin and Otago, but it is one that received strong support from the Trustees who see the stadium as an important investment in the infrastructure and future of the city and province.

anniversary of the formation of the Otago Community Trust and it is particularly satisfying to note that the Trust's total donations to the Otago community over the 20 year period now exceed \$100 million. At the same time the Trust's capital has grown from the original \$131 million to a little over \$161 million at the 31st March 2009.

#### **INVESTMENT MATTERS**

The Trust is a relatively conservative investor with approximately two thirds of the Trust's funds held in income assets, such as cash investments and bonds. To further mitigate the volatility of investment markets, the Trust has policies of spreading its investments amongst a range of investment managers both domestically and globally. Furthermore, our global investments are hedged against the New Zealand dollar to offset the effects of currency valuations.

The Trust's investments overall returned a negative 8.2% for the year, representing an investment loss of \$15.3 million. This compares with a long term expected rate of return on investment portfolio This year represents the 20th of 7.1%. At the 31st March 2009

the Trust's total capital stood at \$161 million compared with \$190 million last year.

The Trustees' response to this depletion of capital has been to focus on restoring reserves through a modest reduction in the 2010 Donations Budget.

On a positive note, the Trustees are confident in the quality of the Trust's investment portfolio and are satisfied that the portfolio is well positioned to restore reserves to acceptable levels when the global economy and investment markets recover. It is reassuring to note that the Trust's return on investments during the first quarter of the current financial year represents significant progress towards the recovery of the losses incurred in the 2008 - 2009 financial year.

#### DONATIONS

During the year ended 31st March 2009 the Trust's grants and donations totalled some \$12.3 million including a \$7 million grant to the proposed multi purpose Forsyth Barr Stadium. Large donations included support for:

 Otago Natural History Trust -\$386,000 for the Visitors Centre at the Orokonui Wildlife Sanctuary

NEW NAME... NEW LOGO.

- University of Otago \$300,000 towards the cost of establishing a Chair in Rural Health
- Old Cromwell \$200,000 towards the restoration project for the Historic Precinct of the town
- Otago Hockey Association \$200,000 towards the replacement artificial turf at Logan Park
- Otago Festival of the Arts -\$180,000 towards 2010 festival
- Ice Sports Dunedin \$100,000 towards the construction of viewing amenities at the Ice Rink at Victoria Road
- Winter Games New Zealand Trust - \$100,000 towards the cost of the inaugural 100% Pure NZ Winter Games to be held in August 2009.

Furthermore, the Trustees approved a programme to assist primary schools in Otago with classroom technology equipment. Each school will receive a donation based on its roll and investment, which the Trust will match on a dollar for dollar basis. The value of this Trust contribution will be \$1.7 million over 5 years.

As mentioned above, the Trustees' focus in the current year is on the restoration of reserves. However, in making an adjustment to the 2010 donations budget, there is a commitment to maintain support for those organisations that work in the area of community health and welfare, and who rely on the trust for sustaining grants. It will be our ability to support larger capital projects that may be impacted in the short to medium term.

#### ACKNOWLEDGEMENTS

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The Otago Community Trust is governed by 12 Trustees who are appointed by the Minister of Finance on the basis of their contribution to, empathy for, and understanding of, our community. It has clearly been a challenging year for Trustees, both from an investment and donation perspective. I want to acknowledge and pay tribute to their contribution to the Trust over the past year and in particular their positive vision for our community, and the strength of their resolve in difficult times.

I also want to acknowledge the leadership and support provided by our management team comprising Keith Ellwood (Chief Executive), Carol Melville (Donations Manager), Sue Broome and Kate Wilson. We are indebted to Keith for his wisdom, experience and guidance through the turbulent times on investment markets, and to Carol, not only for her knowledge and understanding of our community and its needs, but also for her ability to coordinate and encourage philanthropy in our region.

The Otago Community Trust, in spite of the state of the markets, is in good heart and well positioned to continue to be a positive force in the Otago community for its next 20 years and beyond.

Bill Thomson Chairpersor 29 July 2009

**Notice of Annual Public Meeting** The Twenty-first Annual Public

Meeting of the Otago Community Trust is to be held on Tuesday 25th August 2009 at 4.30pm. Members of the public are welcome and are encouraged to attend.

## OTAGO **Community Trust**

Keeping pace in an ever changing world was the focus of the Trust's "20 year anniversary" review which happily coincided with the \$100 million donations milestone. The review included refining the Trust's logo and name to reflect its status as a catalyst for positive community change.

The Trust's name adaption with Otago foremost, and its logo simplification emphasises our commitment to the wider Otago community. The new name is the "Otago Community Trust", and a contemporary logo redesign reflects Otago people working together for regional progress. The Otago Community Trust logo was redesigned to be visually

pleasing, simple to implement, flexible and adaptable.

Developing a logo is not a simple task. Evolution not revolution,

community replacing corporate, contemporary without sacrificing shape tempered the creative input which culminated in an extension of the existing logotype. In creating this logo, we took the entire organisation and everything it stands for, and refined it down to a simple graphic representation. We are pleased with the end result and we hope you will be too!

#### Venue:

Hutton Theatre, Otago Museum, 419 Great King Street, Dunedin.

#### Rusiness.

To report on the Trust's activities and its financial performance for the year ending 31 March 2009. K G Ellwood, Chief Executive, PO Box 5751, Dunedin 9058 Telephone 03 479 0994 or 0800 101 240 toll free.



## PRIMARY SCHOOLS The a state back of a state of the state of the state

Forsyth Barr Stadium at the University Plaza overlooking the Otago harbour, will be New Zealand's largest indoor arena.

The Otago Community Trust has continued its long-held tradition of underpinning major community assets in Otago, and will provide \$7 million towards the cost of construction of this new Stadium over the next two years.

Work has started and is on track for an August 2011 completion, planned to be ready for the 2011 Rugby World Cup – an opportunity to showcase the region to New Zealand and worldwide.

The new Stadium will be a multipurpose facility that can be used for a wide range of cultural, learning, community, business and sporting events. It will have capacity for over 30,000 in maximum event mode under one roof, and the flexibility to cater for smaller events

Covered by a state-of-the-art roof, the purpose-built Stadium will protect everyone inside from the elements.

The University of Otago will become New Zealand's first and only campus stadium, with new University buildings co-locating alongside the Stadium to house teaching, research and student services.

The net economic benefit to Otago and Dunedin was assessed at \$24 million a year, bringing economic benefits through new jobs, attracting more visitors and students and retaining visitor spend within the region. Around 600 new jobs will be created during construction and 1,000 people will be employed for major events.

Forsyth Barr Stadium will be the focal point for major events south of the Waitaki

# ECHNOLOGY

Otago Community Trust's commitment to putting technology in Otago primary schools is a powerful way of making sure all of our children can access computer-based information.

Every school in Otago with students to year 8 can apply to the Trust for funding to match its own fund-raising efforts, so they buy their own new or upgraded computer and information technology.

The Trust has put aside \$1.724 million for the Primary Schools Technology project, and Richard Newton from the Otago Primary Principals Association says the benefits are enormous.

Each school is able to use the money it receives in the way it needs to develop its technology, whether its upgrading its computers, putting laptops into classrooms, providing data projectors or smartboards. The money goes into equipment that goes straight into classrooms.

"No one else in New Zealand is championing young people in this way; the children of Otago are benefitting from quality support, and that's clearly flowing back into the wider community. It's making a difference."

"Better information technology opens new ways of doing things, it allows us to keep pace with everchanging information and to access an enormous amount of resources. In terms of overall impact, it's very powerful; there isn't a principal in Otago that hasn't told me how grateful they are."

## DUNEDIN DONATIONS

DUNEDIN		
Abbotsford School	\$300	
Age Concern Otago	\$3,640	
Amputee Society of Otago	\$500	
& Southland Inc		
Andersons Bay Bowling Club	\$3,000	
Anglican Family Care	\$60,000	
Anna and John Caselberg	\$3,000	
Charitable Trust		
Asterness NIZ Assess of Aut Education	¢0.000	

\$5,000

\$1,000

\$25,000

\$60.000

\$80

\$465

\$3,000

\$1,500

\$25,000

\$20,966

\$8.000

\$35.000

\$280

\$4,000

\$7,393

\$7.500

\$7,500

\$3,000

\$3.300

\$800 \$3,000

\$50

\$245

Concord	School
Cystic Fi	brosis Assn - Otago
Dance Ad	otearoa New Zealand
DARE Ot	ago
Deaf Ass	ociation of NZ (Inc)
Deaf Ass	ociation of NZ (Inc)
Diabetes	Otago Inc
Disability	/ Information Service
Dischlad	Densens Assembly

There will be numerous benefits from hosting the New Zealand Winter Games in Otago.

Interest has been incredibly high in the winter sports event, in August 2009, with many of the snow sports oversubscribed by competitors from around 30 countries including the United States, Canada, Great Britain and Japan.

"It gives New Zealand winter sports athletes the opportunity to compete

#### on the international stage at home. with the strong support promising competition at a very high level," Chief Executive Arthur Klap said.

"It will also develop the local sports administrative capability to international standards, and it will provide economic benefits to Otago expected to be between \$40 and \$50 million."

It's hoped the New Zealand Winter Games, a planned biennial event, will give competitors, including our own

Dunedin Marine Search &

Dunedin Midwinter

**Celebrations Trust** 

Intermediate School

Dunedin North

Rescue Advisory Committee Inc Dunedin Methodist Mission

Dunedin Multi Ethnic Council Inc

Dunedin North Community Patrol

\$810

\$2,000

\$3 500

\$5.000

\$3,640

\$3,500

\$10,000

\$5,000

\$7,500

New Zealand winter sports teams, valuable preparation time prior to the Winter Olympics in Vancouver, 2010.

Community support for the event has been "tremendous," both with funding, and with support from over 400 volunteers from around the region. The Otago Community Trust's \$100,000 investment will be focused on snow sports at the Cardrona and Snowfarm skifields.

Fire Performing Club - OUSA First Presbyterian Church of Otago \$! \$40 For Trades Apprenticeship Training Trust Forbury School \$ Friends of the Dunedin \$10 Botanic Garden Inc George Street Normal School Girls Brigade - Otago Area \$ land S

\$1,000	Lifeline Christchurch	\$7,500
\$5,000	Literacy Aotearoa (Dunedin) Inc	\$7,500
	· · · · · · · · · · · · · · · · · · ·	
\$40,000	Logan Park High School	\$1,840
¢1 /10	Logan Park Tennis Foundation	\$2,000
\$1,410	(formally Otago Tennis)	¢ ( 100
\$100,000	Macandrew Bay School	\$4,100
¢1/5	Macandrew Intermediate School	\$2,535
\$165	Malcam Charitable Trust	\$35,500
\$1,000	Maverick International Student	\$3,640
\$420	& Migration Support Trust	<b>*</b> ~~ ~~~
\$10,000	Mayors Taskforce for Jobs	\$35,000
\$50	Metonymic Trust	\$500
\$3,640	Mihiwaka Art Circus Inc	\$1,000
\$7,500	Mornington Methodist Church	\$3,000
	Mornington School	\$400
\$100,000	Musselburgh Baptist Church	\$70,000
\$10,500	National Council of	\$3,030
\$11,000	Women - Dunedin	
	Netball Otago Inc	\$95,000
\$1,000	New Zealand Opera Ltd	\$5,000
\$7,000	North East Valley Community	\$2,050
	Programme Inc	
\$500	North East Valley School	\$13,500
	NZ Academy of Sport	\$30,000
\$1,000	- South Island	
\$3,500	NZ Chinese Assn (Otago -	\$2,000
\$2,355	Southland Chinese Assn) Inc	
\$2,110	NZ Council of Tongan	\$1,500
\$2,000	Women (Dn Brnch)	
	NZ Federation of Voluntary	\$5,000
\$3,505	Welfare Organisations	
\$400	NZ International Festival	\$5,000
	of the Arts Trust	
\$20,000	NZ National Youth Choir	\$3,000

Araiteuru Marae Council Inc Aruande Capoeira Dunedin - OUSA Balmacewen Intermediate School Barnardos Otago Basketball Otago Inc **Bayfield High School** Bayfield Kindergarten Bowls Dunedin Inc - Bowls Dn Coaching Assn Bowls New Zealand Inc Bradford Primary School Broad Bay School Brockville Schoo Carers Soc (Otago) Catholic Social Services Caversham Primary School CCS Disability Action Otago Inc Chairpersons Fund Citizens Advice Bureau - Dunedin City of Dunedin Choir City of Dunedin Pipe Band Inc College Street School Collegiate Orchestra Columba College

N7 Inc - Dunedin Region Disabled Skiing Otago **Diving Otago** Dunedin Astronomical Soc Dunedin City Council -Aspiring Leaders Dunedin City Council Awatea St Stadium Dunedin City Council -Dunedin Heritage Festival Dunedin City Council -Industry Training Dunedin City Council - New Year Dunedin City Elim Church Dunedin Civic Orchestra Inc - t/a Southern Sinfonia Dunedin Council of Social Services Inc **Dunedin Curling Club Dunedin Environment Centre Trust** Dunedin Friend-Link Trust Dunedin Fringe Arts Trust Dunedin Fringe Arts Trust Dunedin Ice Skating Club Inc

Dunedin Opera ( t/a Opera Ótago \$4,000 Dunedin Operatic Inc \$7,500 Dunedin Poultry, Pigeon \$9,000 & Cage Bird Club \$1,230 Dunedin Public Library Assn Dunedin Repertory Soc Inc \$7,000,000 Dunedin Returned & Services Welfare Trust \$15,000 Dunedin Returned and Services Association \$2,000 **Dunedin Returned Services Choir** Dunedin Rhododendron \$5,000 Festival Trust \$3.000 Dunedin Santa Parade Trust \$60,000 Dunedin Senior Chinese Assn Dunedin Volunteer Centre \$3,640 Trust t/a Volunteering Otago Dunedin Youth Orchestra Inc \$10.000 Employment Scholarship \$15.000 Trust - Launchpad \$5,000 Epilepsy Assn of NZ Inc - Otago \$35.500 ESOL Home Tutors Dunedin Inc \$3,640 Fairfield School Family Network Inc \$10,000

\$30,000 \$300 \$5,000 \$5.000 \$27.405 \$4,000 \$3,000 \$5,000 \$15,000 \$1,000 \$2,500 \$4,000 \$5,000 \$5.000 \$2,000 \$40,100 \$5,000

\$5,000

\$55,000

\$5,000

\$2.000

\$25,000

\$400

Habitat for Humanity Dunedin Halfway Bush Primary School Hepatitis C Resource Centre Historical Records Committee - Presbyterian Church of NZ Ice Sports Dunedin (Inc) id Dunedin Fashion Inc Soc IDEA Services Otago - IHC New Zealand Inc India NZ Dunedin Institute for Child Protection Studies Trust t/a CPS International Festival Environment Science Technology Kaikorai Gravs Sport & Travel Inc. Kaikorai Kindergarten Kaikorai Valley College Kavanagh College Keep Dunedin Beautiful Committee Kings High School Kip McGrath Education Centre (on behalf of Brockville School) Knox Church Deacons Court Inc





Some rare native birds and mammals are back in town, and the Otago Community Trust is proud to have played a part in their return.

The Otago Community Trust has provided significant support to the development of the Orokonui Ecosanctuary, and has done so from its beginning.

The Trust initially contributed \$365,000 towards the specialist fence, the first essential step in the project that provides a safe habitat for native flora and fauna in the Orokonui Valley, many of which are threatened with extinction. Native birds and plants already in the Ecosanctuary are now flourishing after completion of the fence and clearing of mammalian pests from the area. Rarer animals have also been re-introduced, including kaka, jeweled gecko and saddlebacks.

The next stage, a Visitor and Education Centre, is being built to host visitors from Dunedin and beyond. The Trust has provided

\$386,000 for this building, which will also generate revenue for the Ecosanctuary into the future.

The Otago Community Trust is also assisting to support some of the assistant rangers employed under the Taskforce Green Programme until the Ecosanctuary generates enough revenue to cover its operations. This programme imparts conservation skills to young people.

In providing protected forest area close to Dunedin, the Ecosanctuary offers visitors the chance of encountering rare native species in their natural habitat, hopefully motivating people to assist in their protection.

The Otago Community Trust is a vital partner in the development of this wonderful asset, of which the people of Otago can be proud.

towards the cost of replacing the

18-year-old well worn sand-based

artificial hockey turf, replacing it with

a second water-based hockey turf.

Two are essential for hosting hockey

tournaments – without them Dunedin

would have been by-passed for

any national hockey event, not only

limiting local player involvement, but

also the substantial investment into

## MMUNITY CENTRE

Support from the Otago Community Trust really is making a difference in the community - just ask the people of Waikouaiti.

After many years in the planning, the Waikouaiti Community Centre on the main street is open, and the Waikouaiti community is celebrating.

The Otago Community Trust donated \$500,000 toward the centre, a "one stop shop" with a medical centre, health and social services facilities, a pharmacy agency, as well as office space, a community auditorium and public function and meeting rooms.

The striking new architecturally designed centre is a welcome focus for sporting, cultural and social groups. Already a new drama group has formed because it now has a space to present its theatre restaurant, and sports including badminton and table tennis are being organised, activities the community has not been able to do for over a decade.

It also means Waikouaiti has a suitable facility to lobby and attract service agencies back to the town.



It's been 45 years in the waiting, but the Elsie Evans is now only months away from launching.

The Otago Community Trust donated \$30,000 towards restoring the "Elsie Evans" passenger ferry, which ran between Port Chalmers and Portobello from 1943 to 1954, and which has been out of the water for almost five decades. Restoration work has been major and timeconsuming, given it sheltered under a hedge for some of that time. The Trust's funding is helping rebuild and equip the wheelhouse to a commercial service standard.

The Elsie Evans will be moored in Portobello after its launch, then the Otago Harbour Ferry Inc's next challenge will be looking at doing ferry runs across the harbour again.

The group's very appreciative of the Trust's support. "It meant we could get on with doing the job without cutting corners, so the Elise Evans will be around for many years to come," restorer Shem Sutherland said.

DUNEDIN ASTRO ETY'S NEW TELESCOPI

A new telescope and upgraded facilities has brought the night sky closer for the large number of groups visiting the Dunedin Astronomical Society's observatory.

The Otago Community Trust contributed a very welcome \$9000 towards a new 14inch telescope and mount at the Beverly Begg observatory in Dunedin, as well as altering the floor to aid viewing and putting in new display panels linked to the computer to present sky maps to observatory visitors.

The sophisticated new mount system means the telescope can very precisely track and photograph stars and planets, the monitoring contributing to world knowledge on activities in the night sky. Software on the new system can be set to drive the telescope to specific points, allowing society members to follow progress of celestial events.

The observatory is mostly used as an educational facility, and is very popular with community and school groups throughout winter.

#### **OTAGO HOCKEY ASSOCIATION ARTIFICIAL HOCKEY TURF**

We don't know what we would have done if the Otago Community Trust hadn't supported us to update our artificial hockey turf, says Otago Hockey Association's Chief Executive Chris Aubin.

The Trust granted \$200,000

#### DUNEDIN DONATIONS NZ Special Olympics South \$5,500 \$850

\$890

\$300

- Island Regional Council Opoho School Otago Accommodation Trust \$4,000 Otago Badminton Assn Inc \$20,000 Otago Boys High School \$45,000 Otago Chamber of Commerce Otago Cricket Assn \$55,000 Otago Embroiderers Guild Inc stival of the 80 000
- Otago Settlers Assn Inc Otago Soc for Music Education Otago Softball Assn Inc Otago Spinning & Weaving Assn Otago Surf Life Saving Assn Otago Symphonic Band Otago Theatre Trust Otago Touch Assn Otago University Medical

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the local economy that comes from hosting up to 24 teams for a week.

While it was a large outlay, it is very much needed as all hockey in Dunedin is played on the two artificial turfs at Logan Park. The completed turf is a fantastic playing surface that's used more or less non-stop by up to 3500 people a week playing hockey and other sports codes.





\$570 \$5,000 \$280 \$320 \$10,000 \$25,000 \$3,500 \$1,500 \$1 000 Male \$20,000 \$5,000 \$45,000 \$750 \$1,500 \$10,000 \$1,500 \$35,000 \$3,640 \$1.000 \$40.000 \$1,000 \$60,000 \$50.000 \$5,000 \$1,000 \$1,500 \$5,000

Southern Heritage Trust Southern Heritage Trust Special Olympics Otago Sport Otago Sport Otago Sport Otago - Halberg Trust Spring Chamber Music Squash Otago Inc St Clair School

\$3,640	MOSGI
\$3,000	Arahina
\$638	Arthur
\$170,800	East Ta
\$3,640	Elmgro
\$12,500	Mosgie
\$1,000	Compe
\$25,000	Mosgie
\$11,928	Mosgie
+	Macaia

\$5.000

\$13,000

\$600

\$6,000

\$4,000

\$5,000

\$10,000

\$1,490

\$660

\$10,000

\$3,640

\$5,000

\$1,000

\$20,000

\$25,000

\$300.000

\$7.500

\$1,000

\$1,400

MOSGIEL	
Arahina Community House Trust	\$17,000
Arthur Burns Preschool	\$500
East Taieri School	\$850
Elmgrove School	\$645
Mosgiel Ballet	\$500
Competitions Society	
Mosgiel Brass Band Inc	\$30,000
Mosgiel Central Kindergarten	\$2,500
Mosgiel Playcentre	\$981
Outram School	\$5,000
Reid Park Kindergarten	\$1,000
Silverstream Primary School	\$230
Southern Cross Long	\$300
Haired Cat Club	
St Marys School - Mosgiel	\$7,000
Strath Taieri Historical Soc Inc	\$3,500
Taieri College	\$2,840
Taieri Dramatic Soc	\$7,000
Taieri Musical Society Inc	\$3,000
Taieri Parents Centre Inc	\$1,000
Taieri Tennis Club Inc	\$25,000
Twelve Oaks Golf Club	\$4,000
MOSGIEL TOTAL:	\$112,846

\$2,500 Purakanui School \$2.000 \$15.000 \$1,000 \$43,000 \$500 \$3.000 \$26,500

\$1,000

Otago Girls High School Otago Golf Club Otago Harbour Ferry Inc Otago Hockey Assn (1990) Otago Life Education Trust Otago Medical Research Foundation Otago Multiple Sclerosis Soc Inc. Otago Multiple Sclerosis Soc Inc Otago Natural History Trust Otago Natural History Trust Otago Outdoor Education Camp Trust . Otago Peninsula Trust Otago Polytechnic Otago Polytechnic Fashion & Design Otago Postgraduate Medical Soc Inc Otago Regional Council Otago Rowing Assn Otago Rugby Football Union Inc Otago Samoan Students Assn Otago Secondary Schools Sports Assn

\$3,775 Otago Yachting Assn Inc Otago Youth Adventure Trust Inc \$15,000 Otago Youth Wellness Trust \$30,000 \$220,000 **Outward Bound** \$11,200 PAI4ASD Trust \$100,000 Panache Inc Parents Inc - Attitude Division \$3.640 Patients & Prisoners \$1,300 Aid Soc of Otago \$386,000 Patients & Prisoners \$3,640 Aid Soc of Otago Pine Hill School \$25.000 Poems in the Waiting Room Port Chalmers Bowling Club Inc \$3,640 Port Chalmers Historical Soc \$7.800 Port Chalmers Kindergarten \$2,000 Port Chalmers School \$45,000 Port Chalmers United Rowing Club \$50,000 Pregnancy Counselling Services Inc \$25,000 \$50.000 Presbyterian Support Services Pukehiki Hall Soc Inc. \$2.000 Purakanui Amenities Soc \$5,000

\$10,000 Royal New Zealand Ballet \$60,000 Rudolf Steiner School \$40,000 Trust (Otago) Inc Salvation Army \$67,500 Samoan Advisory \$13,000 \$3,500 Council Dunedin Inc \$1,000 Samoan Methodist Church Dunedin \$3,000 Save the Otago Peninsula Soc \$1,820 Sawyers Bay School Schizophrenia Fellowship \$440 Otago Branch Inc Scout Assn - Otago Area \$250 \$1,400 Senior Net Otago Inc \$1.000 Short Film Otago Silver Peaks Country \$3.000 Music Club Inc \$260 **Skeggs Foundation** \$4,500 Soccersouth \$1,200 Social Service Providers Aotearoa Inc \$150.000 South Dunedin Christian Network Southern Area Judo Assn \$15.000 \$1,000 Southern Cross Kids Camps NZ

Junedir

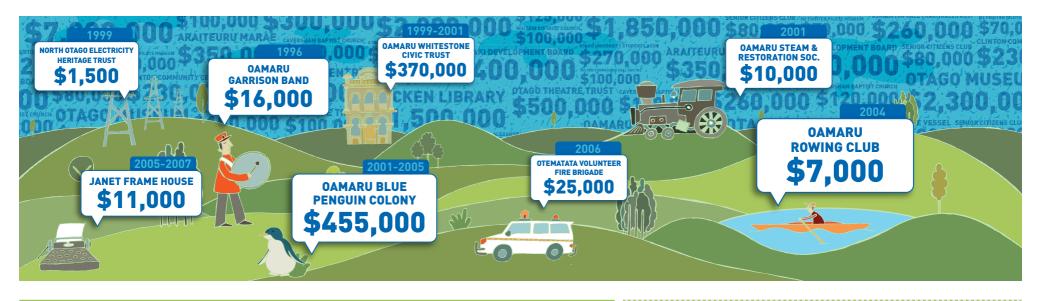
St Marks Presbyterian Church St Martin Island Community Inc St Patricks School St Peter Chanel School Stage Challenge Foundation Straight Up Trust Stroke Foundation Southern Region Inc Tahuna Normal Intermediate School Taieri Beach School Te Hou Ora Otepoti Inc Te Hou Ora Otepoti Inc Te Kura Kaupapa Maori O Otepoti Te Tutua Trust Te Whare Pounamu Womens Refuge Tennis Southern Region Inc (formally Otago Tennis University of Otago - Rural Health Vollevball Otago Wakari Kindergarten Womens Golf Otago Inc DUNEDIN TOTAL: \$11,223,875

#### OTAGO

NZ Ice Hockey Federation Inc \$10,000 Virtual Education Networks Ltd \$38,000 Winter Games NZ Trust \$100,000 OTAGO TOTAL: \$148,000

\$11,484,721

**DUNEDIN AREA TOTAL:** 





#### The Otago Community Trust's contribution to the Oamaru Opera House has saved a beautiful old building, and delivered an amazing asset to the region.

Not only was the \$1 million Trust donation a significant financial investment, the Trust was also the first major funder to the Opera House refurbishment project, providing the impetus for a critical mass of support.

The vision of having a "living" building with front doors open that is used daily, with a modern working theatre, has more than lived up to expectations.

But the work needed to restore and refurbish an historic building, while providing an operational theatre and up-to-date meeting facilities, was a huge undertaking.

The aging facility, which housed council chambers until the late 1980's, was in a state of disrepair; ceilings had collapsed and buckets were needed when it rained. The beautiful Oamaru stone building was rarely used, but too important to let go.

A lot of fundamental structural work went on behind the scenes to upgrade it to current earthquake standards; plumbing and wiring were replaced, and acoustic treatment installed to block highway noise. The stage was levelled, changing facilities added, kitchen and toilet facilities replaced, and modern theatre equipment installed. And it underwent a thorough refit including new seats.

\$3,500

\$5,440

\$2,500

\$1,000

\$996

\$500

\$600

\$1,000

\$1,000

\$25,000

\$3,640

\$290 \$1,500

\$3,640

\$90

\$700

\$410

\$4,000

\$3,000

\$3,500

\$60 **\$15,620** 

\$149.397

\$220

\$133,777

Spaces were also created to provide valuable meeting and conference rooms for small to large groups, and this has quickly become a major drawcard. Project overseer Steven Halliwell said the 101-year-old facility has had fabulous community support since opening in February 2009. "It truly is a real community asset."



The annual North Otago Harvest Home Festival has become so popular, the Topp Twins are hoping to come to it next year.

Now into its 6th year, the Festival at Totara Estate just south of Oamaru, is the premier local annual heritage event. Historically, it was a celebration of bringing in the harvest from the farms, but the popular family day out in April is also a celebration of all things North Otago as well as marking its proud heritage.

Stalls on the day celebrate local food including a "Totora lamb burger," there are crafts like soap making, music, historical harvest activities such as traction engine displays, and traditional games such as the ever popular tug of war.

The Otago Community Trust's \$3,500 was put towards organising the event. Planning is already underway for next year's festival, given this year's success, with musicians the Topp Twin already invited.





## RESIDENTS ASSO

Otematata has gone from having several rundown old halls, to a fabulous multipurpose community complex, thanks in no small part to the Otago Community Trust.

The new community hall is part of the Otematata Lakes Centre, in what was a former NZ Electricity Department depot. Half of the centre houses on the wall again, to be fittingly several businesses including a cafe. The other half underwent a major transformation, producing a big hall for sports and community functions, changing rooms, a brand-new wellequipped kitchen, and even new furniture. It also has a gym on the mezzanine floor. It has only been open a short time, but is already achieving what Otematata people set their sights on at a community "visioning" meeting a good use of a good building that will suit the purposes of its community for many years. Without the \$75,000 Trust donation, the Residents Association said it may have struggled to complete the project.

## HERBERT **HERITAGE GROUP ROLL OF HONOUR** RESTORATION

The names of men of the Herbert district who went to the Great War will be remembered anew thanks to a donation from the Otago Community Trust.

The 30 names were recorded on a Herbert Roll of Honour, which has now been restored and will be hung unveiled at a community ceremony in the Herbert Community Hall on Armistice Day 2009. The Roll of Honour was discovered under the stage of the Hall last year in a poor state. It was thought the board was placed there for safekeeping when the hall was altered many years ago, and was eventually overlooked and forgotten. The Trust's \$1000 donation, which was much appreciated by the Herbert Heritage Group and the wider community, has gone towards restoring the board, and professionally re-signwriting the names of those Herbert men who fought in World War One.

### IORTH OTAGO DONATIONS

OAMARU		Totara
Athletic Rugby Football Club Inc	\$4,500	Histori
Boys Brigade 2nd	\$600	Waitak
Oamaru Company		Waitak
CCS Disability Action Waitaki Inc	\$8,000	Recrea
Central Coast Country	\$500	Waitak
Music Assn Inc		War M
Citizens Advice Bureau	\$3,500	Waitak
- North Otago		Aspirir
Herbert Heritage Group	\$1,000	Waitak
Janet Frame Eden Street Trust	\$2,000	Youth S
Maheno Every Boys Rally	\$2,000	Waitak
North Otago Cricket Assn Inc	\$4,500	Waitak
North Otago Primary	\$5,000	Waitak
Principals Assn		Waitak
North Otago Rugby Football Union	\$20,000	Waitak
North Otago Scottish Soc Inc	\$1,800	Safer (
Oamaru Combined	\$1,000	Westor
Churches - Outreach		Whites
Oamaru Intermediate School	\$884	Arts Co
Oamaru Maori Committee	\$3,000	0AMAI
Oamaru Multisport Club	\$600	
Oamaru North School	\$2,000	WAIK/
Oamaru Poultry Pigeon	\$800	Bluesk
& Canary Soc		Comm
Oamaru Stroke Support Group	\$4,000	East O
Oamaru Tap Dancing Assn	\$750	East O
Oamaru Victorian Heritage	\$10,000	Flag Sv
Celebrations Committee	<i><b>†</b></i> ( 000	Karitar
Otematata Residents Assn Inc	\$4,000	Waikou
Papakaio School	\$180	Museu
Rotary Club - Waitaki	\$1,500	Waikou
Rural Women New Zealand	\$600	Waitati
Upper Waitaki Branch	<b>A750</b>	Warrin
Scout Assn - St Patricks	\$750	WAIK/
Sea Scouts - Scotts Own Oamaru	\$3,000	
St Kevins College	\$347	NORTH

Estate - NZ ic Places Trust ki Boys High School ki Community ation Centre Trust ki Dist Council - Pukeuri emorial Hall i District Councilng Leaders ki District Council - Waitaki



ort Network ki Education Centre ki Multi Cultural Council Inc i Summer Music Camp i Valley Medical Trust ki District Council (Waitaki Community Trust) n School stone Community ouncil Inc RU TOTAL: /PALM . kin Resilient nunities Trust tago High School tago Woodturners wamp School ne School uaiti District um Soc Inc uaiti Playcentre ti School ngton School /PALM TOTAL: H OTAGO TOTAL:

It provides funding to the Oamaru Tap Dancing Association for its tap dancing competitions, this year supporting the organisation with a \$750 grant to stage its competition in Oamaru. The Association encourages and promotes the talents of young dancers between the ages of three and eighteen years into this ever-popular form of dance. It organises festivals and competitions for dancers to showcase their talents to the people of North Otago, and to be judged on

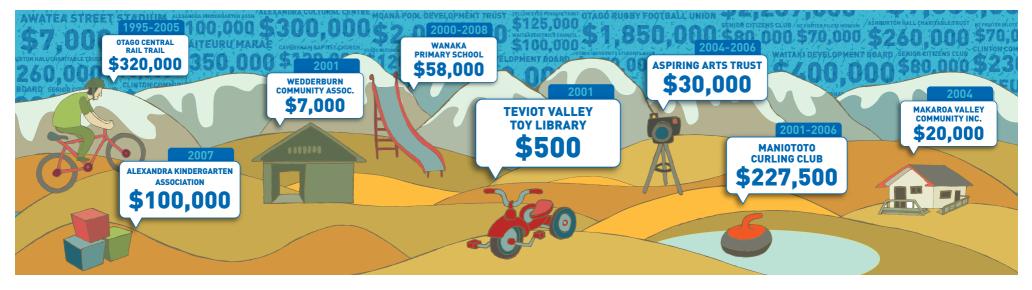
The Otago Community Trust is

helping to keep young Oamaru

dancers on their toes.

their performance.

It's yet another way of supporting young Otago people and their families in the community.





The newly developed Hawea River Track hadn't even been officially opened before users started giving positive feedback.

The 10 kilometre track linking Lake Hawea with Albertown which officially opened in August 2009, is a major community project that not only has created recreational walking, biking and fishing opportunities, it's also a commuting link for two rural towns. The Upper Clutha Tracks Trust's vision of having easily accessible, well finished and useable interconnecting pathways is already well on track with the first one finished, and a second 15 kilometre link between Albertown and Luggage now close to completion.

'These tracks are part of the big picture for the Queenstown Lakes District; together they will form a major asset for the region," Trust spokesperson Rachel Brown explained. "We're very grateful for the \$40,000 support from the Otago Community Trust to help make it happen.'

Another beautiful old building is about to be restored to old Cromwell town's original streetscape.

The Otago Community Trust donated \$200,000 towards the restoration of several heritage buildings in Old Cromwell, the 1870's blacksmith workshop being the first.

Donations have been used to stabilise and restore the stonework of two walls, a major job given it was fire damaged in 1992. The front and back timber walls are being replaced, and the second storey rebuilt in what was a very interestingly constructed buildina.

At the same time, Old Cromwell Inc has tracked down historic blacksmith equipment to display once the restoration is complete by the end of 2009.

The smithy is the last standing structure to be restored in the old Cromwell town's main street; the group already owning and managing 15 historic buildings in the precinct. The group was keen to see the blacksmith workshop restored given the important role it would have played for the early settlers of Cromwell.



## ER

The decision to replace the aging Alexandra Kindergarten building and relocate next to the Alexandra school has proved very worthwhile.

Being situated next to the school has created seamless integration, the valuable new interactions between school and kindergarten welcomed by children, teachers and parents alike.

And having a facility purposeddesigned for education has produced a building that integrates modern concepts for learning, complete with fittings and furniture designed with children in mind.

The well-insulated and heated kindergarten is a far cry from the old building which was in desperate need of major repairs. It is multi-purpose so can easily grow if needs change, benefitting the whole community as well as the Alexandra families currently using the facility.

It was a major project for the community, and the kindergarten is very grateful for the considerable support it received, including a fantastic \$100,000 from the Otago Community Trust.





#### Central Otago's Festival of Colour stepped up another notch this year.

May, established a clear template for the future as an arts festival that has put down roots in its region. It has a fresh and distinctive programme and new work that belongs to the south, with hugely enthusiastic audiences across the region.

The \$50,000 from the Otago Community Trust assisted with the Festival's organisational costs; its support fundamental to the festival's tremendous success. The Trust also supported the 2007 festival.

While Wanaka remains the hub of the festival, the touring programme took shows into the heartland - to community halls in Hawea, Luggate, Bannockburn, Arrowtown, Glenorchy and Clyde.

The Festival also ran a substantial programme for schools in the region,

The 2009 Festival, from 28 April to 3 and was swamped with bookings for the schools' matinee performances of the children's show Tale of a Dog.

> The day of free street theatre included an extraordinary tiny house which children lay down to peer into - and to their delight they found it was inhabited by an actor!

> Adults enjoyed tango lessons on the street and families loved the oddball entertainer in a large mobile electric toilet, towing an equally large pink hand-basin.

> This year, we were fortunate to have six premieres of New Zealand work, providing a great opportunity for Otago audiences to see new work well before Wellington and Auckland: Le Sud, Southern Suite, Witches over Wanaka, Dreaming of El Dorado, Pouwhenua and Finders Keepers.

## ALEXANDR MX CLUB START RA The newly upgraded BMX track



#### CENTRAL OTAGO DONATIONS ALEXANDRA

- Alexandra Blossom Festival Inc Alexandra BMX Club
- Alexandra Bowling Club
- Alexandra Combined Churches Youth Trust
  - Alexandra Pipe Band Incorporated Alexandra Primary School

ALE) \$5.000 \$7,500 \$6,000 CRO \$1,500

\$2,300

Tarra

Terra

Cromwell Catholic Parish Cromwell College Cromwell Primary School Cromwell Youth Worker Trust Goldfields School Old Cromwell Inc CROMWELL TOTAL:	\$4,000 \$410 \$13,265 \$5,000 \$8,045 \$200,000 <b>\$230,720</b>	Lake Hawea Golf Club Lake Wanaka Sounz Inc Mt Aspiring College NZ Fighter Pilots Museum Queenstown Lakes District Council - New Year Snow Sports NZ Inc	\$5,000 \$7,500 \$3,010 \$15,000 \$4,000 \$35,000
RANFURLY	<i>\$200,720</i>	Southern Lakes Arts Festival Trust Upper Clutha Tramping Club Inc Wanaka Golf Club Inc	\$50,500 \$1,000 \$8,000
Maniototo Area School	\$3,620	Wanaka Primary School	\$31,470
NZ Curling Assn Inc	\$7,500	Wanaka Search and Rescue	\$5,000
Rural Art Deco Maniototo Inc	\$5,000	Wanaka Tennis Club Inc	\$35,000
RANFURLY TOTAL:	\$16,120	WANAKA TOTAL:	\$210,520
ROXBURGH		CENTRAL OTAGO TOTAL:	\$587,895
Roxburgh Golf Club	\$5,000		
Roxburgh Playcentre	\$600		
Teviot Angling Club Inc	\$3,000		
Teviot Valley 2007 Soc Inc	\$3,000		
ROXBURGH TOTAL:	\$11,600		

as School	\$2,500	WANAKA	
ace School	\$3,725	Flat Out Productions	\$2,000
XANDRA TOTAL:	\$118,935	Hawea Early Learning Centre	\$6,000
		Hawea Flat School	\$240
MWELL		Holy Family School	\$1,800
nwell Catholic Parish	\$4,000	Lake Hawea Golf Club	\$5,000
nwell College	\$410	Lake Wanaka Sounz Inc	\$7,500
nwell Primary School	\$13,265	Mt Aspiring College	\$3,010
nwell Youth Worker Trust	\$5,000	NZ Fighter Pilots Museum	\$15,000
fields School	\$8,045	Queenstown Lakes District Council - New Year	\$4,000
Cromwell Inc	\$200,000	Snow Sports NZ Inc	\$35,000
MWELL TOTAL:	\$230,720	Southern Lakes Arts Festival Trust	\$50,500
		Upper Clutha Tramping Club Inc	\$1,000
FURLY		Wanaka Golf Club Inc	\$8,000
iototo Area School	\$3,620	Wanaka Primary School	\$31,470
Curling Assn Inc	\$7,500	Wanaka Search and Rescue	\$5,000
al Art Deco Maniototo Inc	\$5,000	Wanaka Tennis Club Inc	\$35,000
FURLY TOTAL:	\$16,120	WANAKA TOTAL:	\$210,520
BURGH		CENTRAL OTAGO TOTAL:	\$587,895
	¢E 000		
ourgh Golf Club	\$5,000		
ourgh Playcentre	\$600		
ot Angling Club Inc	\$3,000		
ot Valley 2007 Soc Inc	\$3,000		
BURGH TOTAL:	\$11,600		

IN Alexandra is the envy of BMX clubs South Island wide.

The Otago Community Trust helped the Alexandra BMX Club put a roof over its start ramp with a \$5000 donation, the only roofed start in the South Island. North Island start ramps have roofs to protect the BMX riders from rain, but the Alexandra one is primarily to shelter young riders from the Central Otago sun, and is well used for that purpose.

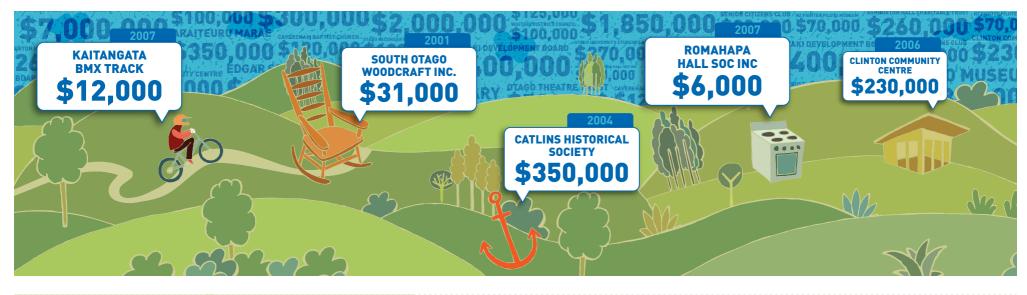
The club has also put in an Olympic standard start system, so users are introduced early to the correct standards of racing. This upgrade allowed the club to host a

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South Island racing event in January. Hundreds of locals as well as club members use the track daily, particularly in the summer, and parents as well as the youngsters making use of it are full of praise for the community resource.

Alexandra Rugby Football Club Central Otago District Council - Millers Flat Hall Central Otago Ecological Trust Central Otago Friendship Network Central Otago Hockey Assn Central Otago Regional Choir Central Otago Softball Assn Clyde Historical Museums Clyde School Dunstan Golf Club Inc Dunstan High School Mainland South BMX NZ Riding for the Disabled - Central Otago Omakau School Roxburgh & District Rotary Club Special Olympics Central Otago St Gerards School

\$30 \$3,500 \$7,500 \$25.000 \$1,500 \$6,000 \$3,500 \$7,500 \$1.000 \$16,500 \$5,000 \$2,400 \$3,000 \$1,500 \$300 \$3,000 \$3,000 \$180





## **TON PLAYCENTRE**

The importance of maintaining a quality licensed early childhood centre

in Clinton cannot be underestimated.

Assistance from the Otago Community Trust to upgrade Clinton's early childhood centre has given the current generation of children a quality facility, and at the same time has also provided an asset to encourage families to settle in the community into the future.

The Clinton community spent many hundreds of hours fundraising to renovate the centre, but spokesperson Carol Sinclair said they wouldn't have got there without the Trust's \$60,000 donation. "Our gratitude is huge. We've gone from

a modified prefab garage to a multipurpose facility that is really meeting the needs of our parents as well as our children. We had got to the stage where there was a real risk of not meeting licensing regulations - there was no sleep area, inadequate toilet facilities and no adult toilets. It really needed major work."

The renovations included adding on floor space, re-lining and insulating, a whole new roof, a sleep room, new kitchen and fittings, disabled toilet/baby change room including a shower, new children-only toilet

area, an office, new floor coverings and the old kitchen/office /store room turned into a purpose-built store room, new covered entrance and ramp, sliding door and decking, new fire alarm system, new lighting, new heating system and completely re-painting inside and outside,

"We've had the comment that centre has been rebuilt to amazing standards; our parents in this small rural community have gone out and done it themselves, and they've done a really great job."

## **OUTWARD BOUND SCHOLARSHI**

Otago is the only New Zealand region to offer an annual Outward Bound scholarship of this type to each of its secondary schools, thanks to the Otago Community Trust.

The unique and very successful project gives one secondary school student, usually Year 12, from 25 Otago schools the chance to extend themselves at Outward Bound Anakiwa, in the Marlborough Sounds. Outward Bound runs courses that show people their full potential through outdoor challenge and adventure.

Not only does this boost the individual student's self-knowledge, confidence and independence through teamwork and leadership challenges, the school also reaps rewards from

SOUTH OTAGO DONATIONS

\$1.000

\$60,000

\$5.000

\$500

\$1,500

\$7,500

\$7,000

\$15,000

\$10,500

\$11,000

\$2,500

\$500

\$1,000

\$710

\$3,640

\$500

\$570

\$1,210

\$380

BALCLUTHA

Balclutha Junior Soccer Club

Balclutha Parents Centre Inc

Balclutha Presbyterian Church

Catlins Area School

Clinton Playcentre

Positively Clutha Women



the leadership and communication skills the student brings back. Feedback from the school and the students who have already benefited show they truly value the opportunity it provides.

South Otago High School was one of the schools to offer the Otago Community Trust \$2,700 "Mind, Body and Soul" scholarship to its students over the last year.



It wasn't large compared to some Otago Community Trust contributions, but a \$1000 donation from the Trust very was never-the-less significant for soccer in the far south last year.

The money provided additional soccer goals in Balclutha, which were essential for South Otago to be able to host a major South Island girls secondary schools soccer tournament in September 2008. Teams from Christchurch and \$3.640 \$3,640 the lower South Island took part in \$1,200 the very successful event, including \$5,000 Balclutha's own South Otago High \$1,500 School. "It was good for Balclutha to be able to host this and for our local girls to compete here, and it was really helpful for us that the Trust \$1,100 assisted to make it happen. Everyone \$200 was really impressed with how well \$160 it went, " organiser Heather Dudfield said. The full-size goals are portable, \$82,490 and can now be used by junior soccer

players throughout South Otago.

## BALCLUTHA PRESBYTERIAN CHURCH

The Balclutha Presbyterian Church wanted a new hall that would be a community asset as well as fulfilling their parish needs, and that's just what they got.



The Church has gone from having an old, very uninviting hall past its suitability date, to a warm, functional building with wonderful meeting spaces, modern kitchen facilities and wiring for today's communication needs. It also has a dedicated space for the town's community food bank.

The project was a major one, that involved demolishing the old hall and rebuilding a brand-new purpose-built facility connecting off the existing church. The Otago Community Trust donated \$40,000 towards the project, which was built over 2008/09, and officially opened in July.

The Church is delighted with the end result and so is the community - a major regional conference has already been held in the facility and it's hoped more events can follow.

## SOUTH OTAGO THEATRICAL TRUST

South Otago Youth Trust Stirling School \$1.000 \$40,000 Tourism Catlins \$290 Warepa School

South Otago Theatrical Soc Inc

BALCLUTHA TOTAL:

\$5.000

\$2,000

\$3,000

\$197

\$8,000

\$7,000

\$35,000

\$15,000

\$264,147

\$900

\$150

\$181,657

\$160

And given that the George Street theatre has had a few additions and alterations over the years to meet its growing and changing needs, the "grooming" to the building's different colours and varying styles was overdue and very welcome.

Clutha Currents Marching Club
Clutha District Council
- Aspiring Leaders
Clutha District Council - Waiwera
South Community Hall
Clutha Rugby Football Club Inc
Clutha Valley Playcentre
Clutha Valley Primary School
Enterprise Clutha Trust
Heartland Otago/Southland
Life Education Trust
Jennys Companionship Group Inc
Kaitangata & District
Promotions Inc
Kaitangata Golf Club Inc
Kaitangata Primary School
Owaka Museum
Pounawea Projects Group
Rosebank Primary School
South Otago High School

MILTON
Anglican Parish of Milton/Tuape
Hart's Daffodil Charitable Trust
Lawrence Incorporated
Lawrence Incorporated
Lawrence Rodeo Club
Lawrence Summer Arts Festival (2009) Inc
Milton Kindergarten
Milton Primary School
St Marys School
Tokoiti Primary School
Tokomairiro Early Learning Cer
Tokomairiro High School
Tuapeka Vintage Club Inc
Waihola District School
MILTON TOTAL:
SOUTH OTAGO TOTAL:



Brushes were out in force in Balclutha recently, as the somewhat tired face of the South Otago Theatrical Trust's theatre received a professional make-over.

The Otago Community Trust's \$5000 donation towards the repaint helped make it happen. Done professionally so it would endure, the Balclutha theatre and its popular wardrobe hire facilities are now resplendent in grey and maroon.

The theatre is well used by the South Otago community, hosting film festivals and local events as well as regular and well-supported theatrical productions.



### **TRUST GOVERNANCE**

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

#### **Board Membership**

The Board of Trustees comprises 12 trustees appointed by the Minister of Finance. Terms of appointment are for four years. It is possible to serve for more than one term.

#### Trust Purpose

The Trust's purpose is for the Trustees to be responsible for the investment of the Trust Fund and to use it for charitable, cultural, philanthropic, recreational and other purposes which are beneficial to the community.

#### Trust Area

The community is generally the province of Otago, excluding the districts of Queenstown and West Otago which form part of the Community Trust of Southland.

#### **Trust Investments**

The Board sets the investment objectives and determines the asset allocation of the Trust. It appoints and reviews the performance of the fund managers in conjunction with advice from its asset consultants, Russell Investments Group, Auckland.

#### Trust Donations

The Board sets and reviews donations policies in accordance with its strategic objectives. The Trust's mission is to support encourage and enhance Otago communities by responsibly managing and sharing the resources which have been entrusted to it. Trustees' consider all applications received, which have previously been assessed by the staff.

#### **Trust Administration**

The Board is responsible for the administration of the Trust's activities. The Chief Executive has delegated authority for the day-today management of the Trust and for the implementation of the Trust's strategic objectives, and he also contributes towards the development of these objectives.

#### **Conflicts of Interest**

It is recognised that Trustees may have a wide range of involvement with the community and the potential for conflicts of interest will arise from time to time. These need to be managed appropriately.

The Trust maintains such disclosures in a conflicts of interest register. The Trust also maintains a standing interests' register, in which Trustees disclose their interests which might lead to actual or potential conflicts of interest. These registers are available for public inspection.



Back Row: Keith Ellwood, Rev Dr David Clark Third Row: Carol Melville, Donald Harley, Nina Kirifi Alai, Noeline Munro, Russell Hendry Second Row: Louise Croot, Nicola Taylor, Louise Rosson Front Row: Stuart Walker(Deputy Chair), Bill Thomson (Chair) Absent: Sally Hope, Raewynne Pedofski

## THE CHALLENGES OF BEING A LONG-TERM INVESTOR

The economic and financial events of the last twelve months have caused anxiety and uncertainty for most investors. It is a time when holding true to long-term investment objectives becomes more important than ever for longterm investors, to not be spooked by "market noise" which drains investor confidence and leads to irrational decision making.

The Otago Community Trust is the quintessential longterm investor. Its fund exists in perpetuity to benefit current and future beneficiaries. Annual income from the fund is used for three principal purposes: help pay donations and expenses in years of poor or negative investment returns. These reserves can be restored in years of excess returns. The magnitude of the current crisis has caused the largest drop in reserves that the Trust has experienced in its twenty year history. This situation causes a tension around the interests of current beneficiaries and future beneficiaries.

Deliberate financial exposure and a discipline around maintaining it is required to achieve the target level of annual income for the three principal purposes. The Trust portfolio is relatively conservative - 35% growth assets and 65% income assets. The



impact of adverse events and alter its investment strategies. It simply remains in the market throughout good and bad times, reviewing and sometimes adjusting its strategic asset allocation as appropriate to the circumstances.

In the meantime, the Trust business of approving donations carries on. While reserves are below minimum desirable levels, this is currently not a reason to stop donations in favour of reserving, especially when community need is higher during a recession. It has been necessary to reduce donations slightly to give reserves a better chance of being replenished. Reserves will be fully restored in due course, and donations can resume at the level the Fund is capable of sustaining over the long-term.

## **TRUST ORIGINS**

The Otago Community Trust was established in 1988 when the Government deregulated the banking industry. The Trust was vested with the shares in Trust Bank Otago Ltd, which were subsequently exchanged for shares in Trust Bank New Zealand Ltd when the regional Trust Banks merged. In the mid-1990s, the community trusts sold the shares in TrustBankNewZealandLtdtoWestpac Bank. The share sale proceeds for the Otago Community Trust were \$131 million, which formed the base fund. The Trust continues to retain this base fund and adds income to it each year to preserve its real value. It is the investment returns from these funds that enable the Trust to maintain its donations programme.



- Firstly, to protect the Fund against inflation by preserving its real value for future beneficiaries.
- Secondly, to provide donations to current beneficiaries, and meet the Trust's running expenses.
- Thirdly to maintain adequate vertices of the long term, growth is assets, ie shares, deliver higher is returns than income assets is cash and bonds. The trade-off is that growth shares carry considerably more risk. The vertices therefore sets aside a part of annual income to build up is reserves, which are drawn on to the trade of the trade
- risk and return characteristics of this portfolio suggest an annual return of about 7.1%, but it will range around that by plus or minus 10%, and every two years in five it will likely be outside this range. Market downturns are therefore expected; it simply goes with the territory. Most adverse events eventually become small blips on investment return charts as they fade into history We do not know when, how bad, and for how long adverse events will last, but we do expect rebounds to follow such events, and will remain in the market to reap the benefit from those rebounds. It is important the Trust does not attempt to second guess the timing and

#### Keith Ellwood Chief Executive July 2009

For Funding Information please visit our website: WWW.OCT.OTG.NZ or call us at 0800 101 240

### **SUMMARY INCOME STATEMENT**

For the year ended 31 March 2009 in New Zealand Dollars (\$000's)

2009	2008
(15,283)	5,235
(1,468)	(1,375)
(16,751)	3,860
10	31
(16,761)	3,829
	(15,283) (1,468) (16,751) 10

## SUMMARY STATEMENT OF CHANGES IN TRUST FUNDS

For the year ended 31 March 2009 in New Zealand Dollars (\$000's)

	2009	2008
Total trust funds at the beginning of the year	190,259	192,604
Surplus/(Deficit) for the year	(16,761)	3,829
Total recognised income and expense for the year	(16,761)	3,829
Donations approved during the year	(12,264)	(6,174)
Total trust funds at the end of the year	161,234	190,259

### SUMMARY BALANCE SHEE

As at 31 March 2009 in New Zealand Dollars (\$000's)

	2009	2008
Assets		
Investment property	1,680	1,680
Other investments	160,165	189,143
Other non-current assets	268	276
Total non-current assets	162,113	191,099
Cash and cash equivalents	224	2,760
Other current assets	7,846	18
Total current assets	8,070	2,778
Total assets	170,183	193,877
Trust funds	161,234	190,259
Trade and other payables (including donations)	8,738	3,416
Total current liabilities	8,738	3,416
Deferred tax liability	211	202
Total non-current liabilities	211	202
Total liabilities	8,949	3,618
Total trust funds and liabilities	170,183	193,877

Approved on behalf of the Trustees:

Chairperson 23 June, 2009

KRend Trustee

## **NOTES TO THE SUMMARY FINANCIAL** STATEMENTS

For the year ended 31 March 2009

These are the summary financial statements of Otago Community Trust for the year ended 31 March 2009.

The specific disclosures included in these summary financial statements have been extracted from the full annual financial statements dated 23 June 2009. The full annual financial statements dated 23 June 2009 have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

This summary financial report cannot be expected to provide as complete an understanding as provided by the full financial statement of the financial performance, financial position and cash flows of the Trust.

An unqualified audit opinion has been received on the full financial statement for the year ended 31 March 2009. A copy of the full Trust financial statements for the year ended 31 March 2009 may be obtained by contacting the Trust on (03) 479 0994.

This summary financial report has been examined by our auditor for consistency with the full financial statement. An unqualified audit opinion has been received. These summary financial statements were approved for issue by the Trustees on 23 June 2009.

#### **Basis of preparation**

Otago Community Trust is a public benefit entity and was incorporated as a Charitable Trust in accordance with the provisions of the Community Trusts Act 1999.

These are the summary consolidated financial statements of Otago Community Trust and its wholly owned subsidiary Fillmor House Limited and they comply with FRS 43: Summary Financial Statements.

The full consolidated financial statements upon which these Summary Financial Statements are based, have been prepared to comply with the NZ GAAP and the Financial Reporting Act 1993.

#### Specific accounting policies

All specific accounting policies have been applied on the same basis as those used in the full consolidated financial statements of the Trust.

#### Changes in accounting policies

There have been no changes in accounting policies during the year.

## AUDIT REPORT

## PolsonHiggs

#### To the Trustees of The Otago Community Trust

We have audited the summary group financial statements of The Otago Community Trust for the year ended 31 March 2009 as set out on this page.

#### Responsibilities of the Board of Trustees and the Auditor

The Board of Trustees are responsible for the preparation of the summary group financial statements in accordance with generally accepted accounting practice in New Zealand. It is our responsibility to express to you an independent opinion on the financial statements presented by the Trustees.

#### **Basis of Opinion**

Our audit was conducted in accordance with New Zealand Auditing Standards and involved carrying out procedures to ensure the summary group financial statements are consistent with the full financial statements on which the summary group report is based. We also evaluated the overall adequacy of the presentation of information in the summary group financial statements against the requirements of FRS-43: Summary Financial Statements.

We have performed a Human Resource consulting assignment for the Trust during the year. We have no other relationship with, or interest in the Trust or its subsidiary other than in our capacity as auditor.

### DIRECTORY

For the year ended 31 March 2009

#### Trustees

Trustees	
Bill Thomson	Balclutha
(Chairperson)	
Hilary Allison	Dunedin
(Retired May 2008)	
Duncan Butcher	Dunedin
(Retired May 2008)	
Rev. Dr. David Clark	Dunedin
(Appointed May 2008)	
Louise Croot	Dunedin
Donald Harley	Wanaka
(Appointed May 2008)	
Sally Hope	Oamaru
Russell Hendry	Dunedin
Nina Kirifi – Alai	Dunedin
(Appointed May 2008)	
Barbara Payton	Dunedin
(Retired May 2008)	
Noeline Munro	Dunedin
(Appointed May 2008)	
Raewyn Pedofski	Dunedin
Louise Rosson	Cromwell
Mark Ryan	Dunedin
(Retired May 2008)	
Nicola Taylor	Dunedin
Stuart Walker	Dunedin

#### **Chief Executive**

Keith Ellwood

#### **Registered Office**

2nd Floor Community Trust House Corner of Filleul Street & Moray Place, Dunedin

Auditor Polson Higgs, Dunedin

Solicitor Anderson Lloyd, Dunedin

Investment Advisor Russell Investment Group Limited Auckland

Bankers Westpac, Dunedin

23 June, 2009

#### ΙΑΙΕΜΕΝΙ ΟΓ (Α)ΠΓ

For the year ended 31 March 2009 in New Zealand Dollars (\$000's)

	2009	2008
Net cash outflow from operating activities	(1,254)	(1,070)
Net Cash from/used in investing activities	5,617	11,161
New cash from/used in financing activities	(6,899)	(8,216)
Net (decrease)/increase in cash and cash equivalents	(2,536)	1,875
Cash and cash equivalents at 1 April	2,760	885
Cash and cash equivalents at 31 March	224	2,760

#### **Ungualified Opinion**

In our opinion, the information reported in the summary group financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full group financial statements from which it is derived and upon which we expressed an unqualified audit opinion in our report to the Trustees dated 23 June 2009.

We completed our work for the purposes of this report on 23 June 2009.



**Chartered Accountants** Dunedin