

**Dunedin RSA Welfare Trust
Financial Statements
For year ended 31 December 2013**

TRUSTEES

M Eskrick
W Martin
J Broughton
J Glover
L Cocks
A Rooney
D Abercrombie
P Galloway

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**Dunedin RSA Welfare Trust
Statement of Accounting Policies
Year Ended 31 December 2013**

Reporting Entity

The financial statements presented here are for the reporting entity, Dunedin RSA Welfare Trust. The Trust Fund and income on capital are to be applied for the welfare of Returned Servicemen and ex Servicemen.

Differential Reporting

The Association qualifies for differential reporting as it is not publicly accountable, and the entity is not large as defined by paragraph 4.20 of the framework for differential reporting.

The Association has taken advantage of all differential reporting exemptions.

Measurement Base

The financial statements have been prepared on the basis of the historic cost modified for revaluation of certain assets.

Particular Accounting Policies

Bequests & Grants are brought in at the time of receipt.

Interest is accounted for on an accrual basis.

General Welfare Payments are accounted for at the time of payment.

Fixed Assets and Depreciation

Fixed Assets have been included at cost or valuation less accumulated depreciation. Depreciation has been provided for on the following basis:

Furniture & Equipment	Computer & other	20% diminishing value
Motorised Wheelchair/Motor scooters		20% diminishing value
Breathing Machine		20% diminishing value
Compressor System		20% diminishing value
Motor vehicles		20% diminishing value

Investments have been recorded at cost.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis.

Changes in Accounting Policies

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

Dunedin RSA Welfare Trust
Statement of Financial Performance
For The Year Ended 31 December 2013



	Note	2013 \$	2012 \$
Poppy Income & Expenses			
Poppy Day Receipts		64,713	86,913
Poppy Day Expenses		<u>(5,440)</u>	<u>(9,274)</u>
Net Poppy Income		59,273	77,638
Other Income			
Bequests & Grants	(1)	31,446	58,684
Dividends Received		3,223	508
PIE Income		6,454	256
Interest Received		5,419	24,084
Donations		43	1,500
Foreign Exchange Movement		242	-
Portfolio Management fees		(1,910)	-
Otago Regional Council - Taxis		36,840	46,981
Equipment Rental		-	52
Hearing Aid Batteries - Net		-	24
Total Other Income		<u>81,758</u>	<u>132,091</u>
Total Income		141,031	209,729
Expenses:			
COGS - Grant Spent		1,108	774
Accident Compensation Levy		672	-
Audit & Accountancy Fees		4,693	7,800
Advertising		1,391	2,895
Bank Charges		213	151
Computer /Copy Lease		5,039	5,904
Conference Expenses		694	1,413
General Expenses		322	316
Insurance		2,528	1,919
Legal Expenses		(1,970)	3,342
Motor Vehicle Expenses		1,256	1,569
Printing, Postage, Stationery, Document Destruction		1,651	3,596
Staff Training		26	78
Telephone		1,407	2,133
Wages & Kiwisaver		59,773	55,254
Website/IT Expenses		<u>385</u>	<u>401</u>
		79,190	87,548
Welfare			
Welfare Payments		<u>72,877</u>	<u>99,092</u>
Total Expenses before Depreciation		152,067	186,640
Depreciation/ Loss on disposal	(2)	<u>1,608</u>	<u>3,120</u>
Total Expenses Including Depreciation		153,675	189,760
Net Surplus/(Deficit) From Ordinary Activities	(4)	<u><u>(12,644)</u></u>	<u><u>19,970</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements

Dunedin RSA Welfare Trust
Statement of Financial Performance
For The Year Ended 31 December 2013

	Note	2013 \$	2012 \$
Endowment Fund			
Income			
Interest Endowment Fund		9,200	6,000
Expenditure			
Payments to Association	(6)	<u>9,200</u>	<u>6,000</u>
Total Expenses		<u>9,200</u>	<u>6,000</u>
Net Surplus/(Deficit) for Year		<u><u>-</u></u>	<u><u>-</u></u>
Service Member Welfare			
Interest		143	174
Expenditure		<u>143</u>	<u>174</u>
Net Surplus/(Deficit) for Year	(4)	<u><u>143</u></u>	<u><u>174</u></u>
Estate George Calder			
Income			
Interest - Estate G Calder		1,483	1,807
Expenditure		<u>1,483</u>	<u>1,807</u>
Net Surplus/(Deficit) for Year	(4)	<u><u>1,483</u></u>	<u><u>1,807</u></u>
Heritage			
Income			
Interest Received - Heritage		2,796	3,405
Expenditure		<u>2,796</u>	<u>3,405</u>
Net Surplus/(Deficit) for Year	(4)	<u><u>2,796</u></u>	<u><u>3,405</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements

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Dunedin RSA Welfare Trust

Statement of Movements in Equity

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<hr/>			
Equity at Start of Year	(4)	732,683	707,327
Surplus / (Deficit) General Purpose Fund	(4)	(12,644)	19,970
Surplus / (Deficit) Service Members	(4)	143	174
Surplus / (Deficit) Estate George Calder	(4)	1,483	1,807
Surplus/(Deficit) Heritage	(4)	<u>2,796</u>	<u>3,405</u>
Equity at End of Year	(4)	<u><u>724,460</u></u>	<u><u>732,683</u></u>

Equity consists of:

General Purpose Relief	(4)	377,382	390,027
Service Members Welfare	(4)	4,744	4,601
Estate George Calder	(4)	49,337	47,854
Endowment Fund	(4)	200,000	200,000
Heritage	(4)	<u>92,998</u>	<u>90,201</u>
	(4)	<u><u>724,460</u></u>	<u><u>732,683</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

**Dunedin RSA Welfare Trust
Statement of Financial Position
as at 31st December 2013**

	Note	2013 \$	2012 \$
<hr/>			
Equity	(4)	<u>724,460</u>	<u>732,683</u>
Represented by:			
Current Assets			
ANZ - Cheque Account		6,966	7,620
ANZ - Call account		20,767	68,373
Debtors - Dunedin RSA Association		3,221	826
Accrued Interest	(7)	478	31,454
GST Refund Due		2,260	4,440
Poppy Day Stock		2,797	5,131
Total Current Assets		<hr/> 36,489	<hr/> 117,844
Fixed Assets as per Schedule	(2)	6,785	8,828
Investments	(5)	704,241	628,330
Total Assets		<hr/> 747,515	<hr/> 755,001
Current Liabilities			
Accounts Payable		19,875	21,926
ANZ Businesscard		129	393
Endowment Monies	(6)	3,050	-
Total Current Liabilities		<hr/> 23,054	<hr/> 22,319
Net Assets		<u>724,460</u>	<u>732,683</u>

On Behalf of the Trustees

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

Dunedin RSA Welfare Trust
Notes to the Financial Statements
For The Year Ended 31 December 2013

1 Bequests & Grants

	2013	2012
	\$	\$
New Zealand Lottery Grants Board	-	25,000
Estate C F Mitchell	2,000	2,500
Estate A Jack	-	800
Estate JDS Roberts	4,000	3,000
Elgar Trust	2,900	5,450
RNZRSA	20,739	20,584
Others	1,807	352
COGS	-	998
	31,446	58,684

Note: Expenditure on grants received may not be fully utilised by 31 December 2013. Any unspent portion is not accounted for in these financial statements. Also if the grants are not spent on the authorised purpose then they may have to be returned to the provider, either in part or in full.

2 Fixed Assets and Depreciation

	Cost	BV	Depn	Accum	BV
	\$	31.12.12		Depn	31.12.13
Administration	20,057	6,824	1,364	14,597	5,460
Scooters/wheelchairs	15,210	1,814	293	14,037	1,173
Breathing equipment	3,830	190	38	3,678	152
	39,097	8,828	1,695	32,312	6,785
Depreciation Recovered sale of scooter			87		
Net Depreciation as per Statement of Financial Performance			1,608		

3 Endowment Fund

In 1997 an endowment fund of \$500,000 was set up, \$300,000 has since been used by the Association. The net income earned on this investment is paid to the Association. (Refer Note 6). From Dec 2011 onwards, 50% of the endowment income normally paid to the association is to be retained by the trust to reduce the loan to the Association.

4 Reserves

	General Fund	Service Members	G Calder	Endowment Fund	Heritage	Total
Balance 31.12.12	390,027	4,601	47,854	200,000	90,201	732,683
Surplus/(deficit)	(12,644)	143	1,483	0	2,796	(8,222)
Balance 31.12.13	377,383	4,744	49,337	200,000	92,997	724,460

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**Dunedin RSA Welfare Trust
Notes to the Financial Statements
For The Year Ended 31 December 2013**

5 Investments

	2013	2012
	\$	\$
United Services & Community Club Mortgage 5%	0	150,000
United Services & Community Club 5%	0	32,058
United Services & Community Club 7.25%	0	34,661
Loan to Dunedin RSA Association (Note 6)	85,124	89,724
Welfare Loans (Guaranteed by Mortgage)	19,875	19,875
Investments via Craigs Investment Partners	599,242	302,012
	704,241	628,330

6 Related Party Transactions

The Trust paid \$9,200 to the Association from the "Endowment Fund" (refer Note 3, of which 50% i.e. \$4,600 was used to reduce the loan (as shown in note 5 above).

As at 31 December 2013 \$3,050 was owed from the endowment trust to the association.

	2013	2012
	\$	\$
Paid during year	6,150	6,875
Less owing 1 January	0	(875)
Plus owing 31 December	3,050	0
	9,200	6,000

The Trust has made an interest free advance to the Association. As at 31 December 2013 the Trust is owed \$85,124 by the Association. (See Note 5).

7 Accrued Interest

This year's note:

Accrued interest on investments held with Craigs Investment Partners was \$478 at 31 December 2013.

Last year's note:

The United Services & Community Club went into liquidation. As at 31 December 2012 \$216,058 was owed for mortgages (May 2011 Balances), plus accrued interest of \$31,454. These amounts were repaid in full on 15 February 2013. In addition to these amounts, the Trust is seeking \$9,138 of costs from the liquidators. This amount has not been included in the financial statements as there is no certainty that this money will be paid, either in part or in full.

**AUDIT REPORT TO MEMBERS OF
DUNEDIN RSA WELFARE TRUST
FOR THE YEAR ENDED 31 DECEMBER 2013**

We have audited the financial report for the Dunedin RSA Welfare Trust on pages 1 to 7. The financial report provides information about the past financial performance of the Trust and its financial position as at 31 December 2013. This information is stated in accordance with the accounting policies set out on page 1.

TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for the preparation of a financial report, which fairly reflects the financial position of the Trust as at 31 December 2013 and of the results of operations for the year ended on that date.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Trustees and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

the significant estimates and judgements made by the Trustees in the preparation of the financial report, and

whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

In addition to our capacity as auditors we compiled the financial statements. Other than that we have no relationship or interest in the Trust.


QUALIFIED OPINION

Control over poppy day receipts, donations, and bequests prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone we have not obtained all the information and explanations we have required. In our opinion, except for adjustments that might have found to be necessary had we been able to obtain sufficient evidence concerning poppy day receipts, donations, and bequests, the financial report on pages 1 to 7 fairly reflects the results of operations for the year ended 31 December 2013.

In our opinion the financial report on pages 1 to 7 fairly reflects the financial position of the Trust as at 31 December 2013.

Our audit was completed on 27 March 2014 and our qualified opinion is expressed as at that date.


J W Smeaton & Co.
DUNEDIN