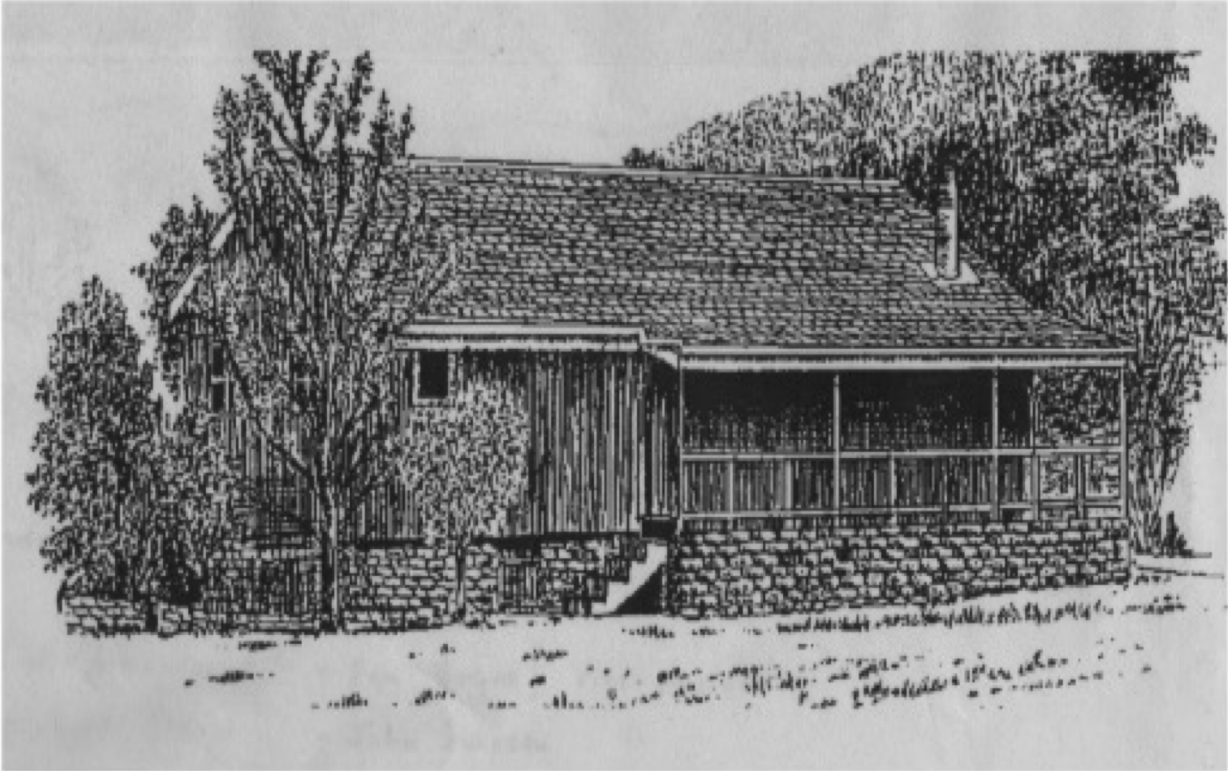


# **THE BOYS' BRIGADE NORTHERN REGIONAL TRUST**



Michael Stead Memorial Lodge - Kauaeranga Valley

## **ANNUAL REPORT FOR YEAR TO 31 DECEMBER 2016**



# THE BOYS' BRIGADE NORTHERN REGIONAL TRUST

Registered New Zealand Charity no: CC33116

**Basis of Trust** The Trust was established as The Auckland Boys' Brigade Trust by deed dated 23 June 1983 to take over the assets and financial affairs of The Boys' Brigade Auckland Battalion Incorporated and of the other three unincorporated Auckland Battalions.

It became The Boys' Brigade Northern Regional Trust on 13 December 1989, widening its scope and sharing its resources by agreement with the other Battalions of the Brigade in the Region, from Taupo north.

Trustees are appointed by the Executive of The Boys' Brigade in New Zealand Inc. for two-year terms, as provided for in the deed. Trustees operate under the provisions of:

- the Trust Deed, 13 December 1989, amended 1 July 1992
- the Charitable Trusts Act 1957 and amendments
- the Charities Act 2005
- the Trustee Act 1956 and amendments

**Trust objectives** The Trust is charged with managing its assets "to further the ongoing work of the Brigade in the Northern Region" as detailed in the deed.

The Brigade itself exists to enhance the spiritual, mental, social and physical development of Boys and young men.

**Trust powers** The Trust's powers are also detailed in the deed. Among other actions, the Trust is empowered to:

- provide financial and property management services for the Northern Region including the soliciting for and the raising of further funds at the discretion of the Trustees.
- contribute towards development and outreach of the Brigade.
- contribute towards leadership training.
- make grants to Brigade and ICONZ units.

## REVIEW OF THE YEAR 2016

The main activities of the Trust during the year were:

- Meetings** The Trust met twice during the year, a full meeting in March and a consultation meeting with John Simpson of the Maerewhenua Trust in November. It also held numerous telephone and email consultations to resolve issues arising at other times.
- Trustee changes** No changes of Trustees occurred during the year.
- Investments** Trustees' responsibilities under the Trustee Act 1955 include prudence with Trust funds. During the recent recession years, they used term deposits only, spread between several registered banks and the Presbyterian and Baptist Savings Societies. This policy saw income drop, even though above-average interest rates were obtained, but it protected the funds. Each year, part of the income has been added to a separately identified Stedfast Fund in the Trust's accounts, to ensure that funds do not lose value with inflation. Trustees are also moving towards having all funds with New Zealand owned organisations. Since late 2013, part of the Trust's funds have been placed with a reputable funds manager, Milford Asset Management, whose funds are spread over a wide range of entities, reducing risk, but providing a higher return than bank term deposits. The amount invested with Milford Asset Management was increased during the year. Milford provide excellent information sessions for investors, which one or more Trustees attend.
- Projects funded** The major project has continued to be the employment and related costs of a Development Manager for The Boys' Brigade in New Zealand, to provide leadership stimulus, training and growth for its BB and ICONZ programmes for Boys and young men in the region in a fun, Christian environment. The number of new ICONZ units has continued to grow. As well as helping churches to get units started and training new leaders, the Development Manager organised a number of successful, large-scale, fun events enjoyed by Boys and leaders from across the Region.
- The Trust subsidised the costs of six young men from the Region who attended the Brigade's National Leadership Development Courses.
- A \$200 Start-up Grant was paid to the Mount ICONZ unit formed during the year at Mount Maunganui.
- Banking** The move to mobile and on-line banking services by ASB Bank and others has made money management much easier for the Trustees (and all other voluntary agencies requiring two signatories on cheques). One signatory sets up a payment on-line and another co-authorises it. Previously, cheques had to be mailed or posted to another signatory for signing before on-sending to the payee. On-line banking has saved a huge amount of volunteer time while still protecting Trust funds.

**MSML**

The Michael Stead Memorial Lodge was opened in 1976 and named in honour of Michael Stead of the 2<sup>nd</sup> Auckland Company at Greenlane Presbyterian Church, tragically drowned in a canoeing accident on the Whanganui River. Michael's now elderly parents live in Northcote. (Bob Stead was a BB officer in Birkenhead when our Chairman was a Boy.)

Ross McCarthy has maintained the Lodge for many years and upgrades and adds to facilities. The Lodge, in beautiful natural surroundings, sleeps 24, has solar-powered lighting and hot water, and gas for cooking and refrigeration.

During 2016, the Lodge continued to provide an activity base for a number of Brigade and other users. It is advertised on the Trust's and BBNZ's website. Bookings have increased but the Lodge is still under-utilised, so the Trust encourages more use by BB and ICONZ units and families. Lawn-mowing and security oversight is provided by the caretaker of the neighbouring Kauaeranga Valley Education Trust's lodge. Costs for this and for water rights are shared.



*Ross McCarthy replaced the original ramp in 2015 for safer access.*

**Nigel Hanlon Hut** This garage-sized hut at Piha has been used by BB companies since 1955 when it was first placed on land within the Auckland Centennial Memorial Park, now part of Auckland Council's Waitakeres parkland. It was later named after a Boy from the 56<sup>th</sup> Auckland Company at Northcote Baptist Church, killed in an accident.

During the years when the Trust owned Stedfast Park at Piha, use of the Hut became minimal and facilities deteriorated. After Stedfast Park was sold, the Trust renovated the Hut and provided new facilities. Graeme Johansen has Portfolio responsibility for it and Roly Stanley maintains it. A new lease was agreed with Auckland Council in 2015. Use of the Hut is increasing steadily.



**Communications** The Trust has its own webpage *[northernregion.bb.org.nz](http://northernregion.bb.org.nz)* linked to the BBNZ site, advertising its purposes, activities and properties. We are very grateful to the BBNZ webmaster for this.

A supply of quality Trust-branded pens was purchased and issued to all leaders in New Zealand in 2016. Trustees have also given pens to individuals and groups to promote good-will and awareness.

To apply for a grant, send a simple email with the basic information to [bbnrtrust@gmail.com](mailto:bbnrtrust@gmail.com) and a form will be sent to you.



The motto of The Boys' Brigade, selected from Hebrews 6:19 from the King James version of the Bible (hence the spelling) by the Brigade's Founder, Sir William Alexander Smith in Glasgow in 1883.

## IN THE PIPELINE FOR 2017

During 2017, the Trust intends :

- to continue to review its investment policy, and in particular, following the fall in interest rates, to increase its investment with Milford Asset Management.
- to consult with BBNZ over use of any increased investment income to provide leadership support and development for Brigade and ICONZ groups in the Region,
- to assist training of more young leaders by again subsidising course and travel costs,
- to subsidise Regional events when appropriate,
- to make grants to individual ICONZ and BB units, according to agreed criteria,

To apply for a grant, send a simple email with the basic information to [bbnrtrust@gmail.com](mailto:bbnrtrust@gmail.com) and a form will be sent to you.

- to develop and implement a more comprehensive communications and marketing policy to enable its role and facilities to be better known and understood within the Brigade and ICONZ movement, and to recreate a profile with potential outside funders.
- to find an auditor/reviewer who will complete the very necessary task of verifying the accuracy and adequate disclosure of the Trust's financial statements.



## THANKS TO VOLUNTEERS AND FRIENDS OF THE TRUST

The Trust is very grateful for the work of the following people during the year:

**Treasurer** Anne MacCarthy, widow of the Trust's late treasurer Bruce, has been very patient in forwarding emails and mail from institutions which, despite being told of changed addresses, failed to implement them in every part of their systems. Anne is now spending more time enjoying her children and grandchildren.

**Auditor** See note on page 6

**Financial Adviser** Alistair Ross of Milford Asset Management was promoted and his role as our advisor has been very adequately filled by David Vickery. The Chairman monitored fund performance and kept Trustees informed.

**Solicitors** Les Allen of Gaze Burt Solicitors was available during the year for legal advice and services, and provided or facilitated courses available to volunteers and Trustees in the not-for-profit sector in Auckland.

**Charities Services** This section of the Department of Internal Affairs provides Trustees with newsletters and seminar and conference opportunities to enhance their knowledge and skills in their roles.

**BBNZ** Michael Good, BBNZ Director attended some Trust meetings and kept Trustees informed about BBNZ Executive's plans and needs and about what is happening across the country. Andrew Marquet provided Trustees with occasional reports and information about Regional events. Richard Ooi mailed the pens and letters to leaders across the country.

## THE BOYS' BRIGADE NORTHERN REGIONAL TRUST - CONSOLIDATED FINANCIAL STATEMENTS

## FINANCIAL PERFORMANCE for the year ending 31 December 2016

	N R T General	Michael Stead Memorial Lodge	Nigel Hanlon Hut (Note 3)	This Year Consolidated	2015 Consolidated
<b>INCOME</b>					
Camp Fees etc		7,193.04	133.91	7,326.96	7,846.08
Donations etc	0.00	0.00	0.00	0.00	0.00
Interest	52,832.76			52,832.76	43,412.26
<b>Total Income</b>	52,832.76	7,193.04	133.91	60,159.72	51,258.34
<b>EXPENDITURE</b>					
Donations and Grants to BBNZ	69,999.80			69,999.80	69,999.80
Grants to BB/CONZ Groups and Young Leaders	1,940.00			1,940.00	1,532.00
Repairs and Maintenance		4,078.96	0.00	4,078.96	852.20
Operating costs	1,748.31	4,764.86	264.43	6,777.60	4,928.49
<b>Total Expenditure</b>	73,688.11	8,843.81	264.43	82,796.36	77,312.49
<b>SURPLUS/DEFICIT - before Depreciation</b>	-20,855.35	-1,650.77	-130.52	-22,636.64	-26,054.15
less Depreciation (Note 1)	225.60	496.20		721.80	872.21
Transfer to Capital Preservation - 2015 (Note 2)	10,000.00			10,000.00	15,000.00
<b>SURPLUS/DEFICIT Transferred to Accum. Funds</b>	-31,080.95	-2,146.97	-130.52	-33,358.44	-41,926.36
Gain on Milford Asset Management Investment	33,652.00			33,652.00	47,194.00
<b>SURPLUS/DEFICIT if MAM portfolio realisable</b>	2,571.05	-2,146.97	-130.52	293.56	5,267.64
% return on MAM portfolio	5.177%				9.44%

## FINANCIAL POSITION as at 31 December 2016

	N R T General	M Stead Mem Lodge	Nigel Hanlon Hut	This Year Consolidated	Prior Year Consolidated
<b>CURRENT ASSETS</b>					
ASB Bank Cheque Accounts (129-00; 110-00)	944.05	2,299.33		3,243.38	9,561.19
ASB Savings On Call a/c (129-52)	122,587.92			122,587.92	
KIWIBANK - Now a/c	12,174.68			12,174.68	174.68
RABODIRECT - Savings a/c	931.29			931.29	7.44
Accrued Interest	25,269.56			25,269.56	19,328.29
Gain on Milford Asset Management Investment	141,073.00			141,073.00	107,421.00
GST refund due to us	589.08			589.08	291.60
Loans - Internal	26,000.00			26,000.00	27,000.00
Sundry Debtors - Internal	2,379.84			2,379.84	2,293.17
<b>Total Current Assets</b>	331,949.42	2,299.33	0.00	334,248.75	166,077.37
<b>FIXED ASSETS</b>					
MSML Buildings, Nigel Hanlon Hut, Computer	338.41	10,632.81	0.00	10,971.22	11,693.02
<b>Total Fixed Assets (at cost less accum. Depreciation)</b>	338.41	10,632.81	0.00	10,971.22	11,693.02
<b>TERM ASSETS</b>					
Baptist Savings - 35535-1 to 27/3/17 @ 3.25%	179,449.48			179,449.48	186,347.80
Baptist Savings - 12D8172-2 to 24/3/16 @ 4.4%	0.00			0.00	323,214.07
KiwiBank - Matures 6/4/17 @ 3.3%	326,994.81			326,994.81	312,764.05
Rabodirect - Matures 5/10/18 @ 4.0%	321,472.60			321,472.60	314,250.00
Milford Asset Management - Private Portfolio	650,000.00			650,000.00	500,000.00
<b>Total Investments</b>	1,477,916.89	0.00	0.00	1,477,916.89	1,636,575.92
<b>TOTAL ASSETS</b>	1,810,204.72	12,932.14	0.00	1,823,136.86	1,814,346.31
<b>CURRENT LIABILITIES</b>					
Sundry Creditors - Internal		2,379.84		2,379.84	2,293.17
Sundry Creditors - External		0.00		0.00	0.00
G S T Liability to pay	0			0.00	589.68
Loans - Internal		26,000.00		26,000.00	27,000.00
<b>Total Current Liabilities</b>	0.00	28,379.84	0.00	28,379.84	29,882.85
<b>TOTAL LIABILITIES</b>	0.00	28,379.84	0.00	28,379.84	29,882.85
<b>TRUST FUNDS EMPLOYED</b>	1,810,204.72	-15,447.70	0.00	1,794,757.02	1,784,463.46
<b>ACCUMULATED FUNDS</b>					
Balance at start of Period	90,343.19	-13,300.73		77,042.46	118,968.82
Surplus/Deficit this year	-31,080.95	-2,146.97	-130.52	-33,358.44	-41,926.36
Transfer to NRT General fund from NHH	-130.52		130.52		
<b>Sub-total Accumulated Funds</b>	59,131.72	-15,447.70	0.00	43,684.02	77,042.46
Gain on Milford Asset Management Investment	141,073.00			141,073.00	107,421.00
Capital Preservation Reserve (Stedfast Fund)	1,610,000.00			1,610,000.00	1,600,000.00
<b>TOTAL ACCUMULATED FUNDS</b>	1,810,204.72	-15,447.70	0.00	1,794,757.02	1,784,463.46
<b>Variance</b>	0.00	0.00	0.00	0.00	0.00

## CASH FLOWS through ASB Bank Accounts

	N R T General	M Stead Mem Lodge	Nigel Hanlon Hut	This Year Consolidated	Prior Year Consolidated
Balances at start of period	4,468.62	5,092.57		9,561.19	12,268.36
Add all receipts	387,556.67	14,285.00		401,841.67	82,117.76
Subtotals	392,025.29	19,377.57		411,402.86	94,386.12
Deduct all payments	391,081.24	17,078.24		408,159.48	84,824.93
Balances at end of period	944.05	2,299.33	Incl in Gen a/c	3,243.38	9,561.19

## THE BOYS' BRIGADE NORTHERN REGIONAL TRUST - CONSOLIDATED ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

## 1 Depreciation

Buildings are depreciated on a straight-line basis. The Nigel Hanlon Hut is fully depreciated. Computer equipment is depreciated at 40% of diminished value

## 2 Capital preservation

It is Trust policy to protect its investments by transferring funds to a capital preservation reserve referred to as the Stedfast Fund at a rate at least equal to the annual increase in the CPI. In 2016 CPI annualised for the September quarter was 0.4% and 0.4% of \$1.6m = \$6400

## 3 Accounting entities

The Trust is a single legal entity. It maintains the Michael Stead Memorial Lodge as a separate accounting entity for management purposes and it has a separate bank account. The Nigel Hanlon Hut operations are identified separately also for management purposes but it has no separate bank account and its surpluses are combined with the Trust's General Fund.

## 4 Milford Asset Management Private Portfolio

Because current value of the portfolio varies from day to day as a result of market fluctuations, the asset is valued at original contribution value only. The increase in market valuation at the end of the financial year is reported in a manner which reflects its uncertain realisable value even though the whole market value is at call. The portfolio is spread over a large number of investment instruments and funds, with each containing less than 5% of the Trust's investment.

## 5 GST

The financial statements report all amounts exclusive of GST. To make the Trust's liability for GST (or refund due) at 31 December clearer on the Statement of Financial Position, it is currently aggregated into the Trust General column and no longer split between General and MSML.

## TRUSTEES AND OFFICERS

**Trustee, Chairman - Ian Bogue** JP BA(Auck) BBS(Massey) DipTchg Retired as Head of Department, Commerce, at Mount Albert Grammar School. Ian worked in the wholesale motor industry during the 1960s. He served in The Boys' Brigade at local level, as national Vice-President then Treasurer 1989-1997 and on national and regional executives and trusts. An elder at St Andrews Presbyterian Church Birkenhead. Justice of the Peace since 1990. Married with three daughters and three grandsons, Ian and Robyn sail "The Ritz" in Gulf and coastal waters whenever possible.

**Trustee, Secretary – Bevan Brown** Registered Surveyor, with his own practice on Auckland's North Shore. Bevan was a long-serving BB Company Captain (14<sup>th</sup> Dunedin and 58<sup>th</sup> Auckland). He also served on Auckland, Regional and National Executives and held various camping and training roles. Bevan was a founding Elder of Forrest Hill Presbyterian Church and now attends Northcote Baptist Church. Bevan has two children and four grandchildren.

**Trustee - Bruce Sai Louie** PGDipIHM – A familiar face to most Brigade leaders throughout New Zealand, Bruce was for some years a Field Officer, National Development Officer then National Director of BBNZ, and filled a number of other roles including publications work and camp and event planning. A former member and Captain of the 2<sup>nd</sup> Auckland Company at Greenlane, Bruce is Retail Operations Manager at AUT University and lives in Mission Bay. Bruce holds the Grant Applications portfolio.

**Trustee - Ward Fischer** OBE JP MCIT MNZIM. Road Safety Consultant. Sailor. Author of numerous road safety books and publications and co-author of BBNZ's "Beyond 100 – A Development Plan". BB Officer since 1964. Former Founding Captain of two BB Companies. Past Vice-President BBNZ. Member of BBNZ National Executive for 13 years. Initiated extension and training work in parts of the Pacific. Author and Director of BBNZ's Stage Two National Leadership Development Courses for 20 years. President of BB Waikato. Holder of the Investments Policy portfolio.

**Trustee - Graeme Johansen** BArch ANZIA - Graeme is a Qantas Flight Attendant who also manages his own architectural practice. He was Chairman of the Auckland Boys' Choir for 10 years and is a member of St Andrews Epsom choir. Graeme has had long service as a Boys' Brigade Company Captain. He has served on the West Auckland and Northern Regional Executives and for some time chaired the Funding Committee of BBNZ. Graeme holds the Property portfolio - Nigel Hanlon Hut.

**Trustee – Ross McCarthy** Airline pilot with Qantas. Former Captain of the 32<sup>nd</sup> Auckland (Howick) Company, Ross has served on executives at regional and national levels. He has been active in training at NLDC courses for many years. Ross convened the Michael Stead Memorial Lodge committee for the Trust for a number of years before becoming a Trustee with the Property portfolio - MSML. Ross is married with four children.

**Trustee – Mark Davie** Mark joined the Trust late in 2012. He is the founder Senior Leader of the ICONZ Unit at Franklin Baptist Church. This very successful ICONZ Unit is in its 9<sup>th</sup> year. Mark was a BB Boy himself and earned his Queen's Badge in the 12<sup>th</sup> Auckland Company at Papatoetoe. Mark and wife Darlene have two school-age children and he manages his own Insurance Brokerage at Pukekohe.

**Treasurer** The Chairman (acting)

**Reviewer**

**Solicitor** Les Allen of Gaze Burt, 1 Nelson Street Auckland

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