



Annual Report of the

Winston Churchill Memorial Trust Board

for the year ended 31 March 2023

*Presented to the House of Representatives Pursuant to Section 23
of the Winston Churchill Memorial Trust Act 1965*

Winston Churchill Memorial Trust
Annual Report for the year ended 31 March 2023

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Patron

Her Excellency, The Right Honourable Dame Cindy Kiro, GNZM, QSO, Governor-General of New Zealand.

Board Members

David Ivory (Chair appointed 10 July 2023)

Semi Asafo

Ben Brooks

Alison Cadman

Ian McDonald

Rogena Sterling

Jason Sebastian

Julie Hardaker (appointed 10 July 2023)

Tony Lepper (appointed 10 July 2023)

Joy Tracey (Chair until term ended on 9 July 2023)

Adina Thorn (resigned with effect from 8 February 2023)

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Facebook:

<https://www.facebook.com/winstonchurchillmemorialtrustnz/>

Charities Registration number:

CC20454

Role

The Trust Board (Board) was established by the Winston Churchill Memorial Trust Act 1965 (the Act). Its purpose is to administer the Fund set up by the Act, comprising of funds from the Government and public subscription, in memory of Sir Winston Churchill.

It was Sir Winston Churchill's wish to be remembered by a scheme that supports people to travel to achieve an objective which might not otherwise be possible; with a focus on objectives that promote understanding and gives benefit to people and communities. The Department of Internal Affairs provides secretariat services to the Board.

Objectives and Functions

The Act empowers the Board to award Fellowships and an accompanying grant for purposes beneficial to the community.

Fellowship grants are made to individuals for Fellowship projects, that may include overseas travel, that will contribute to the general advancement of any occupation, calling, trade, business or profession in New Zealand, and will be of benefit in general to New Zealand, or to the maintenance or advancement of the Commonwealth as a beneficial influence in world affairs. Fellowship recipients must provide a report on their Fellowship project, which is made publicly available on the website www.wcmt.co.nz.

Minister for the Community and Voluntary Sector

In December 2002, the functions, duties and powers of the Minister of Internal Affairs in relation to the Winston Churchill Memorial Trust Act 1965 were delegated to the Minister for the Community and Voluntary Sector. This was enabled under Section 7 of the Constitution Act 1986.

Appointment of Members

The Board comprises nine members who are appointed for a term of six years, unless they are completing the term of a member who resigned. The appointment of any person to membership of the Board is made by the Governor-General on the recommendation of the Minister for the Community and Voluntary Sector.

Chair Report 2022/2023

Winston Churchill Fellowships assist New Zealanders from all walks of life to travel overseas to research topics of significance, and return with inspiration and experience that benefit their careers, communities and New Zealand.

The Board would like to acknowledge and thank its Patron, Her Excellency, The Right Honourable Dame Cindy Kiro, GNZM, QSO, Governor-General of New Zealand. It would also like to recognise that Dr Richard Davies, Dame Cindy's husband, is a Winston Churchill Fellow.

The highlight of the year was the removal of international travel restrictions and the return to business as usual. Fellowship recipient's from 2019 and 2020 were able to travel overseas and complete their Fellowship journey of discovery.

The Board was once again able to offer a Fellowship funding round for travel in the 2023 calendar year. The nine Winston Churchill Fellowships awarded in 2022 cover a diverse range of topics - film production, archaeological repositories, community philanthropy foundations, civics education and democratic participation, no, or impaired, vision parent-led community programmes, digital health equity, prisoner re-entry in to the community, diabetic foot care, and water management.

The Winston Churchill McNeish Writers' Fellowship was established in 2012 by Sir James and Lady McNeish to encourage promising writers and journalists to travel and live in other cultures. The 2023 Winston Churchill McNeish Writers Fellowship was awarded to Kathryn van Beck to take up a Writers Residency in Hungary.

Over the past few years the Board has strengthened its relationship with the Winston Churchill Trust in Australia and the Winston Churchill Trust in the United Kingdom. A meeting during the year with the Australian Trust canvassed opportunities for working closer together, particularly engagement with and between Fellows on both sides of the Tasman, and holding shared virtual media events such as webinars. The Board will be encouraging Aotearoa New Zealand Fellows to attend the Australian Trust's biennial Fellow's Convention in Adelaide 20 - 22 October 2023. The Australian Trust is now providing the Board invaluable back office support.

The Trust's investment returns improved this year with the advantage of higher interest rates. The Board has a long-term investment framework and a conservative risk tolerance that gives it the ability to withstand market volatility in the short to medium term.

Adina Thorn resigned from the Board on 8 February 2023. I would like to publicly acknowledge her support to the Trust and contribution to the Board during the five and a half years she was a Board member. The appointment of seven new board members between August 2021 and February 2022 introduced greater diversity, and included three Churchill Fellows.

I thank my fellow Board members for their commitment and contribution as we returned to our core role of awarding Fellowships, reviewing Fellowship recipient reports, and supporting our Fellows. We are relieved that our role no longer includes support to covid delayed Fellowship awardees travel.

The Board continues to be well supported by the Secretariat within the Department of Internal Affairs. Their contribution to the Board during the year, and support to me has been

valued and much appreciated. I would also like to acknowledge the support and assistance of our fellow Trusts in the United Kingdom and Australia, both to me personally as Chair, and generally to the Board as we worked to enhance the profile of the Winston Churchill Trust in New Zealand.

My term on the Board ends on 30 June 2023. Since my appointment in 2017, I have been committed to promoting the Trust and ensuring its long-term viability. During this time, I had the privilege of serving as Chair of the Finance and Investment Committee starting in 2017, and later as Chair of the Board from August 2021 (Acting chair from Feb 2020). It has been an immense honour to be part of this organisation and to contribute to its growth and success.

The strategic aspirations adopted by the Board in 2020, aimed at ensuring the long-term sustainability of the Trust continue to guide decision-making. A key focus has been the revision and external management of our investment strategy for managed funds to achieve consistent growth in investment value over a 10 year plus time horizon while generating sustainable annual income.

I wish the Board well as they continue to work towards achieving the Trust's aspirations, and more importantly, to ensuring that Trust Fellowships deliver a valuable contribution to an inclusive and diverse Aotearoa. I thank them for their support.



Joy Tracey

Chair

2023 Winston Churchill Memorial Trust Fellowship Recipients

Amanda Young-Hauser (Whaingaroa Raglan): To investigate if the United Kingdom Circles of Support and Accountability model to reintegrate men into the community after serving a prison sentence for sexually abusing children, can be culturally adapted and established to work successfully in Aotearoa New Zealand.

Amio Matenga Ikihele (Tāmaki Makaurau Auckland): To explore how digital health equity is being addressed in underserved communities in the USA to inform the development of a digital health ecosystem that aims to ensure future healthcare using digital health technologies are culturally acceptable and equitable for Pacific communities.

Eleanor Cater (Porirua): To study the growth of community philanthropy foundations in the United Kingdom to inform strategies to grow community philanthropic investment in Aotearoa New Zealand.

Jessica Lennon (Te Papaioea Palmerston North): To explore diabetic education practice and the implementation of diabetic foot care programmes in vulnerable communities in the USA and Canada, and their adaptability to the Aotearoa environment.

Josh Irvine (Tāmaki Makaurau Auckland): To investigate water management practice challenges and innovative solutions and thinking in the USA and Scandinavia that can be adapted to the Aotearoa environment for better water quantity and quality outcomes.

Katharine Watson (Ōtautahi Christchurch): To study physical and digital archaeological repositories in England and the USA to see how they operate and talk to the people who run them, to learn how best to establish and run an archaeological repository, and apply this knowledge in Aotearoa.

Pietra Brett Kelly (Tāmaki Makaurau Auckland): To investigate film production frameworks that shift the power imbalance that sometimes exists between filmmakers and subjects over Intellectual Property, Story Sovereignty and the Financials of a film production.

Rebekah Graham (Kirikiriroa Hamilton): To investigate/research parent-led programmes by community groups that are being implemented for parents of blind, deafblind, low vision or vision-impaired young people, and which result in positive, abuse-free, neglect-free lives for the disabled young person and/or increased employment for blind youth assess how they might be reworked to fit within Aotearoa's unique cultural context.

Tania Sawicki Mead (Te Whanganui-a-Tara Wellington): To explore the impact of voting rights at 16 years old, and school based civics education in Scotland, Wales, and Austria, on young people's democratic participation and youth wellbeing, to inform debate in Aotearoa about lowering the voting age and extending civics education in Aotearoa New Zealand schools.

2023 Winston Churchill McNeish Writer's Fellowship

Kathryn van Beek (Kōpūtai Port Chalmers): Participation in a Writers Residency in Hungary.

**Winston Churchill Memorial Trust
Performance Report**

for the year ended

31 March 2023

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Winston Churchill Memorial Trust

Entity Information for the year ended 31 March 2023

Legal Name of Entity:

Winston Churchill Memorial Trust

Type of Entity and Legal Basis:

A Statutory Trust established by the Winston Churchill Memorial Trust Act 1965 (the Act).

Registered Number:

CC20454

Purpose or Mission

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

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

Structure

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

Main Sources of Cash and Resources:

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

Main Methods Used to Generate Income

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

Reliance on Volunteers and Donated Goods or Services

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

Administrative Costs

The administrative costs of \$36,516 (2022: \$33,833) shown in the Statement of Financial Performance are the only such costs borne by the Trust. The Crown funds the Department of Internal Affairs to provide secretariat, advisory and accounting services to the Trust.

Winston Churchill Memorial Trust
Statement of Service Performance
for the year ended
31 March 2023

Winston Churchill Memorial Trust Outcomes

The Fund contributes to the following outcome:

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

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

Winston Churchill Memorial Trust Outputs

Winston Churchill Fellowships:

Ten fellowships were awarded in the financial year (last year none)

Partnered Fellowships:

Applications are called by the Winston Churchill Memorial Trust concurrently with Winston Churchill Fellowships. Fellowships are awarded subject to the funding available and the potential contribution an application will make to achieving Partnered Fellowship outcomes.

The Winston Churchill McNeish Writer's Fellowship is awarded every two years or as funds permit. The Fellowship was awarded in this financial year.

During the year the Board and the Winston Churchill New Zealand China Friendship Society Fellowship (NZCFS) agreed to end their partnership due to uncertainty around achieving the objectives of the Fellowship. The last Fellowship was awarded in 2019, but declined in 2020, when COVID prevented travel to China. The Winston Churchill China Friendship Society principal funds held on its behalf, \$7,130, were returned on 1 May 2023.

Fellows' Fellowship Fund:

As part of the Trust's 50th anniversary the Board established a special fund to receive donations from Fellows and others. Contributions will be accumulated to build the special fund to a level where the earnings will support an ongoing regular Fellowship. No Fellowships have been awarded.

Winston Churchill Memorial Trust
Statement of Financial Performance
for the year ended
31 March 2023

	Actual 2023 \$	Actual 2022 \$
Revenue		
Interest revenue	49,269	30,918
Dividends	93,478	98,597
Total Revenue	142,747	129,515
Expenses		
Other expenses	18,855	23,542
Audit fee	9,775	9,355
Trustee travel, accommodation and expenses	7,886	936
Total Expenses	36,516	33,833
Net Income before Fellowship Grants and Capital Items	106,231	95,682
Fellowship Grants		
Grants approved to Fellowship recipients	94,584	4,787
Fellowship grant amounts returned/not claimed	(20,420)	(6,376)
Total Fellowship Grants	74,164	(1,589)
Capital Items		
Net realised (loss) on sale of investments	(29,640)	(21,177)
Net unrealised (loss)/gain on revaluation of investment portfolio	(252,411)	106,550
Net gain/(loss) on foreign exchange	56	(675)
Total Capital Items	(281,995)	84,698
Surplus/(deficit) for the Year	(249,928)	181,969

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

Winston Churchill Memorial Trust
Statement of Financial Position
as at
31 March 2023

	Note	Actual 2023 \$	Actual 2022 \$
Assets			
Current Assets			
Bank accounts		188,731	340,866
Short-term investments	1	604,885	505,000
Accrued interest		32,508	20,672
Prepayments		1,523	1,465
Total Current Assets		827,647	868,003
Non-current Assets			
Shares and units in listed equities	1	3,189,785	3,574,803
Long-term investments	1	869,082	725,000
Total Non-current Assets		4,058,867	4,299,803
Total Assets		4,886,514	5,167,806
Liabilities			
Current Liabilities			
Creditors and accrued expenses		13,266	13,223
Fellowships payable		34,114	60,734
Provision for increased travel cost		-	4,787
Total Current Liabilities	6	47,380	78,744
Total Liabilities		47,380	78,744
Total Assets less Total Liabilities (Net Assets)		4,839,134	5,089,062
Accumulated Funds			
Capital contributed by owners		3,542,309	3,319,877
Accumulated surpluses		1,201,679	1,667,345
Restricted Funds		95,146	101,840
Total Accumulated Funds	2	4,839,134	5,089,062

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

Winston Churchill Memorial Trust
Statement of Cash Flows
for the year ended
31 March 2023

	Actual 2023 \$	Actual 2022 \$
Cash Flows from Operating Activities		
Cash was received from:		
Interest, dividends and other investment receipts	127,369	138,816
Fellowship grant refund	20,420	6,376
Cash was applied to:		
Payments to suppliers	36,531	32,228
Fellowship grants paid	125,991	-
Net Cash Flows from Operating Activities	(14,733)	112,964
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from sale or maturity of investments	794,255	973,300
Cash was applied to:		
Payments to purchase investments	931,713	861,362
Capital returned	-	3,206
Net Cash Flows from Investing and Financing Activities	(137,458)	108,732
Net unrealised (Losses)/Gains Arising from Changes in Foreign Currency Exchange Rates	56	(675)
Net (Decrease)/Increase in Cash	(152,135)	221,021
Opening cash	340,866	119,845
Closing cash	188,731	340,866
This is represented by:		
Bank accounts	188,731	340,866

Winston Churchill Memorial Trust
Statement of Accounting Policies
for the year ended
31 March 2023

Basis of Preparation

The Winston Churchill Memorial Trust (the Trust) is reporting under PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector), Tier 3, on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Trust has opted to apply the Tier 2 standards PBE IPSAS 28 Financial Instruments: Presentation; PBE IPSAS 29 Financial Instruments: Recognition & Measurement; PBE IPSAS 30 Financial Instruments: Disclosure and PBE IPSAS 4: The Effect of Changes in Foreign Exchange Rates. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Tier 2 PBE Accounting Standards Applied

PBE IPSAS 28, 29, 30

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

PBE IPSAS 4

Transactions in foreign currency are converted at the New Zealand rate of exchange at the time the transactions occurred, using rates as advised by Treasury. At balance date foreign monetary assets and liabilities are translated at the closing rate as advised by the Treasury and exchange variations arising from these transactions are included in the Statement of Financial Performance.

Presentation Currency and Rounding

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

Goods and Services Tax (GST)

The Trust is not registered for GST. Therefore, amounts recorded in the Statement of Financial Performance are inclusive of GST (if any).

Taxation

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

Measurement Base

The financial statements have been prepared on an historical cost basis, adjusted to the fair value of certain financial instruments.

Bank Accounts

Bank accounts comprise cash balances, bank balances and short-term deposits with original maturities of 90 days or less.

Statement of Cash Flows

Operating activities include all activities other than investing activities. The cash inflows include all receipts of interests from investments and other sources of revenue that support the Trust's operating activities. Cash outflows include payments made for grants and to suppliers.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities.

Revenue

The Trust derives income from its investments. Such income is recognised when earned and is reported in the period to which it relates.

Financial Instruments

Date of recognition

The Trust recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets, recognition, and de-recognition, as applicable, that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition of financial instruments

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The Trust's initial measurement of financial instruments, except for those classified as FVTPL, includes transaction cost.

Financial assets

At initial recognition, the Trust classifies its financial assets as follows:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Financial assets measured at amortized cost.

The basis of the classification of the Trust's financial instruments depends on the following:

- The Trust's business model for managing its financial assets; and
- The contractual cash flow characteristics of the financial assets.

A financial asset shall be classified to be measured at amortized cost if the following conditions were met:

- The financial asset is held to collect the contractual cash flows; and
- Contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are classified as FVTOCI if the following conditions were met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset; and
- Contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets shall be classified as FVTPL unless it is measured at amortized cost or at FVTOCI, or if it meets the definition for held for trading. The Trust may also irrevocably elect at the initial recognition of equity instruments that would otherwise be measured at FVTPL to be presented as FVTOCI.

Financial liabilities

Financial liabilities are classified as measured at amortized cost.

Subsequent measurement

Financial assets measured at amortized cost

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the investment in bonds are derecognized and impaired, as well as through the amortization process. Investment in bonds are included under current assets if realizability or collectability is within twelve months after the reporting period. Otherwise, these are classified as noncurrent assets.

The Trust's bank accounts, accrued interest, term deposits and investment in bonds are classified under this category.

FVTPL (equity instruments)

Gains or losses on sale of these financial assets are recorded to profit or loss. Dividends are recognized as revenue in profit or loss when the right of payment has been established (i.e. when dividend is declared).

Unrealised gain or losses as a result of fair value changes are recorded to profit or loss.

The Trust's shares and units in listed entities, being held for trading, are classified under this category.

Financial liabilities measured at amortized cost

After initial recognition, these financial liabilities are carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any direct attributable transaction cost. Gains or loss on financial liabilities are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process. The Trust's creditors and accrued expenses, fellowship grants payable and other current liabilities are classified under this category.

FNZ Custodian Service

FNZ act as custodian. All securities and most cash funds are held by FNZ on behalf of the Trust.

Expenditure

Administration costs are costs borne by the Trust and are recognised on receipt of invoice.

Fellowship Grants Approved

Fellowship grants approved by the Board in the financial period are recognised as an expense in the Statement of Financial Performance. The grants are discretionary and not subject to any substantive conditions. Fellowship grants are recognised as expenditure when they have been both approved by the Board and the recipient has accepted the grant agreement.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There are no interest rate options or interest rate swap options in place at 31 March 2023 (2022: nil).

The Board does not consider that there is any significant interest exposure on the Trust's investments.

Foreign Currency Risk

All Fellowship grants are paid in New Zealand currency. All expenditures are made in New Zealand dollars.

The Trust has an exposure to foreign currency risk as it holds a number of international shares. The dividends on these shares are paid in foreign currency. Some overseas currency is held in the FNZ Cash Management facility.

Capital Fund Maintenance

At the end of each financial year a transfer is made from the Accumulated Fund to the Capital Fund to increase the Capital Fund by the amount of change in the Consumer Price Index (CPI) as reported by Statistics New Zealand in the year to 31 March. The balance subject to this adjustment is the closing Capital Fund balance as at the end of the preceding year. This adjustment is for the purpose of maintaining the Capital Fund in real terms and is provided for by reducing Accumulated surpluses.

Prior Year Adjustment

There were no prior year adjustments as at balance date 2023 (2022: nil).

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (2022: nil).

Winston Churchill Memorial Trust
Notes to the Performance Report
for the year ended
31 March 2023

Note 1: Analysis of Investments

	Actual 2023 \$	Actual 2022 \$
Short-Term Investments		
Bank fixed term deposits maturing < 12 months	525,000	505,000
Bonds maturing < 12 months	79,885	-
Total Short-Term Investments	604,885	505,000
Shares and Units in Listed Entities	3,189,785	3,574,803
Long-Term Investments		
Bank fixed term deposits maturing > 12 months	350,000	725,000
Bonds maturing > 12 months	519,082	-
Total Long-Term Investments	869,082	725,000
Total Investments	4,663,752	4,804,803

Note 2: Accumulated Funds

	Actual 2023 \$	Actual 2022 \$
Capital Fund		
Opening Balance	3,319,877	3,105,591
*Transfer to Capital Fund for Capital Maintenance	222,432	214,286
Closing Balance	3,542,309	3,319,877

Capital Fund

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

Capital Maintenance

*At the end of each financial year a transfer is made from the Accumulated Fund to the Capital Fund, equivalent to the increase in the year's Consumer Price Index. This is for the purpose of maintaining the Capital Fund in real terms. The amount is based on the Consumer Price Index as at 31 March each year applied to the balance in the Capital Fund at the beginning of the year. The yearly increase in CPI as at 31 March 2023 was 6.7% (2022: 6.9%).

Note 2 continued

Accumulated Fund	2023	2022
	\$	\$
Opening Balance	1,667,345	1,707,126
(Deficit)/Surplus for the Year	(249,928)	181,969
Transfer to Restricted Funds - Interest	(1,806)	(1,767)
Transfer to Winston Churchill New Zealand China Friendship Society Fellowship	-	(6,376)
Transfer from Restricted Fund – Winston Churchill Hawke’s Bay Design Trust Fellowship	-	679
Transfer from McNeish fund	8,500	-
*Transfer to Capital Fund for Capital Maintenance	(222,432)	(214,286)
Closing Balance	1,201,679	1,667,345

Winston Churchill McNeish Writers Fellowship

This Fellowship is to enable young writers or journalists to travel overseas to benefit their writing. The fund is invested within the Winston Churchill Memorial Trust investment portfolio and follows the strategy for fund investment. Interest is apportioned to the fund pro rata to the investment earnings of the Winston Churchill Memorial Trust. A Memorandum of Understanding restricts the use of funds, and any interest earned, to awarding the Winston Churchill McNeish Writers' Fellowship.

McNeish Restricted Fund	2023	2022
	\$	\$
Opening Balance	88,723	87,112
Transfer from reserves	1,563	1,611
Transfer to reserves	(8,500)	-
Closing Balance	81,786	88,723

Winston Churchill Hawke's Bay Design Trust Fellowship

This Fellowship enabled a product and/or industrial designer to travel and gain experiences overseas so as to contribute to the general advancement of product and/or industrial design in New Zealand. A Memorandum of Understanding restricted the use of funds, and any interest earned, to awarding the Winston Churchill Hawkes' Bay Design Trust (HBDT) Fellowship.

The HBDT funds were invested within the Winston Churchill Memorial Trust investment portfolio and followed the strategy for fund investment. In July 2021, HBDT agreed to end the fellowship and accepted the Board's offer to repay the unused HBDT contribution of \$3,206. The balance, \$679, was transferred to Fund income.

Hawke's Bay Design Trust Restricted Fund	2023	2022
	\$	\$
Opening Balance	-	3,885
Transfer from reserves	-	-
Funds returned	-	(3,206)
Transfer to reserves	-	(679)
Closing Balance	-	-

Note 2 continued

Fellows Fellowship Fund

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

Fellows Fellowship Restricted Fund	2023	2022
	€	\$
Opening Balance	5,603	5,501
Transfer from reserves	104	102
Closing Balance	5,707	5,603

Winston Churchill New Zealand China Friendship Society Fellowship

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

The fund is invested within the Winston Churchill Memorial Trust investment portfolio and follows the strategy for fund investment. Interest is apportioned to the fund pro rata to the investment earnings of the Winston Churchill Memorial Trust. A Memorandum of Understanding restricts the use of funds, and any interest earned, to awarding the Winston Churchill New Zealand China Friendship Society Fellowship. During the previous financial year, the Fellowship recipient advised that the grant purpose, travel to China, was unlikely to be achieved in short term, and returned the unspent portion of the grant, \$6,376.

New Zealand China Friendship Society Restricted Fund	2023	2022
	\$	\$
Opening Balance	7,514	1,084
Grants returned during the year	-	6,376
Transfer from reserves	139	54
Closing Balance	7,653	7,514

	2023	2022
	\$	\$
Total Restricted Funds	95,146	101,840

	2023	2022
	\$	\$
Total Accumulated Funds	4,839,134	5,089,062

Note 3: Commitments and contingencies

Commitments

There are no commitments as at balance date (2022: nil).

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (2022: nil).

Note 4: Related Party Transactions

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

There were no transactions involving related parties during the financial year (2022: nil).

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

Note 5: Events after balance date

There were no significant events that have occurred after the balance date that would have a material impact on the Performance Report (2022: none).

Note 6: Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	Actual 2023	Actual 2022
	\$	\$
Financial Assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Shares and units in listed equities	3,189,785	3,574,803
 <i>At amortised cost</i>		
Bank accounts	188,731	340,866
Accounts receivable	32,508	20,672
Bank fixed term deposits	875,000	1,230,000
Bonds	598,967	-
 Total	 4,884,991	 5,166,341
 Financial liabilities		
<i>At amortised cost</i>		
Creditors and accrued expenses	13,266	13,223
Fellowships payable	34,114	60,734
 Total	 47,380	 73,957

The estimated fair value of each class of all of the Trust's financial instruments is equal to their carrying amounts.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

- *Bank accounts, accrued interest, and creditors and accrued expenses.* The carrying amounts of these financial instruments approximate fair value due to their short-term settlement period.
- *Financial asset at FVTPL.* The fair value is based on quoted market price in an active market (Level 1).

Fair Value Hierarchy

As of 31 March 2023 and 2022, the fair value of the Trust's financial asset at FVTPL is classified under Level 1 of the fair value hierarchy. There are no financial assets or liabilities classified under Level 2 or 3.

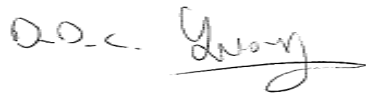
There were no transfers between different hierarchy levels in 2022 and 2021.

Winston Churchill Memorial Trust
Statement of Responsibility
for the year ended
31 March 2023

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

In the Board's opinion, these financial statements fairly reflect the operations and cash flows of the Winston Churchill Memorial Trust for the year ended 31 March 2023 and its financial position as at 31 March 2023.

Signed on behalf of the Board:

A handwritten signature in black ink, appearing to read 'D. Ivory', with a horizontal line underneath the name.

David Ivory
Chair

Date: 31 July 2023

Independent auditor's report

To the readers of Winston Churchill Memorial Trust's Financial Statements for the year ended 31 March 2023

The Auditor-General is the auditor of Winston Churchill Memorial Trust (the Trust). The Auditor-General has appointed me, Andrew Steel, using the staff and resources of Moore Markhams Wellington Audit, to carry out the audit of the financial statements of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 9 to 20, that comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

In our opinion:

- the financial statements of the Trust on pages 9 to 20:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and

Our audit was completed on 31 July 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Trust for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Trust or to cease operations, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 21A of the Winston Churchill Memorial Trust Act 1965.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Trust's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 8 and 21, but does not include the financial statements, and our auditor's report thereon.

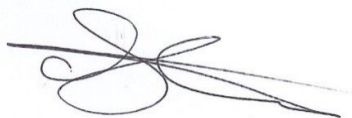
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Andrew Steel

Moore Markhams Wellington
Audit On behalf of the Auditor-
General Wellington, New Zealand