

Reports and Financial Statements

For the year ended 30 September 2006

**The NZ - UK Link
Foundation**

The NZ – UK Link Foundation

REFERENCE AND ADMINISTRATIVE DETAILS OF CHARITY, ITS TRUSTEES AND ADVISORS

ADDRESS	New Zealand House 80 Haymarket, London SW1Y 4TQ
OFFICERS	
Patron	HRH The Princess Royal
Vice Patron	HE The Governor General of New Zealand
President	Dame Kiri Te Kanawa DBE
UK Trustees	N Z High Commissioner to the UK (<i>ex officio</i>) HE The Hon Jonathan Hunt ONZ Mr Timothy Alston MBE, FCA (Treasurer, until Jan 07) Dr John Buchanan Mr Charles Harrison (from July 06) Mrs Catherine King Mr Graham Lovelock (Treasurer from Jan 07) Ms Ann Taylor Mr Simon Walker Ms Judith Watson Mr Martin Williams CVO, OBE (Chairman) Mrs Robyn Wilson
and are serviced by Executive Officer	Mr Francis King OBE

The work of the Link Foundation in New Zealand is delegated to a Committee made up of:

ADDRESS	British High Commission, 44 Hill St, Wellington, New Zealand
New Zealand Committee	The British High Commissioner to NZ (<i>ex officio</i>) HE Richard Fell CVO (until March 06), HE George Fergusson (from June 06) Director, British Council (<i>ex officio</i>) Ms Paula Middleton Mr Don Breden (Honorary Solicitor) Mr Joe Battiston (Treasurer from June 2006) Ms Suzanne Blumhardt (from June 2006) Mr Lawrie Bryant LVO Mr Giff Davidson OBE (Chairman) Mrs Philippa Falloon Mr Leslie Jaques OBE Mrs Jane Kirkcaldie Mr Rob Snelling (until Sept 2006) Ms Ali Spencer Sir Somerford Teagle (until Sept 2006) Lady Anna Weir Ms Anna Wilson (from April 2006) Mrs Helen Middleton
and are serviced by Executive Officer	

Bankers in both countries are:	Lloyds TSB Bank plc Pall Mall Branch 8-10 Waterloo Place LONDON W1Y 4BE (UK)
	CAF Gold Fund Kings Hill West Malling KENT ME19 4TA (UK)

The NZ – UK Link Foundation

ANZ Bank
Lambton Quay Branch
PO Box 1896
Wellington (NZ)

Auditors in both countries are::

Mazars LLP
24 Bevis Marks
LONDON EC3A 7NR (UK)

Munro Bengel BKR
Chartered Accountants
PO Box 1400
104 The Terrace
Wellington (NZ)

CHARITY COMMISSION REGISTRATION
NUMBER:

802457

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TRUSTEES' REPORT AND REVIEW

The Trustees are pleased to present their sixteenth annual report together with the accounts for the period from 1 October 2005 to 30 September 2006 which has been prepared under the historical cost convention and in accordance with UK Applicable Accounting Standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Charities Act 1993.

STUCTURE GOVERNANCE AND MANAGEMENT

The NZ-UK Link Foundation, formerly known as the Waitangi Foundation and colloquially as the Link Foundation, was established by a Charitable Trust deed dated 23 November 1989. The Trustees sought to commemorate the 150th anniversary of the signing of the Treaty of Waitangi between Britain and the Maori leaders by establishing an educational foundation.

There are 12 or 13 Trustees who serve for 5 years. They are recruited from the New Zealanderophile community in Britain, some former British diplomats, academics and business people and some New Zealanders long resident in the UK. The New Zealand High Commissioner is invited ex officio to be a Trustee and the official address of the Foundation is care of the NZ High Commission in 80 Haymarket, London. The Foundation attempts to maintain a gender and age balance. New Trustees, once identified and voted upon by the Trustees on their commitment to encouraging good relations between Britain and New Zealand, are approached in person by the Chairman and the duties of a Trustee explained. They are issued with The Charity Commission booklet "Responsibilities of Charity Trustees", are invited to their first meeting and from then on learn on the job.

Considerable authority is delegated to a similar sized and constituted Committee of Anglophiles in New Zealand who are empowered to spend the annual grant provided by the Trustees, to raise funds and act as the Trustees' "opposite number" in New Zealand. This committee works out of the British High Commission in Wellington and invites the British High Commissioner to act ex officio upon it.

The Trustees and the NZ Committee are the arbiters of how money is spent in each country. Day to day administration of Link affairs and book keeping is conducted by paid Executive Officers in their respective countries.

The Trustees of the Link Foundation have examined our exposure to major risks, have taken and are taking steps to establish systems and procedures to counter these risks.

OBJECTIVES AND ACTIVITIES

The purpose of The NZ-UK Link Foundation to strengthen the relationship between the United Kingdom and New Zealand by widening the scope and the number of exchanges in the educational and cultural spheres. This it does by using its own funds and by managing or facilitating the funds of others to provide bursaries in specified educational and cultural fields to travel to the other country to study or perform, notably:

- Education (*Linking Minds*) to send teachers from NZ to the UK.
(Commonwealth Trust/Link) NZ Masters students to Cambridge
- Insurance (Benfield Award) to send a NZ insurance professional for a working visit to the City of London,
- Medicine (Barber Surgeons) a Bursary for a NZ medical or dental student for an elective in Britain.
- Business (James Stuckey Award) NZ MBA student to Cranfield Business School.
- Social Science awards – for a specific research topic in social science, attached to a New Zealand institute.
- Cooking Culinary Challenge an exchange of young chefs following a competition.
- Equine Fertility (with Cambridge University facility at Newmarket) exchange of experts.
- Music (Elman Poole) exchange of musicians between Southern Sinfonia Dunedin and South Bank Sinfonia London.
- Music and Art discretionary awards for teachers to NZ and students to UK.
- Fund raising activities, concerts, receptions, dinners in both countries.
- Annual lecture in London by an eminent New Zealander.

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ACHIEVEMENTS AND PERFORMANCE

Both the quarterly newsletters (distribution list of 800) and the website – www.nzuklinkfoundation.org (1,200 hits each year) managed from New Zealand, bearing news and information from both countries, continue to provide a joint public face for the Foundation and work towards improving the understanding between the Trustees in the UK and the New Zealand Committee..

In New Zealand the *Linking Minds* programme, in conjunction with the British Council, which allows up to four young New Zealand teachers to visit educational establishments in the UK, this year concentrated on *leadership*. The Benfield Fellowship, administered by the Link Foundation, allowed a young insurance professional Melanie Elliott to gain experience in the City. Helen Lear, a young New Zealand opera singer, who was part funded to further her career by study at the Royal College of Music in 2005 gave a superb fund raising concert in London organised by the Link Trustees in 2006. Whereas in London our sister organisation, the New Zealand Society provides an expatriate network for Kiwis, the Friends of the Link Foundation in New Zealand attempts to do this for expatriate Brits. This year we have added 7 corporate members to our 150 strong individual membership, and have run lectures, seminars, dinners and receptions for them.

Rather abruptly and despite protests, the Foreign and Commonwealth Office pulled out of their partnership with the Cambridge Commonwealth Trust and The Link Foundation in bringing three one-year postgraduate award holders from New Zealand to Cambridge. This has meant a sudden drop in the award's value and thus the number of New Zealanders applying to Cambridge instead of the US where scholarships are more lucrative. This year two scholars at Wolfson and Girton Colleges were funded. The funding for the James Stuckey award, for a New Zealander to take an MBA at the Cranfield School of Management at Cranfield University each year for the last twelve years, closely associated with the Link Foundation, is coming to an end. We are encouraging Cranfield to raise funds for a continuation. The Worshipful Company of Barber Surgeons continues to part fund a New Zealander doing their medical or dental elective in the UK, again through our good offices. Two post graduate social scientists were funded to carry out work in New Zealand, David Erdos studying constitutional changes and David Conradson comparing residential care of the elderly in the two countries.

Our flagship Culinary Challenge Award, continues to thrive. The Award provides for an exchange of young British and New Zealand chefs for work experience at the most highly regarded restaurants in the other country and has proved a great success. When TVNZ ran a programme on links between Britain and New Zealand from Portland Place, London, Carl Wills, the New Zealand winner, the High Commissioner and the Link Executive Officer were all featured. The finals of the competition were held at the Restaurant Show at Olympia.

As we go to press the Trustees are pleased to announce a new Fellowship funded largely through the munificence of Dr Elman Poole originally from Invercargill and now Oxford for a member of the Southern Sinfonia of Dunedin to play for a year with the Southbank Sinfonia in London.

The annual Link Foundation Lecture in June 2006 was given by Dame Silvia Cartwright, as one of her final acts as Governor General of New Zealand, at the Royal Commonwealth Society. She spoke on the continuing human links between Britain, New Zealand and the Commonwealth and dealt spiritedly with some forthright questioning.

FINANCIAL REVIEW

The attached financial statements show net outgoing resources of £36,241 (£21,419 in 2004/05). This together with gains on investments increased net funds at the year end to £652,622 (£641,167 in 2005). Free reserves at the year end were £644,173 (2005: £632,345). The Trustees have over the last three years worked on a financial policy of spending all of the generated investment income from investments and most of the increased value of the Equities held, while at the same time the overall market value has shown a steady increase, thus enabling the Foundation to maintain a strong portfolio of activities. However the prospects of being able to make a real contribution to the initial phases of the setting up of *Aotearoa 2009*, a major festival of New Zealand Art and Culture in London in 2009, has prompted the Trustees to agree to providing £100,000 for the setting up of this event over the next two years. The Link Foundation will in fact become a founding partner with Artspool of this enterprise. Unless the Stock Market performs outstandingly well, this

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will mean at least a temporary eating into invested funds.

The policy of the Foundation has been to keep up to 67% of its reserves in Equities managed by Merrill Lynch (now Blackrock) and 33% in a Charity based deposit account with CAFBank. Because of the sustained rise in share values during this period we have allowed the percentage held in Equities to increase. Results have vindicated this policy however the time is now approaching when prudence dictates we transfer funds from Equities into the Deposit account and restore the balance.

PLANS FOR THE FUTURE

In 2007 and beyond, the Trustees look forward to the efficient running of current programmes and the search for new ones. the UK based trustees look forward to working with a new Chairman and Executive officer of the New Zealand Committee. We will forge closer links with the New Zealand Society in Britain. However the major commitment for the future to becoming the Foundation partner of Artspool in our joint aspiration to celebrate *Aotearoa in London 2009* a major festival of New Zealand culture in London.

BY ORDER OF THE TRUSTEES

..... Mr Martin Williams (Chairman of the Trustees)

..... Mr Graham Lovelock (Treasurer)

Dated.....

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE TRUSTEES

..... Mr Martin Williams (Chairman of the Trustees)

..... Mr Graham Lovelock (Treasurer)

Dated.....

Independent auditors' report to the members of The NZ-UK LINK Foundation

We have audited the financial statements of The NZ-UK Link Foundation which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 44 of Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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 give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity as at 30 September 2006 and of its incoming resources and application of resources of the group, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

MAZARS LLP
CHARTERED ACCOUNTANTS
and Registered Auditor

24 Bevis Marks,
London EC3A 7NR

Date.....

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STATEMENT OF FINANCIAL ACTIVITIES For the year ended 30 September 2006

	Notes	Restricted funds 2006 £	Unrestricted funds 2006 £	Total funds 2006 £	Total funds 2005 (Restated) £
INCOMING RESOURCES					
Donations		-	3,152	3,152	9,714
Subscriptions		-	1,508	1,508	1,767
Fellowships donated		18,500	3,684	22,184	35,504
Dividends receivable		-	13,627	13,627	12,978
Interest received		-	7,526	7,526	9,293
Other income		-	11,090	11,090	3,984
Total incoming resources		18,500	40,587	59,087	73,240
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising events		-	13,209	13,209	5,700
Charitable activity					
Strengthening UK-NZ relations (Fellowships, Concerts, Lectures)	2, 3	18,500	59,529	78,029	85,998
Governance	5	-	4,090	4,090	2,962
Total expenditure	2	18,500	76,828	95,328	93,506
Net outgoing resources		-	(36,241)	(36,241)	(21,419)
Change in market value of investments	9	-	47,696	47,696	63,595
Net movement in funds		-	11,455	11,455	42,176
Funds at 1 October 2005		7,954	633,213	641,167	598,991
Funds at 30 September 2006		7,954	644,668	652,622	641,167

All activities relate to continuing activities.

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BALANCE SHEET as at 30 September 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible fixed assets	8	495	868
Investments	9	623,852	615,190
		<u>624,347</u>	<u>616,058</u>
CURRENT ASSETS			
Debtors	10	2,468	201
Current investment – short term deposit		6,991	17,118
Cash at bank		25,983	24,440
		<u>35,442</u>	<u>41,759</u>
CURRENT LIABILITIES			
Creditors	11	(7,167)	(16,650)
NET CURRENT ASSETS			
		<u>28,275</u>	<u>25,109</u>
FUND AT 30 SEPTEMBER 2006			
		<u>652,622</u>	<u>641,167</u>
Unrestricted funds		644,668	633,213
Restricted funds	12	7,954	7,954
		<u>652,622</u>	<u>641,167</u>

Approved by the Trustees on
and signed on their behalf by:

.....

Mr Martin Williams (Chairman of the Trustees)

.....

Mr Graham Lovelock (Treasurer)

The NZ-UK LINK Foundation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1. ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention and in accordance with UK applicable Accounting Standards and the Statement of Recommended Practice on Accounting and Reporting by Charities 2005 (SORP 2005) issued in March 2005 and the Charities Act 1993. The comparative figures for the year ended 30 September 2005 have been restated for changes in the format arising from full adoption of SORP 2005

The financial statements include the results of the UK branch and the New Zealand branch.

Year end balances have been translated at the following rates:

30 September 2006	New Zealand dollars: 2,8610: £1
30 September 2005	New Zealand dollars: 2,5591: £1

Investment income and interest are included in income upon receipt as quarterly receipts are close to the Foundation's quarter ends.

Investments are stated at market value.

Donations are included upon receipt, gross of any tax deducted at source or tax recoverable on donations made under a deed of covenant.

All expenditure is accounted for on an accruals basis and, in accordance with the requirement of the SORP, and has been classified under headings that aggregate all costs related to that category.

Fellowships awarded are payments made in furtherance of the charitable objectives of the charity. Grants are recognised upon an obligation in being created in accordance with FRS 12.

Costs of charitable activities includes fellowships awarded, other direct costs related to fellowships, concerts and lectures and an apportionment of overhead and support costs as shown in note 5.

Support costs have been allocated between costs of generating funds, charitable activity and governance. Support costs related to charitable activity have been apportioned based on the Executive Officer's estimated time in awarding, monitoring and assessing fellowships, organising concerts, lectures, together with an apportionment of other costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit together with and an apportionment of administration costs.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (CONTINUED)

2. RESOURCES EXPENDED

Analysis of resources expended	Fellowship s awarded (see note 3) £	Other direct costs £	Support costs (see note 4) £	Total 2006 £	Total 2005 £
Cost of generating funds					
Events	-	12,009	1,200	13,209	5,700
Charitable activity					
Strengthening UK-NZ relations (fellowships, concerts, lectures)	35,148	15,068	27,813	78,029	85,998
Governance	-	2,703	1,387	4,090	2,962
	<u>35,148</u>	<u>29,780</u>	<u>30,400</u>	<u>95,328</u>	<u>93,506</u>

3. FELLOWSHIPS GRANTED

	Restricted funds		General funds	
	2006 £	2005 £	2006 £	2005 £
United Kingdom				
James Stuckey	10,000	10,000	1,000	-
Worshipful Company of Barbers Link/Foreign Commonwealth Office/ Cambridge Commonwealth Trust	500	500	-	-
Social Science Awards	8,000	-	2,000	-
Hospitality Award	-	-	7,320	1,000
Drapers' Fellowship (UK & NZ)	-	-	-	4,200
Equine Fellowship	-	-	-	2,929
Selwyn Choir	-	-	-	3,000
New Zealand				
British Airways Link Fellowship	-	1,259	-	-
Linking Minds	-	5,000	5,243	5,878
Benfield/Link Scholarship	-	11,756	-	-
Toast NZ	-	-	-	7,085
Hospitality Award	-	-	-	3,085
Others	-	-	1,085	1,175
	<u>18,500</u>	<u>28,515</u>	<u>16,648</u>	<u>28,352</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (Continued)

4. SUPPORT COSTS

	2006	2005
	£	£
Administration – UK (see note 6)	12,000	12,000
Administration – NZ (see note 6)	6,292	7,016
Other expenses	3,933	1,396
Depreciation	279	118
Foreign exchange differences	7,896	1,153
	<u>30,400</u>	<u>21,683</u>

5. GOVERNANCE COSTS

	2006	2005
	£	£
Auditors remuneration - Audit	1,822	1,762
- Advisory	881	-
Administration – UK (see note 6)	1,200	1,200
Other	187	-
	<u>4,090</u>	<u>2,962</u>

6. ADMINISTRATION EXPENSES

These include the remuneration of the Executive Officers in the UK and in NZ. The Foundation does not employ any other staff.

It is not possible to value financially the contribution, which is non administrative, provided by the Trustees and the NZ Executive Committees in operating and enriching the Foundation's programme.

7. TRUSTEES' REMUNERATION/REIMBURSED EXPENSES

During this financial year Mr Francis King, Executive Officer of the Foundation (spouse of Mrs Catherine King, Trustee) was paid £12,000 (2005: £12,000) for his services and reimbursed a total of £1,704 (2005: £3,650) for expenditure paid on the Link Foundation's behalf, work related travel and miscellaneous office expenses such as postage and paper.

No other remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any Trustee or to any person or person known to be connected with any of them.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (Continued)

8. TANGIBLE FIXED ASSETS

	Computer Equipment	Total
COST	£	£
Additions	774	774
Total	<u>774</u>	<u>774</u>
ACCUMULATED DEPRECIATION		
Depreciation charge	279	279
	<u>279</u>	<u>279</u>
At 30 September 2006	<u>495</u>	<u>495</u>

9. FIXED ASSET INVESTMENTS

	Managed Funds	CAF Cash	Total
COST OR VALUATION	£	£	£
At 1 October 2005	438,565	176,625	615,190
Additions/(disposals)	-	(39,234)	(39,234)
Unrealised gain	47,696	-	47,696
At 30 September 2006	<u>486,261</u>	<u>137,591</u>	<u>623,852</u>

10. DEBTORS

	2006	2005
	£	£
Sundry debtors	2,468	201
	<u>2,468</u>	<u>201</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006 (CONTINUED)**

11. CREDITORS

	2006	2005
	£	£
Fellowships	-	3,000
Sundry creditors	7,167	13,650
	<u>7,167</u>	<u>16,650</u>
	<u><u>7,167</u></u>	<u><u>16,650</u></u>

12. RESTRICTED FUNDS

Restricted funds are held to pay fellowships as described in the Trustees' report.

At 30 September 2006, restricted funds were held in cash of £7,954 less creditors for fellowships £nil (2005: £7,954 and £nil respectively).