



Bay of Plenty Community Trust Incorporated

Financial Statements for Year Ended

31 March 2015

Bay of Plenty Community Trust Incorporated

Contents

Directory	1
Chair and Trust Manager report	2
Statement of comprehensive income	3
Statement of changes in equity	3
Statement of financial position	4
Statement of cashflows	5
Notes to the financial statements	6
Audit report	23

Bay of Plenty Community Trust Incorporated

Directory

For the year ended 31 March 2015

The Trust was initially incorporated on 5 August 1988 as the Trust Bank Bay of Plenty Community Trust in accordance with the provisions of the Trustee Banks Restructuring Act, 1988. It continues under the provisions of the Community Trusts Act, 1999. The purpose of the Trust is to provide charitable, cultural, philanthropic, recreational and other benefits to Bay of Plenty communities. In April 1998 the name was changed to the Bay of Plenty Community Trust. In March 2006 the Trust adopted the name *BayTrust* for operational purposes.

TRUSTEES:	Jenny Mahoney, JP (Chair until 28 May 2015, remains as a Trustee) Kylie Hawker-Green (Deputy Chair and then acting Chair from 28 May 2015) Bill Cleghorn, QSM, JP Gregg Brown Kenneth Brown Michael Christensen, QSM, JP Nigel McAdie Pam Lewis, JP Roku Mihini Steve Morris Tracy Rea Wayne Marriott, JP
CEO	Alastair Rhodes
ADDRESS:	73 Spring Street P O Box 13322 Tauranga 3141
ACCOUNTANTS:	Staples Rodway Tauranga
AUDITORS:	KPMG Tauranga
BANKERS:	BNZ Tauranga
FIDUCIARY MANAGERS	Russell Investment Group Limited Sydney
SOLICITORS:	Sharp Tudhope Tauranga

Bay of Plenty Community Trust Incorporated

Chair and CEO report For the year ended 31 March 2015

It is a pleasure to share BayTrust's activities, achievements and highlights for the year to 31 March 2015.

Financial Performance and Investments

It has been another excellent year financially for the Trust coming on top of very strong financial performances over the last 3 years. Overall BayTrust's investments returned \$24m (14%) (2014 \$17m, 11%) for the year with all asset classes performing strongly. These results mean that the Trust has recovered well from the Global Financial Crisis and as a result, Trustees are planning to significantly increase BayTrust's community investments in future years.

The Trust's investment portfolio is well diversified under a Fiduciary Management Agreement with the Russell Investment Group with a spread across a range of asset classes including Australasian and Overseas Equities; and Overseas and NZ Fixed Interest. This spread is designed to achieve BayTrust's goals of maximising the income available for community investment over the long term and protecting the real (inflation-adjusted) value of the Trust's capital.

During the year Trustees made a decision to add Private Equity to the investment portfolio with a cap of up to 5% of investments into this mandate. As part of this, BayTrust has now made commitments to two private equity investment funds of AUD\$3m and NZD \$1m with these commitments to be drawn down over coming years.

At year-end actual net capital of BayTrust was \$193m, up from \$174m at 31 March 2014.

In the 12 months to 31 March 2015, BayTrust committed a total of \$2.871m in grants (2014 \$1.940m) to 157 community organisations including \$95,352 in Dillon Scholarships (2014 \$98,289) to 40 tertiary students with significant disabilities. The Trust also provided other significant community support during the year (\$271,000) delivered in a variety of ways including capacity-building opportunities such as workshops which were extremely well received by the community.

BayTrust has increased its social loans portfolio by a further \$0.6m, largely due to providing low-interest social loans to the Tauranga Community Housing Trust to help create affordable housing in Tauranga.

Future Performance

BayTrust's view is that the very strong investments returns that have been achieved over the last three years (13%) are unlikely to be sustained in the coming years, with a return of 5.6% being used for grant forecasting purposes.

However, in spite of this modest forecast, we are looking to significantly increase our community investment in future years as a result of the growth in our reserves (\$51.2m versus \$33.8m in the prior year) and our larger investment base that has been built up over the past years through wise and prudent investment decisions by our Trustees.

A complete review of our granting policies, strategies and funding frameworks is now underway to help make the most of these extra funds and to help provide greater clarity and certainty for our grantees.

Other Highlights

Other highlights of the BayTrust year include:

- A complete strategic review which led to a new organisational design including the appointment of our new CEO – Alastair Rhodes.
- Setting up the Bruce Cronin BayTrust scholarship – named after long-time Trust manager Bruce Cronin who retired in December 2014 in recognition of his service to the people of the Bay of Plenty and BayTrust. BayTrust will award this scholarship once a year to support a Masters or Doctoral student carrying out research in mathematics, science or information technology that will benefit the region. Former Oportik College student Kimberley Maxwell was the inaugural recipient of this scholarship for \$5000 to help her complete her doctoral research on the Kahawai fishery in the Eastern Bay of Plenty.
- From August 2014 our grantees are able to submit their grant applications online, and we expect to roll out further improvements to this system in coming months.
- Partnering with the Ministry of Social Development on research released in February on how best to address vulnerability in the first 1000 days of a child's life and youth engagement.
- The continuation of the BayTrust/Sport BoP CoachForce programme now in its 18th year. The programme aims to get more people (especially young people) more active more often through gaining, training and retaining sports coaches in the Bay. The current three-year agreement commenced on 1 July 2013; providing \$1.268m of funding over three years.
- On 1 June 2014 Wayne Marriott replaced Karla Hammond as one of the two Trustee appointments representing the Eastern BOP.

On the 28th of May 2015 Jenny Mahoney JP, the Trust Chair from 1 December 2013 retired as Chair with the Deputy Chair Kylie Hawker-Green taking over in an interim capacity until a new Trust Chair is elected. The Trustees would like to publicly thank and acknowledge the contributions made by Jenny Mahoney JP, as Chair and look forward to continuing to work with her as a Trustee.

Lastly a big thank you to all Trustees and Staff who have worked long and hard over the past 12 months to deliver the Trust's vision to Bay of Plenty Communities and an even bigger thank you to all the wonderful community groups and their supporters for their ongoing work in helping make the Bay such a fantastic place to raise a family, live, work and play.


Kylie Hawker-Green
Chair


Alastair Rhodes
Chief Executive Officer

18-Jun-15

Bay of Plenty Community Trust Incorporated

Statement of comprehensive income

For the year ended 31 March 2015

In New Zealand Dollars (\$000's)

	Note	2015	2014
Investment Income	4	24,465	17,249
Less Expenses			
Portfolio management and advisory fees		1,144	1,092
Other expenses	5	1,160	847
Total Expenses		2,304	1,939
Grants Expenditure	6, 21	2,871	1,940
Surplus for the year		19,290	13,370
Total comprehensive income		19,290	13,370

Statement of changes in equity

For the year ended 31 March 2015

In New Zealand Dollars (\$000's)

	Trust capital	Retained earnings	Grants maintenance reserve	Inflation reserve	Total
Balance at 1 April 2013	89,308	-	21,440	49,387	160,135
Surplus / Total comprehensive income	-	13,370	-	-	13,370
Reserves transfers	-	(13,370)	12,399	971	-
Balance at 31 March 2014	89,308	-	33,839	50,358	173,505
Balance at 1 April 2014	89,308	-	33,839	50,358	173,505
Surplus / Total comprehensive income	-	19,290	-	-	19,290
Reserves transfers	-	(19,290)	17,056	2,234	-
Balance at 31 March 2015	89,308	-	50,895	52,592	192,795

The notes on pages 6 to 22 are an integral part of these financial statements.



Bay of Plenty Community Trust Incorporated

Statement of financial position

As at 31 March 2015

in New Zealand Dollars (\$000's)

	Note	2015	2014
Assets			
Property, plant and equipment	9	62	31
Loans	11	1,393	798
Investment in Te Kete Putea Limited Partnership	10	54	72
Investments	15	191,901	172,850
Total non-current assets		193,410	173,751
Loans and current assets			
Loans	11	83	96
Prepayments		161	-
Short term deposits	12	22	215
Cash and cash equivalents	12	-	271
Total current assets		266	582
Total assets		193,676	174,333
Trust equity			
Trust capital		89,308	89,308
Grants maintenance reserve	13	50,895	33,839
Retained earnings		-	-
Inflation reserve	13	52,592	50,358
Total equity		192,795	173,505
Liabilities			
Cash and cash equivalents	12	34	-
Grants Payable	7	683	529
Trade and other payables		164	299
Total current liabilities		881	828
Total liabilities		881	828
Total equity and liabilities		193,676	174,333

The notes on pages 6 to 22 are an integral part of these financial statements.

Signed on behalf of the Board of Trustees;



Chair: Kassauker

Trustee: [Signature]

Date: 18 June 2015

Bay of Plenty Community Trust Incorporated

Statement of cashflows

For the year ended 31 March 2015

In New Zealand Dollars (\$000's)

	Note	2015	2014
Cashflows from operating activities			
Investment income		1,688	953
Cash paid to suppliers, employees and trustees		(2,426)	(1,854)
Grants paid to the community		(2,718)	(2,256)
Net cash from operating activities	17	(3,456)	(3,157)
Cashflows from investing activities			
Acquisition of property, plant and equipment		(43)	-
Disposal of investments		4,000	3,050
Loans Issued / Received		(806)	103
Net cash used in investing activities		3,151	3,153
Net (decrease) in cash and cash equivalents		(305)	(4)
Cash and cash equivalents at 1 April		271	275
Cash and cash equivalents at 31 March	12	(34)	271

The notes on pages 6 to 22 are an integral part of these financial statements.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements

1 Reporting entity

The Bay of Plenty Community Trust is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of The Community Trusts Act 1999. The Trust is a Public Benefit Entity whose principal activity is to distribute income from its investments activities to the Bay of Plenty communities.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards, and its interpretations (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities.

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come in to force replacing the Financial Reporting Act 1993. The amendments for the Charities Act 2005 are effective for reporting periods beginning on or after 1 April 2015. This will be effective for the Trusts 31 March 2016 year end. It is expected that this change in legislation will have no material impact on the Trusts obligation to prepare general purpose financial statements.

The Board of Trustees approved the financial statements on 18 June 2015.

(b) Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

(c) Functional and presentation currency

These financial statements are presented in thousands of New Zealand dollars and rounded to the nearest thousand dollars (\$000's) which is the functional currency of the Trust, with the exception of note 20.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Trust's accounting policies management have made judgements regarding whether or not discretionary grants are payable at year end or if discretionary grants are contingent liabilities at year end. This potentially has a significant effect on the amounts recognised in the financial statements. Grants payable are discretionary grants where there are no significant conditions attached to the grant at balance date or where the significant conditions attached to the grant have been met at balance date. Grants that are classified as contingent liabilities at year end are discretionary grant obligations at balance date that are reliant on additional funding or have other significant conditions attached to them to go ahead with a specified project. Refer to note 7 for the grants payable at 31 March 2015 and note 8 for contingent liabilities.

(e) Taxation

Bay of Plenty Community Trust is exempt from income tax with effect 1 April 2008, under section CW 52 of the Income Tax Act 2007.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in the previous year.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date and any differences are recognised in profit or loss. Classification is also reassessed by management at each reporting date.

(b) Financial Instruments

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held to maturity' investments, 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

The Trust classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by management at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's Statement of Investment Policies and Objectives and information is provided internally to key management personnel on that basis.

Regular-way purchases and sales of investments are recognised on the trade date, being the date on which the Trust commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investment have expired or the Trust has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in profit or loss. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in profit or loss in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in profit or loss within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss within dividend income when the Trust's right to receive payment is established.

Available for Sale Financial Assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. The investment in Te Kete Putea Limited Partnership (TKPLP) is classed as an 'available for sale' financial asset. The investment represents the Trust's share of an integrated donations and financial management system, owned collectively by 10 Community Trusts. TKPLP is stated at fair value.

The fair value of TKPLP is determined using an appropriate valuation technique.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of 3 months or less (note 12).



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

Short term deposits

Short term deposits are short term investments with an original maturity of between 3-12 months (note 12).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Trust's loans and receivables comprise 'loans'.

Loans and receivables are initially recognised at fair value plus transaction costs. The fair value of long term receivables or loans that are interest free or have interest rates below market values is estimated using the present value of all future cash flow receipts discounted using the prevailing market rate of interest for similar instruments with a similar credit rating. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period, to the net carrying amount of the financial asset.

The Trust assesses at each balance sheet date whether there is objective evidence that a loan or receivable is impaired.

Trade and other payables

Trade and other payables are stated at cost and are classified as other liabilities.

c) Grants expenditure and grants payable

The Trust makes discretionary grants. The grants are recognised as an expense at the point at which the payment of the grant has been approved by the Trustees and the recipient of the grant does not have any further obligations to meet in order to receive the grant.

Grants payable are those grants which have been approved, there are no further obligations to be met however the grant has not been paid by the reporting date.

Where grants have been approved in the current or previous years but are subject to the fulfilment of conditions in future years, they are treated as contingent liabilities (note 8).

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

(II) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(III) Depreciation

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are :

Furniture & fittings	11.4% to 33%
Office equipment	26.4% to 80.4%
Motor vehicle	30%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(e) Impairment

The carrying amounts of the Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

(i) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised costs, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision. When a trade receivable is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the provision. Changes in the carrying amount of the provision are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(II) Non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

(f) Employee benefits

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Sick leave is recognised when the leave is taken and measured at the rates paid.

(g) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Trust's activities. Revenue is shown net of returns, rebates and discounts.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust and when specific criteria have been met for each of Trust's activities, as described below.

Changes in loan assets are shown at fair value through the profit and loss. The valuation technique used is the income approach, where future amounts are converted to reflect current market expectations.

(i) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Sale of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(h) New standards and interpretations not yet adopted

There were no standards, amendments and interpretations to existing standards that were early adopted by the Trust.

- Standards and interpretations in issue not yet effective:
The Trust has reviewed all other standards and interpretations issued by the Financial Reporting Standards Board that are not yet adopted, and does not expect these standards to have any material impact on the financial statements of the Trust.
- The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board (XRB). This framework incorporates a tier strategy. The Trust will adopt public benefit entity accounting standards as applicable for Tier 2 not for profit entities, which come into effect for periods beginning on or after 1 April 2015. Management has not yet assessed the impact this will have on the preparation and disclosures included in the financial statements.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

4 Investment Income

	2015	2014
Interest received	48	47
Investment Income	851	869
Fair Value Investment gains and losses	23,411	16,264
Other Income	395	3
Net changes in fair value movement on loans and receivables / other investments	(240)	66
Total revenue	24,465	17,249

5 Other expenses

	2015	2014
Accountancy fees	9	9
Depreciation	12	16
Office operating costs	56	55
Office lease expenses	57	57
Trust administration	412	178
Employer kiwisaver contribution	8	9
Wages and salaries	373	312
Trustees' Remuneration (note 17)	176	163
Reimbursement of trustee expenses	38	30
Vehicle expenses	9	6
	1,150	835
Auditor's remuneration to KPMG - audit of financial statements	10	12
Total auditor's remuneration	10	12
Total other expenses	1,160	847

6 Grants expenditure

The Trusts principal activity is to distribute income from its Investments to the Community. The following table summarises the grants made to the Community by Sector.

	2015	2014
Active	1,092	572
Community Economic Development	348	211
Culture and Heritage	142	118
Education	60	46
Health	1,137	895
Dillon Scholarship	95	98
Grants Refunded or Cancelled	(3)	-
Total Grants	2,871	1,940

A full list of the grants expenditure can be found in note 20.

7 Grants payable

	2015	2014
Grants recipient		
Kawerau District Council	49	122
Sport Bay of Plenty (Includes 2016 commitment)	529	106
Dillon Recipients	5	1
Phillips Search & Rescue Trust	100	300
Total	683	529



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

8 Contingent liabilities

The following conditional future grants have been approved but are subject to the applicants satisfying specific criteria in each case:

Grants recipient	2015	2014
Apopo	30	60
Central Plateau REAP Inc	53	60
Geyser Community Foundation	10	20
Greerton Village Community Association	11	10
Kawerau Blue Light Ventures Inc	-	20
Maketu Health & Social Services Trust	20	-
Mauao Performing Arts Centre Charitable Trust	15	-
Opotiki Blue Light Ventures Inc	25	45
Relationships Aotearoa Inc	-	60
Roots of Empathy Rotorua Charitable Trust	20	20
Rotorua Musical Theatre	15	-
Social Sector Innovation WBoP Charitable Trust	-	20
Dillon Recipients	-	3
Sport Bay of Plenty Charitable Trust Board Inc	-	845
Taupo Blue Light Ventures	39	78
Te Aranui Youth Trust	30	60
Te Runanga o Ngati Whakaue Ki Maketu Inc	46	-
Te Whare O Manaaki	-	5
The Acorn Foundation	10	20
The Lake Taupo Arts Festival Trust	-	10
The Parenting Place	-	10
Youth Development Trust WBoP	30	60
Total	354	1,406

9 Property, plant and equipment

	Furniture & fittings	Office equipment	Motor vehicle	Total
Cost				
Balance at 1 April 2013	68	40	32	140
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2014	68	40	32	140
Balance at 1 April 2014	68	40	32	140
Additions	-	5	38	43
Disposals	(2)	(2)	-	(4)
Balance as at 31 March 2015	66	43	70	179
Depreciation				
Balance at 1 April 2013	47	28	19	94
Depreciation for the year	5	6	5	16
Disposals	-	-	-	-
Balance as at 31 March 2014	52	34	24	110



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

9 Property, plant and equipment (continued)

	Furniture & fittings	Office equipment	Motor vehicle	Total
Balance at 1 April 2014	52	34	24	110
Depreciation for the year	3	4	5	12
Disposals	(3)	(2)	-	(5)
Balance as at 31 March 2015	52	36	29	117
Carrying amounts				
At 1 April 2013	22	12	13	47
At 31 March 2014	17	6	8	31
At 1 April 2014	17	6	8	31
At 31 March 2015	14	7	41	62

10 Investment in Te Kete Putea Limited Partnership

The Trust and ten of the other eleven Community Trusts established under the 1988 Trustee Bank Restructuring Act have combined resources to own and operate an integrated donation management and financial management Information system. The system has been implemented and final development was completed during the 2013 financial year. The system is owned and operated by a limited partnership named Te Kete Putea Limited Partnership (TKPLP) which was established in the prior financial year. The total cost of the project was \$2,380,000.

The capital of the limited partnership consists of 10,000 units and each Trust holds units broadly in proportion to its audited capital at 31 March 2008.

The investment in TKPLP was initially valued at \$90,000. Subsequent to initial recognition, the investment will be recorded at fair value which for 2015 is \$54,000, (2014:\$72,000). Fair value is determined using an appropriate valuation technique. The Trust classifies TKPLP as a Level 3 financial asset, as the valuation is not based on observable market data.

11 Loans

From time to time the Trust advances funds to organisations at low interest rates or interest free. The loans are classified as loans and receivable and, after initial recognition, are measured at amortised cost using effective interest rate method less any impairment loss. The difference between the interest charged and what could have been achieved by the Trust as its long run investment forecast of 5.5% equates to a community benefit provided by the Trust. The actual value of the loans outstanding is \$1,908,307 however due to the below market interest rates that have been charged the fair value of these loans is actually \$1,475,946. The variance of \$432,361 essentially is a benefit provided to the community over the remaining loan terms.

The loan balance is made up as follows:

Organisation	Maturity Date	Interest rate %	2015	2014
Rautahi Marae Trust	23/07/2015	0%	-	2
Habitat for Humanity	23/12/2015	0%	22	53
Tauhara Centre Trust	27/06/2016	3%	23	40
West Rotorua Parish	1/04/2016	3%	18	40
Paradise Point Development Trust	12/08/2017	3%	20	34
Tauranga Boys' College	1/12/2015	3%	15	35
Tauranga Squash Club	23/03/2017	3%	900	900
Theatre Whakatane Inc	19/12/2024	3%	150	-
Tauranga Community Housing Trust	17/10/2019	3%	760	-
Less fair value adjustment in initial recognition of low interest or interest free loans			(432)	(210)
Total			1,476	894



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

11 Loans (continued)

	2015	2014
Classified as:		
Current	83	96
Non-current	1,393	798
Total	1,476	894

For the purposes of calculating amortised cost and interest, the rate applying to the Reserve Bank swap rate at inception date of each advance is used.

The loan to Tauranga Squash Club is secured by way of first mortgage, had an interest free period of one year, and then has had interest at 3% per annum applied since 1 October 2012.

12 Cash and cash equivalents & short term deposits

	2015	2014
Bank balances	(34)	198
Call deposits	-	73
Cash and cash equivalents	(34)	271
Short term deposits	22	215
Short term deposits	22	215

13 Grants maintenance reserve

The grants maintenance reserve relates to a capital maintenance reserve established and maintained at the Trustees' discretion.

14 Inflation reserve

As an "enduring" (everlasting) Trust, BayTrust has a responsibility to ensure it treats all classes of beneficiaries equitably and this includes future potential beneficiaries. For this reason the Trust maintains its "real" (inflation-adjusted) capital by reserving annually sufficient funds to cover inflation as measured by the Consumers' Price Index. These measurements have traditionally been taken for the 12 months to June of the preceding year and in this case the CPI increase to June 2014 was 1.6%, requiring an addition of \$2.234m to the Reserve. (2014:\$0.971m)

15 Financial instruments

Exposure to credit, interest rate, foreign currency, equity price and liquidity risks arises in the normal course of the Trust's business. The Trust's risk management policies and procedures for financial instruments are formally documented and approved by the Trustees in the Trust's Statement of Investment Policies and Objectives ("SIPO").

Credit risk

The Trust's SIPO stipulates value ranges that may be held in Australasian and global equities, New Zealand and global fixed interest, New Zealand cash, global listed infrastructure and global listed property. Within each of these investment sub-trusts there are maximum limits that can be invested within one investment group and with one investment manager. This diversified investment strategy reduces the credit risk exposure of the Trust.

The Trust makes loans only to entities that are well established and have demonstrated a robust ability to make repayments.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

15 Financial instruments (continued)

The SIPO states minimum credit ratings of investment bonds.

The Trust manages credit concentration risks through:

- a diversified and non-correlated basket of investments across traditional and alternative classes
- through the use of a multi-fund manager approach to investments in its portfolio
- and by ensuring compliance with the individual mandate requirements of each investment.

The Trust reviews the portfolio for compliance against each investment mandate on a regular basis.

Liquidity risk

Liquidity risk represents the Trust's ability to meet its contractual obligations. The Trust evaluates its liquidity measurements on an ongoing basis. In general, the Trust generates sufficient cash flows from its activities to meet its obligations arising from its financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or equity prices, will affect the Trust's profit or valuation of net assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The risk is mitigated by the policies and procedures outlined in the Trust's SIPO. These include diversification of the investment portfolio and prudent investment strategies.

Foreign currency risk

The Trust is exposed to foreign currency risk as a result of investment transactions entered into by fund managers in a currency other than the Trust's functional currency, New Zealand dollars. It is Trust policy to have at least 90% of its overseas investments hedged to NZ dollars, which is achieved by investing in hedged funds.

Interest rate risk

The Trust has bank call deposit accounts, short term deposits, government and local authority securities and other investments held by the Trust's fund managers that are exposed to interest rate risk.

Other market price risk

The entity is not exposed to substantial other market price risk arising from financial instruments.

Quantitative disclosure

Credit and interest rate risk

The carrying amount of financial assets represents the Trust's maximum credit exposure.

Carrying amount

	2015	2014
Cash and cash equivalents	(34)	271
Short term deposits	22	215
Loans	1,476	894
	<u>1,464</u>	<u>1,380</u>
Investment in Te Kete Putea Limited Partnership	<u>54</u>	<u>72</u>



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

15 Financial instruments (continued)

	2015	2014
<i>Investments</i>		
NZ fixed interest debt securities	13,216	12,724
Australasian equities	11,355	10,902
Global bonds	88,420	78,934
Global equities	78,569	70,290
Private Equity	341	-
Total investments designated at fair value through profit or loss	<u>191,901</u>	<u>172,850</u>
Total financial assets	<u><u>193,419</u></u>	<u><u>174,302</u></u>

Management of the interest rate risk is performed by the fund managers by use of interest rate swaps.

The Trust continuously monitors the credit quality of major financial institutions that are counter parties to its financial instruments and does not anticipate non performance by the counter parties. The Trust further minimises its credit exposure by limiting the amount of funds placed with any one financial institution at any one time.

The Trust makes a number of loans to eligible community groups and organisations over periods of up to five years. These are not grants and are fully expected to be repaid in full within the terms of the loan. The Trust requires evidence of the applicant's ability to repay the loan and also considers a number of other factors before advancing the loan and deciding on whether or not to waive a security interest. At the reporting date, the Trust had one loan secured by a First Mortgage (note 11).

Liquidity risk

The following table sets out the contractual cash flows for all financial liabilities:

	Statement of Financial Position	Contractual cash flows	6 months or less	6-12 months	1 to 2 years	2 to 5 years	More than 5 years
Trust 2015							
Grants Payable	683	683	366	211	106	-	-
Trade and other payables	164	164	164	-	-	-	-
Total	<u>847</u>	<u>847</u>	<u>530</u>	<u>211</u>	<u>106</u>	<u>-</u>	<u>-</u>
Trust 2014							
Grants Payable	529	529	329	100	100	-	-
Trade and other payables	282	282	282	-	-	-	-
Total	<u>811</u>	<u>811</u>	<u>611</u>	<u>100</u>	<u>100</u>	<u>-</u>	<u>-</u>

Employee Entitlements have not been included as they are not a financial liability.

Capital management

The Trust's funds include trust capital, grants maintenance reserve, inflation reserve and retained earnings.

The Trust's policy is to maintain a strong capital base to sustain future development of the Trust.

The Trust is not subject to any externally imposed capital requirements.

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Board of Trustees.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

15 Financial instruments (continued)

Sensitivity analysis

Table 1 shows the Trust's portfolio managed by Russell Investments as at 31 March 2015 as well as the long term expected return. The return one standard deviation above and below the expected return is also shown. This analysis is only in respect of investments managed by Russells.

Table 1: Sensitivity analysis for the Trust's portfolio held with Russell Investments 31 March 2015

	Asset allocation (31 March 2015)	Long term expected return p.a.	-1 Std deviation return p.a.	+1 Std deviation return p.a.
Investment Portfolio	100.00%	5.50%	-2.40%	13.50%

From table 1, it can be seen that the long term expected return for the Trust's portfolio is currently 5.5% per annum and there is approximately a 66% probability that the return in any one year will be within the range of 2.4% and 13.5%.

As at 31 March 2015 the Trust's portfolio had NZ\$191.6m under management with Russell Investments (Russell). Based on information provided by Russell, assuming the short term return distribution approximates the long term return distribution there is approximately a 66% probability that the Trust's revenue from investment activities will lie in the range of -\$4.6m to \$25.9m, with expected revenue of \$10.5m for the year 1 April 2015 to 31 March 2016.

Table 2 shows the Trust's portfolio as at 31 March 2014 as well as the long term expected return. The return one standard deviation above and below the expected return is also shown.

Table 2: Sensitivity analysis for the Trust's portfolio 31 March 2014

	Asset allocation (31 March 2014)	Long term expected return p.a.	-1 Std deviation return p.a.	+1 Std deviation return p.a.
Investment Portfolio	100.00%	6.60%	-2.60%	15.80%

From table 2, it can be seen that the long term expected return for the Trust's portfolio is currently 6.6% per annum and there is approximately a 66% probability that the return in any one year will be within the range of 2.6% and 15.8%.

As at 31 March 2014 the Trust's portfolio had NZ\$172.9m under management. Based on information provided by Russells, assuming the short term return distribution approximates the long term return distribution there was approximately a 66% probability that the Trust's revenue from investment activities would lie in the range of -\$4.5m to \$27.3m, with expected revenue of \$11.4m for the year 1 April 2014 to 31 March 2015. Actual revenue from investment activities for the year was \$24.7m.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

15 Financial instruments (continued)

Estimation of fair values

The methods used in determining the fair values of financial instruments are discussed in note 3.

Fair value hierarchy

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the end of the reporting period. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Trust's investment managers use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standard financial instruments such as over the counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

The Trust is unlikely to invest in instruments where there is no active market.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2015	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss				
Unlisted unit trust - NZ fixed interest debt securities	-	13,216	-	13,216
Unlisted unit trust - Australasian equities	-	11,355	-	11,355
Unlisted unit trust - Global bonds	-	88,420	-	88,420
Unlisted unit trust - Global equities	-	78,569	-	78,569
Private Equity	-	-	341	341
Te Kete Putea Limited Partnership	-	-	54	54
Total	-	191,560	395	191,955

There have been no transfers between levels in either direction during the year (2014: nil).

31 March 2014	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss				
Unlisted unit trust - NZ fixed interest debt securities	-	12,724	-	12,724
Unlisted unit trust - Australasian equities	-	10,902	-	10,902
Unlisted unit trust - Global bonds	-	78,934	-	78,934
Unlisted unit trust - Global equities	-	70,290	-	70,290
Te Kete Putea Limited Partnership	-	-	72	72
Total	-	172,850	72	172,922

All fair value gains and losses are shown in Note 4.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

16 Operating leases

Leases as lessee

Non-cancellable operating lease in relation to the Trust's administrative office rentals are payable as follows:

	2015	2014
Less than one year	68	68
Between one and five years	169	237
Total	237	305

Lease is for a 6 year term until 30 September 2017 with 1 right of renewal for 6yrs.

17 Reconciliation of the surplus for the year with the net cash from operating activities

	2015	2014
Surplus for the year	19,290	13,370
Adjustments for:		
Depreciation	12	16
Unrealised (gain)/loss on investments	(22,818)	(16,211)
Fair value movement on loans and receivables	222	(84)
Change in trade and other receivables	(181)	-
Change in grants payables	154	(316)
Change in trade and other payables	(135)	68
Net cash from operating activities	(3,456)	(3,157)

18 Related parties

The Trust held 16 formal meetings during the year. The table below records each Trustees attendance at board meetings and the remuneration paid to each Trustee.

	Meeting Attendance	Remuneration \$
Mahoney, Jenny, JP (Chair from 1 December 2013)	8/8	26
Hawker-Green, Kylie (Deputy Chair from 1 December 2013)	7/8	15
Brown, Gregg	8/8	13
Brown, Kenneth (Audit Committee Chair)	7/8	14
Christensen, Michael, QSM, JP	5/8	13
Cleghorn, Bill, QSM, JP (Investment Committee Chair)	7/8	14
Hammond, Karla (Till 1 June 2014)	1/1	2
Lewis, Pamela, JP (Dillon Committee Chair)	8/8	14
Marriott, Wayne, JP (From 1 June 2014)	5/7	11
McAdie, Nigel	7/8	14
Mihinui, Roku	6/8	13
Morris, Steve	8/8	13
Rea, Tracy	7/8	13
		176

During the year as well as attending Board meetings, Trustees attended numerous other committee meetings as well as events representing the Trust.

There are fees payable to Trustees at balance date of \$14,000 (2014:Nil).

Trustees are considered to be the key management personnel of the Trust.

On 28 May 2015 Jenny Mahoney retired as Chair and Kylie Hawker-Green is the acting Chair until a new Chair is appointed.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

19 Subsequent events

There are no subsequent events at 31 March 2015.

20 Commitments

There was one loan approved in principle during the financial period totalling \$200,000 of which \$50,000 remain unpaid as at 31 March 2015. The loan is for Theatre Whakatane.

There were two amounts of committed capital for private equity investments which were uncalled during the financial period . Vantage Asset Management had an amount uncalled of \$2,700,000 AUD and Continuity Capital Partners had an amount uncalled of \$990,000 NZD.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$'000's)

21 Grants expenditure for the year ended 31 March 2015

Active		Culture and Heritage (continued)	
Coastguard Eastern Region	40	Opotiki Heritage & Cultural Museum	2
Coastguard Lake Taupo Assoc Inc	8	Ra Whakangahau Trust	1
Coastguard Turangi	10	Rotorua Arts Village Trust	2
Kaikati College	15	Rotorua Lakeside Concert CT	10
Maketu Volunteer Coastguard	20	Taupo District Council	2
Mt Maunganui Lifeguard Service	20	Tauranga Art Gallery Trust	10
NZ Response Team Trust	28	Tauranga Jazz Soc Inc	10
Omokoroa Golf Club Inc.	1	Terere Marae Maori Reservation	3
Opotiki Surf Life Saving	5	The Incubator	24
Opotiki Volunteer Coastguard Inc.	8	The Lake Taupo Arts Festival Trust	10
Papamoa Swimming Club Inc.	5	The National Woodskills Trust	3
Rotorua Lakes Volunteer Coastguard	12	The Stage Challenge Foundation	4
Rotorua Touch Assoc Inc	10	Sub-Total	<u>142</u>
Sport Bay of Plenty (includes 2016 commitment)	846		
Taupo BMX Club Inc	5	Education	
Te Awanui Hauora Trust	10	BoP Science Fair Inc	4
Te Puke Scout Group	1	NZ Centre for Gifted Children	15
Tga Search & Rescue Trust	11	Storytime Foundation Trust	10
The Order of St John Kaikati	5	Tarawera High School	5
Waipi Beach Volunteer Coastguard	20	Te Arawa Lakes Trust	21
Waikato BoP Area Judo Association	1	Wairakei Playcentre	5
YSAR Tauranga - Youth Search and Rescue Tauranga Trust	<u>11</u>	Sub-Total	<u>60</u>
Sub-Total	<u>1,092</u>		
		Health	
Community Economic Development		Age Concern (Rotorua)	19
Bethlehem Community Patrol	2	Age Concern (Tga) Inc	1
Eastern BoP Regional Econ Dev	30	Apopo	30
Geyser Community Foundation	10	Atua Awhi Community Charitable Trust	1
Kaikati Community Resource Centre	25	Auckland District Kidney Soc Inc	10
Kawerau Enterprise Agency Inc	5	Autism NZ Inc	12
Lighthouse Presbyterian Church	3	Beachaven Family Services	15
Merivale Community Inc.	1	Big Brothers Big Sisters Rotorua	10
Mokola Community Assoc	20	BoP Multiple Sclerosis Soc	9
Motu Trails Charitable Trust	5	CanTeen BoP	12
Mount Maunganui Community Patrols	2	Central Plateau REAP Inc	53
Priority One - Western BoP Inc.	15	Cool Bananas Youthwork Trust	5
Social Sector Innovation WBoP Charitable Trust	20	Disabilities Resource Centre	25
Social Sector Innovation WBoP Charitable Trust	2	Families Achieving Balance Charitable Trust	20
Taupo Budget Advisory Service Inc.	8	Get Smart Tga Trust	20
Taupo Citizens Advice Bureau Inc.	15	Grief Support Services Inc	5
Taupo Council of Social Services	18	Growing Through Grief - Te Puke	2
Taupo Council of Social Services	3	Growing Through Grief - Tga	5
Taupo Neighbourhood Support	16	Growing Through Grief - Whakatane	3
Te Roopu-A-hwi o Te Arawa	15	Growing Through Grief Opotiki	4
Te Runanga o Ngati Whakaue Ki Maketu Inc	35	Habitat for Humanity	30
Te Runanganui o Te Arawa Inc	6	Haemophilia Foundation NZ	9
The Acorn Foundation	10	Hearing Dogs for Deaf People NZ	5
The Acorn Foundation	7	Kaikati Community Resource Centre	23
The Inspiring Communities	15	Kawerau Blue Light Ventures Inc	20
Turangi Budget Services Inc	15	Kimiora Community Trust	10
Turangi Neighbourhood Support	10	Life-Link Community Trust	2
Volunteer WBoP	10	Living Well Church CT	1
Wairakei Primary School	7	Maketu Ongatoto Wetland Soc	10
Welcome Bay Community Centre Incorporated	15	Manawahe Eco Trust	10
Welcome Bay Community Centre Incorporated	<u>3</u>	Mangakino Family Services	2
Sub-Total	<u>348</u>	Merivale Community Inc.	30
		NZ Blue Light Ventures	8
Culture and Heritage		NZ Council of Victim Support groups	10
Bethlehem Baptist Church	10	Opotiki Blue Light Ventures Inc	20
BoP Classic Aircraft Trust	5	Pacific Island Community (Tga)	15
Detour Theatre	10	Papamoa Support Centre	18
Greerton Village Community Assoc Inc	10	Parenting for Men	15
Kaikati Open Air Art Inc	10	Parents Centre NZ Inc	3
Ngati Awa Research & Archives Trust	11	Parkinsonism Society Incorporated Tauranga	10
NZ Cuban Festival	5	Pregnancy Counselling Services	5

Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

21 Grants expenditure for the year ended 31 March 2015 (continued)

Health (continued)	
Reach Out Trust	2
RMH Auckland Trust	6
Rotorua District Riding for the Disabled	30
Rotorua Wake & Ski Club	43
Southern Lake Taupo Health Trust	25
St Chads Communication Centre Trust	15
St Peters Care & Counselling CT	25
St Vincent de Paul soc	2
Stroke Foundation of NZ Midland Region	18
Talklink Trust	8
Taupo Blue Light Ventures	39
Taupo Community Mens Shed Trust	5
Tauranga (BoP) Hearing Assoc Inc	16
Tauranga District Group Riding for the Disabled	10
Tauranga Living Without Violence	15
Tauranga Moana Nightshelter	25
Tauranga Regional Multicultural Council Inc.	5
Tauranga Youth Development Team	15
Te Aranui Youth Trust	30
Te Puke Community Hub Charitable Trust	3
Te Puke High School	16
Te Whanau Kotahi Trust	10
Te Whare o Manaaki	5
The Parenting Place	15
The Salvation Army, Rotorua Community Ministries	1
The Salvation Army, Whakatane Community Ministries	1
The Tanners Point Residents & Ratepayers Assoc Inc	3
Tongariro Natural History Soc	25
Tongariro Whanau Support Trust Inc	3
Turangi BlueLight Ventures	24
Turangi Foodbank Inc	2
W.I.S.E Better Homes	60
WERA Aotearoa Charitable Trust	40
Western BoP Disability Support Trust	1
Whakaatu Whanaunga Trust	2
Whakatane Baptist Community Trust	10
Youth Development Trust WBoP	30
Youth Encounter Ministries Trust	15
Youth Projects Trust	20
Sub-Total	<u>1,137</u>
Dillon Scholarships	
Dillon Recipients	95
Toolbox Grant cancelled	
Otanewaluku Kiwi Trust	(3)
Grand Total - Grants Expenditure	2,871





Independent auditor's report

To the trustees of Bay of Plenty Community Trust

We have audited the accompanying financial statements of Bay of Plenty Community Trust ("the trust") on pages 3 to 22. The financial statements comprise the statement of financial position as at 31 March 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' responsibility for the financial statements

The trustees are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the trust.

Opinion

In our opinion the financial statements on pages 3 to 22 present fairly, in all material respects, the financial position of the trust as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

18 June 2015
Tauranga