



Bay of Plenty Community Trust Incorporated

Financial Statements for Year Ended

31 March 2016

Bay of Plenty Community Trust Incorporated

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Bay of Plenty Community Trust Incorporated

Directory

For the year ended 31 March 2016

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:	Kenneth Brown (Chair since 18 September 2015) Bill Cleghorn, QSM, JP (Deputy Chair since 18 September 2015) Gregg Brown Michael Christensen, QSM, JP Simon Clarke Kylie Hawker-Green (Acting Chair from 29 May 2015 to 17 September 2015) Pamela Lewis, JP Nigel McAdie Jenny Mahoney, JP (Chair until 28 May 2015) Wayne Marriott, JP Roku Mihinui Steve Morris
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
LAWYERS:	Sharp Tudhope Tauranga

Bay of Plenty Community Trust Incorporated

Chair and CEO report For the year ended 31 March 2016

It is our pleasure to share BayTrust's activities, achievements and highlights for the year to 31 March 2016.

Overall

After an incredibly busy year where the Trust went through a significant period of change in updating our vision, values, strategy and organisational structure to ensure we can best support Bay of Plenty (BOP) communities, we are now looking forward to a period of consolidation where we implement, communicate and action our changes. Key highlights for the 2016 year are outlined below:

Financial Performance

It has been a subdued year for BayTrust's investment portfolio after very strong financial performances over the previous 3 years, with BayTrust's investments returning \$5.5m (3%), (2015 \$24.5m) for the year. This subdued performance was in alignment with statements made last year where we noted that the very strong investment returns that had been sustained over the 2013-2015 period (13%) were unlikely to continue.

In spite of this investment performance, BayTrust's returns have still largely covered the Trust's expenses of \$2.3m (2015 \$2.3m) and granting of \$4.2m (2015 \$2.8m) for the year leading to an overall deficit for the year of \$1.1m (2015 \$19m surplus) meaning that the Trust is still in a very healthy position at the end of this year, with grants maintenance reserves of \$49m.

The Trust's managed investment portfolio continues to be well diversified under a Fiduciary Management Agreement with the Russell's Investment Group, with a spread of investments across a range of asset classes including Australasian and Overseas Equities; 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. The Trust has also allocated up to 5% (0.7% currently invested) of its investments into Private Equity and up to 4% (1.1% currently invested) for social investments with increasing investments into these areas expected in future years.

At year-end total equity of BayTrust was \$192m, which is very similar to the \$193m at 31 March 2015.

Investment Community

In the 12 months to 31 March 2016 BayTrust significantly increased its total community investment (62%) from the prior year and committed a total of \$4.276m in grants (2015 \$2.871m) to 171 community organisations. The Trust also provided other significant community support during the year (\$283,000) delivered in a variety of ways including capacity-building opportunities such as workshops, which were extremely well received by the community.

Further, BayTrust has increased its social loans portfolio (capped at 4% of its total investment portfolio) by a further \$0.7m largely through additional low-interest social loans to two of our key housing partners, Habitat for Humanity and the Tauranga Community Housing Trust to help provide additional and affordable housing options in the BOP. The social loans provide an additional benefit to the community by providing low-interest rate loans, the value of the interest saved by the organisation over the term of the loan is effectively a grant to the organisation when the loan is approved. The value of this additional benefit provided to the community during the 2016 year was \$369,059.

Future Granting

Global economic uncertainty and record low interest rates have continued to constrain our future investment forecasts with BayTrust utilising a forecast return of 4.9% for budgeting purposes, compared to 5.6% in 2015. However, in spite of this modest forecast return we are looking to further increase our granting from \$4.276m in 2016 to \$5m this year as a result of our strong financial position and very healthy grant reserves of \$49m.

Other Highlights

Other highlights of the BayTrust year include:

- Commitment to the following values that are now being embedded in everything we do:
 - *Kaitiaki* (Guardianship) of our assets, our people and our environment.
 - Together we are strong.
 - We will make a real difference.
 - Innovation and balanced solutions produce the best results.
 - Everything we do, we do well.
- In order to support our increase in granting we have completely reviewed our granting policies, strategies and funding frameworks with updated policies and guidelines now being used for 2016/2017 granting decisions. As part of this update we held a series of roadshows throughout the BOP which were very well attended and we also launched our new annual strategic funding round with 13 shortlisted applicants now being considered for the first round in August 2016.
- Refreshing our website and brand to help clearly communicate our new direction and the role we play in the BOP.
- Extending our relationship with the Russell Investment Group through to 2018 and are now working through our strategic asset allocations with them.
- Completing an independent health and safety audit to ensure compliance with the new legislation.
- Partnering with the Ministry of Social Development, the DIA, other funders and community groups on a collective impact project on how best to address vulnerability in the first 1000 days of a child's life and youth engagement.
- Partnering with other key BOP funders to commission research on how funders can best make an impact on housing, with BOP communities' having housing issues as one of their top priorities.
- Recommitting to and expanding (now also encompassing youth and children initiatives) our relationship with Sport BOP and its CoachForce programme, which is now in its 19th 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 agreement commenced on 1 Jan 2016 and continues through to 31 Dec 2018, providing \$1.657m of funding over three years.

Lastly a big thank you to all Trustees and Staff for all the hard-work that has been put in over the past year. We are now at our full complement of staff and have also been fortunate to have a stable group of dedicated Trustees who along with staff have worked long and hard over the past 12 months to deliver on the Trust's vision to Bay of Plenty communities.

Also, an even bigger thank you to all the wonderful community groups and their supporters for their ongoing work in helping make the "Bay of Plenty the greatest place to be".



Kenneth Brown
Chair
21-Jul-16



Alastair Rhodes
Chief Executive Officer

Bay of Plenty Community Trust Incorporated

Statement of comprehensive revenue and expense

For the year ended 31 March 2016

in New Zealand Dollars (\$000's)

	Note	2016	2015
Investment Income	4	5,495	24,465
Less Expenses			
Portfolio management and advisory fees		1,159	1,144
Other expenses	5	1,179	1,160
Total Expenses		2,338	2,304
Grants Expenditure	6, 20	4,276	2,871
(Loss)/profit for the year		(1,119)	19,290
Total comprehensive revenue and expense		(1,119)	19,290

Statement of changes in equity

For the year ended 31 March 2016

in New Zealand Dollars (\$000's)

	Trust capital	Retained earnings	Grants maintenance reserve	Inflation reserve	Total
Balance at 1 April 2014	89,308	-	33,839	50,358	173,505
Surplus / Total comprehensive revenue and expense	-	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
Balance at 1 April 2015	89,308	-	50,895	52,592	192,795
Loss / Total comprehensive revenue and expense	-	(1,119)	-	-	(1,119)
Reserves transfers	-	1,119	(1,687)	568	-
Balance at 31 March 2016	89,308	-	49,208	53,160	191,676

The notes on pages 6 to 20 are an integral part of these financial statements.



Bay of Plenty Community Trust Incorporated

Statement of financial position

As at 31 March 2016

In New Zealand Dollars (\$000's)

	Note	2016	2015
Assets			
Property, plant and equipment	9	47	62
Loans	11	1,943	1,393
Investment in Te Kete Putea Limited Partnership	10	36	54
Investments	15	190,766	191,901
Total non-current assets		192,792	193,410
Current assets			
Loans	11	270	83
Prepayments		178	161
Short term deposits	12	33	22
Cash and cash equivalents	12	211	-
Total current assets		692	266
Total assets		193,484	193,676
Trust equity			
Trust capital		89,308	89,308
Grants maintenance reserve	13	49,208	50,895
Retained earnings		-	-
Inflation reserve	14	53,160	52,592
Total equity		191,676	192,795
Liabilities			
Cash and cash equivalents	12	-	34
Grants Payable	7	1,670	683
Trade and other payables		138	164
Total current liabilities		1,808	881
Total liabilities		1,808	881
Total equity and liabilities		193,484	193,676

The notes on pages 6 to 20 are an integral part of these financial statements.



Signed on behalf of the Board of Trustees;

Chair: 

Trustee: 

Date: 21/3/16

Bay of Plenty Community Trust Incorporated

Statement of cashflows

For the year ended 31 March 2016

In New Zealand Dollars (\$000's)

	Note	2016	2015
Cashflows from operating activities			
Investment income		455	1,688
Cash paid to suppliers, staff and Trustees		(2,344)	(2,426)
Grants paid to the community		(3,289)	(2,718)
Net cash from operating activities		(5,178)	(3,456)
Cashflows from investing activities			
Acquisition of property, plant and equipment		(6)	(43)
Proceeds from disposal of investments		6,229	4,000
Loans Issued / (Received)		(800)	(806)
Net cash used in investing activities		5,423	3,151
Net increase/(decrease) In cash and cash equivalents		245	(305)
Cash and cash equivalents at 1 April		(34)	271
Cash and cash equivalents at 31 March	12	211	(34)

The notes on pages 6 to 20 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 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 2013 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Trust qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

The Board of Trustees approved the financial statements on 21st July 2016.

(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.

(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 2016 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

As noted in 2(a) the Trust has adopted the public benefit entity accounting standards as applicable for Tier 2 not for profit entities. The transition had minimal impact on the accounting policies of the Trust.

(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.

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 are 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 significant 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) 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 40%
Office equipment	26.4% to 80.4%
Motor vehicle	30%

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



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

(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.

(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

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.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

4 Investment Income

	2016	2015
Interest received	66	48
Investment Income	832	851
Fair Value Investment gains and losses	4,679	23,411
Other Income	-	395
Net changes in fair value movement on loans and receivables / other Investments	(82)	(240)
Total revenue	5,495	24,465

5 Other expenses

	2016	2015
Accountancy fees	25	9
Depreciation	18	12
Office operating costs	64	56
Office lease expenses	58	57
Trust administration	377	412
Employer kiwisaver contribution	12	8
Wages and salaries	394	373
Trustees' Remuneration (note 17)	161	176
Reimbursement of Trustee expenses	47	38
Vehicle expenses	11	9
	1,167	1,150
Auditor's remuneration to KPMG - audit of financial statements	12	10
Total auditor's remuneration	12	10
Total other expenses	1,179	1,160

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.

	2016	2015
Active	1,754	1,092
Community Economic Development	412	348
Culture and Heritage	194	142
Education	149	60
Health	1,685	1,137
Dillon Scholarship	98	95
Grants Refunded or Cancelled	(16)	(3)
Total Grants	4,276	2,871

A full list of the grants expenditure can be found in note 20. The Trust provides an additional benefit to the community by providing low-interest rate loans, the value of the interest saved by the organisation over the term of the loan is effectively a grant to the organisation when the loan is approved. The value of this additional benefit provided to the community during the 2016 year was \$369,059.

7 Grants payable

	2016	2015
Grants recipient		
Kawerau District Council	-	49
Sport Bay of Plenty (includes commitment through to Dec 2018)	1,520	529
Dillon Recipients	-	5
Phillips Search & Rescue Trust	150	100
Total	1,670	683



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	2016	2015
Apopo	-	30
ASK Trust	7	-
Central Plateau REAP Inc	-	53
Dillon Recipients	1	-
Geyser Community Foundation	-	10
Greerton Village Community Association	-	11
Litedub BOP	15	-
Maketu Health & Social Services Trust	-	20
Mauao Performing Arts Centre Charitable Trust	-	15
Opoiiki Blue Light Ventures Inc	-	25
Roots of Empathy Rotorua Charitable Trust	-	20
Rotorua Musical Theatre	-	15
Taupo Blue Light Ventures	-	39
Te Aranui Youth Trust	-	30
Te Runanga o Ngati Whakaue Ki Maketu Inc	-	46
The Acorn Foundation	-	10
Youth Development Trust WBoP	-	30
W.I.S.E. Better Homes	50	-
Total	<u>73</u>	<u>354</u>

9 Property, plant and equipment

	Furniture & fittings	Office equipment	Motor vehicle	Total
Cost				
Balance at 1 April 2014	69	40	32	140
Additions	0	5	38	43
Disposals	(2)	(2)	-	(4)
Balance as at 31 March 2015	<u>67</u>	<u>43</u>	<u>70</u>	<u>179</u>
Balance at 1 April 2015	67	43	70	179
Additions	4	2	-	6
Disposals	(22)	(18)	-	(40)
Balance as at 31 March 2016	<u>49</u>	<u>27</u>	<u>70</u>	<u>145</u>
Depreciation				
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	<u>52</u>	<u>36</u>	<u>29</u>	<u>117</u>



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 2015	52	36	29	117
Depreciation for the year	3	3	12	18
Disposals	(19)	(18)	-	(37)
Balance as at 31 March 2016	36	21	41	98
Carrying amounts				
At 1 April 2014	17	6	8	31
At 31 March 2015	15	7	41	62
At 1 April 2015	15	7	41	62
At 31 March 2016	13	6	29	47

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 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 2016 is \$36,000, (2015:\$54,000). 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 4.5% equates to a community benefit provided by the Trust. The actual value of the loans outstanding is \$2,709,325 however due to the below market interest rates that have been charged the fair value of these loans is actually \$2,213,133. The variance of \$496,192 is essentially a benefit provided to the community over the remaining loan terms.

The loan balance is made up as follows:

Organisation	Maturity Date	Interest rate %	2016	2015
Habitat for Humanity	23/12/2015	0%	-	22
Habitat for Humanity	5 years from final draw down	3%	569	-
Tauhara Centre Trust	27/06/2016	3%	5	23
West Rotorua Parish	1/04/2016	3%	-	18
Paradise Point Development Trust	12/08/2017	3%	4	20
Tauranga Boys' College	1/12/2015	3%	-	15
Tauranga Squash Club	30/06/2025	3%	187	-
Tauranga Squash Club	23/03/2017	3%	-	900
Theatre Whakatane Inc	19/12/2024	3%	194	150
Tauranga Community Housing Trust	17/10/2019	3%	760	760
Tauranga Community Housing Trust	1/09/2040	3%	990	-
Less fair value adjustment in initial recognition of low interest or interest free loans			(496)	(432)
Total			2,213	1,476



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

11 Loans (continued)

	2016	2015
Classified as:		
Current	270	83
Non-current	1,943	1,393
Total	2,213	1,476

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.

12 Cash and cash equivalents & short term deposits

	2016	2015
Bank balances	211	(34)
Cash and cash equivalents	211	(34)
Short term deposits	33	22
Short term deposits	33	22

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, however this year the CPI increase to March 16 was used at 0.4%, requiring an addition of \$0.568m to the Reserve (2015:\$2.234m).

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

	2016	2015
Cash and cash equivalents	211	(34)
Short term deposits	33	22
Loans	2,213	1,476
	<u>2,457</u>	<u>1,464</u>
Investment in Te Kete Putea Limited Partnership	<u>36</u>	<u>54</u>



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

15 Financial instruments (continued)

	2016	2015
<i>Investments</i>		
NZ fixed interest debt securities	14,928	13,216
Australasian equities	9,817	11,355
Global bonds	89,453	88,420
Global equities	73,182	78,569
State Street Liquidity Cash Account	2,008	-
Private Equity	1,378	341
Total investments designated at fair value through profit or loss	<u>190,766</u>	<u>191,901</u>
Total financial assets	<u>193,259</u>	<u>193,419</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. 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.

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 2016							
Grants Payable	1,670	1,670	376	326	553	415	-
Trade and other payables	138	138	138	-	-	-	-
Total	<u>1,808</u>	<u>1,808</u>	<u>514</u>	<u>326</u>	<u>553</u>	<u>415</u>	<u>-</u>
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>

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 2016 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 2016

	Asset allocation (31 March 2016)	Long term expected return p.a.	-1 Std deviation return p.a.	+1 Std deviation return p.a.
Investment Portfolio	% : 100.00%	4.50%	-2.90%	12.40%

From table 1, it can be seen that the long term expected return for the Trust's portfolio is currently 4.5% per annum and there is approximately a 66% probability that the return in any one year will be within the range of -2.9% and 12.4%.

As at 31 March 2016 the Trust's portfolio had NZ\$189,330m under management with Russell Investments Group (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 -\$5.5m to \$23.5m, with expected revenue of \$8.5m for the year 1 April 2016 to 31 March 2017.

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.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

15 Financial instruments (continued)

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 2016	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	-	14,928	-	14,928
Unlisted unit trust - Australasian equities	-	9,817	-	9,817
Unlisted unit trust - Global bonds	-	89,453	-	89,453
Unlisted unit trust - Global equities	-	73,182	-	73,182
State Street Liquidity Cash Reserve	-	2,008	-	2,008
Private Equity	-	1,378	-	1,378
Te Kete Putea Limited Partnership	-	-	36	36
Total	-	190,766	36	190,802

There have been no transfers between levels in either direction during the year (2015: nil).

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

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

16 Operating leases

Leases as lessee

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

	2016	2015
Less than one year	68	68
Between one and five years	101	169
Total	169	237

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



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

17 Related parties

The Trust held 9 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 \$
Brown, Kenneth (Chair since 18 September 2015)	9	20
Cleghorn, Bill, QSM, JP (Deputy Chair since 18 September 2015)	9	14
Brown, Gregg	8	12
Christensen, Michael, QSM, JP	7	12
Clarke, Simon (From 28 September 2015)	4	5
Hawker-Green, Kyle (Acting Chair from 29 May 2015 to 17 September 2015)	8	17
Lewis, Pamela, JP	8	13
McAdie, Nigel	6	13
Mahoney, Jenny, JP (Chair until 28 May 2015)	7	16
Marriott, Wayne, JP	8	12
Mihlnul, Roko	6	12
Morris, Steve	9	12
Rea, Tracy (To 1 June 2015)	1	3
		<u>161</u>

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 \$13,660 gross. (2015:\$14,000).

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

On 28 May 2015 Jenny Mahoney retired as Chair, Kyle Hawker-Green acted as Chair until Kenneth Brown was appointed on 18 September 2016.

18 Subsequent events

There are no subsequent events at 31 March 2016.

19 Commitments

There was one loan approved in principle during the financial period totalling \$819,200 of which \$250,000 remains undrawn down as at 31 March 2016. The loan is for Habitat for Humanity.

There was one loan approved with conditions attached during the financial period totalling \$1.5m which remains undrawn down as at 31 March 2016. The loan is for Rotorua Continuing Care (T/a Whare Aroha Care).

There were three 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, Continuity Capital Partners had an amount uncalled of \$1,625,000 NZD and Waterman Capital Ltd had an uncalled amount of \$2,000,000 NZD.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

20 Grants expenditure for the year ended 31 March 2016

Active		Culture and Heritage (continued)	
BayTwisters Inc	3	Tauranga Filipino Soc Inc	5
Coastguard Eastern Region	50	Tauranga Jazz Soc Inc	5
Coastguard Turangi Inc	20	Tauranga X Charitable Trust	5
Maketu Volunteer Coastguard	10	Te Arawa Kapa Charitable Trust	10
Mt Maunganui Lifeguard Service Inc	15	Te Manatu Ahurea o Tuhoe Trust	10
Opotiki Surf Life Saving	5	The Incubator Charitable Trust	30
Opotiki Volunteer Coastguard	9	The Stage Challenge	5
Papamoa Surf Life Saving Club Inc	15	Wesley Methodist Church	1
Pukehina Surf Rescue Lifeguard Ser	15	Whakatohea Maori Trust Board	5
Rotorua Lakes Council	45	Sub-Total	<u>194</u>
Rotorua Lakes Volunteer Coastguard	10		
Rotorua Touch Assoc Inc	10	Education	
Sport Bay of Plenty CT	1,446	BoP Science Fair Inc	4
Swimming NZ	10	English Language Partners NZ	5
Tauranga Squash Club	71	Hgh Tech Youth network	5
Tauranga Volunteer Coastguard	10	House of Science Tauranga Charitable Trust	20
YSAR Tauranga - Youth Search & Rescue	10	Life Education Trust	10
Sub-Total	<u>1,754</u>	Mamaku School	28
		Mt M Toy Library	3
Community Economic Development		Priority One - WBoP Inc (Instep Program)	20
Baywide Community Law Charitable Trust	30	Summerhill A1 Academy Ltd	4
Community Research	5	Tarawera High School	5
Geyser Foundation	10	The Spirit of Excellence Education Trust	16
Good Neighbour Aotearoa Trust	10	Tongariro School	25
International Centre for Entrepreneurship Trust	40	Young Workers Resource Centre	4
Katch Katikati Inc	20	Sub-Total	<u>149</u>
Katikati Community Resource Centre	25		
Linton Park Community Trust	25	Health	
Maketu health and social	20	Age Concern (Tga) Ltd	20
Matata Comm Resource Centre	6	Age Concern Rotorua	27
Mokata Community Assoc Inc	30	Alzheimers Soc Taupo	10
Mount Maunganui Comm Patrol	2	Aongatete Forest Restoration Trust	10
Omokoroa Comm Skate Group	10	Apopo	30
Papamoa Community Patrol Inc	4	Atua Awhi Community CT	20
Philanthropy NZ	3	Auckland District Kidney Soc Inc	15
Priority One - WBoP Inc (BOP Tertiary Intentions)	20	Autism NZ BoP	10
Pukehina Beach Ratepayers	1	Awhina Society	3
Rotorua Budget Advisory	6	Bernardo's NZ	15
Taupo Citizens Advice Bureau	15	Beachaven Family Services	25
Taupo Council of Social Services	20	BOP Multiple Sclerosis Society	10
Te Roopu-A-hui o Te Arawa Charitable Trust (Maatua Whangai)	25	CanTeen BoP	10
The Acorn Foundation	10	Central Plateau REAP (Male Mentor)	30
Turangi Budget Service Inc	15	Central Plateau REAP (Young Mums)	23
Volunteer WBoP	10	Child Matters	10
Welcome Bay Community Centre Inc	35	CMBTMN Society Inc	15
Western Heights Community Assoc	15	Dyslexia Support Taupo	5
Sub-Total	<u>412</u>	Epilepsy NZ Inc (Roto/EBoP)	13
		Family Attachment Base Safe (Fabs)	5
Culture and Heritage		Get Smart Tauranga	35
Bethlehem Baptist Church	10	Grief Support Services Inc	10
BoP Music School	5	Growing Through Grief Te Puke	5
Connected Media CT	5	Growing Through Grief Whakatane	5
Greerton Village Comm Assoc	11	Growing Thru Grief Tauranga	5
Mauao Performing Arts Centre CT	15	Habitat for Humanity	30
Mural Town (Katikati) Twilight Concerts Inc	6	Hearing Dogs for Deaf People	5
NZ Soc Genealogists	5	Kawerau Blue Light Ventures	30
One Taupo Trust	10	Kawerau Distric Council	60
Opotiki Drama & Education	1	Kids Need Dadz	15
Opotiki Fibre & Fleece	6	Lakes Medical Services Trust	8
Ra Whakangahau Trust	5	Lifexone Church	5
Rotorua Lakeside Concert CT	5	Macular Degeneration NZ	10
Safe Turangi	9	Maketu Health & Social Services Trust	20
Terribled Frocks & Divas	10	Maketu Ongatoto Wetland Soc Inc	12
Taupo District Council	5	Manaaki Ora Trust	30
Tauranga Arts Festival Trust	10		

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 2016 (continued)

Health (continued)	
Mangakino Family Services	2
Matata Blue Light Ventures Inc	20
Muscular Dystrophy Northern Inc	9
Opoitiki Blue Light	21
Papamoa Family Services	20
Para Kore Marae Inc	5
Parent to Parent Central Lakes	2
Parent to Parent Coastal BoP	18
Parenting for Men	25
Parkinsonism Soc Inc	10
Philips Search & Rescue Trust	50
Philips Search & Rescue Trust	150
Pregnancy Choice	10
R.E.K.A Trust	10
Roots of Empathy Rotorua CT	20
Rotorua Arts Village Trust	10
Salvation Army Rotorua	3
Salvation Army Whakatane	3
Shakti Ethnic Women's Support Group	30
Social Sector Innovation WBOP CT	40
Special Olympics Tga	2
St Andrews Presbyterian Church	37
St Chads Communication Centre Trust	15
St Vincent de Paul Kawerau	1
St Vincent de Paul Kawerau	2
SupaNZ	5
Talklink Trust	10
Taupo Blue Light	39
Taupo Neighbourhood Support	15
Tauranga City Council	10
Tauranga District Riding for Disabled	20
Tauranga Environment Centre Charitable Trust	25
Tauranga Moana Nightshelter	25
Tauranga Women's Refuge Inc	45
Tauranga Youth Development	30
Te Aranui Youth Trust	30
Te Awanui Hauora Trust	25
Te Runanga O Ngati Whakaue Ki Matekuri Inc	45
Te Whare O Manaaki	35
The Cochlear Implant Foundation	10
The Kauri Centre	20
The Salvation Army Tauranga	15
Tuamako Hou Trust	7
Turangī BlueLight Ventures	25
Turangī Foodbank	2
Turangī Mountain Region Trust	2
WBOP Disability Support Trust	2
WBOP Neighbourhood Support	4
Whakāteu Whanaunga Trust	3
Whakatane Blue Light Ventures Inc	30
Whakatane District Council	50
Youth Development Trust	30
Youth Encounter Ministries Trust	20
Sub-Total	<u>1,685</u>
Dillon Scholarships	
Dillon Recipients	98
Grant cancelled/Refunded	
The Acorn Foundation	(1)
EBAT Charitable Trust	(5)
Dillon Recipients	(4)
Tauranga X Charitable Trust	(5)
Wesley Methodist Church	(1)
Sub-Total	<u>(16)</u>
Grand Total - Grants Expenditure	4,276





Independent auditor's report

To the beneficiaries 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 20. The financial statements comprise the statement of financial position as at 31 March 2016, the statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the trust's beneficiaries those matters we are required to state to them in the 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 trust's beneficiaries as a body, for our audit work, this report or any of the opinions we have formed.

Trustees' responsibility for the financial statements

The trustees are responsible on behalf of the trust for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit)) 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 20 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of Bay of Plenty Community Trust as at 31 March 2016 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit).

A handwritten signature of 'KPMG' in blue ink, written in a cursive style.

21 July 2016
Tauranga

Bay of Plenty Community Trust Incorporated
2016 Financial Statements

Statement of Comprehensive Revenue and Expense	2016	2015
For the year ended 31 March 2016	\$000s	\$000s
Income		
Income from investments	5,577	24,310
Other income	(82)	155
	<u>5,495</u>	<u>24,465</u>
Expenses		
Trustees remuneration and expenses	208	214
Portfolio management & advisory fees	1,159	1,144
Other administration costs	971	946
Grants expenditure	4,276	2,871
	<u>6,614</u>	<u>5,175</u>
Total comprehensive revenue and expense for the year	<u>(1,119)</u>	<u>19,290</u>

Statement of Changes in Equity	2016	2015
For the year ended 31 March 2016	\$000s	\$000s
Balance as at 1 April 2015	192,795	173,505
Total comprehensive revenue and expense for the year	(1,119)	19,290
Balance as at 31 March 2016	<u>191,676</u>	<u>192,795</u>

Statement of Financial Position	2016	2015
As at 31 March 2016	\$000s	\$000s
Trust Equity		
Trust capital	89,308	89,308
Grants maintenance reserve	49,208	50,895
Inflation reserve	53,160	52,592
	<u>191,676</u>	<u>192,795</u>
Current Assets		
Cash & cash equivalents	211	-
Short term deposits	33	22
Prepayments	178	161
Loans to community groups	270	83
	<u>692</u>	<u>266</u>
Non Current Assets		
Investments	190,766	191,901
Loans to community groups	1,943	1,393
Other non current assets	36	54
Fixed assets	47	62
	<u>192,792</u>	<u>193,410</u>
Total Assets	<u>193,484</u>	<u>193,676</u>
Less Liabilities		
Cash & cash equivalents	-	(34)
Other Liabilities (all current)	(1,808)	(847)
	<u>(1,808)</u>	<u>(881)</u>
Total Net Assets	<u>191,676</u>	<u>192,795</u>



Handwritten initials: RB and AL

Statement of Cashflows

For the year ended 31 March 2016

	2016	2015
	\$000s	\$000s
Cash Flows from Operating Activities	(5,178)	(3,456)
Cash Outflows from Investing Activities	5,423	3,151
Net (decrease)/increase in cash and cash equivalents	245	(305)
Cash and cash equivalents at 1 April 2015	(34)	271
Cash and cash equivalents at 31 March 2016	211	(34)

Bay of Plenty Community Trust 2016 Summary Financial Statements

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Reporting entity

Bay of Plenty Community Trust (*BayTrust*) is domiciled and incorporated in New Zealand in accordance with the provisions of the Community Trusts Act 1999.

For financial reporting purposes BayTrust is designated a Public Benefit Entity. Its primary purpose is to distribute income from its investments activities to Bay of Plenty communities.

Basis of Preparation

– Statement of compliance

The summary financial statements have been prepared in accordance with FRS 43 - *Summary Financial Statements* and have been extracted from the full financial statements. The full financial statements have been prepared in accordance with the Financial Reporting Act 2013 and New Zealand Generally Accepted Accounting Practice (NZ GAAP) as appropriate for Tier 2 not-for-profit Public Benefit Entities and comply with New Zealand International Financial Reporting Standards (NZ IFRS) and its Interpretations.

The summary is extracted from the full financial statements authorised for issue by the Trustees on 21st July 2016. Once issued the Trustees do not have the power to amend these statements. The full financial statements have been audited and an unmodified opinion has been given. This summary has also been examined by KPMG and a copy of their summary unmodified audit opinion is included in this report.

The summary financial statements cannot be expected to provide as complete an understanding as is provided by the full financial statements.

A copy of the full financial statements can be obtained from the BayTrust website www.baytrust.org.nz and is available from the Trust CEO, PO Box 13322, Tauranga 3141, Tel 07 578 6546 or 0800 654 546, or send a request to info@baytrust.org.nz.

The summary financial statements are presented in New Zealand dollars and rounded to the nearest thousand dollars.

– Basis of measurement

The financial statements have been prepared on the basis of historical cost except for assets and liabilities as outlined in the notes to the full financial statements.





Independent auditor's report on the summary financial statements

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 March 2016 and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, are derived from the audited financial statements of Bay of Plenty Community Trust Incorporated ("the trust") for the year ended 31 March 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 21 July 2016. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Bay of Plenty Community Trust Incorporated.

Trustees' responsibility for the financial statements

The trustees are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43 *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*. Other than in our capacity as auditor we have no relationship with, or interests in, the trust.

Opinion

In our opinion, the summary financial statements, derived from the audited financial statements of Bay of Plenty Community Trust Incorporated for the year ended 31 March 2016, are a fair summary of those financial statements, in accordance with FRS-43 *Summary Financial Statements*.

A handwritten signature of the KPMG firm, written in blue ink, appearing as 'KpmG'.

21 July 2016
Tauranga