



Bay of Plenty Community Trust Incorporated

Financial Statements for Year Ended

31 March 2017

Bay of Plenty Community Trust Incorporated

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Bay of Plenty Community Trust Incorporated

Directory

For the year ended 31 March 2017

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 Incorporated. In March 2006 the Trust adopted the name **BayTrust** for operational purposes.

TRUSTEES:	Kenneth Brown (Chair) Bill Cleghorn, QSM, JP (Deputy Chair) Gregg Brown Michael Christensen, QSM, JP Simon Clarke Kylie Hawker-Green Pamela Lewis, JP Nigel McAdie Jenny Mahoney, JP Wayne Marriott, JP Roku Mihinui Steve Morris
CHIEF EXECUTIVE OFFICER:	Alastair Rhodes
ADDRESS:	73 Spring Street P O Box 13322 Tauranga 3141
ACCOUNTANTS:	Staples Rodway Tauranga
AUDITORS:	KPMG Tauranga
BANKERS:	ANZ Tauranga
FIDUCIARY MANAGERS:	Russell Investment Group Limited Sydney
LAWYERS:	Sharp Tudhope Tauranga

Bay of Plenty Community Trust Incorporated

Chair and Chief Executive Officer report For the year ended 31 March 2017

It is our pleasure to share BayTrust's activities, achievements and highlights for the year to 31 March 2017.

Overall

As it appears for most organisations in the BOP, it has been another incredibly busy year for the Trust as we continue to refine and grow our investments and work with our communities on how we can make the BOP the greatest place to be. Key highlights for the 2017 year are outlined below:

Financial Performance

It has been a great year for BayTrust's investment portfolio following a more subdued performance last year, with BayTrust's investments returning \$20.4m (10%), (2016: \$5.5m) for the year.

This strong performance was in contrast to our forecasts made last year where we expected returns to be soft, with bond returns at historical lows and equities perceived to be overvalued. Looking forward, the BayTrust Board and our investment advisors continue to be cautious around our future returns with the eight year bull run on the US sharemarket being amongst the longest ever recorded.

The Trust's managed investment portfolio continues to be well diversified under a Fiduciary Management Agreement with the Russell Investments 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 and to a lesser extent population adjusted) value of the Trust's capital. The Trust has also allocated up to 5% (2.1% currently invested) of its investments into predominantly NZ based Private Equity and up to 3% (1.2% currently invested) for BOP located Impact Investments with increasing investments and allocations into these areas expected in future years.

As a result of this revenue performance, BayTrust's returns have more than adequately covered the Trust's expenses of \$2.4m (2016 \$2.3m) and granting of \$4.8m (2016: \$4.3m) for the year leading to an overall surplus for the year of \$13.3m (2016: \$1.1m deficit) meaning that the Trust is in a very healthy position at the end of this year, with grants maintenance reserves of \$60m. These grants reserves whilst high, have been built up to allow for the Trust to cover periods of financial volatility and to continue to support communities in times of need.

At year-end the total equity of BayTrust was \$205m, which is the first time the Trust has been over \$200m and a \$13m increase from 31 March 2016 (\$192m)

Community Investment

On the back of large increases in the Trust's granting over the past few years in the 12 months to 31 March 2017 BayTrust increased its total community investment by 13% from the prior year and committed a total of \$4.8m in grants (2016: \$4.3m) to 182 community organisations. Actual grants paid to the community also increased from \$3.3m last year to \$4.9m this year an increase of 48%.

The Trust also provided other significant community support during the year (\$354,000) delivered in a variety of ways including capacity-building opportunities such as workshops, which were extremely well received in the community.

Conditional commitments for a further \$392,000 of grants were made last year which are subject to the applicants satisfying specific criteria. We expect most applicants will meet their conditions next year and be paid out. A further Impact Investment to Habitat for Humanity for \$1.1m was also agreed upon and is in the final stages of legal documentation being completed.

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 4.5% after investments for budgeting purposes, compared to 4.9% in 2016.

However, in spite of this reduction in forecast returns we are looking to further increase our granting from \$4.8m in 2017 to \$5.5m+ during the coming year (+15%) as a result of our strong financial position and healthy grant reserves.

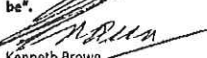
Other Highlights


Other highlights of the BayTrust year include:

- An in-depth review of our investment strategic asset allocations which resulted in the Trust agreeing to increase our growth asset allocations from 45% to 55% including an exposure to global listed infrastructure to be implemented in May 2017.
- We have spent a considerable amount of time working through updating our Impact investment policy where we are looking to use our balance sheet to invest into BOP projects that deliver a social return as well as a financial return. We expect to begin to actively promote this opportunity to our communities next year.
- A series of roadshows were held throughout the BOP which were very well attended. We are now currently looking at different ways to implement the key feedback, including how we can assist organisations with future changes in volunteerism and how we can provide more multi-year funding.
- We confirmed our first strategic funding round and paid out these grants as well as shortlisting a further 12 organisations to work with in 2018, with these organisations all looking to make a meaningful difference in the BOP.
- We have continued to progress our 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. This initiative is now called Bay Brighter Futures, with an associated website being available to assist groups who are interested in this area.
- We continue to work with other BOP funders on how we can all best make an impact on housing.
- It has been confirmed that in mid 2018 we will be moving into the new Tauranga Community Hub (The Kollektive) with other key BOP funders (Tauranga Energy Consumer Trust and The Acorn Foundation) as well as other community groups to help facilitate increased collaboration in this sector.
- We have completed an in-depth and independent governance review on ourselves and are currently in the progress of implementing its findings.

Lastly, one of our key values is 'together we are strong' and as such a big thank you to all Trustees and Staff for all the hard-work that has been put in over the past year with both Trustees and Staff working well together and for our communities.

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


Kenneth Brown
Chair


Alastair Rhodes
Chief Executive Officer

20-Jul-17

Bay of Plenty Community Trust Incorporated

Statement of comprehensive revenue and expense

For the year ended 31 March 2017

in New Zealand Dollars (\$000's)

	Note	2017	2016
Investment Income	4	20,431	5,495
Less Expenses			
Portfolio management and advisory fees		1,136	1,159
Other expenses	5	1,217	1,179
Total Expenses		2,353	2,338
Grants Expenditure	6, 16	4,813	4,276
Surplus/(Deficit) for the year		13,265	(1,119)
Total comprehensive revenue and expense		13,265	(1,119)

Statement of changes in equity

For the year ended 31 March 2017

in New Zealand Dollars (\$000's)

	Trust capital	Retained earnings	Population Reserve	Grants maintenance reserve	Inflation reserve	Total
Balance at 1 April 2015	89,308	-	-	50,895	52,592	192,795
Surplus / Total comprehensive revenue and expense	-	(1,119)	-	-	-	(1,119)
Reserves transfers	-	1,119	-	(1,687)	568	-
Balance at 31 March 2016	<u>89,308</u>	<u>-</u>	<u>-</u>	<u>49,208</u>	<u>53,160</u>	<u>191,676</u>
Balance at 1 April 2016	89,308	-	-	49,208	53,160	191,676
Surplus / Total comprehensive revenue and expense	-	13,265	-	-	-	13,265
Reallocation of Funds	-	-	10,560	-	(10,560)	-
Reserves transfers	-	(13,265)	-	10,407	2,858	-
Balance at 31 March 2017	<u>89,308</u>	<u>-</u>	<u>10,560</u>	<u>59,615</u>	<u>45,458</u>	<u>204,941</u>

The notes on pages 6 to 14 are an integral part of these financial statements.



Bay of Plenty Community Trust Incorporated

Statement of financial position

As at 31 March 2017


in New Zealand Dollars (\$000's)

	Note	2017	2016
Assets			
Property, plant and equipment		30	47
Loans	9	2,113	1,943
Investment in Te Kete Putea Limited Partnership	11	18	36
Investments	11	203,590	190,766
Total non-current assets		205,751	192,792
Loans	9	310	270
Prepayments		190	178
Short term deposits	11	58	33
Cash and cash equivalents	11	419	211
Total current assets		977	692
Total assets		206,728	193,484
Trust equity			
Trust capital		89,308	89,308
Retained earnings		-	-
Reserves	10	115,633	102,368
Total equity		204,941	191,676
Liabilities			
Grants Payable - current portion	7	951	702
Trade and other payables		157	138
Total current liabilities		1,108	840
Grants Payable	7	679	968
Total non-current liabilities		679	968
Total liabilities		1,787	1,808
Total equity and liabilities		206,728	193,484

The notes on pages 6 to 14 are an integral part of these financial statements.

Signed on behalf of the Board of Trustees;

Chair: 

Trustee: 

Date: 20 July 2017



Bay of Plenty Community Trust Incorporated

Statement of cashflows

For the year ended 31 March 2017
in New Zealand Dollars (\$000's)

	Note	2017	2016
Cashflows from operating activities			
Investment income		172	455
Cash paid to suppliers, trustees and staff		(2,307)	(2,344)
Grants paid to the community		(4,853)	(3,289)
Net cash from operating activities		(6,988)	(5,178)
Cashflows from investing activities			
Acquisition of property, plant and equipment		(10)	(6)
Proceeds from disposal of investments		13,980	8,646
Funds Invested		(6,593)	(2,417)
Loans (Issued) / Received		(181)	(800)
Net cash used in investing activities		7,196	5,423
Net increase/(decrease) in cash and cash equivalents		208	245
Cash and cash equivalents at 1 April		211	(34)
Cash and cash equivalents at 31 March	11	419	211

The notes on pages 6 to 14 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, incorporated in accordance with the provisions of The Community Trusts Act 1999.

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 and is not publicly accountable.

The Board of Trustees approved the financial statements on 20th July 2017.

(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 2017 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.

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.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

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.

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, and 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 further 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% to 40%
Office equipment	26% to 80%
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.

(iii) Investment income

Refer to note 3(b) 'Financial Assets at fair value through profit or loss'.

4 Investment Income

	2017	2016
Interest received	96	66
Fair Value Investment gains and losses	20,324	5,511
Net changes in fair value movement on loans and receivables / other investment:	11	(82)
Total revenue	20,431	5,495



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

5 Other expenses

	2017	2016
Accountancy fees	15	25
Depreciation	17	18
Loss on Disposal of Assets	9	3
Office operating costs	71	61
Office lease expenses	61	58
Trust administration	400	377
Employer kiwisaver contribution	14	12
Wages and salaries	414	394
Trustees' Remuneration (note 13)	163	161
Trustee expenses and professional development	28	47
Vehicle expenses	13	11
	<u>1,205</u>	<u>1,167</u>
Auditor's remuneration to KPMG		
- audit of financial statements	12	12
Total auditor's remuneration	<u>12</u>	<u>12</u>
Total other expenses	<u>1,217</u>	<u>1,179</u>

6 Grants expenditure

The Trust's principal activity is to distribute income from its investments to the Community. The following table summarises the grants made to the Community.

	2017	2016
Grants paid	4,750	4,194
Dillon Scholarship	86	98
Grants refunded or cancelled	(23)	(16)
Total Grants	<u>4,813</u>	<u>4,276</u>

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.

7 Grants payable

	2017	2016
Grants recipient		
Central Plateau REAP Inc	100	-
Sport Bay of Plenty Charitable Trust Board Inc (includes commitment through to Dec 2018)	967	1,520
Graeme Dingle Foundation BOP	100	-
Phillips Search & Rescue Trust	-	150
NZ Bluelight Ventures	186	-
Taupo Bluelight Ventures	110	-
Tauranga Youth Development Team	25	-
Get Smart Tauranga Trust	25	-
Coastguard Northern Region	100	-
Te Whakatipuranga School for Young Parents	17	-
Total	<u>1,630</u>	<u>1,670</u>
Classified as:		
Current	951	702
Non-current	679	968
Total	<u>1,630</u>	<u>1,670</u>

8 Contingent liabilities

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

	2017	2016
Grants recipient		
ASK Trust	-	7
BOP Neighbourhood Support Soc Inc	5	-
Bay Conservation Inc	20	-
Dillon Recipients	-	1
Child Matters	16	-
Liteclub BOP	-	15
Merivale Community Inc	22	-
Opotiki District Council (2016 Strategic Fund - Multifunctional library)	300	-
Tauranga Land Search & Rescue Inc	4	-
Te Roro o te Rangi Turipuku Tribal Trust	25	-
W.I.S.E. Better Homes	-	50
Total	<u>392</u>	<u>73</u>



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

9 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 market rates equates to a community benefit provided by the Trust. The actual value of the loans outstanding is \$2,890,476 however due to the below market interest rates that have been charged the fair value of these loans is actually \$2,423,435. The variance of \$467,041 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 %	2017	2016
Habitat for Humanity (Tauranga) Ltd	10/10/2021	3%	819	569
Tauhara Centre Trust	27/06/2016	3%	-	5
Paradise Point Development Trust	12/08/2017	3%	-	4
Tauranga Squash Racquets Club Inc	31/07/2025	3%	169	187
Theatre Whakatane Inc	19/11/2025	3%	177	194
Tauranga Community Housing Trust	17/10/2019	3%	760	760
Tauranga Community Housing Trust	1/10/2040	3.75%	965	990
Less fair value adjustment in initial recognition of low interest or interest free loans			(467)	(496)
Total			2,423	2,213
			2017	2016
Classified as:				
Current			310	270
Non-current			2,113	1,943
Total			2,423	2,213

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.

10 Reserves

Grants maintenance reserve

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

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" capital by adjusting its initial capital for both inflation and, to some extent, population movements. Inflation adjustments are made as at 31 March each year to reflect changes in the Statistics New Zealand All Groups CPI with an adjustment required of \$2.86m in the March 17 year.

Population Reserve

To date, population adjustments have reflected a portion of the rate of growth in the Bay of Plenty region, with population reserves of \$10.56m being currently set aside which equates to 57% of the BOP population growth from inception of the Trust through to the 2013 census. Future population adjustments will be considered by the Trustees in the year following a New Zealand Census subject to funds being available.



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

11 Investments

	2017	2016
<i>Investments</i>		
NZ fixed interest debt securities - unit trusts	14,688	14,928
Australasian equities - unit trusts	10,324	9,817
Global bonds - unit trusts	93,000	89,453
Global equities - unit trusts	79,314	73,182
State Street Illiquidity cash reserve	1,865	2,008
Private Equity Investments	4,399	1,378
Total investments designated at fair value through profit or loss:	<u>203,590</u>	<u>190,766</u>
Investment in Te Kete Putea Limited Partnership	18	36
Cash and cash equivalents	419	211
Short term deposits	58	33
Loans	2,423	2,213
Total financial assets	<u><u>206,508</u></u>	<u><u>193,259</u></u>

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

12 Operating leases

Leases as lessee

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

	2017	2016
Less than one year	34	68
Between one and five years	17	101
Total	<u><u>51</u></u>	<u><u>169</u></u>

Lease is for a 6 year term until 30 September 2017 with an approved extension to 31 May 2018

13 Related parties

The Trust held 10 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)	10	24
Cleghorn, Bill, QSM, JP (Deputy Chair & Investment Committee Chair)	9	15
Brown, Gregg	8	12
Christensen, Michael, QSM, JP	8	12
Clarke, Simon	8	12
Hawker-Green, Kylie (Policy & Planning Chair)	9	14
Lewis, Pamela, JP (Scholarships Chair)	8	12
McAuley, Nigel	9	13
Mahoney, Jenny, JP (Audit Chair)	10	13
Marriott, Wayne, JP	8	12
Mihinui, Roku	8	12
Morris, Steve	8	12
		<u><u>163</u></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. (2016:\$13,660). Trustees are considered to be the key management personnel of the Trust.

The Chief Executive Officer is also considered part of the key management personnel of the Trust. Remuneration paid during the year totalled \$159,047. There is a bonus payable of \$10,000 at 31 March 2017



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

In New Zealand Dollars (\$000's)

14 Subsequent events

There are no subsequent events at 31 March 2017.

15 Commitments

There was one loan approved in principle during the financial period totalling \$1,105,300 to Habitat for Humanity. The loan had not been fully processed nor had any draw-downs been made as at 31 March 2017.

There were seven amounts of committed capital for private equity investments which were uncalled during the financial period, as per the table below:

Vantage Asset Management (AUD 1,770,000)	1,927,055 NZD
Continuity Capital Partners	1,250,000 NZD
Waterman Capital Ltd	1,575,000 NZD
Pencarrow Private Equity	765,000 NZD
Oriens Capital	830,000 NZD
H.R.L Morrison & Co Ltd	1,572,240 NZD



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

16 Grants expenditure for the year ended 31 March 2017

Active Communities		Inclusive Communities (continued)	
BOP Major Squash Events Inc	10	St Chads Communication Centre Trust	15
Halberg Disability Sport Foundation	5	St Peters Care & Counselling CT	40
Matua Scout Group	5	St Vincent de Paul - Whakatane	3
Rotorua Touch Assoc	5	Stroke Foundation NZ (Midland)	33
	<hr/>	Talklink Trust	15
	25	Tga (BOP) Hearing Assoc Inc	17
Healthy Sustainable Housing		Tauranga District Group Riding for the Disabled	20
Curtainbank Rotorua	7	Tauranga Moana Nightshelter Trust	40
Habitat for Humanity (Tauranga) Ltd	30	Te Whare O Manaaki	30
Rangimarie Trust	182	The Kauri Centre	20
Tauranga Community Housing Trust	340	The Salvation Army (Rotorua)	3
Te Runanga o Ngati Whakaue Ki Maketu Inc	20	The Salvation Army (Taupo)	3
W.I.S.E Better Homes	166	The Salvation Army (Whakatane)	2
	<hr/>	Turangi Foodbank Inc	10
	745	Turangi Neighbourhood Support	4
Improved Natural Environment		WBOP Disability Support Trust	5
Maketu Ongatoro Welland Soc Inc	20	Whakaatu Whanaunga Trust	3
Manawahe Eco Trust	20		<hr/>
Tauranga Environment Centre CT	39		1086
Tongariro Natural History Soc	30	Prosperous Communities	
Whakamarama Community Inc	5	BOP Film Trust	15
	<hr/>	BOP Young Fruit Growers Upskilling Inc Soc.	20
	114	Family Focus Rotorua	15
Inclusive Communities		House of Science Tauranga CT	25
Adult Literacy Trust	3	Katikati Community Resource Centre	30
Age Concern Taupo Inc	7	Kawerau District Council	20
Age Concern Tauranga Inc	15	Merivale Community Garden	1
Alzheimers Society Rotorua	10	Merivale Community Inc	40
Alzheimers Society Tga Inc	30	Mokoia Community Association Inc	30
ASK Trust	7	National Equestrian Centre Taupo	50
Asthma Rotorua	5	Project Litefoot Trust	15
Atua Awhi	20	Taupo Citizens Advice Bureau Inc	15
Auckland District Kidney Soc Inc	15	The Search Party CT	20
Autism NZ Inc	10	Welcome Bay Community Centre Inc	30
Awhina Society Inc	10	Western Heights Community Assoc	25
Barnardos NZ	15	Young Workers Resource Centre	4
BOP Childrens Literature Assoc	1		<hr/>
BOP Multiple Sclerosis Soc	10		355
Brave Hearts NZ	5	Safe Communities	
Breast Cancer Support Service	15	Bethlehem Community Patrol	4
CanTeen BOP	11	Coastguard Eastern Region Assoc Inc	137
Cool Bananas Youthwork Trust	10	Coastguard Northern Region	100
Empowermentz CT	7	Lake Okareka Rural Fire Force Inc	10
Get Smart Tauranga Trust	25	Mt Maunganui Lifeguard Service Inc	20
Good Neighbour Aotearoa Trust	25	Opotiki Surf Life Saving Club	5
Grief Support Services Inc	15	Phillips Search & Rescue Trust	50
Haemophilia Foundation of NZ	10	Rotorua Lakes Council	34
Kawerau & Districts Ageing in Place Inc	20	Safe Surfer	15
Kawerau Assembly of God KMA Foodbank	2	Surf Life Saving NZ (Eastern Region)	5
Live for More CT	20	Taupo Maori Wardens Assoc Inc	3
Mangakino Family Services	5	Taupo Neighbourhood Support	10
ME/CFS Support Group (BOP) Inc	15	Tauranga Emergency Communications Group Inc	3
Mockingbird Inc	15	Te Puke Community Hub CT	2
Mt Maunganui Menz Shed	5	Turangi Volunteer Fire Brigade	20
Muscular Dystrophy Northern Inc	9	Whakatane District Neighbourhood Support Trust	5
Papamoa Family Services	30	YSAR Tauranga	15
Parent to Parent Central Lakes	5		<hr/>
Parkinsonism Soc Inc Tga	10		438
Rainbow Youth Inc	20	Strengthened Whanau	
Reach Out Trust	3	Apopo	35
Recreate NZ	18	Catholic Family Support Service	15
Rotorua Community Hospice Trust	300	Central Plateau REAP Inc	150
Rotorua District Riding for the Disabled Assoc Inc	30	Families Achieving Balance CT	20
Scouts NZ	5	Graeme Dingle Foundation BOP	150
Shakti Ethnic Women's Support Group	30	Graeme Dingle Foundation, Rotorua	25



Bay of Plenty Community Trust Incorporated

Notes to the financial statements (continued)

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

16 Grants expenditure for the year ended 31 March 2017 (continued)

Strengthened Whanau (continued)

Grandparents Raising Grandchildren Trust	20
Growing Through Grief (Opotiki)	8
Growing Through Grief (Rotorua)	5
Growing Through Grief (Tauranga)	10
Growing Through Grief (Te Puke)	5
Katikati Community Resource Centre	24
Kawerau Blue Light Ventures	25
Kidz Need Dadz CT Inc	15
Kimlora Community Trust	18
NZ Blue Light Ventures	279
Omarumutu Primary School	5
Opotiki Blue Light Ventures Inc	33
Parenting & Life Skills for Men	20
Pregnancy Choice	10
Pregnancy Help Inc Taupo	20
Priority One WBOP Inc	20
Roots of Empathy Rotorua CT	16
Rotorua Lakes Council	40
Royal NZ Plunket Society	200
Storytime Foundation Trust	13
The Salvation Army (Tauranga)	25
Taupo Bluelight Ventures	165
Tauranga/Mount La Leche League	2
Tauranga Youth Development Team	25
Te Ahoi Toitu	20
Te Aranui Youth Trust	40
Te Tuinga Whanau Family Support Services Trust	20
Te Whakatipuranga School for Young Parents Tauranga	17
The Parenting Place	15
Tumanako Hou Trust	25
Turangi Bluelight Ventures	25
Waiaapu Kids - Merivale Whanau Aroha	15
Whakatane Baptist Community CT	9
Whakatane Blue Light Ventures	25
Youth Encounter Ministries Trust	20
Youth Projects Trust	20
Youthline Auckland CT	5
	<hr/>
	1654

Strong Community Organisations

Community Research	3
Community Trust of Southland	2
SociaLink Tauranga Moana	50
Taupo Council of Social Services	25
Te Runanga O Ngai Te Rangī Iwi Trust	25
Volunteering BOP	20
	<hr/>
	125

Vibrant & Fun Communities

Arts Kitchen CT	10
Bethlehem Baptist Church	8
Beyond Imagination Trust	10
BOP Science Fair Inc	5
Friends of Lake Taupo Museum & Art Gallery Inc	10
Greerton Village Community Assoc	5
Inspiring Stories Trust	18
Katikati Open Air Art Inc	10
Life-Link Community Trust	2
One Taupo Trust	15

Vibrant & Fun Communities (continued)

Opotiki Fibre & Fleece Trust	15
Ra Whakangahau Trust	11
Rotorua Christmas Parade CT	2
Rotorua Lakeside Concert CT	10
Safe Turangi	5
Taki Rua Productions Soc Inc	5
Tauranga Art Gallery Trust	10
Tauranga Assembly of God	4
Tauranga Jazz Soc Inc	10
Te Puna I Rangiriri Trust	10
Te Runanga O Ngali Awa	4
The National Woodskills Trust	3
Turangi Mountain Region Trust	2
Waterwheel Historic Trust	2
Whakatane & District Historical society	10
Whakatane District Community Arts Council	10
Youth Philharmonic Tauranga CT	2
	<hr/>
	208
Grants Refunded	
Dillon Scholarship	-5
NZ Society of Genealogists	-4
Family Attachment Base Safe (FABS)	-5
Adult Literacy Trust	-1
St Andrews Presbyterian Church Mt Maunganui	-8
	<hr/>
	-23
Dillon Scholarship	85
Grand Total - Grants Expenditure	4,813





Independent Auditor's Report

To the beneficiaries of Bay of Plenty Community Trust Incorporated

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Bay of Plenty Community Trust Incorporated (the trust) on pages 3 to 14:

- i. Present fairly in all material respects the trust's financial position as at 31 March 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. Comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit).

We have audited the accompanying financial statements which comprise:

- The statement of financial position as at 31 March 2017;
- The statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

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



Other Information

The Trustees, on behalf of the trust, are responsible for the other information included in the entity's Chair and Chief Executive Report. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

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



Use of this Independent Auditor's Report

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



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible 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));
- Implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the financial statements

Our objective is:

- To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an Independent Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx.

This description forms part of our Independent Auditor's Report.



Tauranga

20 July 2017