



# Bay of Plenty Community Trust Inc. Consolidated Annual Report for the Year ended 31 March 2020

**BAY  
TRUST**  
Supporting  
Great Communities





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"We're a decidedly cheerful bunch at Aongatete Forest Project, very dedicated to the work we do to protect our precious native species. The funding that Bay Trust provides is valued both now and will be by future generations, and we hugely appreciate their support."

Emma Cronin – Aongatete Forest Project

# Our Kaupapa

Bay of Plenty Community Trust (BayTrust) 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 as outlined in its Trust Deed, is to provide charitable, cultural, philanthropic, recreational and other benefits to Bay of Plenty communities.

Over the last 12 months, the Trust has been on a journey working with our communities and stakeholders on refining our Kaupapa and ensuring that

we deeply incorporate our commitments to Te Tiriti Waitangi and being climate responsible into everything we do including our new Purpose.

Our new imagery reflects this through the many mountains in the Bay of Plenty area, the river flowing through it connecting all parts as one, the stingray being the guardian of the environment and its people, just as BayTrust is a guardian. The stingray's heart reflects a spirit of generosity, and the shape of the stingray's tail symbolises sharks, representing thriving people, boldly engaging with their community.

## Our Purpose

**To accelerate bold meaningful change, assisting BOP communities and the environment to flourish.**

## Our Priorities



## Our Commitments

- We commit to using all of our resources including investments, personnel and granting to progress our priorities:
  - We will operate in true partnerships with our communities
  - Be bold, flexible, innovative and to provide leadership
  - Live and practice our Kaupapa in everything we do
- We are committed to becoming a climate responsible (Tiakina te ao turoa) organisation
- We commit to work with Māori in a way that is consistent with the principles of the Te Tiriti o Waitangi; partnership, protection and participation

# Who we are

BayTrust is governed by a Board of up to 12 Trustees who are appointed by the Minister of Finance for terms of four years to represent the BOP region and who are supported by four fulltime and one part time staff member.

The Board's principal responsibilities are to invest the assets of the Trust in a range of diversified investments designed to sustainably deliver returns over the long term, whilst reserving for inflation and population growth and then distribute these returns in the most impactful way as possible throughout the Trust's region in order to achieve the Trust's Purpose **to accelerate bold meaningful change, assisting BOP communities and the environment to flourish**. In meeting this responsibility, the Board approves the adoption of appropriate strategies, objectives and budgets and reviews the performance of the Trust against these objectives.

Our dedicated and experienced staff led by CEO Alastair Rhodes continue to perform well and assisted by our advisors have ensured both our investments and our granting continue to excel.

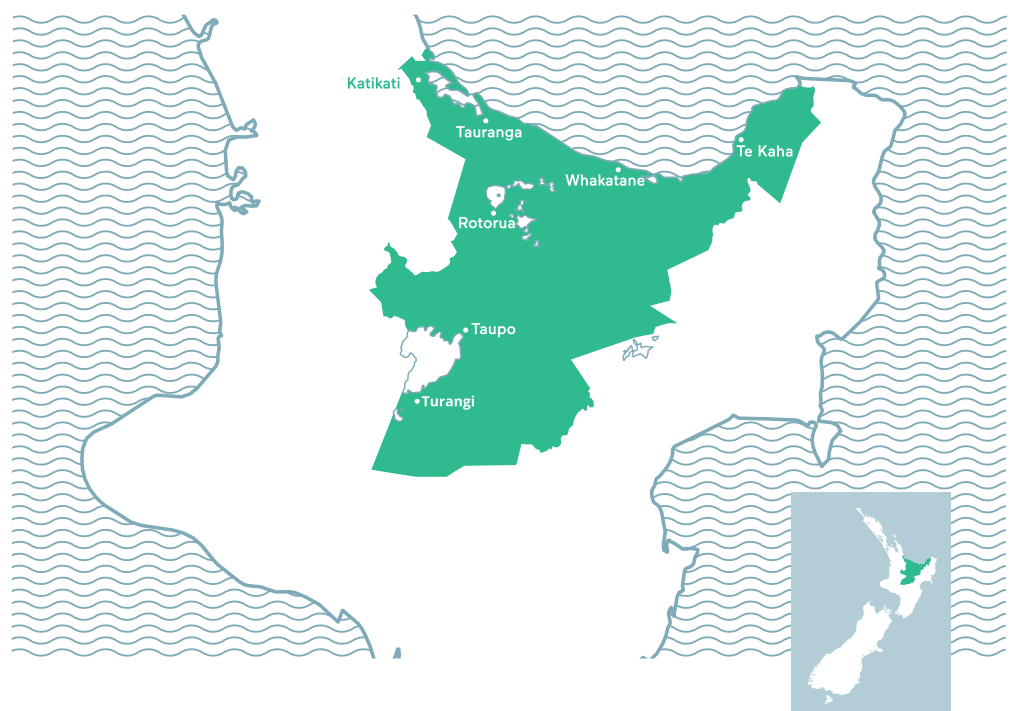
It is recognised that Trustees and staff have a wide range of involvement throughout the Bay of Plenty region, which is fantastic, however we also recognise that the potential for conflict will arise from time to time. To cover this eventuality, Trustees and staff disclose their involvement with other organisations, do not take part in discussions relating to organisations with which they have a conflict of interest with and do not vote on any matter where a conflict or potential conflict exists

BayTrust's head office is located at Level 1, 752 Cameron Rd, Tauranga. BayTrust also operates satellite offices in Rotorua (once a week at Rotorua Trust office, 1358 Eruera St) and Whakatane (once a month at Eastern Bay Energy Trust office, 5 Richardson St) and by appointment in Taupo. BayTrust staff also operate remotely and are often on the road spending time with many organisations and stakeholders within our region.



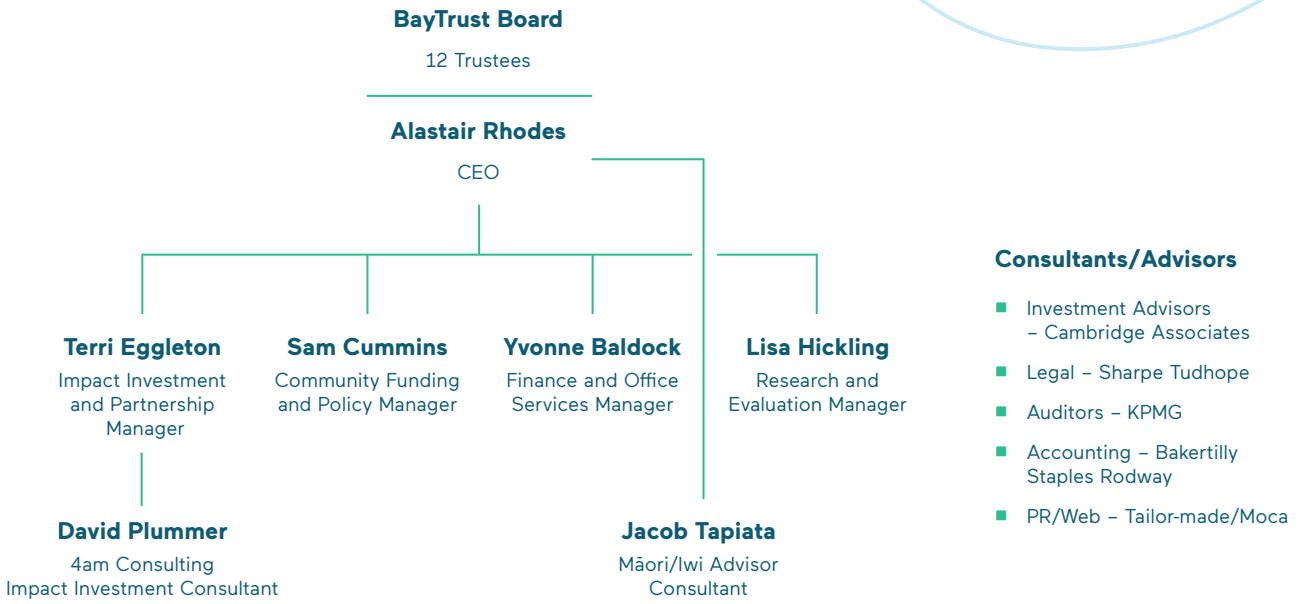
## Our Region

The Trust's region extends from Katikati to Turangi to Te Kaha and includes the Eastern and Western Bay of Plenty, Rotorua and Taupo districts.





# BayTrust Organisation Structure



Alastair Rhodes (CEO); Gary Smith; Yvonne Baldock (Finance & Office Services Manager); Nigel McAdie; Jess Gamble (Administration & Funding Assistant); Simon Clarke; Lisa Hickling (Research & Evaluation Manager); Steve Napier; Maggie Bentley; Michael Christensen; Mawera Karetai; Roger Taylor; Rita Nabney (Chair); Stephaine Northey; Terri Eggleton (Impact Investment & Partnership Manager); Sam Cummins (Community Funding and Policy Manager); Judy Harris. Insert: Kristen Joiner



# What we have done

## Chair and CEO Report

Tena Koutou Katoa

BayTrust's Kaupapa is; "to accelerate bold and meaningful change, assisting BOP Communities and our Environment to flourish" and it is our pleasure to share the BayTrust's Group's key activities, achievements and highlights for the year ended 31 March 2020.

## Financial

- From an investment perspective it has been a challenging albeit pleasing year for BayTrust's investment portfolio with the Trust's investments returns being largely flat -\$0.3m (2019: \$7.6m) which we believe is a great result on the back of a volatile international Covid-19 environment.
- Over the last two years we have been working with Cambridge Associates to further diversify our investment portfolio to ensure it provides solid and sustainable returns for our communities into the future and this approach has been validated by the performance this year. A decision has been made to further increase the Trust's growth allocation to our preferred long-term position now that more value has returned to the market, along with targeting a carbon neutral investment approach with more details on this included in the investment performance section.
- During the year the Trust set up a 100% owned subsidiary (BayTrust Charities Limited) to facilitate an investment into the Trust Management Property Fund. The governance of this entity mirrors its parent BayTrust as does its charitable purpose with its results included in these accounts.
- As a result of this flat revenue performance, BayTrust's returns did not cover the Trust's expenses of \$1.15m (2019: \$1.12m) and granting of \$6.8m (2019: \$7m) leading to an overall deficit of \$8.7m (2019 deficit: \$0.9m). This deficit has been covered from the Trust's very healthy reserves which have been built up to help the Trust to continue to provide stable and consistent granting even when returns are challenging.
- Looking forward, the Board and its Investment Advisors continue to be cautious around future returns with increasing volatility being experienced in the financial markets and several unknowns associated with Covid-19. As a result of this uncertainty, the Trust has taken a conservative position and reduced forecast granting to \$6.15m for 2020/21 (2019: \$7m) noting that if markets improve then this reduction can be revisited. The reduction in forecast granting is also anticipated to be more than offset by increased impact investments (BOP investments where the Trust is looking for a measurable social return alongside a financial return) where the Trust's target allocation has been increased from 6% to 10% or ~\$8m and which we anticipate will be committed to investments supporting the Covid-19 recovery throughout the BOP.
- At year-end the total equity of BayTrust was \$203.9m, which was a \$8.7m decrease from the prior year.

## Community & Granting

- BayTrust's total granting commitments this year were \$6.8m (2019: \$7m) to 212 community organisations with these grants spread equitably across our funding areas and across our region. Along with our grants, the Trust provided other significant community support during the year delivered in a variety of ways including capacity-building opportunities such as workshops, which were extremely well received within our communities.

- In December 2019 the BayTrust Board signed off on a Climate Change Action Plan. It contains three goal areas:

GOAL 1: Internal Leadership - to be internally carbon neutral by 2022/ carbon positive and environmentally sustainable organisation;

GOAL 2: To be a sustainable investor and carbon neutral by 2030;

GOAL 3: To be a BOP Active Enabler

- (i) Support BOP communities to understand and mitigate their own climate change impact and to assist them to capitalise on any opportunities identified particularly in relation to improving environmental sustainability through the Covid-19 recovery phase.
  - (ii) Demonstrate leadership by working with other key stakeholders in this area.
- In February 2020 we completed a Strategic Refresh to confirm and cement into place a new simplified funding framework and to clarify the Trust's purpose/kaupapa: "To accelerate bold and meaningful change, assisting BOP communities and our environment to flourish". We have gone from nine outcomes with 27 specific priority funding areas to four key focus areas; Community Wellbeing & Tū Māori Mai; Healthy, Secure and Affordable Housing; Sustainable Employment and Inclusive Growth and Kaitiakitanga. We are now well underway to implementing this refresh including supporting more innovative ideas and projects, working in a true partnership manner with many organisations and increasing our multi-year funding.
  - Covid-19; due to the effects of this pandemic we initiated our emergency committee with Zoom meetings on a weekly basis from the end of March through to May. The Trust's normal monthly and quarterly grants rounds remained open with the Trust honouring all its multi-year funding obligations as well as any other existing commitments. Along with this, the Trust worked collaboratively with other local funders to set up an Emergency Rapid Response fund for those organisations experiencing a significant increase in demand on their services due to Covid-19. BayTrust budgeted \$0.5m to this fund which was more than matched by the other funders and has also set aside a further \$1m to assist with medium and long-term recovery across the BOP with plans for this additional funding to be confirmed.
  - Lastly, we know how challenging the past few months have been for everyone. It will be through working together, being innovative and not being afraid to make tough decisions that will get us through.

Thank you to our team of Trustees and staff for your hard-work and input over the year. Plus, an even bigger thank you to all the wonderful community organisations who have worked through these tough and challenging times. Keep up the good work and be strong.

Nā māua noa, nā



**Rita Nabney**  
Chair



**Alastair Rhodes**  
Chief Executive Officer

30 July 2020

# Investment Performance

BayTrust's investment objective is to protect and equitably grow BayTrust's investment capital so that it can provide ongoing returns for distribution to current and future BOP communities. Over the last year, the Board with the assistance of our Investments Advisors, Cambridge Associates ran a well diversified and global portfolio of investments which performed well given the Covid-19 market impacts.

## Key performance for the year includes:

- The Trust's investment base has grown from \$89m when first established as a separate investment entity in 1997 to \$210m, which has allowed the Trust to reserve for inflation and population growth as well as to provide a buffer for challenging investment periods. This is an increase of \$121m over 24 years, whilst over the same period the Trust has granted \$78m into our communities.
- In spite of a material market downturn associated with Covid-19 in the last quarter, it was pleasing that overall investment revenue was flat (0%) which aligned to our benchmark return, illustrating the benefits of BayTrust's globally diversified portfolio and allowing the Trust to largely maintain its current granting levels.
- At an asset class level, performance varied as expected with the Covid-19 impacts on global equities (-5% for the year and -15% for the March quarter) being offset by a strong global bond performance (+5% for the year).

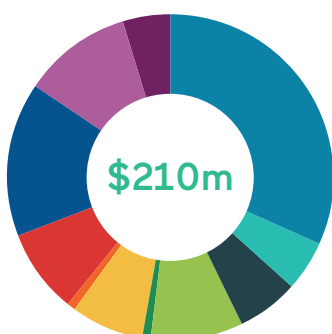
	2020	2019
<b>Investment Income</b>	<b>\$0m</b>	<b>\$8m</b>
<b>Return on Investment</b>	<b>0%</b>	<b>4%</b>
<b>Benchmark Return</b>	<b>0%</b>	<b>6%</b>

## Investment changes during the year

In March 2020, the Trust agreed to increase its growth allocation from 60% to its long term preferred 75% allocation as a result of the significant market correction arising from Covid-19 impacts, and better value in the market that warrants increasing exposure to growth assets. The transition from the 60% growth to 75% will occur over the coming year in a staged manner based on advice from the Trust's Investment Advisors. The slightly increased risk associated with the higher

growth allocation, reflects the perpetual nature of the Trust and the desire to ensure the Trust's ongoing distributions to its communities remain strong. As part of this review, the Trust has also committed to driving a 50% reduction in its investments' carbon exposure by 2025, with the aim to have a carbon neutral investment portfolio by 2030, which both ourselves and our advisors believe will not just be good for the planet, but also good for the Trust's long term investment returns.

## BayTrust's Investment Portfolio 31 March 2020, \$210m

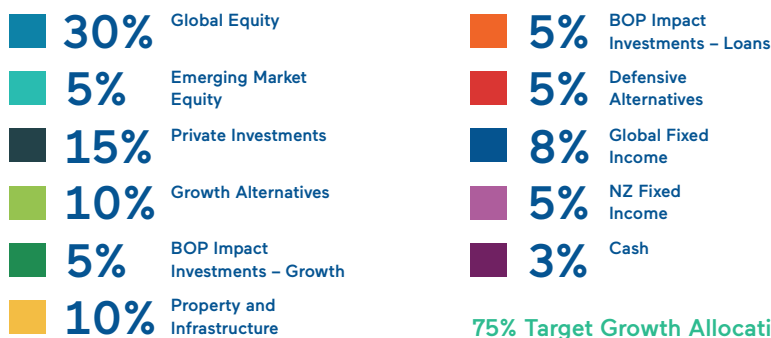
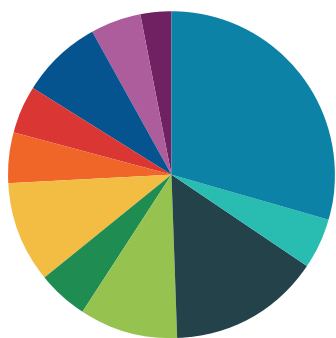


<b>31.8%</b>	Global Equity	<b>0.9%</b>	BOP Impact Investments – Loans
<b>4.9%</b>	Emerging Market Equity	<b>8.3%</b>	Defensive Alternatives
<b>6.3%</b>	Private Investments	<b>15.2%</b>	Global Fixed Income
<b>9%</b>	Growth Alternatives	<b>10.7%</b>	NZ Fixed Income
<b>0.9%</b>	BOP Impact Investments – Growth	<b>4.7%</b>	Cash
<b>7.3%</b>	Property and Infrastructure		

**60% Growth Allocation 2020**



## BayTrust's Target Asset Allocation March 2020



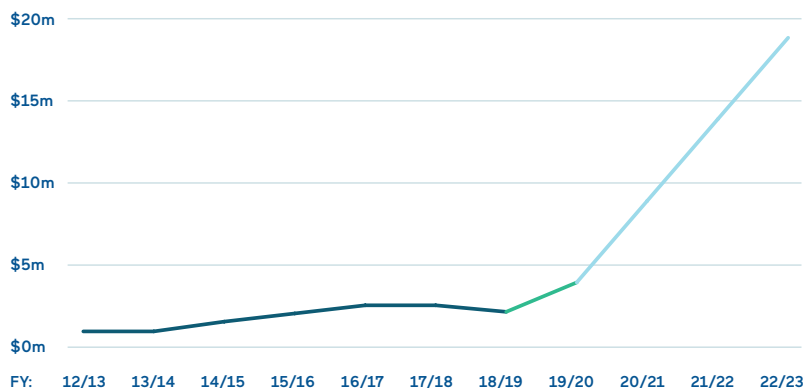
**75% Target Growth Allocation**

## Future Investment plans

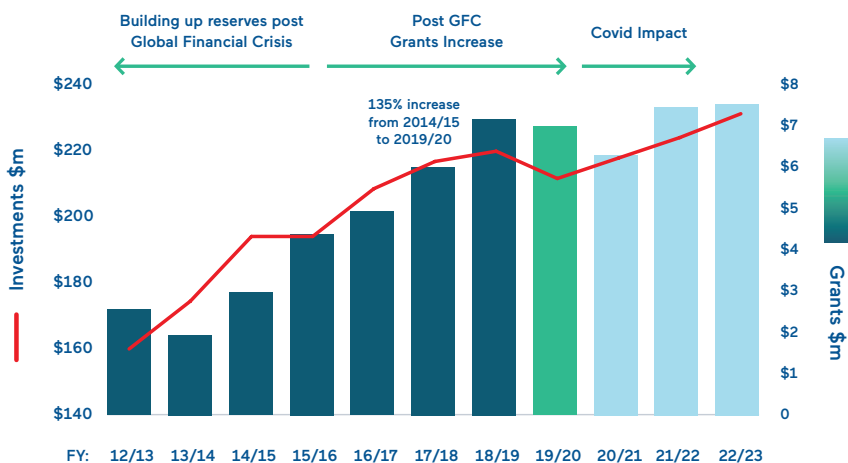
Looking ahead we anticipate financial market volatility is likely to continue and we are working closely with our Investment advisors to further refine and diversify our investment portfolio to align with our asset allocation targets and its 75% growth allocation. We also remain committed to stable granting and expect

to offset a small decline in granting due to Covid-19 in 2020/21 by significantly increasing our impact investments into the BOP where we are looking to drive a measurable social impact and a financial return with these investments.

## Impact Investments Analysis



## Granting Analysis



# Granting

To help achieve our Purpose and in alignment with our Values, the Trust paid \$6.8m (2019: \$7m) in grants and scholarships distributed across our region and our outcome areas as outlined below:

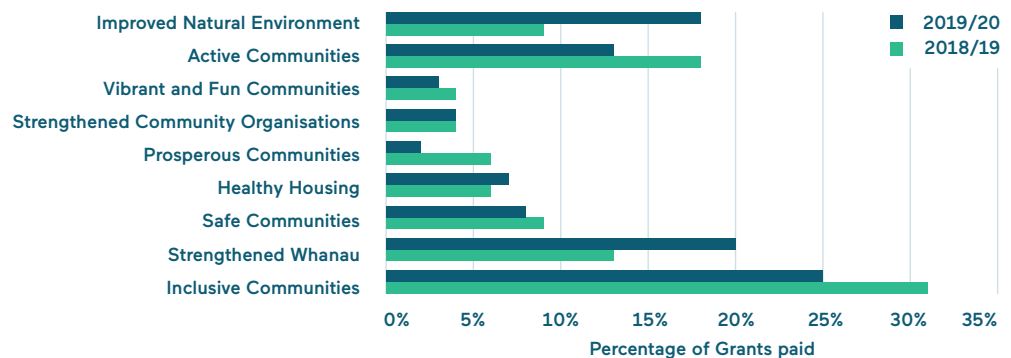
Funding into the outcome areas over the last two years has been broadly consistent. The larger allocation to Strengthening Whānau and Improved Environment in 2019/20 is attributable to investment in multi-year funding in these outcome areas.

The Trust **aims for an equitable distribution of grants across the region** and was reasonably consistent with the actual population percentages and with previous years although, compared to the previous year slightly less was granted into Rotorua and slightly more into

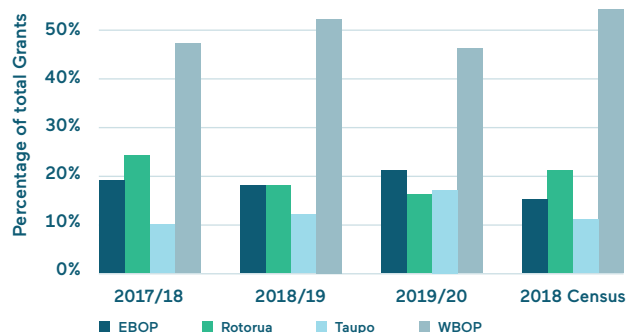
the EBOP due to Community Amenities fund and Strategic Partnership fund payments, without which the allocation was in line with previous quarters and with population percentage.

The number of applications 267 (2019:282) has reduced slightly but the approval rate has increased to 79% (2019: 74%). The total granted as a percentage of requests (excluding Community Amenities Fund) this year was similar to last year (65% compared to 63% in 2019).

## Grants across Outcome Areas



## Regional Distribution of Granting



## Partnerships

2019/2020 has seen the continuation of our approach to building meaningful partnerships with a selection of groups through the Strategic Partnership Fund. Of note is the partnership with Project Tongariro which will see funding of \$450,000 over a three-year period that will help the group deliver numerous environmental outcomes over their projects across the Taupo/Turangī region.

## Multi-year funding

Multi-year funding for operational costs was granted to nine organisations totalling \$935,000 (1/3 of this paid out in 2019/20 year).

## Capability Building Support

During the 2019/20 year, in partnership with BayTrust, Exult ran 23 workshops across the Bay of Plenty region which included 343 participants from 128 organisations. A wide range of non-profit and community organisations were represented in the workshops, including social services, health, sport and recreation, environmental, animal welfare, arts and community development.

# Community Feedback

BayTrust surveys grantees and key stakeholders annually, the key outtakes from the latest survey undertaken in Dec 2019/Jan 2020 were:

- Stakeholders had **high levels of awareness of BayTrust's funding priorities and outcome areas and were generally satisfied with the outcome areas BayTrust funds.** This year we also asked applicants to provide feedback on the draft BayTrust key strategic elements which informed to the strategic reset
- Stakeholders thought that BayTrust's most **effective mechanisms to achieve its outcomes were through grants** and Toolbox funding followed by Impact Investments and research.
- **The frequency of communication was about right** with the most preferred form of communication being email.
- Most **stakeholders felt BayTrust collaborated well/very well** or OK with its partners /stakeholders.
- Most applicants saw **climate change as a high/medium-high priority** for the community and almost a third saw climate change as a as a high/medium-high priority for their own organisations.

"The Halberg Foundation passes our sincere thanks and appreciation to the Bay Trust whānau. The support the Bay Trust provides is significant in enabling us to enhance our community"

Eilish Emery – Halberg Foundation



Stakeholders, applicants and grantees advised that, as in previous years the three biggest community challenges that BayTrust could influence in the next two to three years were housing availability/affordability, opportunities for young people and funding sustainability.

## Drop-In Hui's

BayTrust holds annual community engagement **drop-in centres across the BOP**, creating a platform for communities to feedback their successes, priorities and challenges. This year the drop-in centres were held in Katikati, Te Puke, Taupō, Rotorua, and Whakatane.

As in previous years, there were consistent themes across all the drop-in centres that emerged around **issues stemming from the difficulty in securing funding, lack of volunteers and housing affordability.**

Feedback from the community helped to inform our new funding framework.



"These riders are gaining new skills and dragging their whanau along with them... Thank you to BayTrust for your ongoing support. Look at the difference your funding is making in the community."

Cath Oldfield – Kids Bike Taupō



## Bay of Plenty Community Trust Incorporated – 2020 Annual Report

### Consolidated Statement of comprehensive revenue and expense

For the year ended 31 March 2020  
in New Zealand Dollars (\$'000's)

	Note	2020	2019
Investment Income	4	(294)	7,646
<b>Less Expenses</b>			
Portfolio management and advisory fees		417	387
Other expenses	5	1,154	1,124
<b>Total Expenses</b>		1,571	1,511
Grants Expenditure	6, 16	6,819	7,000
<b>Surplus/(Deficit) for the year</b>		(8,684)	(865)
<b>Total comprehensive revenue and expense for the period</b>		(8,684)	(865)

### Consolidated Statement of changes in equity

For the year ended 31 March 2020  
in New Zealand Dollars (\$'000's)

	Trust capital	Retained earnings	Population reserve	Grants maintenance reserve	Inflation reserve	Total
<b>Note</b>			Note 9 (c)	Note 9 (a)	Note 9 (b)	
Balance at 1 April 2018	89,308	-	10,560	66,654	46,976	213,498
Total comprehensive revenue and expense for the period	-	(865)	-	-	-	(865)
Reserves transfers	-	865	-	(2,919)	2,054	-
Balance at 31 March 2019	89,308	-	10,560	63,735	49,030	212,633
Balance at 1 April 2019	89,308	-	10,560	63,735	49,030	212,633
Total comprehensive revenue and expense for the period	-	(8,684)	-	-	-	(8,684)
Reallocation of Funds	-	-	32,987	(36,470)	3,483	-
Reserves transfers	-	8,684	-	(8,684)	-	-
Balance at 31 March 2020	89,308	-	43,547	18,581	52,513	203,949

The notes on pages 13 to 21 are an integral part of these financial statements.

# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Consolidated Statement of financial position

As at 31 March 2020

in New Zealand Dollars (\$000's)

	Note	2020	2019
<b>Assets</b>			
Property, plant and equipment		136	44
Loans	8	1,442	1,234
Investments	10	204,181	213,759
<b>Total non-current assets</b>		<b>205,759</b>	<b>215,037</b>
Loans	8	175	508
Other Receivables		144	220
Cash and cash equivalents		4,657	2,038
<b>Total current assets</b>		<b>4,976</b>	<b>2,766</b>
<b>Total assets</b>		<b>210,735</b>	<b>217,803</b>
<b>Trust equity</b>			
Trust capital		89,308	89,308
Retained earnings		-	-
Population reserve	9	43,547	10,560
Grants maintenance reserve	9	18,581	63,735
Inflation reserve	9	52,513	49,030
<b>Total equity</b>		<b>203,949</b>	<b>212,633</b>
<b>Liabilities</b>			
Grants Payable		3,486	3,382
Derivatives	11	1,573	-
Trade and other payables		107	197
<b>Total current liabilities</b>		<b>5,166</b>	<b>3,579</b>
Grants Payable		1,620	1,591
<b>Total non-current liabilities</b>		<b>1,620</b>	<b>1,591</b>
<b>Total liabilities</b>		<b>6,786</b>	<b>5,170</b>
<b>Total equity and liabilities</b>		<b>210,735</b>	<b>217,803</b>

The notes on pages 13 to 21 are an integral part of these financial statements.

Signed on behalf of the Board of Trustees;

Chair:..... 

Trustee:..... 

Date:..... 30/07/2020

# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Consolidated Statement of cashflows

For the year ended 31 March 2020

in New Zealand Dollars (\$000's)

	2020	2019
<b>Cashflows from operating activities</b>		
Investment income	2,467	148
Cash paid to suppliers, Trustees and staff	(1,643)	(1,509)
Proceeds from realisation of investments	139,842	48,735
Funds Invested	(131,327)	(47,112)
Grants paid to the community	(6,688)	(3,845)
<b>Net cash flows from operating activities</b>	<b>2,651</b>	<b>(3,583)</b>
<b>Cashflows from investing activities</b>		
Acquisition of property, plant and equipment	(108)	(34)
Loans (Issued) / Repaid	76	1,001
<b>Net cash flows from investing activities</b>	<b>(32)</b>	<b>967</b>
Net increase/(decrease) in cash and cash equivalents	2,619	(2,616)
Cash and cash equivalents at 1 April	2,038	4,654
Cash and cash equivalents at 31 March	4,657	2,038

The notes on pages 13 to 21 are an integral part of these financial statements.



# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements

### 1 Reporting entity

These consolidated financial statements are for the Group consisting of Bay of Plenty Community Trust (the "Trust") and its subsidiary (together, the Group). A list of the subsidiary is included in note 1(a). The Bay of Plenty Community Trust is a Charitable Trust, incorporated in accordance with the provisions of The Community Trusts Act 1999.

#### (a) Entities Reporting

Subsidiary company at balance date is as follows:

BayTrust Charities Limited	100% Shareholding
----------------------------	-------------------

BayTrust Charities Limited was formed during the year for the purpose of investing into the Trust Management Property Fund, this fund requires that the entity investing is a registered charity and Bay Of Plenty Community Trust is a Community Trust, not a registered charity.

#### (b) Consolidation

Subsidiaries are all entities that the Group has the power to govern the financial and operating policies. This power is generally

Inter-entity transactions, balances and unrealised gains on transactions between entities in the Group are eliminated.

### 2 Basis of preparation

#### (a) Statement of compliance

These consolidated 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 30 July 2020.

#### (b) Basis of measurement

These consolidated 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 consolidated 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 Group.

#### (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 Group'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 6 for the grants payable at 31 March 2020 and note 7 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. BayTrust Charities Limited is exempt from income tax with effect 25 June 2019, under section CW 52 of the Income Tax Act 2007.

## Notes to the financial statements (continued)

### 3 Significant accounting policies

#### (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 assets at fair value through profit or loss

The Group 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 Group'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 Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investment have expired or the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are initially recognised at fair value. Separately identifiable transaction costs (including management, advisory, custodian and direct private equity fees) are expensed as incurred. Where transaction costs are not separately identifiable (i.e. fees deducted at source) these are offset against revenue from investments. 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.

#### 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 Group'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 Group assesses at each balance sheet date whether there is objective evidence that a loan or receivable is impaired.

#### Short term deposits

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

#### Trade and other payables

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

#### Derivatives

An instrument is classified as at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, financial instruments at fair value through profit and loss are measured at fair value, and changes therein are recognised in profit or loss.

The Group had a closing derivative financial instrument at fair value through profit and loss in the form of foreign exchange rate swaps to reduce foreign exchange rate risk (Refer note 11).

# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements (continued)

### 3 Significant accounting policies (continued)

#### c) Grants expenditure and grants payable

The Group 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 7).

#### (d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment (if any). The cost of property, plant and equipment is the value of consideration given to acquire the assets and the value of the other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Any gain or loss on disposal of an item of property, plant or equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

##### (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	8.5% to 40%
Office equipment	30% to 50%
Motor vehicle	20% to 30%

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

#### (e) Impairment

The carrying amounts of the Group'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.

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



# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements (continued)

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

### 3 Significant accounting policies (continued)

#### (f) Employee benefits

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

#### (g) Investment Income

##### (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'.

#### (h) Changes in Significant Accounting Policies

Other than as disclosed below, the accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2019. The Group has not applied any standards, amendments and interpretations that are not yet effective.

### 4 Investment Income

	2020	2019
Interest received	59	123
Fair Value Investment gains and losses	(303)	7,228
Net changes in fair value movement on loans and receivables / other investments	(50)	295
<b>Total Investment Income</b>	<b>(294)</b>	<b>7,646</b>

As per Policy 3(b) Financial Assets at Fair Value through Profit and Loss the entity have changed the way they report Investment fees. These are now netted off income.

### 5 Other expenses

	2020	2019
Accountancy fees	22	14
Depreciation	17	10
Office operating costs	109	77
Office lease expenses	64	78
Trust administration	144	200
Employer kiwisaver contribution	21	20
Wages and salaries	523	496
Trustees' Remuneration (note 12)	164	160
Trustee expenses and professional development	58	40
Vehicle expenses	12	13
	<u>1,134</u>	<u>1,108</u>
Auditor's remuneration to KPMG		
- audit of financial statements	20	16
Total auditor's remuneration	<u>20</u>	<u>16</u>
<b>Total other expenses</b>	<b><u>1,154</u></b>	<b><u>1,124</u></b>

### 6 Grants expenditure

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

	2020	2019
Grants paid	6,900	6,931
Dillon Scholarship	88	98
Grants refunded or cancelled	(169)	(29)
<b>Total Grants</b>	<b><u>6,819</u></b>	<b><u>7,000</u></b>

A full list of the grants expenditure can be found in note 15. The Group provides an additional benefit to the Community by providing low-interest rate loans (see note 8), 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.

## Bay of Plenty Community Trust Incorporated – 2020 Annual Report

### Notes to the financial statements (continued)

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

#### 7 Contingent liabilities

The Group has no contingent liabilities as at 31 March 2020.

#### 8 Loans

From time to time the Group advances funds to organisations at low interest rates or interest free. The loans are classified as loans 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 Group. The actual value of the loans outstanding is \$1,864,205 however due to the below market interest rates that have been charged the carrying value of these loans is actually \$1,616,445. The variance of \$247,765 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 %	2020	2019
Tauranga Squash Racquets Club Inc	1/08/29	3%	113	132
Theatre Whakatane Inc	20/11/29	3%	121	140
Tauranga Community Housing Trust	18/10/29	2.75%	760	760
Tauranga Community Housing Trust	2/10/44	2.75%	870	907
Imputed Interest on low interest loans			(247)	(197)
<b>Total</b>			<b>1,617</b>	<b>1,742</b>
			<b>2020</b>	<b>2019</b>
Classified as:				
Current			175	508
Non-current			1,442	1,234
<b>Total</b>			<b>1,617</b>	<b>1,742</b>

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.

#### 9 Reserves

##### (a) Grants maintenance reserve

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

##### (b) 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 \$3.48m in the March 2020 year.

##### (c) 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 \$43.55m being currently set aside which equates to 100% of the BOP population growth from inception of the Trust through to the 2018 census. Future population adjustments will be considered by the Trustees in the year following a New Zealand Census subject to funds being available.

#### 10 Investments

	2020	2019
<i>Investments</i>		
NZ fixed interest debt securities - unit trusts	5,894	5,790
Emerging Market Equity	10,273	5,272
Global bonds - unit trusts	31,887	82,885
Global equities - unit trusts	66,837	79,279
Global Infrastructure - unit trusts	15,382	18,352
Growth Alternatives	18,927	12,731
Impact Investment - Growth	1,865	48
Private Equity Investments	13,167	9,402
Defensive Alternatives	17,411	-
NZ Fixed Income Funds	22,538	-
Total investments designated at fair value through profit or loss	<b>204,181</b>	<b>213,759</b>

## Bay of Plenty Community Trust Incorporated – 2020 Annual Report

### Notes to the financial statements (continued)

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

#### 11 Derivative Financial Instruments

	2020	2019
Balance at the beginning of the period	-	-
Unrealised gain in fair value	(96)	-
Unrealised loss in fair value	1,669	-
Balance at the end of the period	<u>1,573</u>	<u>-</u>

The fair value change to foreign exchange rate derivatives is the gain or loss on the foreign exchange rate swap at the end of the financial reporting period. The fair value of the foreign exchange rate swap is based on a mark to market valuation at balance date, obtained from BNZ.

#### 12 Leases

##### Leases as lessee

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

	2020	2019
Less than one year	53	-
Between one and five years	267	-
<b>Total</b>	<u>320</u>	<u>-</u>

Lease is for a 6 year term until December 2025 with three, three year, rights of renewal.

#### 13 Related parties

The Trust held seven Board meetings during the year with Trustees also attending numerous other committee meetings and events representing the Trust. The table below records each Trustee's attendance at Board meetings and the remuneration paid as fixed by the Minister of Finance:

	Meeting Attendance	Remuneration \$
Brown, Kenneth (Retired May 2019)		2
Cleghorn, Bill (Retired May 2019)		2
Hawker-Green, Kylie (Retired May 2019)		2
Bentley, Maggie	6	14
Christensen, Michael	6	12
Clarke, Simon	6	13
McAdie, Nigel	7	14
Nabney, Rita (appointed Trust Chair 1 March 2019)	7	24
Northey, Stephanie	6	13
Napier, Steve	7	13
Karetai, Mawera	7	12
Taylor, Roger	7	12
Harris, Judy	4	11
Joiner, Kristen	6	10
Smith, Gary	7	10
		<u>164</u>

There are fees payable to 12 Trustees at balance date of \$13,650 gross (2019:12 Trustees at \$13,660).

Trustees and the Chief Executive Officer are considered part of the key management personnel of the Trust. Remuneration paid during the year to the key management personnel totalled \$350,343 (2019: \$340,337).

#### 14 Subsequent events

In March 2020 the COVID-19 pandemic led most governments around the world (including the NZ government) to put measures in place to contain the spread of the virus, with these measures having a significant detrimental impact on global economic activity which resulted in material equity market corrections coupled with long term economic challenges for many countries.

Management has reviewed the current and potential impacts of COVID-19 on its future operations and considered the potential impact on cashflows, investment returns and the appropriateness of the going concern assumption.

Due to the diversified nature of the Trust's investment portfolio coupled with high level of reserves and appropriate liquidity levels, management do not foresee any impact on the ability to continue as a going concern.



# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements (continued)

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

### 15 Commitments

Prior to balance date the Board approved the following investments:

- Shares with Whakatohea Mussels (Opotiki) Ltd, totalling \$2,000,000.
- Invest in YouOwn Limited Partnership, totalling \$2,000,000 subject to Due Diligence, completion of legal and taxation liabilities and written confirmation from YouOwn that at least \$2m of properties be delivered within BOPCT boundaries within 5 years.

The following is a schedule of committed capital for private equity investments which were uncalled during the financial period, as per the table below:

Continuity Capital Partners	375,000
Waterman Capital Ltd	2,400,000
Pencarrow Private Equity	1,370,000
Forester Strategic Opportunities Ltd	6,757,098
Oriens Capital	360,000
Public Infrastructure Partners II LP (formerly Morrisons)	83,425
WNT Ventures Fund 2 Limited Partnership	295,000
ICG (AUD 6,463,661)	6,135,420
Generation Sustainable Fund 1 (USD 2,860,000)	4,824,162
Accolade Growth Fund (USD 3,260,000)	5,498,870
Purpose Capital	4,700,000
<b>Total</b>	<b>32,798,975</b>

# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements (continued)

### 16 Grants expenditure for the year ended 31 March 2020

<b>Active Communities</b>			
Bike Taupo Advocacy Group Inc; Kids Bike Taupo	\$15,000	Grief Support Services Inc; Operational costs	\$20,000
Omokoroa Sport & Recreation Soc Inc; Sports Pavilion	\$238,000	Growing Through Grief Rotorua; Operational costs	\$5,000
	<b>\$253,000</b>	Growing Through Grief Opotiki; Seasons for Growth programs	\$7,500
		Growing Through Grief Te Puke; Seasons for Growth programs	\$6,000
		H2R Charity Ltd; Leadership Development in Maori Communities	\$20,000
		Halberg Foundation; Operational costs	\$5,000
		Have a Heart Charitable Trust; Operational costs	\$12,500
		He Kaupapa Kotahitanga Trust Tauranga; Awihina House operational costs	\$60,000
		House of Science Tauranga; Operational costs	\$30,000
		Kawerau & Districts Ageing in Place Inc; Operational costs	\$15,000
		Kawerau Community Menz Shed; Operational costs	\$4,000
		Kimiora Community Trust; Operational costs	\$30,000
		Ko Te Tuara Totara O Fordlands Inc Soc; Fordlands Community Centre	\$25,000
		Live for More Charitable Trust; Live for More	\$40,000
		Macular Degeneration NZ; Vision for 2020	\$25,000
		Male Support Services Waikato; Operational costs	\$10,000
		Mangakino Family Services Inc; Operational costs	\$7,500
		Mid Island Gymsports; Special Needs/Disability movement classes	\$1,000
		Mockingbird Charitable Trust; Operational costs	\$35,000
		Muscular Dystrophy Northern Inc; Operational costs	\$10,000
		NZ Nutrition Foundation; Just Cook Healthy Ageing	\$5,000
		Opotiki District Council; Te Tahiri o Te Rangī Technology & Research Centre	\$300,000
		Oranga Tinana o Ue Inc Soc; Te Arawa Kaumatua Olympics 2019	\$5,000
		Parent to Parent Central Lakes; Operational costs	\$5,000
		People First NZ, Nga Tangata Tuatahi; Self-advocacy meetings in BOP	\$7,500
		Pregnancy Choice; Operational costs	\$15,000
		Pregnancy Help Inc Taupo Branch; Operational costs	\$13,000
		Puaka Bush School; Puaka Bush school program	\$10,000
		Rainbow Youth Inc; Operational costs	\$33,000
		Recreate NZ; Operational costs	\$23,800
		Rotorua District Riding for the Disabled Assoc Inc; Operational costs	\$25,000
		Rotorua Multicultural Council; Networking & Celebrations, migrant settlement program	\$7,500
		Sailability Tauranga Charitable Trust; Operational costs	\$7,500
		Shakti Ethnic Women's Support Group Central Region; Operational costs	\$30,000
		Sir Edmund Hillary Outdoors Education Trust; Youth adventure programs	\$10,000
		6th Battalion (Hauraki) Regimental Assoc Inc; Final 65th reunion	\$5,000
		Soc of St Vincent de Paul, Thermal Lands; Rotorua Fulfill project	\$5,000
		Soc of St Vincent de Paul, Whakatane Conference; Foodbank expenses	\$3,000
		St Chads Communications Centre; Operational costs	\$25,000
		Street Kai Assoc, Inc; Milo nights	\$5,000
		Talk Link Trust; Support services BOP	\$15,000
		Tauranga Boys College Pasifika; Pasifika program	\$7,500
		Tauranga District Group Riding for the Disabled; Operational costs	\$25,000
		Tauranga Regional Multicultural Council; Operational costs	\$15,000
		Te Aka Tolu Trust; Connected Kawerau	\$42,500
		Te Koutu E141 Trust; Wharekai Rebuild	\$125,000
		Te Puna Ora O Mataatua Charitable Trust; Kuhu Mai community centre	\$15,000
		The Motor Neurone Disease Assoc of NZ Inc; Operational costs	\$10,000
		The Parkinson's NZ Charitable Trust; Community Educator Services BOP	\$8,000
		The Search Party Charitable Trust; Operational costs	\$40,000
		The Spirit of Excellence Education Trust, Raising the Standard 2020	\$10,000
		The Starjam Charitable Trust; StarJam Tauranga TEP2020	\$5,000
		The Stroke Foundation of NZ Ltd; Operational costs	\$25,000
		Turangi Mountain Region Trust; Fortnightly free community dinner	\$3,150
		Victim Support NZ Inc; BOP Volunteer programme	\$15,000
		Wairiki Whanau Mentoring Ltd; Communities working on the fringe	\$10,000
		Whakatane Baptist Community Charitable Trust; Jezreel Womens Home	\$11,000
			<b>\$1,870,740</b>
		<b>Prosperous Communities</b>	
		Citizens Advice Bureau Taupo	\$10,000
		Citizens Advice Bureau Whakatane Inc	\$10,000
		Evolocity Ltd; 2020 Evolocity BOP program	\$7,500
		Katch Katikati; Operational costs	\$20,000
		Welcome Bay Community Centre Inc; Operational costs	\$90,000
		Safe Turangi; Operational costs	\$12,500
<b>Healthy Sustainable Housing</b>			
Baywide Community Law Charitable Trust; Operational costs - Housing Advocacy	\$30,000		
Sustainable Options; Healthy Homes	\$450,000		
Visions of a Helping Hand Charitable Trust; Housing services	\$50,000		
	<b>\$530,000</b>		
<b>Improved Natural Environment</b>			
Aongatete Forest Project; Restoration project	\$25,000		
Bay Conservation Inc; Collective conservation	\$87,500		
Environmental Education for Resource Sustainability Trust; Paper4trees	\$10,000		
HALO Whakatane Inc Soc; Predator eradication	\$120,000		
Kai Rotorua Inc Society; Operational costs	\$10,000		
Lakes Water Quality Soc; Caring for our lakes, biosecurity, quality & biodiversity	\$7,500		
Para Kore Marae Inc; Community Education and Outreach	\$7,500		
Project Litefoot Trust; LiteClub - BOP	\$8,534		
Taupo Community Gardens Trust; Learn to grow as a community	\$5,000		
Tauranga Environment Centre Charitable Trust; Operational costs	\$130,000		
Tauranga Environment Centre Charitable Trust, Environmental Sustainable Future	\$32,800		
Te Runanga o Ngai Te Rangī Iwi Trust; Research program	\$20,000		
The Rotary Centennial Trust; Kopurerua Valley Reserve restoration project	\$10,000		
The Soil & Health Assoc of NZ Inc; Soil Carbon intelligence project	\$10,000		
Tongariro Natural History Society; Project Tongariro	\$450,000		
Uretara Estuary Managers Inc; Project Parore	\$420,000		
	<b>\$1,383,834</b>		
<b>Inclusive Communities</b>			
Age Concern Rotorua District Inc; Operational costs	\$30,000		
Age Concern Taupo Inc; Operational costs	\$8,000		
Alzheimers Tauranga/BOP; Dementia Navigation service	\$30,000		
Anglican Care Waiapu; Growing Through Grief Tauranga	\$10,000		
Anxiety NZ Trust; 24 hour helpline operational costs	\$7,500		
Aphasia NZ Charitable Trust; Operational costs	\$7,500		
Asthma NZ Inc. Rotorua & Lakes Region; Helping our Tamariki Breathe Easy	\$10,000		
Atua Awhi Community Charitable Trust; Operational costs	\$25,000		
Auckland District Kidney Soc Inc; Support for BOP families	\$17,500		
Autism NZ Inc; Operational costs	\$10,000		
Awhi Mai Stroke Trust; Wairiki Maori stroke conference 2019	\$3,000		
Awhina Soc Inc; Operational costs	\$30,000		
Barnados NZ; 0800 What's Up Children's helpline	\$10,000		
Bay of Plenty Justices of the Peace Assoc; Regional conference	\$1,000		
Bellyful NZ Trust; Operational costs	\$2,950		
Bethlehem Baptist Church; Place of Hope Counselling	\$10,000		
Blind Sport NZ; Operational costs	\$5,000		
Books Before Boxing; 2020 Counterpunch Parkinsons program Rotorua	\$2,500		
BOPDSA Inc NZ & STPDS NZ; Supporting Teaching practices	\$15,000		
BOP Therapy Foundation; Operational costs	\$10,000		
Brave Hearts NZ; Operational costs	\$15,000		
Budget Advisory Services Gateway Opotiki; BAS Gateway Opotiki program	\$12,500		
C3 Church Tauranga Trust; Arataki Community Meal	\$5,200		
Central Plateau REAP; Family/Whanau support program	\$120,000		
Children's Autism Foundation; Supporting Vulnerable Families	\$5,000		
Christians Against Poverty NZ; Operational costs	\$7,500		
Complex Chronic Illness Support Inc; Operational costs	\$10,000		
Dress for Success Rotorua Charitable Trust; Operational costs	\$17,500		
Eastern Bay Villages; Operational costs	\$35,000		
Eastern Bay Villages; Providing low cost funerals	\$9,640		
EmpowermentNZ Charitable Trust;	\$30,000		
Epilepsy Assoc of NZ Inc; Operational costs	\$10,000		
Family & Financial Solutions Trust; Operational costs	\$7,500		
Garden to Table Trust; BOP Programme coordinator costs	\$5,000		
Gender Dynamix NZ; Supporting Trans people in the BOP	\$5,000		
Get Smart Tauranga Trust; Operational costs	\$30,000		
Good Neighbour; Operational costs	\$10,000		

# Bay of Plenty Community Trust Incorporated – 2020 Annual Report

## Notes to the financial statements (continued)

### 15 Grants expenditure for the year ended 31 March 2020 (continued)

Prosperous Communities (cont)		Strong Community Organisations	
Sustainable Business Network Inc; BOP Sustainable business programme	\$30,000	Scope Aotearoa Charitable Trust; Scope reviews for youth organisations	\$10,000
Te Whare Hukahuka; Developing long-term capacity & sustainability in Maori communities	\$67,000	Tangata Whenua Community & Voluntary sector Research centre; Webinars	\$2,500
Toi Kai Rawa Trust; Action Plan implementation 2020	\$25,000	Volunteer WBOP; Operational costs	\$105,000
Young Enterprise Trust; YES Regional Coordinator role	\$7,500		
	<b>\$279,500</b>		<b>\$127,500</b>
Safe Communities		Vibrant & Fun Communities	
Coastguard Eastern Region Inc; Unit support	\$180,000	BOP Film Trust; Seed funding for Waiariki film studios	\$50,000
Community Leisure Facilities Charitable Trust; Water safety programme	\$22,000	CCS Disability Action BOP Inc; International day of persons with disabilities concert	\$7,500
Kawerau Neighbourhood Support; Safer Connected Community	\$10,000	Katikati Indian Assoc Inc; Diwali Festival of light	\$2,000
Road Safety Education Ltd; RYDA program	\$7,500	Katikati Open Air Art; NZ Mural Contest & Arts Festival	\$10,000
St John Te Whanau-A-Apanui area Committee; Ambulance station - Waihu Bay	\$240,000	Life-link Community Trust; Greerton Light Party	\$2,250
Surf Lifesaving NZ Inc - Eastern Region; Club & regional operational costs	\$100,000	Nukuhau Marae/Taupo District Council; 2020 Waitangi Taupo Moana Festival	\$5,000
Taupo Neighbourhood Support; Operational costs	\$5,000	NZ China Friendship Soc Tauranga Branch; Chinese New Year celebrations	\$5,000
Tauranga Land Search & Rescue Inc; Redevelopment plan	\$3,500	One Love, Diwali	\$1,700
Water Safety NZ; BOP drowning prevention programs	\$70,000	One Taupo Trust; Taupo Winter festival	\$10,000
	<b>\$838,000</b>	Opotiki District Council; Summer Festival	\$7,500
Strengthened Whanau		Pasifika in the Bay Trust; 2019 Pasifika Festival in the Bay	\$5,000
Action Education Inc; Creative Kaitaki	\$2,600	Pushing Arts in NZ Trust; Tauranga Street Art Festival	\$5,000
Big Brothers Big Sisters Rotorua; Child Mentoring program	\$10,000	Rotorua Arts Village; Operational costs	\$20,000
Blue Light Ventures Inc; Youth Driver Navigation program BOP	\$100,000	Rotorua Bike Festival Charitable Trust; 2019 Rotorua Bike festival	\$10,000
Blue Light Ventures Inc; Operational costs	\$30,000	Runanga Ngaitamawharua Inc; Whanau fun day out	\$3,000
BOP District Health Board; Toi Ora Whanau Mahi Tahī	\$75,000	Safe Turangi; Christmas in the Park 2019	\$10,000
Edgecumbe Blue Light Ventures Inc; Operational costs	\$15,000	STEM Wana Trust; STEM Champions & Challenge Day	\$5,000
Families Achieving Balance Charitable Trust; Intensive parent support	\$10,000	Taki Rua Productions Soc Inc; Schools Tour: Nga Manu Roreka	\$7,500
Grandparents Raising Grandchildren Trust NZ; Operational costs	\$34,000	Taupo Community Reo Group Inc; Growing Maori Language programme	\$5,000
Homes of Hope Charitable Trust; Operational costs	\$25,000	Taupo Elim Community Church; Christmas in the Park Taupo	\$5,000
Inspiring Stories; Future Leaders	\$17,500	Tauranga Regional Multicultural Council; New to Bay Expo 2019	\$4,000
Kawerau Blue Light Ventures Inc; Operational costs	\$30,000	Te Arawa Kapa Charitable Trust; Te Arawa Kapahaka Regional festival	\$7,500
Kidz Need Dadz Charitable Trust BOP Inc; Operational costs	\$20,000	Te Manatu Ahurea o Tuhoē Trust; Te Hui Ahurei a Tuhoē Ahurei 2020	\$10,000
Ngamuwahine Outdoor Education Lodge; Land purchase	\$200,000	Te Parahia Trust; Christmas in the Park Whakatane	\$5,000
NZ Centre for Gifted Education Ltd; Subsidies for MindPlus BOP	\$10,000	Te Rereakuhia Marae Inc; Ablution Block upgrade	\$10,000
NZ Family and Foster Care Federation Inc; Operational costs	\$15,000	Te Tuhi Mareikura Trust; Nga Uri o Muturangi; Wananga Indigenous	\$5,000
Parenting Place Charitable Trust; Whanau parenting & skills programs	\$25,000	The Incubator; Operational Costs	\$35,000
Priority One WBOP Inc; Instep Programme	\$70,000	The National Woodskills Trust; National Woodskills event	\$7,500
Rotorua Community Youth Centre Trust; YouthHub Rotorua	\$30,000	The Tauranga Community Trust; A Night before Christmas event	\$10,000
Rotorua Youth Development Trust; Kiwican delivery in Rotorua	\$20,000	Waterwheel Historic Trust; Farming like Granddad	\$2,500
Royal NZ Plunket Trust; Family/Whanau Support & Education	\$15,000	Whakatohea Maori Trust Board; Mataatua Kapa Haka Regionals 2020	\$7,500
Tarawera High School; Hillary Outdoors programme	\$2,500		
Taupo BlueLight Ventures; Operational costs	\$120,000		
Taupo Pathways for Youth Employment; Licence to work/Pathways connect	\$135,000	<b>Toolbox funding</b>	<b>\$145,931</b>
Te Whare Wananga o Awanuiarangi; RoboPa	\$25,000	<b>Scholarships</b>	<b>\$87,556</b>
The Salvation Army / Tauranga Corps; Whanau Mentoring program	\$25,000	<b>Grants refunded</b>	<b>-\$169,470</b>
Tipu Skills for Life Charitable Trust; Operational costs	\$25,000		
Turangi Rangatahi Hub Charitable Trust; Operational costs	\$15,000		
Whakaatu Whanaunga Trust; Operational costs	\$30,000		
Whakatane Blue Light Ventures; Operational costs	\$30,000		
Youth Development Trust WBOP; Dingle Foundation programs, KiwiCan, Stars, Project K	\$165,000		
Youth Encounter Ministries Trust; Operational costs	\$60,000		
Youth Projects Trust; Manaakitanga Rotorua	\$10,000		
Youthline Auckland Charitable Trust; Youthline Helpline services BOP	\$10,000		
YSAR NZ; Youth Search & Rescue Tauranga	\$25,000		
	<b>\$1,431,600</b>		
		<b>Grand Total - Grants Expenditure</b>	<b>6,818,641</b>
		(Refer Note 6)	



# Independent Auditor's Report

To the beneficiaries of Bay of Plenty Community Trust Incorporated

## Report on the audit of the consolidated financial statements

### Opinion

In our opinion, the accompanying consolidated financial statements of Bay of Plenty Community Trust Incorporated (the 'Trust') and its subsidiary (the 'Group') on pages 10 to 21:

- i. Present fairly in all material respects the Group's financial position as at 31 March 2020 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 consolidated financial statements which comprise:

- The consolidated statement of financial position as at 31 March 2020;
- The consolidated statements of comprehensive revenue and expense, 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 Group 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 consolidated financial statements section of our report.

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



### Other information

The Trustees, on behalf of the Group, are responsible for the other information included in the entity's Annual 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 independent auditor's 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 independent auditor's report, or any of the opinions we have formed.



## Responsibilities of the Trustees for the consolidated financial statements

The Trustees, on behalf of the Group, are responsible for:

- The preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements

Our objective is:

- To obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

This description forms part of our independent auditor's report.



KPMG  
Tauranga

30 July 2020