



ANNUAL REPORT

Year ended 30 June 2018

TABLE OF CONTENTS

DIRECTORY	1
CHAIR REPORT	2
NON-FINANCIAL PERFORMANCE TARGETS.....	7
FINANCIAL PERFORMANCE TARGETS.....	10
STATEMENT OF TRUSTEES	12
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES	13
STATEMENT OF FINANCIAL POSITION.....	14
STATEMENT OF CHANGES IN EQUITY	15
STATEMENT OF CASHFLOWS.....	16
NOTES TO THE FINANCIAL STATEMENTS.....	17

DIRECTORY

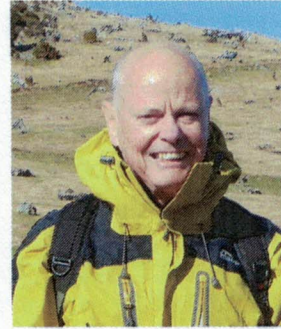
Address	c/o DJCA Level 3 50 Victoria Street Christchurch 8013 P.O. Box 5 Little River Banks Peninsula 7591
Trustees	Simon Mortlock Andrew Turner Bob Webster Bryan Storey Chrissie Williams Cynthia Roberts Maureen McCloy Paul McNoe Richard Suggate
Bankers	Bank of New Zealand Christchurch
Auditors	Audit New Zealand on behalf of the Auditor General
Email	manager@roddonaldtrust.co.nz
Website	www.roddonaldtrust.co.nz

CHAIR REPORT

The Rod Donald Banks Peninsula Trust is pleased to present its Annual Report and Financial Statements for the 2017-18 year.

The Trust works in partnership with other organisations to improve public walking and biking access, enhance biodiversity, and promote knowledge of Banks Peninsula for the benefit of its inhabitants and visitors.

The Trust is proud of its achievements since its inception eight years ago. Banks Peninsula is now better known for its walking opportunities, and we have helped protect 460 ha of biodiversity.



This year we consolidated our relationship with the Department of Conservation, signing a Memorandum of Understanding framing shared projects, at this stage comprising of Te Ara Pātaka multi-day tramp, a new hut on Quail Island, and goat eradication. Goats are the first species to be targeted under the new Pest Free Banks Peninsula and Port Hills Partnership led by our long-standing partner Banks Peninsula Conservation Trust. We are pleased to be a principal funder of the initial eradication trial.

Several of our other projects combine public access gains with protecting biodiversity. Earlier in the year we facilitated a 7.5ha addition to Montgomery Park Scenic Reserve, securing public access at the Hilltop end of Te Ara Pātaka including an old-growth forest remnant. We are in the process of setting up a Banks Peninsula Conservation Trust covenant to protect the native forest regenerating on an 8ha Akaroa property we purchased to protect access on the popular Woodills South Track. We are excited to have formed a new partnership with Living Springs, to collaborate on the Head to Head walkway and native restoration planting.

The Banks Peninsula Walking Festival that we organize annually in conjunction with Project Lyttelton, Akaroa District Promotions, and Little River/Wairewa Community Trust, was even more popular this year. It brought together 18 different organisations showcasing the Peninsula's landscape, biodiversity and heritage.

The occupancy rate of our Rod Donald Hut increased again this year to 49% over the full year. 1600 trampers, 35% of them under 18, stayed in the last 12 months.

We expanded our popular walking brochure series with a new brochure on Diamond Harbour developed with the local Community Association.

Our Board, augmented by four excellent new Trustees, has created a Strategic Plan envisioning bold goals over the next 10 years. We seek to increase public walking and biking access on Banks Peninsula enabling residents and visitors to experience and appreciate a healthy and growing biodiversity. We hope to work more closely with Christchurch City Council to support our shared aims with shared projects

I would like to thank our Trustees for their many hours of voluntary service and hard work and our Trust Manager, Suky Thompson for overseeing our operations and projects. We thank retiring Trustee Chrissie Williams for her outstanding contributions.

You will find more information on our achievements and financial position in this report, and for a more colourful picture, we recommend our annual newsletter, Storehouse Stories, and our website.

Simon Mortlock
Trust Chair

Governance and Management

At the start of the year we welcomed four new Trustees, Richard Suggate, Bryan Storey, Maureen McCloy and Paul McNoe to our Board of nine. All got up to speed quickly with the current projects and have worked hard to look to the future and develop a Strategic Plan to guide the direction for the next 10 years.

As the year closes, we farewell Chrissie Williams after three years service, and thank her for her work in improving how we govern and manage the expanding and ever more complex Trust. Cynthia Roberts first term also ends at the close of the year, and we are delighted that she wishes to serve another term. Maureen McCloy has stepped up to act as the Deputy Chair and ease the workload on our Chair Simon Mortlock.

Management of the Trust continues to be provided by our principal contractor, Suky Thompson, and we continue to be well served by an extensive network of loyal and enthusiastic contractors.

Health and Safety

The Trust operates according to its Health and Safety plan, and has no Health and Safety incidents to report. It has a strong interest in promoting Health and Safety for the public enjoying recreation on Banks Peninsula, and takes care to ensure that appropriate information is included in all its publications. Separate Health and Safety plans are developed for specific activities such as the management of Rod Donald Hut and events such as the Banks Peninsula Walking Festival.

Strengthening and developing relationships

The Trust has worked to strengthen existing relationships and develop new relationships during the year, in support of its current projects and Strategic Plan.

Department of Conservation (DOC)

The Trust signed a Memorandum of Understanding with DOC in March. This is a living document, aimed at formalising the high level relationship, with schedules covering different shared projects. Projects included in the MOU to date include Te Ara Pātaka, developing tramping accommodation on Quail Island, and working to eradicate goats on Banks Peninsula. The expectation is that other projects will be added in the future.

Banks Peninsula Conservation Trust (BPCT)

The Trust has made a grant to BPCT annually since 2012, recognising its leading role in protecting biodiversity. This year the grant was extended for three years to fund BPCT's Volunteer Co-ordinator position.

Living Springs

A new Memorandum of Understanding has been agreed with the Living Springs Trust who provide educational camps for school and community groups and hosts events at their substantial property in Allandale stretching from the summit to sea level. Living Springs is committed to biodiversity restoration and education on its property, and has a long-term goal to create an eco-sanctuary. Under the terms of the MOU the Trust will provide a multi-year grant to Living Springs to help with native plantings in areas formerly under pine forest, and jointly explore routing a section of the Lyttelton Head to Head walkway across the property.

Orton Bradley Park (OBP)

Orton Bradley Park occupies 650ha of land on the southern side of Lyttelton Harbour. The park includes an arboretum, historic buildings, playground, outdoor recreation centre for school groups and many walking tracks including two links to Te Ara Pātaka. The Trust has provided a grant to OBP since 2013, during which time the Park has extended its outdoor recreation

centre to include summer family friendly camping, added mountain biking tracks, protected areas of native biodiversity, opened a café, and this year repaired its historic stone cottage.

Submissions

The Trust made submissions to the Long Term Plans of Christchurch City Council, Environment Canterbury and Selwyn District Council. The Trust seeks to strengthen its relationships with the Councils and is particularly interested in assisting Christchurch City Council to achieve its Long Term Plan goals for parks and tracks by working together on shared projects.

Major Projects

Work this year has been principally directed to seven major projects.

Te Ara Pātaka/Summit Walkway

The Trust has worked in partnership with DOC on Te Ara Pātaka/Summit Walkway since 2013. The objective is to develop the existing set of tracks into a cohesive and well managed network suitable for novice trampers, with the intention of increasing participation by young people and families from Christchurch and Canterbury. A key aspect of the Trust's involvement is to secure public access where tracks cross private land. We were delighted to facilitate and fund the addition of 7.5ha of land to Montgomery Park Scenic Reserve this year, thereby securing public access. The walking track has been relocated to traverse a lovely tōtara forest remnant, and this north facing property will increasingly regenerate now that grazing has ceased. The land came with the additional benefit of a communications tower, providing a small income from the lease that is being paid to the Trust and which it will use for improved track maintenance on Te Ara Pātaka.

Rod Donald Hut

The Trust's Rod Donald Hut has now been operating for nearly three years, providing a second night of accommodation on Te Ara Pātaka. It is also proving extremely popular with Christchurch families introducing their young children to tramping using the short walk from Port Levy Saddle, and with youth groups bringing teenagers along Te Ara Pātaka. Occupancy has steadily increased since the hut opened in 2015.

Banks Peninsula Walking Festival

The Trust works collaboratively with Project Lyttelton, Akaroa District Promotions and Little River/Wairewa Trust to produce the only Peninsula-wide event – the annual Banks Peninsula Walking Festival. The walking festival provides an opportunity to showcase new walks and reserves, for the public to learn more about the Peninsula from knowledgeable local guides, and to experience places not normally accessible. The 2017 walking festival ran over four weekends in November and included old favourites as well new adventures in the Little River area, an opportunity for the public to participate in the Hinewai Reserve 30th Anniversary celebration, and walks around the covenants of French Farm and on the Peninsula Wildside. The volunteer appreciation event at the conclusion of the Festival brought together 60 people from organisations all over Banks Peninsula in Diamond Harbour's Dark Star cafe.

Planning is now well underway for the 2018 Walking Festival.

Diamond Harbour brochure

The Trust released its new Diamond Harbour Coastal and Village Loops walking brochure at the volunteer appreciation event. This marked the culmination of months of work with the Diamond Harbour Community Association to identify and document five different routes starting and finishing at the Diamond Harbour jetty, including links to Orton Bradley Park and Te Ara Pātaka. The brochure is now available at information centres in Christchurch and Lyttelton, and at retail outlets in Diamond Harbour and is proving popular.

Woodills South Track

Last year the Trust purchased a 8ha property at Grehan Valley Road, Akaroa, crossed by the popular Woodills South Track, with the principle purpose of securing public walking access across this and an adjoining property. The Trust has now re-located the south section of Woodills South Track to this property on a delightful walk through regenerating forest, and has reached agreement with the Christchurch City Council to protect it by way of an easement. A deed to enter a covenant with the Banks Peninsula Conservation Trust has been agreed and the covenant will protect just over 4ha of regenerating native forest in perpetuity. The Trust has secured two buyers interested in purchasing the property and has been preparing a subdivision application so that the sales can proceed. The easement and covenant will be registered on the title when this is done.

Lyttelton Harbour/Whakaraupō Head to Head Walkway

The Head to Head Walkway is a Christchurch City Council driven project to create a continuous walkway right around the coast of the Lyttelton Harbour/Whakaraupō. The Trust has participated in the Working Party, a subcommittee of the Banks Peninsula Community Board, bringing together stakeholders, and to date focusing on improving existing track sections. The Trust is delighted to have an agreement with the Living Springs Trust to work together to explore creating a new section across the Living Springs property linking Allandale to Teddington. The Trust also arranged an initial exploration by Working Party members of part of the Teddington Flat section.

Banks Peninsula Pest Free

The Trust has joined the Pest Free Banks Peninsula/ Te Pātaka o Rakaihautū and Port Hills Partnership as a foundation member of its Project Management group. The Partnership includes the Banks Peninsula Conservation Trust, Department of Conservation, Christchurch City Council, Selwyn District Council, Environment Canterbury, Summit Road Society and Te Rūnanga o Koukourārata.

The first project being undertaken is the eradication of feral goats from Banks Peninsula, and the Trust has stepped up as the principal funder of the initial trial underway at Little Akaloa, with Department of Conservation managing a new muster and hunt methodology in conjunction with local landowners.

Other activities

The Trust has worked in partnership with the Hinewai Reserve manager to develop an interpretation panel about Antarctic hero Frank Worsley, whose childhood home site, managed by Hinewai staff, is on the Purple Peak Curry Reserve at Akaroa.

The Trust is also working with Christchurch City Council staff to update and improve the Tourism Gateway signage installed by the Council in 2016.

The Banks Peninsula Walks directory, walking brochures, and website www.bpwalks.co.nz were all updated during the year to reflect new tracks.

The project to create family tramping style accommodation from a historic cottage on Quail Island is being managed by Department of Conservation, with the Trust assisting with grant funding. The project is now well underway and the Trust Manager has visited and is now planning a formal opening for the coming Walking Festival.

The Trust posts news on its website www.rodonaldtrust.co.nz and on its facebook page.

Financial results

The Trust has achieved these activities with a total net expenditure of \$337,797 this year. It

retains funds of \$2,280,889 for future projects and has equity of \$2,916,201. Equity includes the Rod Donald Hut property, intellectual property associated with its walking products, and the land at Akaroa that it intends to sell in the coming year.

Looking forward

The Trust's principal goal for the coming year is to achieve long term public access along the remaining private land crossings on the Te Ara Pātaka network, along with a sustainable maintenance structure. In the longer term, the Trust aspires to extend this walk to reach Wainui or around the Southern Bays.

Work will continue on the Woodhills South project with the intention of onselling the property in the coming year.

The Trust is also active in the Lyttelton Harbour basin. A new brochure is planned for Governors Bay, progress will be made with the Head to Head, walkway and the new accommodation will open on Quail Island.

The Trust will continue to work in an advocacy role for the Peninsula as the Christchurch City Council reviews strategies and plans affecting the Trust's pillars of access and biodiversity.

The Trust looks forward to finalising its Strategic Plan and working more closely with Christchurch City Council on shared projects.

**ROD DONALD BANKS PENINSULA TRUST
NON-FINANCIAL PERFORMANCE TARGETS
FOR THE YEAR ENDED 30 JUNE 2018**

Achievement Target	Achievement
Indicator 1. The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.	
Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project and action those that are deemed a priority	<p>ACHIEVED</p> <p>Projects brought to the Trust's attention this year were:</p> <ul style="list-style-type: none"> Continued support for Banks Peninsula Conservation Trust BPCT led Predator Free bid to PF2050 Goat eradication Living Springs planting All four were assessed and selected for support
Make submissions to relevant policy documents in support of the pillars.	<p>ACHIEVED</p> <p>Submissions made to:</p> <ul style="list-style-type: none"> CCC Natural Heritage Strategy CCC Misty Peaks Draft Reserve Management Plan CCC Te Oka Draft Reserve Management Plan Community Board re CCC Long Term Plan CCC Long Term Plan Environment Canterbury Long Term Plan Selwyn District Council Long Term Plan
Indicator 2. Provide leadership and tangible support for the projects achieving Access	
Progress Te Ara Pātaka through securing public access and adding user facilities, including continued management of Rod Donald Hut and development of a long-term plan for assets.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Public access secured on Manson land along Te Ara Pātaka bordering Montgomery Reserve New track through remnant forest constructed on this property Rod Donald Hut managed with increasing usage Long term plan for assets included in Strategic Planning <p>IN PROGRESS</p> <ul style="list-style-type: none"> Public access discussions with private landowners at the western end of Te Ara Pātaka
Support the development of the Head to Head walkway	<p>ACHIEVED</p> <ul style="list-style-type: none"> Participation in Lyttelton/ Whakaraupō Head to Head Working Party meetings Suggestions sent to Council staff regarding signage Access across private land under exploration with Living Springs
Sell the property containing Woodhills South track when a public walking easement has been secured.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Walking easement agreed with Council Purchasers identified and in agreements via MOU Subdivision application prepared
Indicator 3. Provide tangible support for biodiversity	

Achievement Target	Achievement
Secure a conservation covenant on the regenerating forest on the above property.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> • Covenant boundary surveyed. Deed to Enter covenant with BPCT agreed. Fencing nearing completion • Ecological Report prepared • Management Plan in development • Weed control work commenced
Continue support for the Banks Peninsula Conservation Trust and other groups involved with biodiversity protection and enhancement.	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Funding allocated to support BPCT volunteer coordinator. • Funding allocated to support Pest Free Banks Peninsula consortium with initial Goat eradication project
Participate in the Banks Peninsula Predator free initiative	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Participant in Banks Peninsula Pest free group • Allocated funding for BPCT led Predator Free bid to PF2050
Indicator 4. Provide tangible support and leadership for projects building the Knowledge pillar.	
Keep the Trust's map, brochure and web products updated, develop new brochures for Lyttelton Harbour /Whakaraupō and work on a long-term strategy for their ownership.	<p>ACHIEVED</p> <ul style="list-style-type: none"> • New brochure developed for Diamond Harbour • Banks Peninsula Walks Directory 2018 released including new walks and Diamond Harbour revisions • BPwalks.co.nz updated with 2018 Directory information • Akaroa/Wairewa Summits and Bays brochure developed to replace Akaroa Harbour and Bays • Discussion on long term strategy in progress
Work with other agencies including the Department of Conservation and Christchurch City Council to share and disseminate information about Banks Peninsula.	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Project in progress with CCC to improve Tourism Gateway signage • Continued co-operation with DOC around Te Ara Pātaka marketing
Support the Banks Peninsula walking festival	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Successful Banks Peninsula Walking festival ran in November 2017, with increased participation rates and Trust taking leadership role • Planning for Banks Peninsula Walking Festival 2018 commenced
Indicator 5. Provide tangible support for and work with a range of partners	
Inform the public and relevant interest groups about on-going activities and progress of the Trust	<p>ACHIEVED</p> <ul style="list-style-type: none"> • Website www.rodDonaldtrust.co.nz kept updated • Facebook page www.facebook.com/RodDonaldBPTrust/ also updated

Achievement Target	Achievement
	<ul style="list-style-type: none"> • Media articles included in the Akaroa Mail • Walking Festival promoting Trust • Newsletter published and circulated • Lectures given at Diamond Harbour and U3A • Updates to Banks Peninsula Community Board
<p>Identify other bodies which have funds available for projects aligned with the objectives of the RDBPT, develop strategic relationships with these bodies with the aim of a 4:1 leverage on Trust capital where possible.</p>	<p>IN PROGRESS</p> <ul style="list-style-type: none"> • CCC, DOC, Environment Canterbury and Ngāi Tahu identified as key partners • Discussions with Banks Peninsula Community Board on shared projects in Long Term Plan • MOU covering shared relationship agreed with DOC • Predator Free bid use 4:1 leverage • Grants to Orton Bradley Park, BPCT and Living Springs contribute to the Trust's four pillars.

FINANCIAL PERFORMANCE TARGETS

	2018 Target \$	2018 Actual \$	Variance \$
Operating Surplus			
Revenue ¹	323,092	138,472	-184,620
Trust Management ²	-89,100	-79,800	9,301
Operational Costs ³	-17,410	-24,363	-6,953
Minor Projects ⁴	-2,000	-2,380	-380
Commitments to Partners ⁵	-50,000	-43,000	7,000
Operating Surplus/(deficit)	164,582	-11,070	-175,652
Trust Funds			
Opening funds* ⁶	2,453,506	2,613,788	160,282
Operating surplus/(deficit)	164,582	-11,070	-175,652
less Capital grants and project expenditure ⁷	-573,000	-321,829	251,171
Closing balance*	2,045,088	2,280,889	235,801

Explanation of variance:

Note	Actual figures include	Explanation of Variance
1	Interest on the Trust's term deposits, sales and donations	Revenue is lower than forecast because the Trust did not sell the land held for sale at Grehan Valley Road. The sale is now expected to take place in the 2018-19 financial year. The difference is partially offset because interest rates were higher than those used in the forecast and actual revenue includes income from sales which had not been included in the target
2	Cost of Trust Manager	Trust management is charged on an hourly basis and fewer hours used in the year than anticipated, largely because the Manager has been without an assistant during most of the year. An assistant was sourced in June.
3	Includes audit, accountancy, meetings, some event expenses, insurance, webhosting, bank fees and professional fees not charged to strategic project	Higher than expected due to additional meeting and event expenses and all insurance combined as an operating cost
4	Newsletter, maps for Trustees, installation of a stile and Te Ara Pataka formal opening booklet	Additional minor projects above those forecast included the map, stile and formal opening booklet
5	Grants to Banks Peninsula Conservation Trust, Orton Bradley Park and Living Springs	Forecast based on slightly different grant mix than forecast
6	Reflects the Trust's available cash Includes cash on hand, term deposits, accounts receivables less accounts payable. Excludes inventory, property, plant, equipment, land held for sale & intangibles.	Higher than expected as less spent in 2017-18 than forecast due to the project opportunities presenting in the previous year.

7	All other project spending	As noted in the SOI, the target figure was based on an optimal timetable and likely to vary depending on opportunities presenting. The principle costs anticipated had been for securing public access on Te Ara Pātaka, and some other projects including development of tramping accommodation on Quail Island. Significant progress has been made toward securing access on Te Ara Pātaka, with one section secured. The Quail Island project is well underway but will complete and allocated funds paid out in the coming financial year.
---	----------------------------	--



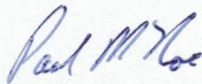

STATEMENT OF TRUSTEES

We are responsible for the preparation of Trust's financial statements and statement of performance, and for the judgments made in them.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.


In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Rod Donald Banks Peninsula Trust for the year ended 30 June 2018.

Signed on behalf of the Trustees:

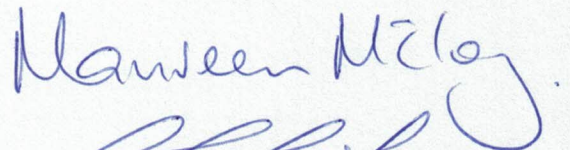


Trustee

Date

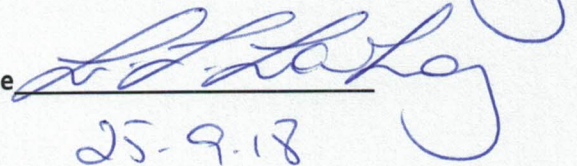


25/9/18



Trustee

Date



25-9-18

THE ROD DONALD BANKS PENINSULA TRUST
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenue			
<i>Exchange revenue</i>			
Interest		86,184	103,934
Bank Peninsula Walking Festival		12,997	4,940
Sale of Walking products		7,608	7,649
Woodills Project reimbursement from partners		12,401	-
Revenue from hut fees		15,560	13,336
Te Ara Pātaka track work contracting		-	11,760
Other revenue		3,499	-
<i>Total exchange revenue</i>		138,249	141,619
<i>Non-exchange revenue</i>			
Grants and donations		224	43
<i>Total non-exchange revenue</i>		224	43
<i>Total revenue</i>		138,473	141,662
Expenditure			
Grants (Commitments to partners)		43,000	59,250
Depreciation and amortisation	6,8	9,730	16,929
Trust Management		79,800	70,077
Administration Costs	1	23,251	18,294
Website hosting and minor updates		2,358	2,181
Minor Projects		2,380	4,667
Project Expenditure:			
Banks Peninsula Walking Festival		12,275	5,390
Walking product minor update and production costs		5,882	7,550
Hut operating and maintenance costs		15,359	13,144
Te Ara Pātaka		227,576	65,383
Purple Peak Curry Reserve		932	5,945
Head to Head walkway		-	5,000
Woodills Project Expense		53,727	-
<i>Total expenditure</i>		476,270	273,810
Surplus/(deficit)		(337,797)	(132,148)
Other comprehensive revenue and expenditure			
Total comprehensive revenue and expense		(337,797)	(132,148)

The accompanying notes form part of these financial statements.

THE ROD DONALD BANKS PENINSULA TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	2	83,836	264,440
Receivables	3	56,066	58,245
Current investments	4	808,327	1,865,000
Inventory	5	3,375	3,614
<i>Total current assets</i>		951,604	2,191,299
Non current assets			
Long-term deposits	4	1,400,000	500,000
Loan investment	4	9,295	9,295
Property, plant, and equipment	6	323,545	321,890
Land held for sale	7	234,203	239,203
Intangible assets	8	25,950	25,503
<i>Total non-current assets</i>		1,992,993	1,095,891
Total Assets		2,944,597	3,287,191
Liabilities			
Current liabilities			
Payables	9	28,396	33,193
Total liabilities		28,396	33,193
Net Assets		2,916,201	3,253,998
Equity			
Accumulated surplus / (deficit)		2,916,201	3,253,998
Total equity	10	2,916,201	3,253,998

The accompanying notes form part of these financial statements.

THE ROD DONALD BANKS PENINSULA TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Balance at 1 July 2017		3,253,998	3,386,146
Total comprehensive revenue and expense for the year		(337,797)	(132,148)
Balance at 30 June	10	2,916,201	3,253,998

The accompanying notes form part of these financial statements.



THE ROD DONALD BANKS PENINSULA TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018

The accompanying notes form part of these financial statements.

	Notes	2018	2017
		\$	\$
Cash flows from operating activities			
Interest received		84,497	99,920
Receipts from customers and other revenue		53,114	50,023
Payments to suppliers		(469,616)	(229,402)
GST (net)		1,564	4,139
Net cash flow from operating activities		(330,440)	(83,598)
Cash flows from investing activities			
Receipts from maturing deposits and loan		1,865,000	1,335,000
Purchase of new investments		(1,708,327)	(985,000)
Purchase of property, plant, equipment and		(6,833)	(64,635)
Net cash flow from investing activities		149,840	285,365
Cash flows from financing activities			
Net (decrease)/increase in cash and cash		(180,600)	201,767
Cash and cash equivalents at the beginning of the		264,436	62,673
Cash and cash equivalents at the end of the year	2	83,836	264,440




THE ROD DONALD BANKS PENINSULA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. ADMINISTRATION COSTS

	2018	2017
	\$	\$
Trustees Insurance	4,215	4,800
Meeting expenses	5,124	2,152
Bank Charges	153	146
Rates – 168 Grehan Valley Road (Woodills South land)	1,246	1,283
Accounting	4,886	4,774
Audit fees	4,984	4,270
Professional fees not tagged to a project	2,643	871
Total Administration Costs	23,251	18,296

2. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Current account - Bank of New Zealand	17,537	1,903
Call Accounts	66,295	262,533
Special Purpose Account - Heartland	4	4
Total cash and cash equivalents	83,836	264,440

3. RECEIVABLES

	2018	2017
	\$	\$
Receivables from the sale of goods, hut fees and other services	6,517	3,548
GST Receivable	3,499	7,108
Prepayments	1,018	2,000
Interest	45,032	45,588
Total receivables*	56,066	58,245

*All receivables relate to exchange transactions

4. FINANCIAL INVESTMENTS

	2018	2017
	\$	\$
Current investments		
BNZ term deposit	360,000	180,000
TSB term deposit	-	500,000
Kiwibank term deposits	400,000	1,135,000
Loan – Josef Langer Charitable Trust	48,327	50,000
Total current investments	808,327	1,865,000
Non-current investments		
Long-term deposits	1,400,000	500,000
Total long-term deposits	1,400,000	500,000
Loan - Manuka Press	9,295	9,295
Total non current investments	1,409,295	509,295
Total financial investments	2,217,622	2,374,295

5. INVENTORY

	2018	2017
	\$	\$
Current inventory		
Inventory - finished goods (book and brochure stocks)	3,375	3,614
Total Inventory	3,375	3,614

6. PROPERTY, PLANT, AND EQUIPMENT

Movements for each class of property, plant, and equipment are as follows:

	Land	Buildings*	Total
	\$	\$	\$
Cost			
Balance at 1 July 2016	206,238	121,665	327,903
Additions		3,877	3,877
Disposals		-	-
Balance at 30 June 2017 / 1 July 2017	206,238	125,542	331,780
Current year movements:			
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2018	206,238	125,542	331,780
Accumulated depreciation and impairment losses			
Balance at 1 July 2016	-	3,279	3,279
Depreciation expense	-	6,611	6,611
Impairment losses	-	-	-
Balance at 30 June 2017	-	9,890	9,890
Depreciation expense	-	2,511	2,511
Adjustment from prior year	-	-4,166	-4,166
Impairment losses	-	-	-
Balance at 30 June 2018	-	8,235	8,235
Carrying amounts			
At 30 June 2016	206,238	118,386	324,624
At 30 June 2017	206,238	115,652	321,890
At 30 June 2018	206,238	117,307	323,545

* The amounts recorded for buildings represent costs incurred in construction. No depreciation was charged until completion.

There are no restrictions on the Trust's property, plant, and equipment.

In November 2014, the Trust signed a management agreement with the Josef Langer Trust providing that the Josef Langer Trust will purchase land from the Trust in November 2016 at the Trust's cost price, \$180,000, hence it is held as a non-current asset separate from Property, Plant & Equipment.

In October 2016 the Trust sold the land to the Josef Langer Trust for \$180,000 less a loan of \$50,000.

7. LAND HELD FOR SALE

The Trust purchased an 8ha property at 168 Grehan Valley Road for the Woodills South project in 2016. The project involves protecting a walking track on the land by way of easement, creating a covenant over regenerating native forest and subdividing the land prior to its sale.

The Trust has agreements in place with potential purchasers and expects to sell this land in the 2018-19 year for at least \$239,203

During the 2017/18 year the Trust spent \$53,727 on constructing a walking track, controlling invasive weeds and preparing its subdivision application. It received a contribution of \$12,401 from the potential purchasers as a contribution toward subdivision costs.

The value of land held for sale is \$234,203, \$5000 reduction in value relates to error in capitalization adjustment in prior year. \$41,326 expenditure has been expensed.

8. INTANGIBLE ASSETS

Movements in intangible assets are as follows

	\$
Cost	
Balance at 1 July 2016	41,885
Additions	1,560
Disposals	-
Balance at 30 June 2017/ 1 July 2017	43,445
Additions*	11,833
Disposals	-
Cost Balance at 30 June 2018	55,278
Accumulated amortisation	
Balance at 1 July 2016	7,624
Amortisation	10,318
Impairment	-
Balance at 30 June 2017/ 1 July 2017	17,942
Amortisation	11,386
Impairment	-
Amortisation Balance at 30 June 2018	29,328
Carrying values	
At 30 June 2015	19,405
At 30 June 2016	34,261
At 30 June 2017	25,503
Carrying Value Balance at 30 June 2018	25,950

*The addition in 2017-/18 was the Diamond Harbour brochure

There are no restrictions over the title of the Trust's intangible assets, nor are any intangible assets pledged as security for liabilities.

9. PAYABLES

	2018	2017
	\$	\$
Payables under exchange transactions:		
Trade creditors	10,561	28,283
Accrued expenses	17,835	4,910
	28,396	33,193
Payables under non-exchange transactions:		
	-	-
Total payables	28,396	33,193

10. EQUITY

	2018	2017
	\$	\$
Accumulated surplus / (deficit)		
Opening balance 1 July	3,253,998	3,386,146
Surplus / (deficit) for the year	(337,797)	(132,148)
Closing balance 30 June	2,916,201	3,253,998

11. COMMITMENTS

As at 30 June 2018, the Trust's material commitments were as follows:

- In June 2018, the Trust committed \$12,000 toward a three year grant to Living Springs Trust. The balance of \$4,000 is payable in 2018 and 2019.
- In June 2018 the Trust extended its MOU with BPCT and agreed to provide a further \$15,000 per annum to be paid out by 30 June 2021.
- In March 2018 the Trust committed the following to Department of Conservation:
 - Up to \$70,000 to be paid out on completion of a goat eradication trial. This is on target to be completed in the 2018/19 financial year
 - \$20,000 to be paid out on completion of a tramping hut on Quail Island by November 2018 with a further \$5,000 committed in June 2018. This is on target to be completed in the 2018/19 financial year.
- In November 2014, the Trust signed a management agreement with the Josef Langer Trust providing that:
 - the Josef Langer Trust will purchase land from the Trust in November 2016 (at the Trust's cost price)
 - at this time, the Trust will make a \$50,000 loan to the Josef Langer Trust for two years, repayable on demand. This loan will be written off if all conditions in the MOU are met.
 - In November 2017 this loan was extended until November 2018 and will be written off if all conditions in the MOU are met.

12. CONTINGENCIES

As at 30 June 2018, the Trust had no contingent liabilities or assets (2017, nil).

13. RELATED PARTY TRANSACTIONS

The Christchurch City Council conducted a Survey as part of the Woodhills development project which cost \$10,686 inclusive of GST (2017: \$ nil). This transaction was conducted on an arms length basis.

Besides the above there were no other Related Party Transactions, but note that during the year ended 30 June 2018, the Trust entered into the following transactions with the following parties:

- Mortlock McCormack, of which Trustee Simon Mortlock is a consultant and former partner, provided legal services to the Trust at a cost of \$11,290.95 inclusive of gst (2017: \$6,914). Simon Mortlock provides his time free of charge so these legal services are for staff time only. As at balance date, there were nil amounts payable to Mortlock McCormack (2017: \$nil).
- Josef Langer Trust, of which Trustee Simon Mortlock is a board member, purchased the land held for sale at Le Bons Bay for \$180,000 less a loan of \$50,000 from the Trust

(2017: \$50,000). As at balance date, there was a loan receivable of \$50,000, unless the conditions of the management agreement are met by November 2018, in which case it will be converted to a grant.

14. EVENTS AFTER BALANCE DATE

There were no significant events after the balance date (2017 nil).

15. LEGISLATIVE REQUIREMENTS

The Local Government Act 2002 requires the Trust to submit half year accounts and a Statement of Intent to its Board and to its stakeholder within specified timeframes. For the 2017-18 financial year the Trust met the specified timeframes as set out in the legislation for the submission of documents to its stakeholder.

16. FINANCIAL INSTRUMENTS NOTE:

Financial instruments are cash and cash equivalents, debtors, creditors and other financial assets (see Notes 2, 3, 4, 5 and 9).

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities.

Interest rate risk

The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investment to fixed interest rate investments, pursuant to the Council's investment policy.

Credit Risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur a loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash, short term investments and accounts receivable. The risk is managed by restricting investment to quality investment grade issues, pursuant to the Council's investment policy.

The Trust banks/has term deposits with the following banks and their respective credit ratings:

- Bank of New Zealand (BNZ) – AA- credit rating per Standard and Poor's (Australia) Pty Limited.
- Kiwibank Limited – A credit rating per Standard and Poor's (Australia) Pty Limited.
- TSB Bank Limited – A- credit rating per Fitch Ratings Inc.
- Heartland – BBB credit rating per Fitch Ratings Inc.

17. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Rod Donald Banks Peninsula Trust (‘the Trust’) is a registered charitable Trust created by the Council on 12 July 2010, and is domiciled and operates in New Zealand.

The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region. The Trust does not operate to make a financial return.

The Trust’s long term vision is to restore Banks Peninsula to its traditional status as Te Pātaka o Rākaihautū – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

The Trust is a public benefit entity (PBE) for the purposes of financial reporting.

The financial statements for the Trust are for the year ended 30 June 2018. The financial statements were approved for issue by the Trustees on 25 September 2018.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust qualifies for Tier 2 PBE reporting on the basis that it does not have public accountability and has total annual expenses of less than \$30 million.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

The specific accounting policies for significant revenue items are explained below:

Non-exchange Revenue

Grants received

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets

Where a physical asset is gifted to or acquired by the Trust for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue.

Exchange Revenue

Interest revenue

Interest revenue is recognised using the effective interest method.

Sales of goods

Sales are recognised when the product is sold to the customer and invoiced.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that the amount due will not be able to be collected. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments - Bank term deposits

Investments in bank term deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

Loans receivable

Loans receivable are initially measured at fair value. After initial recognition, loans receivable are measured at amortised cost using the effective interest method, less any provision for impairment.

Inventories

Inventories are valued at the lower of cost (using the FIFO method) or net realisable value. For inventories acquired through non-exchange transactions, initial measurement of cost is determined as fair value at the date of acquisition.

The amount of any write-down to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment. If items are acquired through non-exchange transactions, cost is determined as fair value at the time of acquisition.

Additions

The cost (or fair value) of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as

they are incurred.

Depreciation

Depreciation is charged on items of property, plant and equipment to write-off cost to estimated residual value over the useful life of each item. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Depreciation on buildings is being charged at a rate of 2% (straight line) based on an estimated useful life of 50 years. No depreciation is charged on items under construction. Land is not depreciated.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Costs associated with the development of the Trust's websites that provide service potential to the Trust are capitalised. Website maintenance costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment

losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Payables

Short-term payables are recorded at their face value.

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The commitments are disclosed exclusive of GST.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from IRD, including the GST relating to investing and financing activities, is classified as a net operating cashflow in the statement of cashflows.

Income tax

The Trust is a registered charitable trust. It is therefore exempt from the payment of income tax.

Critical accounting estimates, assumptions and judgments in applying accounting policies

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of intangible assets

At each balance date, the useful lives and residual values of the intangible assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires a number of factors to be considered such as the expected period of use of the intangible asset by the Trust, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position.

Intangible assets held by the Trust as at 30 June 2018 relate to its Comprehensive Mapping Project which has resulted in publication of a book and several brochures describing walks on Banks Peninsula and a matching website. The useful life and associated amortisation rate of these intangible assets have been estimated as follows:

Book and brochures:

- Book is: Banks Peninsula Walks Directory
- Brochures are: Akaroa Village Walks, Akaroa Country Walks, Akaroa/Wairewa Summits and Bays, Lyttelton Town and Hills, Diamond Harbour Coastal and Village Loops
- Useful life 10 years
- Amortisation rate 10% (straight line)

Website development:

- Website URL is: www.bankspeninsulawalks.co.nz

- Useful life 2.5 years
- Amortisation rate 40% (straight line)

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

Measurement of loan receivable from Manuka Press

Management has made assumptions on the expected profile of payments receivable in measuring the value of the loan receivable using the effective interest method.

Independent Auditor's Report

To the readers of Rod Donald Banks Peninsula Trust Te Pataka o Rakaihautu's financial statements and performance information for the year ended 30 June 2018

The Auditor-General is the auditor of Rod Donald Banks Peninsula Trust Te Pataka o Rakaihautu (the Trust). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 13 to 27, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements on that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 7 to 11.

In our opinion:

- the financial statements of the Trust on pages 13 to 27:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Trust on pages 7 to 11 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2018.

Our audit was completed on 25 September 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 6 and 12, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Andy Burns
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand