

**ROD DONALD BANKS
PENINSULA TRUST
TE PATAKA O
RAIKAIHAUTU**

ANNUAL ACCOUNTS

FOR

PERIOD ENDED 30 JUNE 2011

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DIRECTORY

Address	53 Hereford Street Christchurch
Trustees	G Moore (Chair) C Reid S Miller S Wright-Stow T Korako N Shirlaw S Mortlock
Bankers	Bank of New Zealand Christchurch
Auditors	Audit New Zealand on behalf of the Office of the Auditor General

**Statement of Comprehensive Income
for the period ended 30 June 2011**

	Note	2011 \$
Revenue from operations	2(a)	3,503,883
Other income		64,989
		<u>3,568,872</u>
Other expenses	2(b)	3,862
		<u>3,862</u>
Profit (loss) before income tax expense		<u>3,565,010</u>
Income tax expense		-
Net Surplus/(Deficit) for period		<u>3,565,010</u>
Other Comprehensive Income		-
Total Comprehensive Income		<u>3,565,010</u>

The accompanying notes form part of these financial statements.

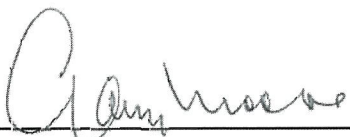
**Statement of Changes in Equity
for the period ended 30 June 2011**

	Retained earnings \$
Balance as at 01 July 2010	-
Total comprehensive income for the period	3,565,010
Balance as at 30 June 2011	<u>3,565,010</u>

The accompanying notes form part of these financial statements.

**Statement of Financial Position
as at 30 June 2011**

	Note	2011 \$
Current assets		
Cash and cash equivalents		377,075
Trade and other receivables	4	40,435
Other financial assets - short-term deposits	7	1,750,000
Total current assets		<u>2,167,510</u>
Non-current assets		
Other financial assets - long-term deposits	7	1,400,000
Total non-current assets		<u>1,400,000</u>
Total assets		3,567,510
Current liabilities		
Trade and other payables	5	2,500
Total current liabilities		<u>2,500</u>
Non-current liabilities		
Borrowings		-
Total non-current liabilities		<u>-</u>
Total liabilities		2,500
Net assets		<u>3,565,010</u>
Equity		
Capital and other equity instruments		-
Retained earnings	6	3,565,010
Total equity		<u>3,565,010</u>


Trustee

 S. C. M. H. L. O. V. R.
Trustee

30/11/11
Date

30/11/11
Date

The accompanying notes form part of these financial statements.

Statement of Objectives and Performance for the period ended 30 June 2011

Financial Performance Targets

	2011 Actual \$	2011 Target \$	Variance \$
Ratio of Trust Funds to Total Assets	100%	100%	0%

Key Performance Targets

Target:	2011 Actual	2011 Performance Measure
Inform the public and relevant interest groups of the existence and purpose of the RDBPT.	Meetings held with individuals and groups involved in conservation on the Peninsula	A communications and advertising policy is developed.
Develop relationships with existing interest groups on Banks Peninsula with similar aims, along with relevant government agencies and territorial authorities.	A number of interested people / groups have been identified and a questionnaire is currently being developed for use with these people / groups.	A list of key interest groups is developed. Meet with representatives of interest groups to discuss their projects and the manner in which RDBPT can work with them.
Explore options for growing the trust fund.	An investment policy has been developed in association with Christchurch City Council finance staff	Investment policy developed. Strategic relationships with bodies which have funds available for projects aligned with RDBPT objectives are developed.
Identify key projects the Trust is to be involved in over the 2010/11 to 2012/13 financial years.	When the questionnaire has been completed the projects which the Trust will focus on will be developed	A list of projects and the assistance the RDBPT will provide over the short to medium term is established. A distributions policy for distributions to projects is developed.
Provide tangible support for the key projects identified above.	Too early for this to be measurable	Evidence of projects in progress or completed due to the support of RDBPT is available.

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

a. Reporting Entity

These are the financial statements of the Rod Donald Banks Peninsula Trust, a Charitable Trust created by the Christchurch City Council on 12 July 2010. 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's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – 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 financial statements of the Trust are for the period ended 30 June 2011. The financial statements were approved for issue by the Board of Trustees on 30 November 2011.

As this is the first period of operations there are no comparative figures.

b. Basis of financial statement preparation

The financial statements of the Rod Donald Banks Peninsula Trust have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

Differential Reporting

The Trust is a qualifying entity within the Framework for Differential Reporting. The differential reporting option is available to the Trust as it is not large within the meaning of this term as set out in the Framework and is not publicly accountable. The Trust has taken advantage of all differential reporting concessions available to it.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

c. Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

d. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

e. Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

f. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

g. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

h. Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

i. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

j. Goods and Services Tax

The Rod Donald Banks Peninsula Trust is not registered for GST. All amounts stated are inclusive of GST where applicable.

k. Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

I. Critical accounting estimates and assumptions

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 or future events that are believed to be reasonable under the circumstances.

2. Profit from operations

a. Revenue

	2011 \$
Revenue from operations	
Grants & Donations	3,503,883
	<u>3,503,883</u>
Other Income	
Interest received	64,989
	<u>64,989</u>
Total revenue	<u><u>3,568,871</u></u>

b. Expenses

	Note	2011 \$
Other Expenses:		
Bank Charges		39
Professional Fees		1,323
Auditors remuneration	3	2,500
		<u>3,862</u>
Total expenses		<u><u>3,862</u></u>

3. Remuneration of Auditors

	2011 \$
Audit New Zealand:	
Audit of financial statements	2,500
	<u>2,500</u>

4. Current trade and other receivables

	2011 \$
Debtors and Accruals	-
GST receivable	-
Interest Receivable	40,435
	<u>40,435</u>

The carrying value of trade and other receivables approximates their fair value.

5. Current trade and other payables

	2011 \$
Trade payables	2,500
GST payable	-
Related Party Payables	-
	<u>2,500</u>

6. Retained Earnings

	2011 \$
Balance at beginning of financial year	-
Surplus/(deficit)	<u>3,565,010</u>
Balance at end of financial year	<u>3,565,010</u>

7. Financial Instruments

Financial instruments are cash and cash equivalents and term deposits as set out below.

	2011 \$
Current Financial Assets:	
Current account - Bank of New Zealand	377,075
Kiwibank term deposit (maturity date 04/11/11)	500,000
CBS Canterbury term deposit (maturity date 04/02/12)	250,000
Kiwibank term deposit (maturity date 04/02/12)	1,000,000
	<u>2,127,075</u>
Non-Current Financial Assets	
Kiwibank term deposit (maturity date 04/02/13)	1,000,000
Kiwibank term deposit (maturity date 04/02/14)	400,000
	<u>1,400,000</u>
	<u><u>3,527,075</u></u>

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 quality investment grade issues, pursuant to Christchurch City 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 and short term investments, and accounts receivable.

The Trust banks with Bank of New Zealand (BNZ), Kiwibank, and CBS Canterbury. The credit ratings for each of these organisations from Standard and Poor's (Australia) Pty Ltd are:

Bank of New Zealand	AA
Kiwibank	AA –
CBS Canterbury	BBB –

8. Post balance date events

There were no events known to the directors occurring subsequent to balance date that would have a significant impact on the financial statements for the year ended 30 June 2011.

9. Contingencies

The Rod Donald Banks Peninsula Trust had no contingent assets or liabilities as at 30 June 2011.

10. Related party transactions

The only related party transaction for the Trust in the year ended 30 June 2011 was the receipt from the Christchurch City Council of \$3,503,883 being settling of the proceeds from the sale of endowment land. In addition to this the Christchurch City Council provides administrative and financial support to the Trust at no cost.

11. Breach of statutory deadline

Under section 67 of the Local Government Act 2002, the Trust is required to adopt its annual report incorporating its audited financial statements by 30 September. The Trust did not meet this requirement for 2011.

Auditor's Report

Independent Auditor's Report

**To the readers of
Rod Donald Banks Peninsula Trust's
financial statements and statement of objectives and performance
for the period ended 30 June 2011**

The Auditor-General is the auditor of Rod Donald Banks Peninsula Trust (the Trust). The Auditor-General has appointed me Scott Tobin, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of objectives and performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 4 to 13, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income and statement of changes in equity for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of objectives and performance of the Trust on page 7.

Opinion

In our opinion:

- the financial statements of the Trust on pages 4 to 13:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2011; and
 - financial performance for the period ended on that date; and
- the statement of objectives and performance of the Trust on page 7:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's objectives and performance achievements measured against the performance targets adopted for the period ended 30 June 2011.

Our audit was completed on 30 November 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of objectives and performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of objectives and performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of objectives and performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of objectives and performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Trust's preparation of the financial statements and statement of objectives and performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements and statement of objectives and performance; and
- the overall presentation of the financial statements and statement of objectives and performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of objectives and performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements and a statement of objectives and performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position and financial performance; and
- fairly reflect its objectives and performance achievements.

The Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of objectives and performance that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of objectives and performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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

A handwritten signature in black ink, appearing to read 'S M Tobin', with a long horizontal line extending from the end of the signature.

S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

