



Bay of Plenty Community Trust Incorporated

Financial Statements for Year Ended
31 March 2011

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Directory

For the year ended 31 March 2011

The Trust was initially incorporated on 5 August 1988 as the Trust Bank Bay of Plenty Community Trust in accordance with the provisions of the Trustee Banks Restructuring Act, 1988. It continues under the provisions of the Community Trusts Act, 1999. The purpose of the Trust is to provide charitable, cultural, philanthropic, recreational and other benefits to Bay of Plenty communities. In April 1998 the name was changed to the Bay of Plenty Community Trust. In March 2006 the Trust adopted the name *BayTrust* for operational purposes.

TRUSTEES: Mary Dillon, QSM (Chair)
Peter Blanks
Gregg Brown
Fred Cookson
Karla Hammond (appointed 1/6/10)
Linda Hudson
Sandra Kai Fong (retired 31/5/10)
Barry Kerr
Pam Lewis
Jenny Mahoney, JP
Roku Mihini (appointed 1/6/10)
Steve Morris
Anne Simpson (retired 31/5/10)
Paula Thompson

TRUST MANAGER: Bruce W Cronin, JP

ADDRESS: 73 Spring Street
P O Box 13322
Tauranga 3141

ACCOUNTANTS: Staples Rodway
Tauranga

AUDITORS: Ingham Mora
Tauranga

BANKERS: BNZ
Tauranga

FINANCIAL ADVISORS: Russell Investment Group Limited
Auckland

SOLICITORS: Sharp Tudhope
Tauranga

TAX ADVISORS: KPMG
Christchurch

Chair and CEO report

For the year ended 31 March 2011

Bay of Plenty Communities and the Trustees who serve them through BayTrust can reflect on another positive and inspiring year! In the 12 months to 31 March 2011 the Trust paid out a total of \$2.8m in grants to 199 community organisations and \$117,900 in Dillon Scholarships to 60 students with disabilities. During that period the Trust's investments returned \$11.413m (8.4%) and the Trust reserved \$2.3m for capital maintenance (inflation adjustment) and put \$4.5m in its Grants Maintenance Reserve.

At year-end actual net Capital was \$144m, up from \$137m at 31 March 2010.

During 2010 the Trust carefully re-evaluated its strategic directions and reaffirmed its commitment to its five strategic outcomes* by replacing the long-standing geographic basis for grant-making with outcomes-based policies and procedures. At this early stage the new arrangement seems to be working particularly well.

Granting highlights of BayTrust's Year included:

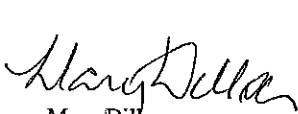
- **ACTIVE:** Continued support of Sport Bay of Plenty's flagship *CoachForce* programme which is so essential to helping children and young people enjoy and succeed in sporting/recreation activities. (The Trust was the foundation funder in 1997 and has committed a total of \$7.2m to June 2012.)
- **HEALTHY:** Continued support (\$200,000 p.a.) of the Rotorua-based *BayTrust Rescue Helicopter* operated by the Philips Search & Rescue Trust. In the last 12 months this service completed 93 missions, saved countless lives and significantly helped many individuals and families throughout the Bay. Also \$18,000 to the Environmental Education for Resource Sustainability Trust towards installing rain-water tanks into schools.
- **EDUCATION:** \$31,360 to the Central Plateau REAP for its *Foundation Skills* programme.
- **CULTURE:** \$20,000 to the Pirirakau Inc. Society towards its Pa Restoration.
- **ECONOMIC DEVELOPMENT:** \$78,000 to the Opotiki District Council to assist with its Harbour development research.

In August 2010 Paula Thompson stood down from the Chairmanship of the Trust and Mary Dillon was elected in her place.

During the year under review Trustees Sandra Kai Fong (Rotorua) and Anne Simpson (EBoP) retired, and Roku Mihinui (Rotorua) and Karla Hammond (EBoP) were appointed to the Board. Sandra had served two terms (eight years) and Anne one term (four years). Special thanks go to Paula Thompson for her forward focus and strategic thinking as both Trustee and Chair of BayTrust and Sandra Kai Fong and Anne Simpson for their contribution to the successful growth of the Trust particularly in the investments area.

Bay of Plenty Communities are very well served by the many sporting, cultural, welfare and other groups supporting them, and BayTrustees & staff are delighted to be active contributors to these organisations' and communities' many successes.

Our sincere thanks to all Trustees and staff for their enthusiasm, energy and commitment to BayTrust over the past 12 months.



Mary Dillon
Chair
16.06.2011



Bruce W Cronin
Trust Manager

*The Trust's five strategic outcomes are:

- Active Communities
- Healthy Communities living in Healthy environments
- Educated Communities
- Culturally-enriched Communities
- Communities developing their full potential.

Balance sheet

As at 31 March 2011

in New Zealand Dollars (\$000's)

	Note	2011	2010
Assets			
Property, plant and equipment	8	58	35
Loans		128	61
Investments, including derivatives	9,13	143,085	136,973
Total non-current assets		143,271	137,069
Loans			
Short term deposits		109	79
Cash and cash equivalents	11	522	-
Total current assets		271	217
Total assets		144,173	137,365
Trust funds			
Trust capital	12	89,308	89,308
Grants maintenance reserve	12	13,597	9,113
Retained earnings / (deficit)	12	-	-
Inflation and population growth reserve	12	41,102	38,797
Total funds		144,007	137,218
Liabilities			
Trade and other payables, including derivatives		166	147
Total current liabilities		166	147
Total liabilities		166	147
Total equity and liabilities		144,173	137,365

The notes on pages 8 to 22 are an integral part of these financial statements.

Signed on behalf of the Board of Trustees;

Chair: Mark Dulla

Trustee: J.P. Lewis

Date: 16.06.11



Statement of comprehensive income

For the year ended 31 March 2011

in New Zealand Dollars (\$000's)

	Note	2011	2010
Revenue	5	11,413	30,522
Portfolio management and advisory fees		799	639
Profit/(loss) before tax		10,614	29,883
Other expenses	6	849	737
Income tax	10	-	-
Profit/(loss) for the year		9,765	29,146
Total comprehensive income		9,765	29,146

Statement of changes in equity

For the year ended 31 March 2011

in New Zealand Dollars (\$000's)

	Note	2011	2010
Trust equity at start of year		137,218	109,437
Total comprehensive income		9,765	29,146
Distributions in the form of grants		(2,976)	(1,365)
Movements in equity for the year		6,789	27,781
Trust equity at end of year	12	144,007	137,218

The notes on pages 8 to 22 are an integral part of these financial statements.



Statement of cashflows

For the year ended 31 March 2011

in New Zealand Dollars (\$000's)

	Note	2011	2010
Cashflows from operating activities			
Investment Income		6,079	15,449
Other Income		-	(30)
Cash paid to suppliers, employees and trustees		(1,651)	(1,317)
Grants paid to the community		(2,934)	(1,570)
Net cash from operating activities	15	1,494	12,532
Cashflows from investing activities			
Acquisition of property, plant and equipment		(46)	(9)
Disposal of investments		5,139	1,831
Acquisition of investments		(6,533)	(14,352)
Net cash used in investing activities		(1,440)	(12,530)
Net (decrease)/increase in cash and cash equivalents		54	2
Cash and cash equivalents at 1 April		217	215
Cash and cash equivalents at 31 March		271	217

The notes on pages 8 to 22 are an integral part of these financial statements.



Notes to the financial statements

Significant accounting policies

1 Reporting entity

The Bay of Plenty Community Trust is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of The Community Trusts Act 1999. The Trust is a public benefit entity.

The Bay of Plenty Community Trust is a charitable trust which distributes income from its investment activities to the Bay of Plenty communities.

2 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards, and its interpretations (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities. Compliance with NZ IFRS ensures that the financial statements do comply with International Financial Reporting ("IFRS").

The financial statements have been approved by the Board of Trustees on 16 June 2011.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These financial statements are presented in thousands of New Zealand dollars (\$000's). All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

(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 particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relating to the valuation of investments are discussed further in note 4.



Notes to the financial statements (continued)

Significant accounting policies (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.

(b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Instruments at fair value through profit or loss

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

Purchases and sales of instruments are recognised on the trade date or the date on which the trust commits to purchase or sell the asset.

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 arise when the trust provides money to an entity with no intention of selling the receivable.

Loans and receivables are carried at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are stated at cost.

(ii) Derivative financial instruments

The Trust uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from investment activities. In accordance with its policy, the Trust does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Notes to the financial statements (continued)

Significant accounting policies (continued)

3 Significant accounting policies

(c) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the statement of comprehensive income on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are :

Furniture & fittings	11.4% to 33%
Office equipment	26.4% to 80.4%
Motor vehicle	30%

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

(d) Impairment

The carrying amounts of the Trust's assets are reviewed at each balance 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 the statement of comprehensive income.

(i) Impairment of debt instruments and receivables

The recoverable amount of the Trust's receivables carried at amortised cost is calculated as the present value of estimated future cashflows, discounted at the original effective interest rate (ie. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

(ii) Non-financial assets

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

(e) 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. Non accumulating sick leave is recognised when the leave is taken and measured at the rates paid.

(f) Revenue

Investment income

Dividend income is recognised on the date that the Trust's right to receive payment is established. Interest income is recognised as it accrues



Notes to the financial statements (continued)

Significant accounting policies (continued)

3 Significant accounting policies

(g) Grants payable

Grants payable are recognised as a distribution from equity when 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.

(h) New standards and interpretations not yet adopted

A number of new standards are not yet effective for the year ended 31 March 2011 and have not been applied in preparing these financial statements:

- NZ IFRS 7 *Financial Instruments. Disclosures – Transfer of Financial Assets*: NZ IFRS 7, which becomes mandatory for the Trust's 2012 financial statements, is not expected to have any impact on the financial statements.
- NZ IFRS 9 *Financial Instruments*: NZ IFRS 9, which becomes mandatory for the Trust's 2013 financial statements, is not expected to have any impact on the financial statements.

4 Determination of fair values

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, is determined by reference to their quoted bid price at the reporting date wherever this information is available. Certain investments in emerging markets are only traded on certain days. In this instance the trades that occurred on the date nearest to the balance date have been used.

(b) Loans

The fair value of loans is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(c) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).



Notes to the financial statements (continued)

in New Zealand Dollars (000's)

5 Revenue

	2011	2010
Dividends received	86	1,563
Interest received	676	442
Investment gains and losses	10,745	28,547
Other	(94)	(30)
Total revenue	11,413	30,522

6 Other expenses

	2011	2010
Advertising public relations, distribution and other costs	41	26
Accountancy fees	12	16
Depreciation	23	11
Office administration fees	78	74
Office lease expenses	67	66
Other administration fees	134	107
Employer kiwisaver contribution	5	4
Wages and salaries	293	238
Trustee fees	142	145
Trustee expenses	41	42
Vehicle expenses	6	0
	842	729
Auditor's remuneration to Ingham Mora		
- audit of financial statements	7	8
Total auditor's remuneration	7	8
Total other expenses	849	737

7 Grants

a) The following future grants have been approved but have not been paid. Payments are conditional on the continual viability of the projects and are expected to be paid as follows:

Grants recipient	2012	2013	2014	2015
Sport Bay of Plenty	400	400	100	-
Philips Search & Rescue Trust	200	100	-	-
Whakatane District Council	125	125	-	-
Total	725	625	100	-



Notes to the financial statements (continued)

in New Zealand Dollars (000's)

7 Grants (continued)

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

Grants recipient	2011	2010
Tongariro School	15	-
Mountainbike Tauranga	24	-
Otamarakau School	5	-
Opotiki Tae Kwon Do	6	-
Dillon Recipients	15	-
New Zealand Mountain Safety Council	-	2
Youth Te Puke	-	6
Total	65	8



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

8 Property, plant and equipment

	Note	Furniture & fittings	Office equipment	Motor vehicle	Total
Cost					
Balance at 1 April 2009		61	52	-	113
Additions		-	9	-	9
Disposals		(1)	(6)	-	(7)
Balance as at 31 March 2010		60	55	-	115
Balance at 1 April 2010		60	55	-	115
Additions		-	15	32	47
Disposals		-	(15)	-	(15)
Balance as at 31 March 2011		60	55	32	147

Depreciation					
Balance at 1 April 2009		32	44	-	76
Depreciation for the year		5	7	-	12
Disposals		(1)	(6)	-	(7)
Balance as at 31 March 2010		36	45	-	81
Balance at 1 April 2010		36	45	-	81
Depreciation for the year		4	9	9	22
Disposals		-	(14)	-	(14)
Balance as at 31 March 2011		40	40	9	89

Carrying amounts					
At 1 April 2009		29	8	-	37
At 31 March 2010		24	11	-	35
At 1 April 2010		24	11	-	35
At 31 March 2011		20	15	23	58

9 Investments

	2011	2010
Non-current investments		
Financial assets designated at fair value through profit or loss	143,085	136,973

Current investments

There are no current investments at 31 March 2011



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

10 Taxation

Bay of Plenty Community Trust Inc is exempt from income tax with effect 1 April 2008, under section CW 52 of the Income Tax Act 2007

11 Cash and cash equivalents

	2011	2010
Bank balances	174	168
Call deposits	97	49
Cash and cash equivalents	271	217

12 Trust funds

	Trust capital	Retained earnings / (deficit)	Grants maintenance reserve	Inflation & population growth reserve	Total
Balance at 1 April 2009	89,308	(16,279)	-	36,408	109,437
Total recognised income and expense	-	29,146	-	-	29,146
Distributions in the form of grants	-	(1,365)	-	-	(1,365)
Reserves transfers	-	(11,502)	9,113	2,389	-
Balance at 31 March 2010	89,308	-	9,113	38,797	137,218
Balance at 1 April 2010	89,308	-	9,113	38,797	137,218
Total recognised income and expense	-	9,765	-	-	9,765
Distributions in the form of grants	-	(2,976)	-	-	(2,976)
Reserves transfers	-	(6,789)	4,484	2,305	-
Balance at 31 March 2011	89,308	-	13,597	41,102	144,007

Grants maintenance reserve

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

Inflation & population growth reserve

The inflation & population growth reserve relates to a capital maintenance reserve based on an inflation factor (CPI) and as income permits, adjustments for population growth in the region.



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments

Exposure to credit, interest rate, foreign currency, equity price and liquidity risks arises in the normal course of the Trust's business. The Trust's risk management policies and procedures for financial instruments are formally documented and approved by the Trustees in the Trust's Statement of Investment Policies and Objectives ("SIPO")

Credit risk

The Trust's SIPO stipulates value ranges that may be held in New Zealand equities, overseas equities, overseas fixed interest, New Zealand cash, hedge funds, global property and collateralised commodity futures. Within each of these investment sub-trusts there are maximum limits that can be invested within one investment group and with one investment manager. This diversified investment strategy reduces the credit risk exposure of the Trust.

The Trust makes loans only to entities that are well established and have demonstrated a robust ability to make regular repayments.

The SIPO states minimum credit ratings of investment bonds.

Liquidity risk

Liquidity risk represents the Trust's ability to meet its contractual obligations. The Trust evaluates its liquidity measurements on an ongoing basis. In general, the Trust generates sufficient cash flows from its activities to meet its obligations arising from its financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or equity prices, will affect the Trust's profit or valuation of net assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The risk is mitigated by the policies and procedures outlined in the Trust's SIPO. These include diversification of the investment portfolio and prudent investment strategies.

Foreign currency risk

The Trust is exposed to foreign currency risk as a result of investment transactions entered into by fund managers in a currency other than the Trust's functional currency, New Zealand dollars (\$), which is the presentation currency of the Trust. It is Trust policy to have at least 90% of its overseas investments hedged to NZ dollars.



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Interest rate risk

The Trust has bank call and deposit accounts, government and local authority securities and other investments held by the Trust's fund managers that are exposed to interest rate risk. Interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Trust's policy.

Other market price risk

The entity is not exposed to substantial other market price risk arising from financial instruments.

Quantitative disclosure

Credit and interest rate risk

The carrying amount of financial assets represents the Trust's maximum credit exposure.

Carrying amount

	2011	2010
Cash and cash equivalents	271	217
Short term deposits	522	-
Loans	237	140
New Zealand cash	15,167	12,785
Australasian equities	7,605	5,033
Global bonds	69,987	71,345
Global equities	45,072	42,272
Global property	5,254	4,646
Hedge fund of funds	-	892
Total financial assets	144,115	137,330

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

The average interest rate is determined inclusive of interest rate swaps that are embedded with the funds.

The Trust continuously monitors the credit quality of major financial institutes that are counter parties to its financial instruments and does not anticipate non performance by the counter parties. The Trust further minimises its credit exposure by limiting the amount of funds placed with any one financial institution at any one time.

The Trust makes a number of loans to eligible community groups and organisations over periods of up to five years. These are not grants and are fully expected to be repaid in full within the terms of the loan. The Trust requires evidence of the applicant's ability to repay the loan and also considers a number of other factors before advancing the loan and deciding on whether or not to waive a security interest. At balance date, the Trust did not have any security interests in the loans



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Liquidity risk

The following table sets out the contractual cash flows for all financial assets, liabilities and for derivatives that are settled on a gross cash flow basis:

	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trust 2011							
Trade and other payables	166	166	166				
Total non-derivative liabilities	166	166	166				
Investments	143,085						
Loans	237	-	41	41	51	104	-
Total non-derivative assets							
Trust 2010							
Trade and other payables	147	147	147				
Total non-derivative liabilities	147	147	147				
Investments	136,973						
Loans	140	-	34	34	25	19	28
Total non-derivative assets							

Global bonds, equities and property are investments denominated in foreign currencies. These are hedged to New Zealand dollars within the fund by way of foreign exchange contracts.



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Capital management

The Trust's funds includes trust capital, grants maintenance reserve and inflation & population growth reserve.

The Trust's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the Trust.

The Trust is not subject to any externally imposed capital requirements.

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Board of Trustees, and during the year a decision was taken not to rebalance the investment portfolio while implementation decisions were being considered.

Sensitivity analysis

Table 1 shows the asset allocation for the Trust's portfolio as at 31 March 2011 as well as the long term expected return for each asset class. The return one standard deviation above and below the expected return is also shown.

Table 1: Sensitivity analysis for the Trust's portfolio 31 March 2011

Asset class	Asset allocation (31 March 2011)	Long term expected return p.a.	-1 Std deviation return p.a.	+1 Std deviation return p.a.
NZ equities	5.3%	8.5%	-9.0%	26.0%
Global equities	31.5%	9.1%	-6.4%	24.6%
Global bonds	48.9%	6.5%	3.5%	9.5%
NZ cash	10.6%	5.1%	3.1%	7.1%
Global property	3.7%	8.6%	-12.4%	29.5%
Hedge funds	0.0%	0%	0%	0%
Total	100.00%	7.4%	0.6%	14.1%

From table 1 the long term expected return for the Trust's portfolio is 7.4% per annum and there is approximately a 68% probability that the return in any one year will be within the range of 0.6% and 14.1%.

As at 31 March 2011 the Trust's portfolio had NZ\$143m under management. Assuming the short term return distribution approximates the long term return distribution there is approximately a 68% probability that the Trust's revenue from investment activities will lie in the range of \$0.9m to \$20.1m, with an expected revenue of \$10.5m for the year 1 April 2011 to 31 March 2012.



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Table 2 shows the asset allocation for the Trust's portfolio as at 31 March 2010 as well as the long term expected return for each asset class. The return one standard deviation above and below the expected return is also shown.

Table 2: Sensitivity analysis for the Trust's portfolio 31 March 2010

Asset Class	Asset allocation (31 March 2010)	Long term expected return p.a.	-1 Std deviation return p.a.	+1 Std deviation return p.a.
NZ equities	3.7%	8.3%	-9.2%	25.8%
Global equities	30.9%	8.9%	-6.6%	24.4%
Global bonds	52.1%	6.7%	3.7%	9.7%
NZ cash	9.3%	5.3%	3.3%	7.3%
Global property	3.4%	8.4%	-8.1%	24.9%
Hedge funds	0.6%	6.1%	-8.6%	20.8%
Total	100.00%	7.4%	1.0%	13.7%

From table 2 the long term expected return for the Trust's portfolio is 7.4% per annum and there is approximately a 68% probability that the return in any one year will be within the range of 1% and 13.7%.

As at 31 March 2010 the Trust's portfolio had NZ\$137m under management. Assuming the short term return distribution approximates the long term return distribution there is approximately a 68% probability that the Trust's revenue from investment activities will lie in the range of \$1.4m to \$18.7m, with an expected revenue of \$10.5m for the year 1 April 2010 to 31 March 2011

Classification and fair values

All financial assets (including investments, loans, trade receivables and cash) are recognised at fair value.

All investments are designated at fair value. Loans and trade receivables are designated as loans and receivables.

Estimation of fair values

The fair value of financial assets is estimated for recognition and measurement or for disclosure purposes. Refer to the accounting policies for fair value estimation methods as discussed in note 4.

The following table represents the Trust's assets that are measured at fair value at year end.

As at 31 March 2011	Level 1	Level 2	Level 3	Total
Investments	143,085	-	-	143,085
Loans	-	-	237	237
Total Assets	143,085	-	237	143,322



Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

As at 31 March 2010

	Level 1	Level 2	Level 3	Total
Investments	136,973	-	-	136,973
Loans	-	-	140	140
Total Assets	136,973	-	140	137,113

Level 3 Reconciliation

Investments	2011	2010
Opening balance	140	187
Advances	304	20
Repayments	(111)	(36)
Fair value gain/(loss) recognised in the statement of comprehensive income	(96)	(31)
Transfer into or out of level 3	-	-
Closing balance	237	140

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.



Notes to the financial statements (continued)

in New Zealand Dollars (000's)

14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2011	2010
Less than one year	39	66
Between one and five years	-	33

Lease is for a 6 year term until 30 September 2011 with 1 right of renewal for 6yrs. The Trust is currently in negotiation for terms of new lease.

15 Reconciliation of the profit for the period with the net cash from operating activities

	2011	2010
Profit/(loss) for the year	9,765	29,146
Adjustments for:		
Depreciation	23	11
Grants paid to the community	(2,934)	(1,365)
Unrealised (gain)/loss on investments	(5,334)	(15,103)
Change in trade and other payables	(26)	(157)
Net cash from operating activities	1,494	12,532

16 Related parties

There were no related transactions for the year ended 31 March 2011. (2010: Nil)

17 Subsequent events

There are no subsequent events at 31 March 2011. (2010: Nil)

18 Contingent Liabilities

There are no contingent liabilities at 31 March 2011. (2010: Nil)

19 Commitments

There were three loans approved in March 2011 but not paid to recipients until after balance date as follows;

Tauhara Centre Trust	\$ 90,508	Drawdown due 27 June 2011
West Rotorua Parish	\$100,000	Paid 1 April 2011
Tauranga Squash Club	\$900,000	Drawdown to 16 June 2011 \$481,664; balance will be paid by October 2011

(2010: Nil)



INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Bay of Plenty Community Trust Incorporated

Report on the Financial Statements

We have audited the financial statements of the Bay of Plenty Community Trust Incorporated on pages 5 to 22, which comprise the balance sheet as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Bay of Plenty Community Trust Incorporated.

Opinion

In our opinion, the financial statements on pages 5 to 22:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the Bay of Plenty Community Trust Incorporated as at 31 March 2011 and its financial performance and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the Community Trusts Act 1999 and the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion, proper accounting records have been kept by the Bay of Plenty Community Trust Incorporated, as far as appears from an examination of those records.

Ingham Mora

INGHAM MORA

Tauranga

24 June 2011