

Our Rotorua Our Trust

ANNUAL REPORT 2017



Overview

The Rotorua Energy Charitable Trust is a community-focused, not-for-profit organisation which aims to contribute towards a better Rotorua for all.

Formed in 1994 out of the sale of Rotorua Electricity Limited with an initial capital of \$32 million, today the Trust has a capital value of around \$142 million. In the last 23 years, over \$107 million has been invested back into the Rotorua community.

The Trust recognises the achievements of the past, which form a strong foundation for its kaupapa of building a resilient, vibrant region for the future.

It aims to effectively and responsibly manage and grow its assets for the long-term benefit of Rotorua, ensuring funds generated are directed to groups that positively impact the community.

Over the past year, the Trust's funding focus has included children, community, education, joining the workforce, health and the support of a vibrant community.

As well as fulfilling an important funding role, the Trust is embracing an even greater collaborative approach, partnering with other community organisations to help achieve the best possible results.

The Trust plans to play an even stronger role in providing advice and facilitation services, connecting people and organisations to make things happen, and helping to remove barriers wherever possible.

Overseen by six trustees who were elected by the Rotorua community in November 2016, the Trust actively engages with and supports a diverse range of community stakeholders.

It is conscious of its role to balance the needs of today, while maintaining a legacy for tomorrow and supporting a better Rotorua for all.



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Chairman's Report

Kia ora koutou, it is with great pleasure that I present this annual report of the Rotorua Energy Charitable Trust for the 2016/17 year.

With a history spanning 23 years, the Trust has been diligently guided by past and present trustees and staff, who have seen its establishing fund of \$32 million grow to around \$142 million today, as well as investing over \$107 million back into the Rotorua community.

In its lifetime, the Trust has touched the lives of nearly every Rotorua resident in one way or another. The 2016 elections highlighted the community's passion for the Trust and its governance, with a record 44 nominations for a position on the board – stimulated, no doubt, by the announcement of former chairman Grahame Hall's retirement.

The election produced the most significant level of change since the Trust's inception, with the departure of a further three long serving trustees - Trevor Maxwell, Lyall Thurston and Paul East.

Tamati Coffey, Merepeka Raukawa-Tait, 'Aunty' Bea Yates and myself were all elected to the Trust, alongside Jo-Anne La Grouw and Sandra Kai Fong who were both re-elected providing a good level of consistency through these changes.

The 2016 election also included a non-binding referendum. This indicated support for the implementation of a maximum number of terms a trustee may serve, a result which will be considered by the Trustees before the next election in 2019.

The new mix of trustees bring a different range of experiences to the table which, in my mind, reflects the diversity of Rotorua and will allow the Trust the opportunity to work even closer with community groups and organisations.

The skills of our trustees was further acknowledged in December 2016, when Trustee Sandra Kai Fong was appointed the chair of the Philanthropy New Zealand Board. It is hugely exciting, not only for Sandra, but also for the Trust and our community for her to take on such a significant role on a national scale, for the benefit of Rotorua.

Over the course of the year, the Trust approved grants of over \$4 million to a host of hard-working organisations

actively involved in our community, as well as study awards for 20 Rotorua students about to undertake tertiary education. The Trust is mindful that its ability to invest in our community is dependent on sound financial and investment performance. We acknowledge Mercer (NZ) Ltd for overseeing another year of solid investment returns.

As a board, we have recently reviewed the Trust's strategy to ensure the work we are doing now will continue to deliver returns for the future, and create a better Rotorua for all.

Together, we have identified an opportunity to complement our local grant making by enhancing our advisory and facilitation functions. This proactive research, networking, facilitation and collaboration with organisations and funders with an interest in areas similar to that of the Trust, we believe, will increase the effectiveness of funding dollars available to the community.

The Trust is paving its way for an exciting future, that is all the more stronger thanks to the past and present efforts of all those who have been involved.

I would like to pay tribute to the contribution of previous trustees to the successful governance of the Trust. They have been able to facilitate and unite a myriad of organisations in our city. Their commitment and dedication to the role of trustee over such a long period of time is hugely appreciated by all.

I also wish to acknowledge the efforts of our staff, Tony, Alison and Lee-Anne, who ensure the smooth and efficient operation of the Trust on a daily basis.

We are now embarking on a new phase of development for the Trust, and I'm looking forward to helping ensure it continues to meet the changing needs of the community we call home.

Ngā mihi

Stewart Edward MNZM
Chairman



Trust Manager's Report

I am pleased to deliver this review of a year that has featured some of the most significant change in the Trust's 23-year history, highlighted by the settling in of a new operating model and sweeping changes to the Trust's elected representatives.

As the trust manager, it is my role to ensure the Trust continues to operate as effectively and efficiently as possible, while remaining responsive to the needs of our community. It's a privilege to have the opportunity to engage, on a daily basis, with so many groups that make good things happen in Rotorua.

The 2016/17 financial period has seen the first full year of the Trust's new operating model following an extensive review in 2015. All investment and financial services are now contracted to external experts, while grants assessor Alison Perrin, administrator Lee-Anne Thompson and myself make up the Trust's three full time staff.

Our partnerships with external fund manager, Mercer, and financial services provider, BDO, have gone from strength-to-strength, delivering sound investment returns and further savings in operational costs.

Mercer have been responsible for external management of most of the Trust's investments since April 2015. Their business model looks to deliver a diversified range of investments and, with a reduced allocation to 'growth assets', improved stability of returns. This is key to being able to deliver a consistent level of grants to our community. The Mercer-managed investment fund returned a very pleasing 9.9 per cent over the past year, ahead of target.

As we continue to transition to this model, another batch of the Trust's legacy investments were sold during the year. These investments tend to generate a wider range of returns and, unfortunately produced a negative return this year, reducing the Trust's overall return to 5.6 per cent.

Results like this reinforce the value of our partnership with Mercer to ensure the best possible returns.

As a Trust, we are mindful we need to work collaboratively to achieve the best for our community. This has included making space available in the Trust offices to fellow local funder, BayTrust, allowing it to establish a physical presence in Rotorua; the signing of a Memorandum of Understanding to support the Bay-wide funding collaborative, Bay Brighter Futures; and continuing to open the Trust's boardroom and facilities for use by a host of local community organisations.

I would like to extend my sincere thanks to those trustees who didn't return after the November 2016 election for their dedication and commitment to our community over many years, and for the tremendous legacy they have left the people of Rotorua.

While the past 12 months have seen big changes, the Trust continues to be served by a very capable and committed group of trustees, who have quickly taken up the mantle.

I also acknowledge the hard work of our staff, Alison and Lee-Anne, for their significant contribution to the Trust's operation. As a team, we are delighted to have played a role in helping groups that make such a positive difference in our community - and look forward to continuing to do so in the years ahead.

Nāku noa nā

Tony Gill
Trust manager



Governance

The Rotorua Energy Charitable Trust (the Trust) is a Charitable Trust established pursuant to the Energy Companies Act 1992. It is incorporated under the Charitable Trusts Act 1957 and the Charities Act 2005.

ROLE OF THE BOARD

The Trust's six Trustees are elected by voters from within the voting district of the Trust on a triennial basis, and are responsible for the direction and supervision of the Trust's business. The Board has determined that its principle responsibility is to manage and enhance the assets held by the Trust and distribute income for the long-term benefit of the Rotorua community. In meeting this responsibility, the Board approves the adoption of appropriate strategies and objectives and reviews the performance of the Trust against these objectives. They also approve operating and grant budgets and review operating performance against budgeted performance.

DELEGATION OF AUTHORITY

The formulation and implementation of reporting procedures, other than those reserved specifically for the Board, are delegated to management. The Board monitors that delegation as part of the formal business of the Board meetings.

CONFLICTS OF INTEREST

It is recognised that Trustees have a wide range of involvement in the Rotorua district community and as such, the potential for conflict will arise from time to time. In order to cover this eventuality, Trustees who disclose their involvement or relationship with other organisations do not take part in discussion relating

to said organisation (unless the consent of fellow Trustees is obtained), and do not vote on any matter where a conflict or potential conflict exists.

INVESTMENT

Investment decisions relating to the Trust's Perpetual Capital Fund are undertaken in accordance with the Statement of Investment Policies and Objectives, which has been determined by the Trustees. With the exception of certain legacy investments, which will be exited over time, management of the Trust's investment portfolio has been undertaken by Mercer (NZ) Limited since 1 April 2015. To ensure a strong governance focus is maintained on performance of the Trust's investments and financial dealings, a new finance portfolio was created in December 2016 headed by trustee, S M Kai Fong.

GRANTS

Grant requests are received and processed by management. The requests, together with management recommendations, are presented to the Board where a formal decision is made. At the start of each financial year, the Board determines the allocation and level of grant funding to various sectors. The Board also appoints individual Trustees to act as the spokespeople for these sectors.

COMMITTEES

The Board has formally established two sub-committees to assist with the operation of the Trust.

Executive

GW Hall & JM La Grouw
(1 April – 19 November 2016)

SJ Edward and TG Coffey
(9 December 2016 – 31 March 2017)

This committee is responsible for:

- Monitoring the systems of corporate governance
- Establishing and reviewing the remuneration policy for the Board
- Reviewing the trust manager's performance and remuneration

Audit

JM La Grouw, LG Thurston & B Lane
(External Member)
(1 April – 19 November 2016)

MG Raukawa-Tait, TG Coffey and B Lane (External Member)
(9 December 2016 – 31 March 2017)

This committee is responsible for:

- Identifying, assessing and managing business and organisational risk, and assisting the Board in the discharge of its financial reporting responsibilities
- Reviewing the effectiveness of internal control systems
- Providing a formal forum for the Board, auditors and staff
- Agreeing with the external auditors on the nature, scope and cost of the audit
- Ensuring the Board meets financial reporting requirements and that external reporting of information is of a high quality

Trustee	Meetings	Attended
Coffey	6	6
East	10	9
Edward	5	5
Hall	11	11
Kai Fong	15	15
La Grouw	19	19
Maxwell	10	8
Raukawa-Tait	6	6
Thurston	13	13
Yates	5	5

Trustees & Management Team



Management Team *from left to right:*

Alison Perrin JP (grants assessor),
Tony Gill (trust manager),
Lee-Anne Thompson (trust secretary/administrator)

Trustees *from left to right:*

Stewart Edward MNZM (**chairman**),
Jo-Anne La Grouw MNZM,
Sandra Kai Fong,
Merepeka Raukawa-Tait,
'Aunty' Bea Yates MNZM, QSM,
Tamati Coffey (**deputy chairman**)



Children

Making Rotorua a better place for the next generation, by helping to improve and enhance the lives of our children, is a key focus for the Rotorua Trust.

The Trust does this in several ways - through supporting events aimed at children, playing a part in keeping our children healthy, and helping fund educational programmes to enhance children's learning and get them off to the best possible start in life.

Through its funding of the Storytime Foundation (\$10,000), the Trust is helping support the delivery of books and information into homes to encourage caregivers to read to their children. This promotes early literacy, but more importantly is about enhancing the bond between parent and child, especially in the first 1000 days of a child's life.

The Trust also supports the Big Brothers, Big Sisters programme (\$15,000), Kidscan Charitable Trust (\$5,000) and Rotorua Lakes Swim School (\$24,800), which teaches children swimming and water safety skills.

CASE STUDY - ROOTS OF EMPATHY PROGRAMME

The Roots of Empathy programme is about fostering empathy in children. But there isn't a teacher standing in front of the classroom, instead, the unique programme uses babies as teachers. The programme has shown significant and lasting effects in reducing levels of aggression among school children, by raising social and emotional competence and increasing empathy, as well as helping children relate to each other and express their feelings. The whole community benefits from the delivery of this programme - caring classrooms, reduced aggression and bullying, empathetic and caring citizens, and a reduction in child abuse.



CASE STUDY - GET KIDS ACTIVE CHARITABLE TRUST

Getting kids outside, muddy and out of their comfort zone is the philosophy behind the Get Kids Active Trust, which was formed to offer the popular Tough Guy and Gal challenge to the next generation. More than 1,000 kids took part in the pilot programme. It's been so successful it has been rolled out to other centres and organisers may even add an extra day to future events to cater for the large demand. The event is completely unlike anything the children have done before, and by getting them to do something challenging, their self-esteem blossoms.





Education

Education has always been a priority for the Trust, ensuring Rotorua's young people are able to access quality education.

The Trust is involved in the Rotorua Young Achievers Created by Owen Howard programme, which has been in existence for more than two decades. Over 1,100 students have now been nominated as Young Achievers, which is one of the most sought after awards among year 13 students. It recognises and celebrates some of Rotorua's most talented students.

Since 1996, the Trust has also provided tertiary study awards of \$2,000 per year for up to four years to help young people meet some of the costs of further education. This year 20 students have received study awards.

In addition, the Trust contributed funds to the New Zealand Centre for Gifted Education (\$25,000) and Life Education Trust (\$9,600). The Parenting Place also received funding (\$15,000) to help with parenting education courses.



Young Achiever Te Rina West

CASE STUDY – EMPOWERED LEARNING TRUST

Children with vision and auditory processing challenges have been identified and supported thanks to a \$20,000 grant for the Empowered Learning Trust. The organisation carries out screening programmes for year four students in the Reporoa rural area. As a result, 28 children have received lenses, with five lense refits. Thirty-six children were supported through the auditory processing programme and 81 students were screened for learning difficulties through a special software programme. Empowered Learning Trust says the interventions make a positive difference in the children's lives and schooling.





Rotorua Careers Expo
Photo credit: Rotorua Daily Post

Joining the Workforce

While providing young people with the education they need, it is also important to ensure they have the skills and support to make a successful transition into the workforce.

Making sure the youth of Rotorua know the options available, and are given the means to access those options, is one way the Trust can bridge the gap from school to the workforce.

One of the major ways the Trust does this is through its funding of the Rotorua Careers Expo (\$12,000). More than 3,000 young people attended the expo, checking out 75 stands that offered information on careers as diverse as forestry, tourism, welding and animation.

The expo also highlighted how people can train through businesses, allowing them to learn while earning money, and presented seminars on how to create a Curriculum Vitae (CV).

Trust funding was also given to the Young Enterprise Scheme (\$4,000), while driver training was provided through Te Aratu Trust (\$10,000), and Blue Light Ventures (\$25,000).



CASE STUDY – DIGITAL NATIVES ACADEMY CHARITABLE TRUST

Digital Natives Academy (DNA) Charitable Trust was established in 2014 to encourage young people and their families to create, transform, shape and develop their own digital worlds. Its vision is to inspire the community to become creators, developers and innovators of digital technology, rather than just users and consumers of it. Through the Trust's funding (\$10,000), DNA has been able to deliver community-based programmes which connect the community with technology and the digital sector. These have included a 24-hour eSports competition, a 3D printing workshop, three coding workshops and a 48-hour animation challenge – all helping those taking part improve their digital literacy and understanding. It often showcases its space to high school students, sharing how they can become a part of the innovation community and staircase into the digital technology industry. More than 500 young people have attended DNA's various programmes.



Weetbix Tryathlon
Photo credit: Rotorua Daily Post

Health

The Trust recognises the health challenges that face Rotorua as a community – especially those which stem from poverty, poor living conditions and obesity.

The health of the community can have a wider impact across many of the Trust's key focus areas. As such, the Trust is committed to contributing to organisations, activities and events which can help improve the health of Rotorua people.

This has seen the continuation of funding towards the WISE Healthy Homes programme (\$250,000). By providing insulation to households with low disposable income, the Trust is playing a role in ensuring kids grow up healthy and have less absences from school.

The Trust is also mindful of Rotorua's ageing population and the health of elderly. In the past financial year, the Trust helped fund the Affinity sculpture coming to Rotorua, giving locals a unique insight into the lives of those living with dementia and their families (\$5,000).

Other health grants included support for the Weetbix Tryathlon Foundation (\$5,000), Aratika Trust, which offers cancer support, education and empowerment (\$12,000). Diabetes NZ Rotorua Inc. received funding for its work (\$4,000), as did Stand Children's Services (\$6,600).

CASE STUDY –

AFFINITY (featured on the front cover)

A dramatic sculpture lit up Rotorua's inner city earlier this year, reflecting Rotorua's aim to be a dementia-friendly community. Called Affinity, the light sculpture was based in the City Focus and involved an interactive display exploring the effects of dementia. Spanning 13m by 13m and standing 3.5m tall, Affinity features a web of interconnected globes that represent neurons in the brain. Sounds and personal stories of Rotorua residents impacted by dementia were recorded to emanate from the globes, raising awareness of this important social issue.



CASE STUDY –

WESTERN HEIGHTS COMMUNITY ASSOCIATION

Western Heights Community Association, in collaboration with Lakes District Health Board and the Healthy Homes team at Western Heights Health Centre, is taking a preventative approach to help keep Rotorua families healthy. Through the \$25,000 for the Healthy Homes Project, they have been able to provide beds and bunks to whanau living in overcrowded situations, ensuring family members have their own sleeping spaces - a key factor in preventing some illnesses. The flexibility in the grant has meant they have also been able to supply items like heaters and mould removal kits, all with the aim of making homes warmer and drier.



Community

Making sure Rotorua is a strong community and a better place for all is another main focus for the Trust.

While realistically the Trust can not solve every issue facing our community, it looks to work with local voluntary groups and organisations to help make a positive difference to Rotorua.

As well as helping with funding, the Trust plays a role in facilitation, advice, and better connecting our communities.

In the past financial year, the Trust provided operating costs for 115 community organisations (\$533,875).

Other significant community grants in the past 12 months included the Mokoia Community Association (\$20,000), Royal New Zealand SPCA (\$20,000), Rotorua Trails Trust (\$25,000), and Rotorua Community Hospice Trust (\$23,000).

CASE STUDY –

CURTAIN BANK ROTORUA

Two new industrial sewing machines have made a significant difference to the Curtain Bank's ability to provide curtains for those in need. The machines, bought following a \$5,000 grant from the Trust, allow volunteers to revamp curtains, remove mouldy sections from donated curtains, resize and line them, all with the aim of helping to make homes warmer, drier and healthier.



CASE STUDY –

FREEPARKING

The programme runs in four communities across Rotorua - Fordlands, Western Heights, Te Koutu and Eastside - delivering sports and recreation to youth in these communities. Targeted at youth between 12 and 20 years who aren't normally involved in structured sport, each week the group comes together for physical activities like volleyball and other sports, along with music and food. The programme is community driven which achieves stronger communities – a key objective of the programme.



Vibrancy

Rotorua is known as a vibrant community, with activities ranging from major international events to smaller, but just as valuable, grassroots events.

Behind many of those activities is the Trust, supporting local organisations and ventures to produce world class events the city can be proud of.

As well as providing locals with the opportunity to get out and experience a wide variety of activities from arts to sports, and many in between, it also brings people into the city, ensuring Rotorua is a resilient and vibrant district.

Among those funded in the last financial year are the Rotorua Lakeside Concert Charitable Trust (\$120,000) and the world's biggest mountain biking festival, Crankworx Rotorua (\$100,000).

Funding was also given to help provide live entertainment in May as part of NZ Music Month, the Rotorua Primary Schools Cultural Festival (\$5,000), GLO Festival (\$10,000) and the Basketball Tip-Off Tournament (\$6,000).



CASE STUDY –

MAORI TOUCH NZ NATIONAL TOURNAMENT

With 60 teams, each with 10 members and a travelling support crew, hosting the Maori Touch NZ National Tournament is a big job for Touch Rotorua. The organisation received \$5,000 to support December's tournament, which attracted about 3,000 people to Rotorua. With participants travelling from around the country, the tournament provides a chance for Rotorua people to see skilled touch players take to the field, as well as bringing families to the city for the weekend of the event.

Grants Approved

1 April 2016 - 31 March 2017

Alzheimers Society - Rotorua	4,000	Ngakaunui Muay Thai	3,000
Aotearoa Māori Tennis	5,000	Ngāti Te Roro o Te Rangi Hapū Trust	40,000
Aotearoa Quilters National Association of NZ	4,463	No 3 District Federation of NZ	5,000
Aratika Trust	12,000	NZ Aria Trust	15,000
Arawa Park Community Trust Inc	50,000	NZ Association of Scrabble Players	555
Atua Awahi Community Charitable Trust	30,000	NZ Centre for Gifted Education	25,000
Bay of Plenty - Phillipine Friendship Society Inc	2,500	NZ Choral Federation	10,000
Bay of Plenty Regional Science Fair	3,000	NZ Country Music Association Inc	3,000
Bay of Plenty Rugby Union Inc	10,000	NZ Cuban Festival Trust	5,000
Big Brothers Big Sisters Rotorua	15,000	NZ Dairy Industry Awards Trust	2,000
Blue Light Ventures Rotorua	25,000	NZ Emergency Services Solutions Ltd	8,000
Brazilian Jiu-Jitsu Rotorua	4,000	NZ Māori Arts & Crafts Institute	10,000
Canoe Racing NZ Inc	10,000	NZ Police	500
Catholic Diocese of Hamilton	1,000	NZ Red Cross Inc	288
Central North Island Boxing Assn	5,000	NZ Symphony Orchestra	4,000
Central Plateau Division of the Parkinsonism Society of NZ Inc	3,000	NZ Walking Association Inc	4,000
City of Rotorua Highland Pipe Band	10,000	Older Persons Community Centre Trust	10,000
Community Rotorua	10,000	Operating Cost Support to 115 Community Organisations	
Connected Media Charitable Trust	4,000	- Accrued for 2017/18 year	533,875
Curtainbank Rotorua	5,500	Operating Cost Support to 115 Community Organisations	
Diabetes NZ Rotorua Inc	4,000	- Accrued for 2018/19 year	533,875
Digital Natives Academy Charitable Trust	10,000	Operating Cost Support - Additional for 2016/17 year	7,829
Eastern Suburbs Community Playgroup Inc	8,000	Orchestras Central Trust	12,000
Empowered Learning Trust	20,000	Orienteering BOP	4,000
Excel Rotorua Education Trust	75,000	Outward Bound Scholarships	12,336
Get Kids Active Charitable Trust	4,000	Pathways Kindergarten	4,300
Geyser Community Foundation	5,000	Project Litefoot Trust	7,915
Geyserland Lions - Carols by Candlelight	5,000	QE Health	10,000
Growing through Grief	6,000	Quota International of Rotorua Inc	8,000
Halberg Disability Sport Foundation	15,000	Reporoa College	5,820
Harvest Apostolic Church Trust	2,900	Reporoa Community Kindergarten	6,000
Hawaiki Rising Voyaging Trust	6,000	Resource Teachers of Learning and Behaviour	25,000
Institute for Child Protection Studies Trust	15,000	Rhapsody Rotorua	15,000
John Paul College	26,340	RNZ SPCA - Rotorua Branch	20,000
Kaharoa Primary School	7,500	Rotary Club of Rotorua	1,000
Kawaha Point School	50,000	Rotary Club of Rotorua North	12,500
Kidscan Charitable Trust	5,000	Rotary Club of Rotorua Sunrise	3,000
Kimiora Community Trust	12,000	Rotary Club of Rotorua West	3,500
Kings Empire Veterans	2,000	Rotorua & District JP Association	5,000
Kiwanis Club of Roto Whenua	750	Rotorua Agricultural & Pastoral Association Inc	3,000
La Leche League Rotorua	1,500	Rotorua Area Asthma Society Inc	6,000
Lake Okareka Preschool Education Group	3,500	Rotorua Arts Village Trust	28,000
Life Education Trust	9,600	Rotorua Association of Christian Ministers	2,000
Lifewise Trust	5,000	Rotorua Basketball Association	6,000
Lions Club of Ngongotaha	2,000	Rotorua Bike Festival Trust	25,000
Lions Tree Grove Committee	8,000	Rotorua Boys' High School	29,540
Living Well Church	1,000	Rotorua Breast Cancer Trust	5,000
Lynmore Playcentre	8,000	Rotorua Careers Expo Trust	12,000
Men's Health Trust	1,000	Rotorua Choir	4,000
Mid Island Gym Sports	2,956	Rotorua Christian Education Trust	3,050
Mokoia Community Association Inc	20,000	Rotorua Christmas Parade Charitable Trust	5,000

Rotorua Civic Arts Trust	70,000	St Andrews Indoor Bowling Club	2,000
Rotorua Community Creche	8,000	St Chads Communication Centre Trust	21,960
Rotorua Community Hospice Trust	23,000	St John's Prebyterian Church	23,533
Rotorua Croquet Club Inc	264	Storytime Foundation	10,000
Rotorua District Community Law Centre Trust	4,500	Sulphur City Lions	2,800
Rotorua District Riding for the Disabled Association Inc	8,500	Sulphur City Steam Rollers	3,500
Rotorua East Free Kindergarten	6,000	Sweet Louise	5,000
Rotorua Emergency Response Team	13,878	TalkLink Trust	20,000
Rotorua Girls' High School	18,640	Tarimano Kōhanga Reo	10,000
Rotorua Girls' High School Childcare Trust	6,500	Tauranga Environment Centre Charitable Trust	2,000
Rotorua Gliding Club	6,000	Te Amorangi Trust Museum Inc	1,095
Rotorua Heritage Trust	35,800	Te Aratu Trust	10,000
Rotorua Hospital Auxiliary Inc	5,000	Te Arawa Whānau Ora Chritable Trust	3,500
Rotorua Lakes Council - Affinity installation	5,000	Te Hui Amorangi ki te Manawa o Te Wheke Charitable Trust	18,000
Rotorua Lakes Council - Community Arts Projects	10,000	Te Kotahitanga o Te Arawa Waka Fisheries Trust	5,000
Rotorua Lakes Council - Crankworx 2017	100,000	Te Kura Kaupapa Māori O Ruamata	2,160
Rotorua Lakes Council - Freeparking Programme	20,000	Te Lumanaki Charitable Trust	1,000
Rotorua Lakes Council - Glo Festival	10,000	Te Papa Takaro O Te Arawa Trust	7,000
Rotorua Lakes Council - Light Rotorua Campaign	6,000	Te Roopu a Iwi O Te Arawa Charitable Trust	1,998
Rotorua Lakes Council - Mayoral Concert for the Elderly	2,500	Te Roro o Te Rangi Turipuku Tribal Trust	25,000
Rotorua Lakes Council - Night Market entertainment	4,000	Te Runanga o Ngāti Whaoa Inc	2,000
Rotorua Lakes Council - Tulip Fest	5,000	Te Utuhina Manaakitanga Trust	20,000
Rotorua Lakes Council - Waipa Car Park	438,000	Tertiary Study Awards	148,000
Rotorua Lakes Council - Young Enterprise Scheme	4,000	The Parenting Place Inc	15,000
Rotorua Lakes High School	30,200	Touch NZ	5,000
Rotorua Lakes Swim School	24,800	Tui Ridge Park	15,000
Rotorua Lakes Volunteer Coastguard Inc	19,219	Upper Atiamuri Pony Club	778
Rotorua Lakes Watersports Trust	10,000	Waikato/Bay of Plenty Cancer Society	18,500
Rotorua Lakeside Concert Charitable Trust	120,000	Waikato/BOP Judo Association	2,500
Rotorua Little Theatre Society Inc	15,000	Weetbix Tryathlon Foundation	5,000
Rotorua Model Aircraft Club Inc	2,000	Western Heights Community Association	25,000
Rotorua Mountain Bike Club	5,500	Western Heights High School	49,652
Rotorua Multicultural Council Inc	3,000	Whakarewarewa Village Charitable Trust	3,000
Rotorua Museum of Art & History	25,000	Whakatāne & District Historical Society Inc	10,000
Rotorua Musical Theatre	4,200	Williams Syndrome Association NZ	1,160
Rotorua Ngongotaha Rail Trust	1,500	WISE Better Homes	250,000
Rotorua Primary Schools Cultural Festival	5,000	Youth Projects Trust	10,000
Rotorua Rowing Club	10,000	Youthline Auckland Charitable Trust	2,000
Rotorua School for Young Parents Trust	720	Zonta Club of Rotorua	2,000
Rotorua Stockcar Club	10,000		
Rotorua Symphonic Band Inc	2,250	Total Grants Approved	4,050,000
Rotorua Touch Association	5,000		
Rotorua Trails Trust	25,000		
Rotorua Wake & Ski Club	5,000		
Rotorua Young Achievers Awards	6,500		
Royal New Zealand Ballet	10,000		
Royal NZ Foundation of the Blind	25,000		
Salvation Army - Rotorua Community & Family Services	26,400		
Society of St Vincent de Paul	7,000		
Sport Bay of Plenty Charitable Trust Board Inc	15,000		
Stand Children's Services	6,600		



Summary Financial Statements

Audit Report



Independent auditor's report on the summary financial statements To the beneficiaries of Rotorua Energy Charitable Trust

The accompanying summary consolidated financial statements on pages 18 to 21, which comprise the summary consolidated statement of financial position as at 31 March 2017 and the summary consolidated statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Rotorua Energy Charitable Trust and its subsidiaries ("the Group") for the year ended 31 March 2017. We expressed an unmodified audit opinion on those financial statements in our audit report dated 23 June 2017.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Group.

This report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the Trust's beneficiaries those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's beneficiaries as a body, for our audit work, this report or any of the opinions we have formed.

Trustees' responsibility for the consolidated financial statements

The trustees are responsible for the preparation of a summary of the audited consolidated financial statements, in accordance with PBE FRS-43 Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810 Engagements to Report on Summary Financial Statements.

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

Opinion

In our opinion, the summary consolidated financial statements, derived from the audited consolidated financial statements of Rotorua Energy Charitable Trust and its subsidiaries ("the Group") for the year ended 31 March 2017, are a fair summary of those financial statements, in accordance with PBE FRS-43 *Summary Financial Statements*.

A handwritten signature of the KPMG firm, written in a dark, cursive style.

23 June 2017
Tauranga

Summary Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 31 March 2017

		Group	
		2017 \$000	2016 \$000
Note			
Revenue from exchange transactions			
Other income	3	3	366
Investment income	11,234	11,234	5,766
Net gain on sale of investments reclassified from equity	1,091	1,091	-
Total income		12,328	6,132
Expenses			
Trust activities	489	489	427
Investment activities	742	742	602
Depreciation	29	29	41
Employee remuneration	256	256	503
Trustee fees & expenses	144	144	144
Total expenses		1,660	1,717
Share of recognised revenue and expense from associate	(138)	(138)	(143)
Operating surplus for year before impairment		10,530	4,272
Impairment of assets	(3,106)	(3,106)	(4,452)
Surplus / (Deficit) for the year		7,424	(180)
Other comprehensive revenue and expense			
Available-for-sale fair value reserve - Net change in fair value	(1,329)	(1,329)	962
Net fair value on disposal of investments transferred to surplus or deficit	(1,091)	(1,091)	-
Artwork revaluation	666	666	32
Other comprehensive revenue and expense for the year		(1,754)	994
Total comprehensive revenue and expense for the year		5,670	814

STATEMENT OF CHANGES IN TRUST FUNDS

For the year ended 31 March 2017

		Group	
		2017 \$000	2016 \$000
Opening Trust funds	140,189	140,189	149,459
Total comprehensive income for the year	5,670	5,670	814
Grants approved	(4,050)	(4,050)	(10,084)
Closing Trust funds		141,809	140,189

The accompanying notes form an integral part of these summary financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

Group

	2017 \$000	2016 \$000
Note		
Perpetual capital reserve	135,647	132,839
Artwork revaluation reserve	968	301
Available for sale reserve	2,206	4,626
Grant reserve	608	(2,841)
Accumulated income reserve	2,380	5,264
TOTAL TRUST FUNDS	141,809	140,189
<i>Represented by:</i>		
Current assets		
Cash and cash equivalents	1,732	5,292
Term deposits	-	1,000
Other assets	-	109
Assets held for sale	700	-
Total current assets	2,432	6,401
Non-current assets		
Investments	141,295	133,530
Property, plant and equipment	563	592
Artwork	2,909	2,214
Loans to community organisations	7	10
Investment in associate	-	3,844
Total non-current assets	144,774	140,190
TOTAL ASSETS	147,206	146,591
Current liabilities		
Creditors	47	83
Employee entitlements	16	10
Grants	5,334	6,309
Total current liabilities	5,397	6,402
TOTAL LIABILITIES	5,397	6,402
NET ASSETS	141,809	140,189

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

Group

	2017 \$000	2016 \$000
Net cash inflow/(outflow) from operating activities	(4,433)	(4,757)
Net cash inflow/(outflow) from investing activities	873	(13,214)
Net (decrease)/increase in cash and cash equivalents	(3,560)	(17,971)
Cash and cash equivalents at the beginning of the year	5,292	23,263
Cash and cash equivalents at the end of the year	1,732	5,292

Notes to the Summary Financial Statements

1. REPORTING ENTITY

The Rotorua Energy Charitable Trust (the “Trust”) is a charitable trust established on 3 June 1994, pursuant to the Energy Companies Act 1992 and was incorporated under the Charitable Trusts Act 1957 on 2 November 1995. The Trust and its subsidiaries were registered as charitable entities under the Charities Act 2005 on 30 June 2008.

The Rotorua Energy Charitable Trust is involved in the management of assets held in trust and the distribution of income from these assets for the long-term benefit of the Rotorua community.

2. SUMMARY FINANCIAL STATEMENTS

These are the summary financial statements of Rotorua Energy Charitable Trust as at and for the year ended 31 March 2017 and comprise the operations of the Trust and its subsidiaries (together referred to as “the Group”). The specific disclosures included in these summary financial statements have been extracted from the full annual financial statements approved by Trustees on 23 June 2017.

These summary financial statements are presented in New Zealand dollars (\$), which is the Group’s functional currency. All financial information presented in New Zealand dollars been rounded to the nearest thousand dollars.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of the statement of comprehensive income and expenses, changes in trust funds, statement of financial position and cash flows of the Group.

These summary financial statements are in compliance with IPSAS 43 - Summary financial statements.

An unmodified audit opinion has been received on the full financial statements for the year ended 31 March 2017.

A copy of the Group financial statements for the year ended 31 March 2017 is available on the Trust website www.rotoruatrust.org.nz or alternatively may be obtained by contacting the Trust on (07) 347 6239.

3. BASIS OF PREPARATION

(a) Statement of compliance

The full financial statements, from which this summary has been extracted, have been prepared in accordance with the provisions of section 9(b) of the Trust Deed and New Zealand Generally Accepted Accounting Practice (“NZ GAAP”). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime (“PBE Standards RDR”) as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as, for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure and is not publicly accountable.

The financial statements were approved by Trustees on 23 June 2017.

(b) Specific accounting policies

All specific accounting policies have been applied on the same bases as those used in the full financial statements of the Group.

4. TRUSTEE FEES AND EXPENSES

Trustee fees and expenses paid during the year or due and payable are as follows:

In thousands of New Zealand dollars

	2017	2016
T G Coffey	7	-
P C East	14	21
S J Edward	14	-
G W Hall	25	39
S M Kai Fong	21	21
J M La Grouw	21	21
T H Maxwell	14	21
M G Raukawa-Tait	7	-
L G Thurston	14	21
B T Yates	7	-
	144	144

5. RELATED PARTIES

Key management personnel of the Group include Trustees and Senior Management.

All compensation paid to key management personnel of the Group comprised short-term benefits and other emoluments. No post-employment, termination benefits, share-based payments or other long term benefits were paid to these parties during the year (2016: nil).

6. GRANTS

Grants approved have been accounted for on the following basis:

In thousands of New Zealand dollars

	2017	2016
Grants approved	4,050	10,084
Grants unpaid from prior year	6,309	909
	10,359	10,993
Less: Grants paid	5,025	4,684
	5,334	6,309

Represented by:

Current grants

Approved and unpaid	4,652	5,591
Obligations for the next financial year	534	522
Study awards	148	196
	5,334	6,309

7. SUBSEQUENT EVENTS

The Group has committed in principle to divesting of the shares in Hubbard Foods Limited. The sale of shares in Hubbard Foods Limited occurred on 9 May 2017.

Directory

TRUSTEES

Chairman

Stewart Edward MNZM

Deputy chairman

Tamati Coffey

Jo-Anne La Grouw MNZM

Sandra Kai Fong

Merepeka Raukawa-Tait

'Aunty' Bea Yates MNZM, QSM

ADVISORY TEAM

Accounting

BDO, Rotorua

Audit

KPMG, Tauranga

Banking

Bank of New Zealand Limited

Investment manager

Mercer (N.Z.) Limited, Wellington

Legal

Holland Beckett, Rotorua

MANAGEMENT TEAM

Trust manager

Tony Gill

Grants assessor

Alison Perrin BA, JP

Trust secretary/administrator

Lee-Anne Thompson

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Website

www.rotoruatrust.org.nz

IN MEMORY OF Rangiuira (Rangi) Briggs QSM 1919 -2017

Her vision and tenacity as a board member of the Rotorua Area Electricity Authority helped ensure the formation of the Rotorua Energy Charitable Trust, and her legacy will continue through the Trust's work in our community.

Affinity pictures supplied by Regan Fraser of Altitude Photography



