



Annual Report 2013

Annual report contents

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Chairman's Review

Kia Ora, Greetings

As a Rotorua District resident, I trust you'll agree with me that we live in one of the most amazing communities in New Zealand surrounded by inspiring people, history, beauty and culture that is envied the world over!

The Trust believes it is important that Rotorua's strong, proud public 'face' matches its inner strength. That's why we are committed to helping build a healthy, resilient community from the inside out – it's a role we take very seriously.

The Rotorua Energy Charitable Trust's vision is to do all we can to help create "*a safe and vibrant district where people are proud to live, work, and play and where young people want to come and raise families.*"

Every decision we make is tested against this vision to ensure we are creating a positive impact – and we do it for **you**, the Trust's ultimate beneficiary.

With our vision in mind, as we look back on the past year, we've made good and steady progress and have been privileged to be able grant \$2,156,626 to the Rotorua District Community, this year.

Here are just a few of the highlights:

- **Funding without Strings:** We made the decision this year to increase our 'untagged' operating cost funding to almost \$500,000 per year, starting from 1 April 2013. This funding helps community groups fund the operating costs that keep their doors open, such as rent, salaries and wages. Because there are essentially 'no strings attached,' this funding allows groups to put the grant toward their areas of greatest need.
- **Helping the Helpers:** We've granted nearly \$220,000 to 49 community organisations throughout the district which has helped them impact the health and well-being of thousands of people, young and old.
- **Assisting the 'Little Guys':** This year the Trust approved 154 grants under \$5000 because we realise it's the 'little guys' that often make the biggest difference in people's lives. For instance, one of our smaller grants of \$750 was to the Rotorua Community Toy Library who, in turn, brought joy to hundreds of children through its loan programme each year.
- **Empowering the Future:** 180 students benefited from \$360,000 that the Trust committed this year to its Tertiary Study Awards and Waiariki Institute of Technology Scholarships. In addition to these two scholarship programmes, more than \$525,000 in further grants helped fund youth programmes operated by community organisations and schools throughout the district.
- **Building Community:** The Trust committed approximately \$500,000 to community events, which helped create fun, vibrant experiences for people of all ages.

The people and organisations we fund tell us we're in the business of changing lives – from the older people whose support organisations can afford to keep their doors open, to the students who can now afford higher education . . . the Trust is making a difference in our community.

Our ability to make a difference is possible due to the income we gain from our investment portfolio which is managed by our wholly owned subsidiary, Perpetual Capital Management Limited (PCML). The return of 9.7% this year saw the value of our investment portfolio increase to more than \$125 million.

The improvement in the investment portfolio has seen trust funds increase to \$131 million from last year's closing value of \$123 million.

I want to thank the Board members and the Management team of PCML for their prudent strategy that allows the Trust to continue investing millions into the Rotorua District each year.

I would also like to welcome John Dell and Martin Goldfinch who joined the PCML Board during the year.

In closing, I would like to sincerely thank our small team of dedicated staff, including CEO, Stuart Burns, and all my fellow Trustees for their on-going efforts and continued support throughout the year.

Thank you.



Grahame W Hall, QSO, JP
Chairman

Governance

The Rotorua Energy Charitable Trust (Rotorua 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 six Trustees of Rotorua Trust 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 principal responsibility is to manage and enhance the assets held by the Trust and distribute income for the long-term benefit of the Rotorua district 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 donations 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 disclose their involvement with other organisations, do not take part in discussion relating to organisations with which they have a relationship, (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 by the Trust's wholly owned subsidiary Perpetual Capital Management Limited (PCML). PCML undertakes the management of the Perpetual Capital Fund in accordance with the terms of a formal Investment Management Agreement with the Rotorua Trust. The Board of PCML comprise directors, who are independent of the Rotorua Trust

DONATIONS

Donation 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 commencement of each financial year the Board determines the allocation and level of donation funding to various sectors. The Board also appoints individual Trustees to act as spokesperson for these sectors.

COMMITTEES

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

Executive – GW Hall & JM LaGrouw

This committee is responsible for:

- Monitoring the systems of corporate governance.
- Establishing and reviewing remuneration policy for the Board, Directors of subsidiary companies and staff
- Reviewing the Chief Executive’s performance and remuneration

Audit – JM LaGrouw, LG Thurston & J Roberts (consultant to the committee)

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	Formal Board & Committee Meetings held during the year	Number attended
GW Hall	15	15
JM La Grouw	17	17
PC East	14	13
S Kai Fong	14	13
TH Maxwell	14	12
LG Thurston	16	15

Community Support

DONATIONS APPROVED FOR THE YEAR ENDED 31 MARCH 2012	TOTAL \$
Age Concern Rotorua Inc	2,000
Agricultural Industry Training Organisation Inc	5,000
Altrusa International Inc District Fifteen	1,000
Alzheimer's Society Rotorua Inc	3,000
Aratika Charitable Trust	10,000
Arts Rotorua Charitable Trust - Concert for the Elderly	4,000
Atamira Dance Collective Charitable Trust	5,000
Athletics New Zealand Inc	12,000
Bay of Plenty Blues Club Inc	20,000
Bay of Plenty Regional Science Fair	2,500
Bay Pride Festival Charitable Trust	2,500
Blue and Gold Foundation Charitable Trust	20,000
BOP Mathematical Association	1,500
Catholic Diocese of Hamilton	1,000
Central Plateau Division of the Parkinsonism Society of NZ Inc	3,000
Churches Education Commission	8,000
Eastern Region Fish and Game Council	15,000
EFFECT Rotorua	8,000
Environmental Education for Resource Sustainability Trust	4,000
Epilepsy Association of New Zealand Inc	3,000
Fenton Community Christian Trust	2,000
Friends of the Rotorua Museum of Art and History	5,000
Galilee Presbyterian Church	1,320
Geyserland Lions - Carols by Candlelight	4,000
Growing Through Grief	6,500
Hannah's Bay Community Restoration Trust	5,000
Hindu Council of New Zealand Inc	2,000
Ihenga Charitable Trust	10,000
Inspiring Communities Trust	1,843
Institute for Child Protection Studies Trust	10,000
John Paul College	24,250
KidsCan Charitable Trust	4,000
Kimiora Community Trust	5,000
Lake Okareka Fire Force Inc	13,000
Lions Club of Ngongotaha	1,000
Mamaku Playcentre	6,000
Maori Language Keyboards	1,739
Ministry of Youth Development	800
Mokoia Community Association Inc	16,000
Music: Local, Live And New Charitable Trust	5,000
New Zealand Aria Trust	12,000
New Zealand Country Music Association Inc	3,000
New Zealand Dairy Industry Awards Trust	2,500
New Zealand Medical Students' Association Inc	2,000
New Zealand Walking Association Inc	4,000
Ngakuru Playcentre	8,000
Operating Costs Support to 83 Community Organisations	302,550
Opus Chamber Orchestra	13,000

Parent to Parent Central Lakes District	5,000
Parents Inc	10,000
Philanthropy New Zealand	20,000
Philippine Club of Rotorua Inc	5,000
Philips Search and Rescue Trust	50,000
Rave - Open Studios Programme	10,000
Rave - Programmes	20,000
Reporoa College	7,325
Reporoa Playcentre	8,000
Resource Teachers of Learning and Behaviour	25,000
Rhapsody Rotorua	10,000
Ronald McDonald House - Auckland Trust	10,000
Roots of Empathy Rotorua Charitable Trust	25,000
Rotorua Bluesfest Trust	8,000
Rotorua Boys' High School	25,600
Rotorua Breast Cancer Trust	3,000
Rotorua Careers Expo Trust	9,000
Rotorua Chamber of Commerce and Industry	8,000
Rotorua Christmas Parade Charitable Trust	4,000
Rotorua Civic Arts Trust	50,000
Rotorua Community Hospice Trust	26,647
Rotorua Community Youth Centre Trust	20,000
Rotorua Creative Art Trust	20,000
Rotorua Creative Fibre	5,000
Rotorua District Council - Band Rotunda Concerts	4,500
Rotorua District Council - Empty Shops Window Dressing	25,000
Rotorua District Council - Events Attraction Funding	115,000
Rotorua District Council - Mokoia Intermediate Playground	2,200
Rotorua District Council - The Glo Festival	10,000
Rotorua District Council - Youth Park Koutu	25,000
Rotorua Girls' High School	25,525
Rotorua Heritage Trust	25,000
Rotorua Hospital Auxiliary Inc	3,000
Rotorua Lakes High School	16,225
Rotorua Lakes Watersports Trust	14,000
Rotorua Lakeside Concert Charitable Trust - Lakeside 2013	125,000
Rotorua Land Search & Rescue Advisory Committee	7,000
Rotorua Little Theatre Society Inc	3,000
Rotorua Mountain Bike Club Inc	40,000
Rotorua Multicultural Council Inc	6,030
Rotorua Museum of Art and History - Te Whare Taonga O Te Arawa	10,000
Rotorua Musical Theatre	9,000
Rotorua Ngongotaha Rail Trust	7,500
Rotorua Parents Centre	8,000
Rotorua School for Young Parents Trust	875
Rotorua Television Trust	25,000
Rotorua Young Achievers Awards	6,752
Royal New Zealand Plunket Society Lakes Area Inc	2,800
Royal New Zealand SPCA Rotorua	15,000
Salvation Army - Rotorua Community and Family Services	5,000
Scholarships - Tertiary Study Awards	340,000
Scholarships - Waiariki Institute of Technology - Whare Takiura 2013	20,000
Selwyn Kindergarten	5,000
Sir Peter Blake Leadership Week	4,354
Sport Bay of Plenty Charitable Trust Board Inc	11,500
St Chad's Communication Centre Trust	10,000

St Faith's Anglican Church	3,700
Stage Challenge Foundation	3,500
Storytime Foundation	9,000
Tauranga Bay of Plenty Hearing Association Inc	1,000
Tauranga SubAqua Dive Club	450
Te Amorangi Trust Museum Inc	3,002
Te Aratu Trust	8,000
Te Arawa Federation of Maori Authorities	2,000
Te Arawa Kapa Charitable Trust	175,000
Te Kura Kaupapa Maori O Ruamata	2,150
Te Papa Takaro O Te Arawa Trust	5,000
Te Waiariki Pura Trust	2,000
The Gifted Children's Advancement Charitable Trust	25,000
The Lamp Trust	5,000
The Netherlands Society Rotorua Inc	4,800
"The Power of Us" Books	3,635
Trust Waikato Symphony Orchestra	3,000
Tuahine Charitable Trust	1,500
University Of Auckland	4,500
Waiariki Institute Of Technology	12,000
Western Heights Community Association Inc	20,000
Western Heights High School	51,425
Whakarewarewa Village Charitable Trust	8,000
Youth Projects Trust	10,000
	<hr/>
	\$2,277,497
Prior Years Donations Cancelled	(120,871)
	<hr/>
TOTAL	<u><u>\$2,156,626</u></u>

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Income statement

For the Year Ended 31 March 2013

	Note	2013 Group	2012 Group	2013 Trust	2012 Trust
In New Zealand dollars					
Revenue					
Interest		1,548,571	1,320,175	1,782,155	1,425,797
Dividends		1,378,093	1,600,228	1,359,235	1,587,179
Rental income		2,446,120	2,625,295	-	-
		5,372,784	5,545,698	3,141,390	3,012,976
Gains and Other Income					
Investment property revaluation	9	(321,954)	465,402	-	-
Net gain / (loss) on financial assets	6	8,034,467	(4,670,594)	7,997,577	(2,946,045)
Share of income of associate	13	347,158	298,750	-	-
Gifts		-	12,031	-	12,031
Other income		132,917	412,440	85,595	340,440
		8,192,588	(3,481,971)	8,083,172	(2,593,574)
Total Income		13,565,372	2,063,727	11,224,562	419,402
Operating Expenses					
Trust Management					
Audit		11,660	11,985	11,660	11,985
Consultants fees		58,588	55,503	58,588	55,503
Depreciation	10	43,303	42,974	43,303	42,974
Employee remuneration		275,763	285,056	275,763	285,056
Insurance		20,693	18,225	20,693	18,225
Loss on sale of assets		282	37	282	37
Legal		33,011	21,936	33,011	21,936
Occupancy & artwork storage		26,748	26,922	26,748	26,922
Other expenses		89,049	90,272	89,049	90,272
Public & statutory reporting		43,075	46,990	43,075	46,990
Property repairs		11,183	4,751	11,183	4,751
Sponsorship and promotion		15,033	16,556	15,033	16,556
Trustee fees	18	137,724	134,622	137,724	134,622
Trustee expenses	18	3,441	3,140	3,441	3,140
		769,553	758,969	769,553	758,969
Investment Management					
Audit		22,036	19,677	-	-
Audit - Internal		6,000	6,500	-	-
Brokerage		95,029	118,720	95,029	118,720
Consultants fees		29,524	13,320	-	-
Custodial fees: Investments		6,674	5,952	119,838	122,637
Depreciation	10	6,423	6,213	-	-
Directors fees	19	186,665	150,000	-	-
Directors travel and accommodation		12,476	13,108	-	-
Employee remuneration		529,659	459,721	-	-
Interest		550,963	1,002,633	148,269	189,036
Insurance		14,508	8,095	-	-
Loss on sale of assets		37	767	-	-
Investment advisory services		-	-	662,893	646,248
Investment Property expenses		323,294	394,127	-	-
Investment Property - earthquake remediation		505,363	-	-	-
Investment Property - repairs & upgrading		561,961	-	-	-
Legal		40,557	5,909	-	-
Occupancy		12,000	12,000	-	-
Other expenses		47,500	39,481	945	1,639
Subscriptions: Investment research		32,406	32,271	-	-
		2,983,075	2,288,494	1,026,974	1,078,280
Total Operating Expenses		3,752,628	3,047,463	1,796,527	1,837,249
Surplus/(Deficit) for the year		9,812,744	(983,736)	9,428,035	(1,417,847)

The accompanying notes form an integral part of these financial statements



Statement of comprehensive income

For the Year Ended 31 March 2013

In New Zealand dollars	Note	2013 Group	2012 Group	2013 Trust	2012 Trust
Surplus/(Deficit) for the year	5e	9,812,744	(983,736)	9,428,035	(1,417,847)
Other comprehensive income:-					
Available-for-sale fair value reserve - net change in fair value:	5c	398,402	874,912	398,402	874,912
Gift from subsidiaries		-	-	18,858	213,049
Asset revaluation	5b	88,172	(27,943)	88,172	(27,943)
Capital Profit on asset realisation	5e	-	19,679	-	19,679
Other comprehensive income for the year		486,574	866,648	505,432	1,079,697
Total comprehensive income for the year		10,299,318	(117,088)	9,933,467	(338,150)

Statement of changes in equity

For the Year Ended 31 March 2013

In New Zealand dollars	Note	2013 Group	2012 Group	2013 Trust	2012 Trust
Opening Trust funds		123,189,271	125,846,757	122,832,226	125,710,774
Total comprehensive income for the year		10,299,318	(117,088)	9,933,467	(338,150)
Donations approved	17	(2,156,626)	(2,540,398)	(2,156,626)	(2,540,398)
Closing Trust funds		131,331,963	123,189,271	130,609,067	122,832,226

The accompanying notes form an integral part of these financial statements



Balance sheet

As at 31 March 2013

In New Zealand dollars

Trust Funds

Note	2013 Group	2012 Group	2013 Trust	2012 Trust
Capital	5	100	100	100
Perpetual capital reserve	5a	129,766,450	129,766,450	128,661,114
Revaluation reserve	5b	610,472	522,300	522,300
Available-for-sale reserve	5c	1,175,954	777,552	777,552
Donations reserve	5d	313,558	220,184	220,184
Accumulated income reserve	5e	(534,571)	(6,991,979)	(7,349,024)
TOTAL TRUST FUNDS		131,331,963	130,609,067	122,832,226

Represented by:

Current Assets

Cash and cash equivalents	14	7,340,652	11,688,935	6,561,458	10,263,423
Other assets		375,582	932,950	297,299	606,881
Total Current Assets		7,716,234	12,621,885	6,858,757	10,870,304

Non-current Assets

Equity securities	7	71,452,723	68,978,578	69,220,411	66,459,615
Debt securities	8	22,425,600	16,809,080	22,425,600	16,809,080
Investment property	9	27,990,000	33,470,000	-	-
Property, plant and equipment	10	705,867	706,572	693,177	689,041
Artwork	11	2,315,085	2,206,129	2,315,085	2,206,129
Loans to community organisations	12	80,000	-	80,000	-
Investment in associate	13	7,779,519	7,432,361	7,393,212	7,393,212
Investment in subsidiaries	21	-	-	24,281,709	24,855,250
Total Non-current Assets		132,748,794	129,602,720	126,409,194	118,412,327

TOTAL ASSETS

		140,465,028	142,224,605	133,267,951	129,282,631
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Current Liabilities

Creditors and employee entitlements		361,259	485,023	74,425	67,673
Derivative financial instruments	15	139,881	209,645	(47,466)	42,066
Loans and borrowings	16	6,000,000	15,655,416	-	3,655,416
Donations	17	1,931,925	485,250	1,931,925	485,250
Total Current Liabilities		8,433,065	16,835,334	1,958,884	4,250,405

Non-current Liabilities

Donations	17	700,000	2,200,000	700,000	2,200,000
Total Non-current Liabilities		700,000	2,200,000	700,000	2,200,000

TOTAL LIABILITIES

		9,133,065	19,035,334	2,658,884	6,450,405
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NET ASSETS

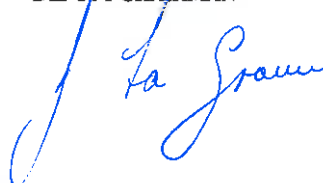
		131,331,963	123,189,271	130,609,067	122,832,226
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The Trustees of Rotorua Energy Charitable Trust authorised these financial statements for issue on 20 June 2013.

Grahame Hall
CHAIRMAN



Jo-Anne La Grouw
DEPUTY CHAIRMAN



The accompanying notes form an integral part of these financial statements



Statement of cash flows

Other comprehensive income:-

	Note	2013 Group	2012 Group	2013 Trust	2012 Trust
In New Zealand dollars					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Interest		1,528,477	1,238,611	1,762,038	1,344,431
Dividends		1,362,015	1,669,002	1,343,157	1,655,953
Rent - investment property		2,446,120	2,625,295	-	-
Gifts		-	12,031	-	12,031
Other Income		710,722	345,990	429,511	42,515
		6,047,334	5,890,929	3,534,706	3,054,930
Cash was disbursed on:					
Payments to suppliers, trustees & employees		2,922,789	2,208,411	1,518,676	1,611,436
Interest		793,497	906,581	151,095	136,688
Donations		2,209,951	3,966,340	2,209,951	3,966,340
		5,926,237	7,081,332	3,879,722	5,714,464
Net cash inflow / (outflow) from operating activities	25	121,097	(1,190,403)	(345,016)	(2,659,534)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Sale of artworks		-	46,957	-	46,957
Sale of property, plant and equipment		10,000	100	10,000	100
Sale of investment property		5,191,691	-	-	-
Subsidiary company gift		-	-	18,858	213,049
Subsidiary advances repaid		-	-	6,250,000	250,000
Sale of investments		34,480,152	24,744,960	34,480,153	24,744,960
		39,681,843	24,792,017	40,759,011	25,255,066
Cash was disbursed on:					
Purchase of artworks		19,586	6,525	19,586	6,525
Purchase of property, plant and equipment		59,341	15,000	57,722	10,990
Subsidiary advances		-	-	6,000,000	1,500,000
Purchase of investments		34,284,931	16,979,728	34,251,287	16,887,129
		34,363,858	17,001,253	40,328,595	18,404,644
Net cash inflow / (outflow) from investing activities		5,317,985	7,790,764	430,416	6,850,422
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Loans repaid		-	736,400	-	736,400
		-	736,400	-	736,400
Cash was disbursed on:					
Bank loans repaid		9,707,365	1,500,000	3,707,365	-
Loans advanced		80,000	30,000	80,000	30,000
		9,787,365	1,530,000	3,787,365	30,000
Net cash inflow / (outflow) from financing activities		(9,787,365)	(793,600)	(3,787,365)	706,400
Net (decrease) / increase in cash and cash equivalents		(4,348,283)	5,806,761	(3,701,965)	4,897,288
Cash and cash equivalents at the start of the period		11,688,935	5,882,174	10,263,423	5,366,135
Cash and Cash Equivalents at the End of the Period	14	7,340,652	11,688,935	6,561,458	10,263,423

The accompanying notes form an integral part of these financial statements



Notes to the 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.

Financial statements for the Trust (separate financial statements) and consolidated financial statements are presented.

The consolidated financial statements of Rotorua Energy Charitable Trust comprise the Trust, its subsidiaries and associate (together referred to as the “Group”).

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 District community.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of section 9(b) of the Trust Deed and Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”) applying New Zealand equivalents for International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for Differential Reporting concessions. The Trust is a reporting entity and its financial statements comply with NZ GAAP.

The Trust and the Group qualify under the Framework for Differential Reporting on the basis that they are not publicly accountable and are not ‘large’ as defined under the Framework. The Trust and Group have adopted certain reporting concessions available to them as qualifying entities except those available under NZ IAS 7 – Cash Flow Statements. Differential Reporting concessions in the main require the same recognition and measurement standards as full NZ IFRS and allow concessions with regard to disclosure.

The financial statements were approved by trustees on 20 June 2013.

(b) Basis of measurement

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

- Investments in equity and debt securities are measured at fair value
- Investment property is measured at fair value
- Artwork and land and buildings are measured at fair value
- Derivative financial instruments are measured at fair value

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

(c) Functional and presentation currency

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



Notes to the financial statements

2. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of financial statements requires trustees and 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 assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Trust. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Trust, where appropriate. Control exists when the Trust has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in equity securities of subsidiaries are measured at cost subject to impairment in the separate financial statements of the Trust.

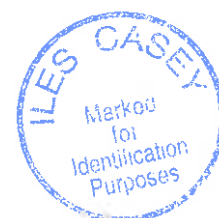
Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in any associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of post-acquisition profits or losses of an associate is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Should the Group's share of losses in an associate equal or exceed its interest in the associate, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.



Notes to the financial statements

3. Significant accounting policies (continued)

(a) Basis of consolidation

Associates (continued)

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in any associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of the associates are reviewed to ensure consistency with policies adopted by the Group. Dilution gains or losses arising in investments in the associate are recognised in the Income Statement.

(b) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions. 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. The foreign currency gain or loss on monetary items is the difference between cost in the functional currency at the beginning of the period, adjusted for movements during the period, and the cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the surplus or deficit.

(c) Financial instruments

Financial instruments are recognised in the balance sheet initially at fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised when the Trust becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, cash and cash equivalents, creditors, donations and loans and borrowings.

Cash and cash equivalents comprise cash balances and call deposits.

The Group's financial instruments are classified as at fair value through surplus or deficit, available-for-sale or at amortised cost.



Notes to the financial statements

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Instruments at fair value through surplus or deficit

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

Available for sale financial instruments

A financial asset is classified as available for sale if it is designated as such on initial recognition or is not classified as loans and receivables, held to maturity or at fair value through surplus or deficit. Subsequent to initial recognition these instruments are recognised at fair value, and changes therein are recognised through the available-for-sale reserve in equity. Upon sale, derecognition or permanent impairment of available for sale assets, the cumulative fair value adjustments are transferred to the income statement.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

The Group uses derivative financial instruments which comprise foreign currency hedge contracts and interest rate swaps, to manage its exposure to risks arising from investment activities. The Group does not hold derivative financial instruments for trading purposes.

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 surplus or deficit.

The Group does not utilise any derivatives which would qualify for “hedge accounting”.

Investments in listed equity securities

Investments in listed equity securities held by the Group are designated at fair value through surplus or deficit.

Investments in venture capital, private equity and hedge funds

Investments in venture capital, private equity and hedge funds are classified as available for sale financial assets.

Investments in debt securities

Investments in debt securities held by the Group are designated at fair value through surplus or deficit.



Notes to the financial statements

3. Significant accounting policies (continued) (c) Financial instruments (continued)

Loans and borrowings

Loans and borrowings are classified as other non-derivative financial instruments and are measured at amortised cost using the effective interest method.

Creditors

Creditors are stated at cost.

(d) Property, plant and equipment & Artwork Recognition and measurement

Classes of property, plant and equipment includes land and buildings used by the Group, plant and equipment and artwork.

Artwork is measured at fair value. Fair value is determined by reference to market value by a registered valuer. Fair value increases are recognised in equity through the revaluation reserve except in the situation the increases reverse a previous revaluation decrease that was recognised through the income statement. Revaluation decreases are recognised in surplus or deficit except where any credit balance remains in the revaluation reserve in respect of that asset.

Items of property, including buildings and 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.

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 group and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as incurred.

Depreciation

Depreciation is recognised in the surplus or deficit over the estimated useful lives of each part of an item of property, plant and equipment.

The applicable depreciation rates are:

Plant and equipment	7%–48%
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(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at fair value with any change therein recognised in surplus or deficit. Investment property is not depreciated.



Notes to the financial statements

3. Significant accounting policies (continued)

(f) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence 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 income statement unless the asset is subject to revaluation. Where a reserve exists for revalued assets, this is reduced before the income statement is affected.

(g) Employee benefits Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, in respect of redundancies.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under a short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long term Incentive plan

The Trust subsidiary Perpetual Capital Management Limited operates a long term incentive plan in respect of its employees. The Group recognises a provision in respect of long term incentive plan which takes into consideration the targets to be met and the likelihood of these targets being met.

(h) Lease payments

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

(i) Donations

Donations are recognised as they are distributed or committed for distribution to eligible Organisations as approved by the Trustees.

(j) Revenue Interest

Interest income is recognised as it accrues, using the effective interest rate method.

Dividends

Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Rental income

Rental income from investment properties is recognised in surplus or deficit on a straight-line basis over the term of the lease.



Notes to the financial statements

3. Significant accounting policies (continued)

(k) Income tax

The Trust and its subsidiaries are registered charities and they have and it is expected will continue to maintain their tax exempt status and accordingly no provision is made for income tax.

(l) Goods and services tax (GST)

With the exception of Thirteen Fifty Eight Investments Limited and RotoruaTrust Perpetual Capital Fund Limited, the Group is registered for GST. The financial statements have been prepared on a GST exclusive basis.

(m) Statement of cash flows

The following are the definitions used in the statement of cash flows:

- cash is considered to be cash on hand and current accounts in banks;
- operating activities include all transactions and other events that are not investing or financing activities;
- investing activities are those activities relating to the acquisition, holding and disposal of property, plant & equipment and of investments;
- financing activities are those activities which result in a change in the size and composition of the capital structure.

(n) Changes in accounting policies

There have been no changes in accounting policies during the year.

4. Determination of fair values

A number of the Group'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 in the notes specific to that asset or liability.

(a) Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the group's investment properties annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Readers of these financial statements should be aware that there is a high degree of uncertainty in cases where fair value is based not on observable market data but is based on subjective determinations of future rents and capitalisation rates.



Notes to the financial statements

4. Determination of fair values (continued)

(b) Investments in equity and debt securities

Listed equities

The fair value of investments in equities listed on a recognised trading platform is their last quoted market bid price at the reporting date.

Debt securities

The fair value of investments in debt securities is their closing market price as at the reporting date.

Unlisted equities

When the fair value of investments in unlisted equities cannot be determined reliably using a valuation technique, the assets are recognised at cost, taking account of any impairment of the individual investment.

Investment funds

The fair value of investments in managed investment funds, including venture capital, private equity and hedge funds is determined by reference to market reports received from the fund managers and taking into account any impairment of the investments.

(c) Derivative financial instruments

The fair value of forward exchange contracts and interest rate swaps is determined using rates applicable at the reporting date.

(d) Artworks

An external, independent valuation company, having appropriate recognised professional qualifications and experience in the valuation of artworks, values the group's "Heritage Collection". The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction.

5. Trust funds

The Rotorua Energy Charitable Trust was established on 3 June 1994 with a gift of \$100 from the settlor, Rotorua Electricity Limited.

(a) Perpetual capital reserve

On 1 September 1994 the Trust received shares representing 51 per cent of the issued voting capital in Rotorua Electricity Limited, valued at \$32,016,652.

On 30 September 2002 Trustees established a perpetual capital reserve amounting to \$100,000,000 through the transfer of an additional \$67,983,348 from the accumulated income reserve, to the original gift of shares in Rotorua Electricity Limited.

Trustees have determined that this reserve which was established to protect the fund for future generations should be restated each financial year to take account of movements in the Consumer Price Index (CPI). The allocation for the current year is \$1,105,336 (2012: \$1,989,605).



Notes to the financial statements

5. Trust funds (continued) Perpetual capital reserve (continued)

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Opening balance	128,661,114	126,671,509	128,661,114	126,671,509
Current year "CPI" allocation	1,105,336	1,989,605	1,105,336	1,989,605
Closing balance	<u>129,766,450</u>	<u>128,661,114</u>	<u>129,766,450</u>	<u>128,661,114</u>

(b) Revaluation reserve

The revaluation reserve relates to the revaluation of artworks and land and buildings.

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Opening balance	522,300	550,243	522,300	550,243
Gain/(Loss) on Artwork revaluation	88,172	(27,943)	88,172	(27,943)
Closing balance	<u>610,472</u>	<u>522,300</u>	<u>610,472</u>	<u>522,300</u>

(c) Available-for-sale reserve

For all available for sale financial assets, movements in fair value are recognised through the available-for-sale-reserve. When the relevant asset is derecognised, upon sale, other disposal or permanent impairment, the cumulative fair value changes recognised directly in equity are transferred to surplus or deficit.

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Opening balance	777,552	(97,360)	777,552	(97,360)
Net change in fair value	398,402	874,912	398,402	874,912
Closing balance	<u>1,175,954</u>	<u>777,552</u>	<u>1,175,954</u>	<u>777,552</u>

(d) Donations reserve

Each year trustees approve a level of donations to be made available to the community. This amount is transferred to the donations reserve. The balance in the donations reserve represents the balance available for donations at year end after the transfer to the reserve of \$2,250,000 (2012: \$2,500,000) and the deduction of donations approved during the financial year.

The balance in this reserve is available to be utilised in future years to support donations to the community.

In New Zealand dollars	Group and Trust	
	2012	2012
Opening balance	220,184	260,582
Transfer from accumulated income	2,250,000	2,500,000
	<u>2,470,184</u>	<u>2,760,582</u>
<i>Deduct:</i>		
Donations approved	2,156,626	2,540,398
Closing balance	<u>313,558</u>	<u>220,184</u>



Notes to the financial statements

5. Trust funds (continued)

(e) Accumulated income reserve

The accumulated income reserve represents the balance of income retained or losses accumulated, after the specific transfer of income in each financial year to the perpetual capital reserve and donations reserve.

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Opening balance	(6,991,979)	(1,538,317)	(7,349,024)	(1,674,300)
Surplus/(Deficit) for the year	<u>9,812,744</u>	<u>(983,736)</u>	<u>9,428,035</u>	<u>(1,417,847)</u>
	<u>2,820,765</u>	<u>(2,522,053)</u>	<u>2,079,011</u>	<u>(3,092,147)</u>
<u>Add</u>				
Transfers from:				
Gift from subsidiaries	0	0	18,858	213,049
Realised revaluation on asset disposal	<u>0</u>	<u>19,679</u>	<u>0</u>	<u>19,679</u>
	<u>2,820,765</u>	<u>(2,502,374)</u>	<u>2,097,869</u>	<u>(2,859,419)</u>
<u>Deduct</u>				
Transfers to:				
Donations reserve	2,250,000	2,500,000	2,250,000	2,500,000
Allocation to perpetual capital reserve	<u>1,105,336</u>	<u>1,989,605</u>	<u>1,105,336</u>	<u>1,989,605</u>
Closing balance	<u>(534,571)</u>	<u>(6,991,979)</u>	<u>(1,257,467)</u>	<u>(7,349,024)</u>

6. Net gain / (loss) on financial assets

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Assets designated at fair value:				
Realised fair value gains / (losses)	408,575	(331,692)	716,884	(331,692)
Unrealised fair value gains / (losses)	6,494,289	(4,820,293)	6,149,090	(3,095,744)
Foreign currency gains / (losses)	24,600	198,571	24,600	198,571
Hedging contracts gains / (losses)	<u>1,107,003</u>	<u>282,820</u>	<u>1,107,003</u>	<u>282,820</u>
	<u>8,034,467</u>	<u>(4,670,594)</u>	<u>7,997,577</u>	<u>(2,946,045)</u>



Notes to the financial statements

7. Equity securities

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Equity securities at fair value through surplus and deficit (designated)	62,859,975	60,252,595	62,859,975	60,252,595
Available for sale equity securities	8,592,748	8,725,983	6,360,436	6,207,020
	<u>71,452,723</u>	<u>68,978,578</u>	<u>69,220,411</u>	<u>66,459,615</u>

Equity securities at fair value through surplus and deficit (designated)

In New Zealand dollars	Group and Trust	
	2013	2012
New Zealand listed equities	24,830,230	15,230,550
Australian listed equities	0	7,237,291
International listed equities	33,060,901	28,468,384
New Zealand listed property equities	4,968,844	8,105,010
Alternative listed equities	0	1,211,360
	<u>62,859,975</u>	<u>60,252,595</u>

Available for sale equity securities

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Venture capital funds	2,232,312	2,518,963	0	0
Private equity funds	4,863,422	4,644,232	4,863,422	4,644,232
Hedge funds	217,774	290,594	217,774	290,594
Unlisted equities	1,279,240	1,272,194	1,279,240	1,272,194
	<u>8,592,748</u>	<u>8,725,983</u>	<u>6,360,436</u>	<u>6,207,020</u>

Available for sale equity securities

Venture capital funds

The fair value of venture capital funds is determined based on financial statements of the funds provided to the Group. The fair value determination assumes the book value of the funds is a reasonable reflection of the fair value. The value of some of the venture capital funds has been written down to reflect the performance of the funds to date. Because these funds have been impaired, the changes associated with the carrying value of those funds are recognised through surplus or deficit. The amount recognised through surplus or deficit relating to venture capital funds during the year was Group (\$60,328), (2012: (\$108,984)), Trust \$Nil, (2012: \$Nil).

Private equity funds

The fair value of private equity funds is determined based on financial statements of the funds provided to the Group. The fair value determination assumes the book value of the funds is a reasonable reflection of the fair value. Where the value of a private equity fund has been written down to reflect the performance of the fund any changes associated with the carrying value of these funds is recognised through the available-for-sale reserve. The amount recognised through surplus or deficit relating to private equity funds during the year was Group and Trust (\$85,220), (2012: \$525,437).



Notes to the financial statements

7. Equity securities (continued)

Hedge funds

The fair value of hedge funds is determined based on financial statements of the funds provided to the Group. The fair value determination assumes the book value of the funds is a reasonable reflection of the fair value. The value of the hedge funds has been written down to reflect the performance of the funds to date. Because these funds have been impaired, the changes associated with the carrying value of these funds are now recognised through surplus or deficit. The amount recognised through surplus or deficit relating to hedge funds during the year, was Group and Trust (\$64,671), (2012: (\$126,212)).

Unlisted equities

The carrying value of unlisted equities is based on fair value. Where this cannot be estimated reliably using a valuation technique the carrying value is based on the cost of the investment. Unlisted equities with a value of \$Nil (2012: \$Nil) have been measured at cost. The amount recognised through surplus or deficit relating to unlisted equities during the year, was Group and Trust (\$100,000), (2012: \$213,290).

Disclosures

The Trust has substantial security holdings in the following companies:

Taupo Motorsport Park Limited - 700,000 shares representing 10.88% of the shares on issue. (2012: 700,000, 10.88%). The Trust does not have an appointee to the Board.

Rural Equities Limited – 1,515,677 shares representing 4.05% of the shares on issue. (2012: 2,515,677, 6.55%). The Trust does not have an appointee to the Board.

Hubbard Foods Limited - 20,206 shares representing 35.64% of the shares on issue. (2012: 20,206, 35.64%). The Trust has an appointee to the Board and as such treats this company as an associate in the financial statements.

8. Debt securities

All debt securities are designated at fair value with fair value changes recognised through surplus or deficit.

In New Zealand dollars	Group and Trust	
	2013	2012
NZ government / government guaranteed	14,094,100	11,077,524
NZ local government	2,173,060	1,509,000
Bank bonds	2,076,000	0
Unrated corporate bonds	0	1,918,383
Rated corporate capital notes	4,082,440	1,055,890
Capital notes / Bonds	0	1,248,283
	<u>22,425,600</u>	<u>16,809,080</u>

Fixed interest securities have an average yield of 5.60% and duration of 3.58 years (2012: 5.87% and 3.77 years).



Notes to the financial statements

9. Investment property

Investment property comprises a number of commercial properties:

	Group	
In New Zealand dollars	2013	2012
Opening balance	33,470,000	32,912,000
Proceeds from properties sold	(5,191,691)	0
Realised loss on properties sold	(308,309)	0
Change in fair value	(13,645)	465,402
Alterations to existing properties	33,645	92,598
Closing balance	<u>27,990,000</u>	<u>33,470,000</u>

Investment property carrying value includes the following commercial properties including their valuation details:
All properties have been valued as at year end.

	2013	2012	Valuer
Roydvale Ave, Christchurch	7,740,000	7,580,000	Colliers International, Christchurch
Collingwood Street, Nelson	4,350,000	4,540,000	Duke & Cooke, Nelson
Pukaki Street, Rotorua	4,400,000	4,350,000	Telfer Young, Rotorua
De Leeuw Place, Hamilton	6,500,000	7,050,000	Refer to disclosure below
Aintree Avenue, Auckland	0	5,500,000	
Sir William Avenue, Auckland	5,000,000	4,450,000	Telfer Young, Auckland (2012 Darroch, Auckland)
	<u>27,990,000</u>	<u>33,470,000</u>	

De Leeuw Place - Hamilton

Perpetual Capital Management Limited (PCML), the Trust investment manager appointed Telfer Young, Hamilton to undertake the independent valuation in respect of the property at De Leeuw Place, Hamilton, as at 31 March 2013.

The valuation received from Telfer Young, Hamilton was substantially below that which PCML anticipated and a second independent valuation was commissioned from Fergusson Lockwood and Associates, Hamilton. The valuation determined by them exceeded the expectation of PCML.

In order to resolve the valuation inconsistency PCML engaged Darroch Limited to peer review the two valuations.

The determination of the peer reviewer was that a value in the mid-range between the two valuations obtained represented fair value as required by NZ IAS 40 and this value was adopted.

The investment properties are leased under operating lease agreements. The following summarises the future minimum lease payments receivable under non-cancellable operating leases:

<i>Receivable:</i>	2013	2012
Not later than one year	2,218,491	2,420,829
Later than one year not later than five years	6,246,810	5,557,426
Later than five years	1,222,589	1,445,400
	<u>9,687,890</u>	<u>9,423,655</u>



Notes to the financial statements

10. Property, plant and equipment

In New Zealand dollars	Land and buildings	Group Plant and equipment	Total
Cost or valuation			
Balance at 1 April 2011	675,000	277,217	952,217
Additions	3,329	11,671	15,000
Disposals	0	(12,873)	(12,873)
Balance at 31 March 2012	<u>678,329</u>	<u>276,015</u>	<u>954,344</u>
Balance at 1 April 2012	678,329	276,015	954,344
Additions	16,298	43,043	59,341
Disposals	0	(43,634)	(43,634)
Balance at 31 March 2013	<u>694,627</u>	<u>275,424</u>	<u>970,051</u>
Depreciation and impairment losses			
Balance at 1 April 2011	29,934	180,621	210,555
Depreciation for the year	22,712	26,475	49,187
Disposals	0	(11,970)	(11,970)
Balance at 31 March 2012	<u>52,646</u>	<u>195,126</u>	<u>247,772</u>
Balance at 1 April 2012	52,646	195,126	247,772
Depreciation for the year	23,383	26,343	49,726
Disposals	0	(33,314)	(33,314)
Balance at 31 March 2013	<u>76,029</u>	<u>188,155</u>	<u>264,184</u>
Carrying amounts			
At 1 April 2011	<u>645,066</u>	<u>96,596</u>	<u>741,662</u>
At 31 March 2012	<u>625,683</u>	<u>80,889</u>	<u>706,572</u>
At 1 April 2012	625,683	80,889	706,572
At 31 March 2013	<u>618,598</u>	<u>87,269</u>	<u>705,867</u>



Notes to the financial statements

10. Property, plant and equipment (continued)

In New Zealand dollars	Land and buildings	Trust Plant and equipment	Total
Cost or valuation			
Balance at 1 April 2011	675,000	245,162	920,162
Additions	3,329	7,661	10,990
Disposals	0	(9,063)	(9,063)
Balance at 31 March 2012	<u>678,329</u>	<u>243,760</u>	<u>922,089</u>
Balance at 1 April 2012	678,329	243,760	922,089
Additions	16,298	41,424	57,722
Disposals	0	(43,311)	(43,311)
Balance at 31 March 2013	<u>694,627</u>	<u>241,873</u>	<u>936,500</u>
Depreciation and impairment losses			
Balance at 1 April 2011	29,934	169,067	199,001
Depreciation for the year	22,712	20,262	42,974
Disposals	0	(8,927)	(8,927)
Balance at 31 March 2012	<u>52,646</u>	<u>180,402</u>	<u>233,048</u>
Balance at 1 April 2012	52,646	180,402	233,048
Depreciation for the year	23,383	19,920	43,303
Disposals	0	(33,028)	(33,028)
Balance at 31 March 2013	<u>76,029</u>	<u>167,294</u>	<u>243,323</u>
Carrying amounts			
At 1 April 2011	<u>645,066</u>	<u>76,095</u>	<u>721,161</u>
At 31 March 2012	<u>625,683</u>	<u>63,358</u>	<u>689,041</u>
At 1 April 2012	<u>625,683</u>	<u>63,358</u>	<u>689,041</u>
At 31 March 2013	<u>618,598</u>	<u>74,579</u>	<u>693,177</u>



Notes to the financial statements

11. Artwork

	Group and Trust
In New Zealand dollars	
Cost or valuation	
Balance at 1 April 2011	2,254,825
Additions	6,525
Sales	(27,278)
Revaluation	(27,943)
Balance at 31 March 2012	<u>2,206,129</u>
Balance at 1 April 2012	2,206,129
Additions	20,784
Sales	0
Revaluation	88,172
Balance at 31 March 2013	<u>2,315,085</u>
Carrying amounts	
At 1 April 2011	2,254,825
At 31 March 2012	<u>2,206,129</u>
At 1 April 2012	2,206,129
At 31 March 2013	<u>2,315,085</u>

The Trust has purchased and is continuing to purchase Nineteenth, Twentieth and Twenty First Century artworks which reflect the unique nature of the Rotorua area and its people.

The collection was independently valued by Peter Webb Galleries Limited on 11 April 2013.

The artworks are maintained and stored by the Rotorua Museum of Art & History – Te Whare Taonga O Te Arawa.

12. Loans

Q.E. Hospital Limited

The Trust provided a loan of \$80,000 to Q.E. Hospital Limited to assist with the purchase of gymnasium equipment. This activity was undertaken as a part of the redevelopment strategy for Q.E. Health.

The loan which was advanced on 19th February 2013 is not subject to interest and is repayable in full on 26th February 2016.

The Trust holds a PPSR registration over the gymnasium equipment and a General Security Agreement with Q.E. Hospital Limited as security for the advance.



Notes to the financial statements

13. Investment in associate

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Shares in Associate	5,439,265	5,092,107	5,052,958	5,052,958
Loans to Associate	2,340,254	2,340,254	2,340,254	2,340,254
	<u>7,779,519</u>	<u>7,432,361</u>	<u>7,393,212</u>	<u>7,393,212</u>

The investment in associate is disclosed using the equity method in the Group accounts and at cost by the Trust

The group's share of the results of the investment in the associate and their aggregated assets, including goodwill and liabilities are as follows:

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
<i>Results of Associate:</i>				
Share of profit / (Loss)	509,806	380,074		
Deduct				
Interest on shareholder loan	<u>(162,648)</u>	<u>(81,324)</u>		
Total recognised revenues and expenses	<u>347,158</u>	<u>298,750</u>		
<i>Interest in Associate:</i>				
Shares at cost including acquisition costs			<u>5,052,958</u>	<u>5,052,958</u>
<i>Movements in carrying amounts:</i>				
Opening Balance	5,092,107	4,793,357		
Share of total recognised revenues and expenses	<u>347,158</u>	<u>298,750</u>		
Closing Balance	<u>5,439,265</u>	<u>5,092,107</u>		
Included within the carrying value is:				
Goodwill	3,440,118	3,440,118		

The associate has a balance date of 30 September and as such the group's share of the post-acquisition profit before income tax as shown above is based on the associate's unaudited management accounts as at 31 March 2013.



Notes to the financial statements

14. Cash and cash equivalents

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Bank balances	371,378	6,585,657	198,090	6,502,496
Call & short term deposits	6,969,274	5,103,278	6,363,368	3,760,927
Cash and cash equivalents	<u>7,340,652</u>	<u>11,688,935</u>	<u>6,561,458</u>	<u>10,263,423</u>

15. Derivative financial instruments

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Current Liabilities				
Fair value hedges				
Fx swap contracts	(47,466)	(10,898)	(47,466)	(10,898)
Interest rate swap contracts	187,347	220,543	0	52,964
Closing balance	<u>139,881</u>	<u>209,645</u>	<u>(47,466)</u>	<u>42,066</u>

The group holds investments in \$US non derivative financial instruments. In order to hedge against exchange rate movements the group has entered into forward exchange rate contracts to purchase United States dollars.

The group has loans in New Zealand dollars and has had during the financial year loans in US dollars. In order to hedge against interest rate movements the group has entered into interest rate swap contracts.

These contracts are hedging \$US non derivative financial instruments and loans, which qualify as fair value hedges and designated as such.

The group relies upon its bankers Bank of New Zealand Limited and Australia & New Zealand Banking Group Limited for the provision of the period end swap fair values.

For each swap the asset or liability recognised in the Balance Sheet will be continually revalued through the Income Statement until the swap expires and the value becomes nil.

16. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group exposure to foreign currency risk and cash flow interest rate risk, see note 22.



Notes to the financial statements

16. Loans and borrowings (continued)

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Current liabilities				
Secured bank loans	<u>6,000,000</u>	<u>15,655,416</u>	<u>0</u>	<u>3,655,416</u>
	<u>6,000,000</u>	<u>15,655,416</u>	<u>0</u>	<u>3,655,416</u>

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

Group

	Currency	Nominal Interest rate	Maturity	Face value 2013	Carrying amount 2013	Face value 2012	Carrying amount 2012
In New Zealand dollars							
secured bank loan	NZD	4.84%	02/04/2013	2,000,000	2,000,000	8,000,000	8,000,000
secured bank loan	NZD	4.92%	02/04/2013	4,000,000	4,000,000	4,000,000	4,000,000
secured bank loan	USD			0	0	3,000,000	3,655,416
Total interest-bearing liabilities					<u>6,000,000</u>		<u>15,655,416</u>

Trust

	Currency	Nominal Interest rate	Maturity	Face value 2013	Carrying amount 2013	Face value 2012	Carrying amount 2012
In New Zealand dollars							
secured bank loan	USD			0	0	3,000,000	3,655,416
Total interest-bearing liabilities					<u>0</u>		<u>3,655,416</u>

The New Zealand currency funding is provided to the group subsidiary Thirteen Fifty Eight Limited by the Bank of New Zealand Limited under a committed cash advance facility which expires on 29 July 2015. The facility amount is \$16,000,000 (2012 \$16,000,000), is interest only and is secured by mortgages over the properties owned by the subsidiary.

The United States currency funding was provided to the Trust via its investment custodian RotoruaTrust Perpetual Capital Fund Limited (RPCF) by the ANZ National Bank Limited under a committed advance facility which expired on 18 March 2013. The funding was repaid in full on 16 November 2012.

At balance date the following interest rate swap contracts applied to the Group in respect of the borrowings:

Financial Institution	Currency	Amount	Interest Rate	Expiry Date
Bank of New Zealand Limited	NZD	4,000,000	4.50%	1 April 2016



Notes to the financial statements

17. Donations

Donations approved have been accounted for on the following basis:

In New Zealand dollars	Group and Trust	
	2013	2012
Donations Approved	2,156,626	2,540,398
Donations unpaid from prior year	2,685,250	4,111,192
	<u>4,841,876</u>	<u>6,651,590</u>
Less: Donations Paid	2,209,951	3,966,340
	<u>2,631,925</u>	<u>2,685,250</u>
Represented by:		
Current Donations		
Unpaid at balance date	431,925	485,250
Payable Next Financial Year	1,500,000	0
	<u>1,931,925</u>	<u>485,250</u>
Non Current Donations		
Payable 2014 Financial Year	0	1,500,000
Payable 2015 Financial Year	700,000	700,000
	<u>700,000</u>	<u>2,200,000</u>
	<u>2,631,925</u>	<u>2,685,250</u>

18. Trustee fees and expenses

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

In New Zealand dollars	Group and Trust			
	2013		2012	
	Fee	Expenses	Fee	Expenses
P C East	20,344	446	19,886	260
G W Hall	36,004	1,565	35,192	1,240
SM Kai Fong	20,344	230	19,886	290
J M La Grouw	20,344	795	19,886	855
T H Maxwell	20,344	165	19,886	155
L G Thurston	20,344	240	19,886	340
	<u>137,724</u>	<u>3,441</u>	<u>134,622</u>	<u>3,140</u>

19. Directors fees

Director's fees paid during the year or due and payable to members of the Board of Perpetual Capital Management Limited are as follows:

In New Zealand dollars	Group	
	2013	2012
S L Maier (Jnr)	80,000	37,500
F R S Clouston	40,000	37,500
J A Dell	33,332	0
M G Goldfinch	33,333	0
P C East	0	37,500
J M Green	0	37,500
	<u>186,665</u>	<u>150,000</u>



Notes to the financial statements

20. Related party information

Ultimate controlling party

The ultimate controlling party of the Group is the Rotorua Energy Charitable Trust.

Transactions with subsidiaries

Advances have been made to subsidiary companies within the group which are interest free and repayable on demand. A variable advance has been made by the Trust to Thirteen Fifty Eight limited, which is subject to interest at the same rate as applicable to that company's borrowings from the Bank of New Zealand Limited.

No related party debts have been written off or forgiven during the year.

Transactions with and between subsidiaries and outstanding balances are summarised below:

Subsidiary *	Nature of transactions	Amount		Outstanding balance	
		2013	2012	2013	2012
Rotorua Trust					
RPCF	Custodial Services	119,838	122,637	0	0
PCML	Investment Management Services	662,895	646,248	0	0
Subsidiaries					
RPCF / Trust	Staff support	59,887	39,504	0	0
PCML/ Trust	Staff support	62,268	65,124	0	0
1358/ Trust	Staff support	85,956	62,890	0	0
1358/ Trust	Interest on advances	275,625	134,577	0	0
PCML/ Trust	Office Accommodation	12,000	12,000	0	0

* Refer to note 21 for subsidiary abbreviation

Transactions with related parties

The Trust received reimbursement from Investconsult Ltd in relation to time and expenses incurred in relation to the Chief Executive's appointment as a director to various entities outside of the Rotorua Trust Group. The amount reimbursed to the Trust was \$18,398 (2012: \$17,902)

The terms and conditions relating to these transactions are no more favourable than those available, or expected to be available, on an arm's length basis.

Key management personnel

Key management personnel of the Trust and Group include Directors, Trustees and Senior Management. All compensation paid to key management personnel of the Trust comprised short-term benefits. No post-employment, termination benefits, share-based payments or other long term benefits were paid to these parties during the year (2012: nil).

The chief executive is one of the key management personnel of the Trust. His wife is employed as the finance administrator on terms and conditions that are no more favourable to her than the trustees would have agreed to had there been no such relationship.



Notes to the financial statements

20. Related party information (continued)

The Trust has insured Trustees and the Directors of its subsidiary companies against liabilities to other parties (except the Trust or a related party of the Trust) that may arise from their position as Trustees or Directors. The Trust has also indemnified the Directors of all of its subsidiary companies and employees who are Directors of associate companies. Any liabilities arising from criminal actions are not covered.

Investment Manager

The Trust has an investment management agreement with its wholly owned subsidiary Perpetual Capital Management Limited to provide investment management services for the Trust's "Perpetual Capital Fund".

Custodian

The Trust has a custodian agreement with its wholly owned subsidiary RotoruaTrust Perpetual Capital Fund Limited to provide custodian services in respect of the investments relating to the Trust's "Perpetual Capital Fund".

21. Group entities Subsidiaries

Investments in and advances to group subsidiaries.

In New Zealand dollars	Trust	
	2013	2012
Thirteen Fifty Eight Limited (1358)	22,049,097	22,335,987
Thirteen Fifty Eight Investments Limited	2,232,412	2,519,063
Perpetual Capital Management Limited (PCML)	100	100
RotoruaTrust Perpetual Capital Fund Limited (RPCF)	100	100
	<u>24,281,709</u>	<u>24,855,250</u>

	Ownership interest (%)	
	2013	2012
Thirteen Fifty Eight Limited	100	100
Thirteen Fifty Eight Investments Limited	100	100
Perpetual Capital Management Limited	100	100
RotoruaTrust Perpetual Capital Fund Limited	100	100

All subsidiary companies are incorporated in New Zealand and have a balance date of 31 March.

22. Financial risk management

The Group is subject to a number of financial risks as a result of its investment activities, these include exposure to credit risk, market risk, liquidity risk, foreign currency risk and interest rate risks.

To manage and limit those financial risks, the Trust has in place a formal Statement of Investment Policy and Objectives along with a formal Investment Management Agreement with Perpetual Capital Management Limited which includes policy and procedure guidelines and authorises the use of various financial instruments.



Notes to the financial statements

22. Financial risk management (continued)

The policies and procedures of the investment manager cover the investment and operating authorities, investment class policies, investment asset mix, investment benchmarks and the basis on which distributions from the investment portfolio are made to the trust to meet its operating and donation requirements.

The long term goals of the Group's "long-term investment portfolio" are to meet the donation requirements of the Trust, meet the costs associated with Trust, investment and custody management and maintain the value of the portfolio after taking account of inflation.

The policy also requires that the portfolio meet its individual benchmarks in respect of the relevant asset classes and also outperform the median manager in the Mercer survey of investment managers, on a rolling one-year time horizon for the overall portfolio.

Credit risk

Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances, investments and call accounts, which are disclosed in the Balance Sheet. The Group has no significant concentrations of credit risk.

The counterparties used for banking and finance activities are financial institutions with high credit ratings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

The primary market risk variables are interest rates, equity prices and foreign exchange rates, any movements in these will impact the Trust and Group's financial position and performance.

Foreign currency

During the normal course of business the Group undertakes investments denominated in foreign currency. As a result of those transactions exposure to fluctuations in foreign currency exchange rates arise. The foreign currency in which the Group deals is the United States Dollar.

Hedging policies exist in relation to foreign currency transactions, to enable the group exposure to be kept at an acceptable level.



Notes to the financial statements

22. Financial risk management (continued)

Foreign currency (continued)

At balance date the position in relation to these foreign exchange forward contracts, was as follows:

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Current Liabilities				
Fair value hedge	<u>(47,466)</u>	<u>(10,898)</u>	<u>(47,466)</u>	<u>(10,898)</u>
Closing balance	<u>(47,466)</u>	<u>(10,898)</u>	<u>(47,466)</u>	<u>(10,898)</u>

The Group holds investments denominated in United States dollar non derivative financial instruments. In order to hedge against exchange rate movements the Group has entered into forward exchange contracts to purchase United States dollars.

These contracts are hedging United States dollar denominated non derivative financial instruments which qualify as fair value hedges and are designated as such.

Liquidity risk

Liquidity risk is the risk that the Trust cannot pay its debts as they fall due. To manage this risk the investment manager ensures there are sufficient liquid funds to pay the operating costs of the Trust. Given the nature of the Trusts business and strong balance sheet position, liquidity risk is not considered a significant risk for the Group.

More than 90% of the total assets are able to be liquefied within 12 months and the vast majority of these within 3 months.

Cash flow interest rate risk

The group's cash flow interest rate risk arises primarily from short and long term variable rate borrowings from financial institutions as disclosed in note 15. Borrowings issued at variable rates expose the group to cash flow interest rate risk. In relation to these variable rate borrowings, the Investment Manager, continuously reviews the group's interest rate risk on borrowings and maintains a portion of the group's borrowings at fixed rates by entering into interest rate swaps to hedge against its exposure to changes in cash flows resulting from these borrowings.

At balance date the following interest rate swap contracts applied to the group:

Financial Institution	Currency	Amount	Interest Rate	Expiry Date
Bank of New Zealand Limited	NZD	4,000,000	4.50%	1 April 2016



Notes to the financial statements

22. Financial risk management (continued)

Cash flow interest rate risk (continued)

At balance date the position in relation to these interest rate swap contracts, was as follows:

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Current Liabilities				
Fair value hedge	187,347	220,543	0	52,964
Closing balance	<u>187,347</u>	<u>220,543</u>	<u>0</u>	<u>52,964</u>

Fair value

Determination of fair value is outlined in Note 4 to the financial statements. The estimated fair value of the group's financial assets and liabilities are the same as set out in the balance sheet.

23. Capital management

The Group manages as capital the perpetual capital reserve and accumulated income reserve included within Trust Funds. The Group's approach to capital management is to ensure sufficient capital is available to meet the objectives of the Trust and to grow the capital base to ensure future benefits for the Rotorua community.

The Group also needs to ensure that sufficient funds are available on an annual basis to meet the donation requirements of the Trust along with the budgeted operating costs.

24. Commitments and guarantees

Capital commitments

The Group had no known material capital commitments at balance date. (2012 \$Nil).

Investment property

At balance date the Group has capital contractual commitments relating to earthquake remediation, tenancy fit out and repairs and maintenance associated with investment properties of \$843,000. (2012 Nil).

Other commitments

Entities within the group have the following commitments in respect of capital contributions to Investments in private equity and venture capital funds:

In New Zealand dollars	2013	2012
Rotorua Energy Charitable Trust	7,197,496	4,522,239
Thirteen Fifty Eight Investments Ltd	<u>137,773</u>	<u>216,026</u>
	<u>7,335,269</u>	<u>4,738,265</u>



Notes to the financial statements

24. Commitments and guarantees (continued)

Operating lease commitments

Certain items of office equipment are leased under operating lease agreements. The following summarises the future minimum lease payments payable under non-cancellable operating leases:

In New Zealand dollars	2013	2012
Not later than one year	6,220	6,220
Later than one year but not later than five years	1,555	7,775
Later than five years	<u>0</u>	<u>0</u>
	<u>7,775</u>	<u>13,995</u>

Guarantees

The Group has guarantees outstanding at balance date as disclosed in note 16 of Nil (2012 \$15,000,000).

Tertiary study awards

The Trust has a tertiary study award scheme, whereby recipients will be provided with funding for up to four years, providing certain conditions are met, to enable them to undertake full time tertiary study.

The balance due to students for the 2014 financial year is included in "Committed Donations" in the balance sheet.

At balance date the commitment to future financial years is:

2015	\$ 167,000
2016	\$ 86,000
2017	\$ 27,000

Rotorua museum centennial trust

The Trust agreed to a commitment of up to \$4,700,000 toward a project to complete the Bath House in accordance with the original specifications.

The various conditions in relation to project timing and fundraising were met in the 2009 financial year by the Rotorua Museum Centennial Trust and contributions of \$2,500,000 have been paid prior to the 31 March 2013.

The remaining balance of \$2,200,000 is included in full as a liability in the balance sheet.



Notes to the financial statements

25. Reconciliation of the surplus/ (deficit) for the year with net cash from operating activities

In New Zealand dollars	Group		Trust	
	2013	2012	2013	2012
Surplus/(deficit) for the year	9,812,744	(983,736)	9,428,035	(1,417,847)
Other comprehensive income	486,574	866,648	505,432	1,079,697
Donations approved	(2,156,626)	(2,540,398)	(2,156,626)	(2,540,398)
Surplus/(deficit) for the year after donations	8,142,692	(2,657,486)	7,776,841	(2,878,548)
Adjustments for non cash items:				
Depreciation & loss on sale of assets	50,045	49,991	43,585	43,011
Gifts received from subsidiaries	0	0	(18,858)	(213,049)
Exchange variation ((gains)/losses) on offshore loans	(245,753)	(274,729)	(245,753)	(274,729)
Investment property revaluation (gains)/losses	13,645	(465,402)	0	0
Investment property (gains)/losses on sale	308,309	0	0	0
Investment (gains)/losses	(8,111,199)	4,670,594	(8,074,308)	2,946,045
Share of associate (income) / loss	(347,158)	(298,750)	0	0
	(8,332,111)	3,681,704	(8,295,334)	2,501,278
Balance net of adjustments	(189,419)	1,024,218	(518,493)	(377,270)
Movements in working capital				
(Increase)/decrease in other assets	562,370	(406,799)	309,582	(295,812)
(Increase)/decrease in derivative financial instruments	(89,532)	(293,294)	(89,532)	(460,873)
Increase/(decrease) in loans and borrowings	19,768	0	0	0
Increase/(decrease) in committed donations	(53,325)	(1,425,942)	(53,325)	(1,425,942)
Increase/(decrease) in creditors & employee entitlements	(128,765)	(88,586)	6,752	(99,637)
Net cash outflow from operating activities	121,097	(1,190,403)	(345,016)	(2,659,534)

Cash flows from operating activities of the Group, comprise:

2013			
Cash Inflow/(outflow)	Investment	Trust	Total
In New Zealand dollars	activities	activities	
Interest received	1,431,955	96,522	1,528,477
Dividends	1,362,015	0	1,362,015
Rent	2,446,120	0	2,446,120
Other income	281,211	429,511	710,722
Payments to suppliers & trustees	(2,164,084)	(758,705)	(2,922,789)
Interest	(793,497)	0	(793,497)
Donations	0	(2,209,951)	(2,209,951)
	2,563,720	(2,442,623)	121,097
2012			
Cash Inflow/(outflow)	Investment	Trust	Total
In New Zealand dollars	activities	activities	
Interest received	1,178,993	59,618	1,238,611
Dividends	1,669,002	0	1,669,002
Rent	2,625,295	0	2,625,295
Gifts	0	12,031	12,031
Other income	303,475	42,515	345,990
Payments to suppliers & trustees	(1,434,287)	(774,124)	(2,208,411)
Interest	(906,581)	0	(906,581)
Donations	0	(3,966,340)	(3,966,340)
	3,435,897	(4,626,300)	(1,190,403)



INDEPENDENT AUDITOR'S REPORT

To the Trustees of ROTORUA ENERGY CHARITABLE TRUST

Report on the Financial Statements

We have audited the financial statements of Rotorua Energy Charitable Trust and Group on pages 10 to 40, which comprise the consolidated and separate balance sheet as at 31 March 2013, and the consolidated and separate income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Group comprises the Trust and the entities it controlled at 31 March 2013.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of financial statements that give a true and fair view of the matters to which they relate and 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 Trust and Group's preparation of financial statements that give a true and fair view of the matters to which they relate 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 and Group'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, Rotorua Energy Charitable Trust or any of its subsidiaries.

Opinion

In our opinion, the financial statements on pages 10 to 40 give a true and fair view of the financial position of Rotorua Energy Charitable Trust and Group as at 31 March 2013 and their financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand and with International Financial Reporting Standards.



20 June 2013
1081 Hinemoa Street
Rotorua

Directory

Rotorua Energy Charitable Trust

Trustees

Chairman	Grahame Hall QSO, JP
Deputy Chairman	Jo-Anne La Grouw MNZM Rt. Hon. Paul East QC, CNZM Sandra Kai Fong Trevor Maxwell MNZM Lyll Thurston QSO, JP

Management team

Chief Executive	Stuart Burns BMS, FCA, CFIP, FCIS, M Inst D
Finance Administrator	Andrea Thompson AT
Donations Assessor	Alison Perrin BA, JP
Accounts & Investment Administrator	Edith Tissink
Executive Secretary	Lee-Anne Thompson

Perpetual Capital Management Limited

Directors

Chairman	Samford Maier (Jnr) Doctor of Jurisprudence (Harvard), BA (Yale), Auckland Falcon Clouston BAgSc Economics, AF Inst D, Wellington John Dell BCom (Hons), CA, Auckland (Appointed 01 June 2012) Martin Goldfinch LLB, BCom, Auckland (Appointed 01 June 2012)
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Investment Team

Chief Investment Officer	Peter Halligan BA, BSc (Hons), Dip Bus
Investment Analyst	Aaron Gabbie BMS

Advisory team

Audit	Iles Casey, Rotorua
Banking	Bank of New Zealand Limited Australia & New Zealand Banking Group Limited
Investment Manager	Perpetual Capital Management Limited, Rotorua
Legal	Simpson Grierson, Auckland

Office

Physical Address	1358 Eruera Street, Rotorua
Postal Address	P O Box 1418, Rotorua
Telephone	07 347 6239
Facsimile	07 347 6305
Email	admin@rotoruatrust.org.nz
Website	www.rotoruatrust.org.nz