

# Rotorua Energy Charitable Trust

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**Rotorua Energy Charitable Trust**  
**Consolidated Statement of Comprehensive Revenue and Expense**  
**For the year ended 31 March 2019**

	2019 Group \$000	2018 Group \$000
<b>Revenue from Exchange Transactions</b>		
Investment Income	10,655	11,613
Other Income	71	17
<b>Total Revenue</b>	<b>10,726</b>	<b>11,630</b>
<b>Expenses</b>		
Trust Activities	(307)	(347)
Investment Activities	(802)	(787)
Depreciation	(21)	(23)
Trustee Fees and Expenses	(137)	(150)
Employee Remuneration	(351)	(267)
<b>Total Expenses</b>	<b>(1,618)</b>	<b>(1,574)</b>
<b>Surplus for the year</b>	<b>9,108</b>	<b>10,056</b>
<b>Other Comprehensive revenue and expenses</b>		
Available-for-sale fair value reserve - Net change in fair value	353	(97)
Artwork revaluation	300	-
<b>Other comprehensive revenue/(loss) and expense for the year</b>	<b>653</b>	<b>(97)</b>
<b>Total comprehensive revenue and expense for the year</b>	<b>9,761</b>	<b>9,959</b>



**Rotorua Energy Charitable Trust**  
**Consolidated Statement of Changes in Net Assets / Equity**  
**For the year ended 31 March 2019**

<i>NZ\$ '000</i>	Perpetual Capital Reserve	Artwork Revaluation Reserve	Available for sale reserve	Grant Reserve	Accumulated revenue & expense reserve	Total trust funds
Balance as at 1 April 2017	135,647	967	2,206	608	2,380	141,808
Total Comprehensive Revenue and Expenses	-	-	(97)	-	10,056	9,959
Transfers	1,497	-	(832)	600	(1,265)	-
Grants approved	-	-	-	(649)	-	(649)
<b>At 31 March 2018</b>	<b>137,144</b>	<b>967</b>	<b>1,277</b>	<b>559</b>	<b>11,171</b>	<b>151,118</b>
Total Comprehensive Revenue and Expenses	-	300	353	-	9,108	9,761
Transfers	2,066	-	-	4,000	(6,066)	-
Grants approved	-	-	-	(4,347)	-	(4,347)
<b>At 31 March 2019</b>	<b>139,210</b>	<b>1,267</b>	<b>1,630</b>	<b>212</b>	<b>14,213</b>	<b>156,532</b>



**Rotorua Energy Charitable Trust**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2019**

	Note	2019 Group \$000	2018 Group \$000
<b>Trust Funds</b>			
Perpetual capital reserve	8a	139,210	137,144
Artwork Revaluation reserve	8b	1,267	967
Available-for-sale-reserve	8c	1,630	1,276
Grant reserve	8d	212	559
Accumulated revenue & expense reserve	8e	14,213	11,171
<b>TOTAL TRUST FUNDS</b>		<b>156,532</b>	<b>151,118</b>
Represented by:			
<b>Current Assets</b>			
Cash and cash equivalents	7	437	139
Other Assets		118	33
<b>Total Current Assets</b>		<b>555</b>	<b>172</b>
<b>Non-current Assets</b>			
Investments	9	155,484	149,413
Property, plant and equipment	10	557	545
Artworks	11	3,209	2,909
Loans to Community Organisations		-	3
<b>Total Non-current Assets</b>		<b>159,250</b>	<b>152,871</b>
<b>Total Assets</b>		<b>159,805</b>	<b>153,042</b>
<b>Current Liabilities</b>			
Creditors		48	58
Employee Entitlements		14	16
Grants payable	12	2,461	1,850
<b>Total Current Liabilities</b>		<b>2,523</b>	<b>1,924</b>
<b>Non-Current Liabilities</b>			
Grants payable	12	750	-
<b>Total Non-Current Liabilities</b>		<b>750</b>	<b>-</b>
<b>Total Liabilities</b>		<b>3,273</b>	<b>1,924</b>
<b>Total Net Assets</b>		<b>156,532</b>	<b>151,118</b>

For and on behalf of the Trustees of Rotorua Energy Charitable Trust:



Stewart Edward  
Chairman



Tamati Coffey  
Deputy Chairman



**Rotorua Energy Charitable Trust**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2019**

Note	2019 Group \$000	2018 Group \$000
<b>Cash flows from Operating Activities</b>		
Dividends Received	243	33
Other Income	73	17
Net realisation of investments	3,903	2,565
Payments to suppliers, trustees & employees	(905)	(772)
Grants paid	(2,986)	(4,133)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>328</b>	<b>(2,290)</b>
<b>Cash flows from Investing Activities</b>		
Proceeds from sale of investments held for sale	-	700
Purchase of property, plant and equipment	(33)	(6)
Receipt of loans to voluntary organisations	2	4
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(30)</b>	<b>698</b>
Net increase / (decrease) in cash and cash equivalents	298	(1,592)
Cash and cash equivalents at the beginning of the year	139	1,731
<b>Cash and Cash Equivalents at the end of the year</b>	<b>437</b>	<b>139</b>

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**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**1. Reporting Entity**

The Rotorua Energy Charitable Trust (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013)

These consolidated financial statements for the year ended 31 March 2019 comprise the controlling entity and its subsidiaries (together referred to as the 'Group').

**2. Basis of Preparation**

**a) Statement of Compliance**

The consolidated financial statements have been prepared in accordance with 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 in one of the previous two years it has had between \$2m and \$30m operating expenditure and is not publicly accountable.

These financial statements were authorised for issue by the Trustees on 17 June 2019.

**b) Measurement Basis**

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Investments
- Artworks

**c) Functional and presentation currency**

The financial statements are presented in New Zealand dollars (\$NZD) which is the Group's functional and presentation currency, rounded to the nearest thousand.  
There has been no change in the functional currency of the Group during the year.

**3. Use of judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**4. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

**a) Basis of Consolidation**

*I. Controlled entities*

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

*II. Transactions eliminated on consolidation*

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

**b) Revenue**

*Revenue from investments*

Investment income comprises interest, dividends, and valuation gain/(loss) on investments.

**c) Income Tax**

As a registered charity, the Group is wholly exempt from New Zealand income tax under section CW42 of the Income Tax Act 2007.

**d) Goods and Services Tax**

Rotorua Energy Charitable Trust ("RECT") is registered for GST. All amounts are stated exclusive of GST except for income and expenses relating to exempt supply and accounts payable and receivable which are stated inclusive of GST. Rotorua Trust Perpetual Capital Fund Ltd ("RTPCFL") is not registered for GST. Therefore all amounts related to this entity are stated inclusive of GST (if any).

**e) Employee benefits**

*Short-term employee benefits*

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**f) Financial Instruments**

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies financial assets into the following categories: *fair value through surplus or deficit, held-to-maturity, loans and receivables*, and *available-for-sale*.

The Group classifies financial liabilities into the following categories: *fair value through surplus or deficit*, and *amortised cost*.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

*I. Fair value through surplus or deficit*

A financial instrument is classified as *fair value through surplus or deficit* if it is:  
*Designated at initial recognition:* If the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy.

Financial instruments classified as *fair value through surplus or deficit* are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

Financial assets at fair value through surplus or deficit comprise Mercer unlisted open-ended investment funds, NZ unlisted equity investments and NZ listed equity investments.

*II. Loans and receivables*

*Loans and receivables* are financial assets with fixed or determinable payments that are not quoted in an active market.

*Loans and receivables* are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer *Note 4(g)*). *Loans and receivables* comprise cash and cash equivalents.

*Cash and cash equivalents* represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.



**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**III. Available-for-sale financial assets**

*Available-for-sale (AFS)* financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

AFS financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the *AFS fair value reserve* within net assets/equity.

Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

AFS financial assets comprise unlisted private equity investments, listed equity investments and investments in hedge funds.

The Trust has invested in the following private equity funds: Public Infrastructure Partners Fund and Pioneer Capital NZ Fund I. These investments have been recognised in the Trust's Statement of Financial Position based on the Trust's share of each investments net assets (which are all subject to fair value measurement).

Uncalled capital is disclosed further in note 16.

**g) Impairment of non-derivative financial assets**

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

**I. Financial assets classified as available-for-sale**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to surplus or deficit.

The cumulative loss that is reclassified from equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

**h) Property, plant and equipment**

**I. Recognition and measurement**

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

All of the Group's items of property plant and equipment are subsequently measured in accordance with the *cost model*, except for artwork which are subsequently measured in accordance with the *revaluation model*.

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**ii. Depreciation**

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

The diminishing value depreciation rates are:

-	Buildings	4%
-	Plant and equipment	7% - 48%

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

**i) Artwork**

Artwork valuations are performed annually to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on artwork revaluation are recognised in other comprehensive revenue and expense and presented in the *artwork revaluation reserve* within equity.

Any revaluation losses in excess of credit balance of the *artwork revaluation reserve* for artwork are recognised in surplus or loss as an impairment.

**j) Impairment of Non-Financial Assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**k) Cash Flows**

The consolidated statement of cash flows is presented using the direct method.

Cash and cash equivalents are highly liquid investments that are readily convertible to cash with an insignificant risk of changes in value, with maturities of 3 months or less. As such the statement of cash flows does not reflect the movement of cash balances within the Mercer portfolio or other private equity investments.

Cash flows from operating activities include all transactions that relate to the operations of the trust, and are not classified as investing activities. Cash flow from operating activities includes cash flows from the realisation of investments classified as fair value through profit and loss and available for sale.

Cash flows from investing activities comprise the purchase and sale of property, plant and equipment and artwork, and sale and purchase of investments not classified as fair value through profit and loss or available for sale.

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**5. Investment Income**

	<b>2019 Group \$000</b>	<b>2018 Group \$000</b>
Interest	1	1
Dividends	243	33
Realised gain/(loss) on investments	773	-
Unrealised gain/(loss) on investments	9,639	11,579
	<b>10,655</b>	<b>11,613</b>

**6. Expenses**

	<b>2019 Group \$000</b>	<b>2018 Group \$000</b>
<b>Trust Activities</b>		
Audit Fees - KPMG	26	25
Consultants fees	42	8
Insurance	18	20
Legal	6	12
Occupancy Expenses	30	31
Other expenses	142	164
Public & statutory reporting	4	28
Property repairs	-	2
Sponsorship and promotion	40	58
<b>Total Trust Activities</b>	<b>307</b>	<b>347</b>
<b>Investment Activities</b>		
Artwork Storage	16	21
Investment Management	786	766
<b>Total Investment Activities</b>	<b>802</b>	<b>787</b>

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**7. Cash and cash equivalents**

	2019 Group \$000	2018 Group \$000
<b>Current Assets</b>		
Bank balances	437	139
<b>Cash and cash equivalents in statement of cash flows</b>	<b>437</b>	<b>139</b>

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

**8. Reserves**

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 \$2,066,000 (2018: \$1,497,000).

	2019 Group \$000	2018 Group \$000
<b>Opening Balance</b>	137,144	135,647
Current year "CPI" allocation	2,066	1,497
<b>Closing Balance</b>	<b>139,210</b>	<b>137,144</b>

**(b) Artwork Revaluation reserve**

The revaluation reserve relates to the revaluation of artworks.

	2019 Group \$000	2018 Group \$000
<b>Opening Balance</b>	967	967
Artwork Revaluation	300	-
<b>Closing Balance</b>	<b>1,267</b>	<b>967</b>

**Rotorua Energy Charitable Trust**  
**Notes to and Forming Part of the Consolidated Financial Statements**  
**For the year ended 31 March 2019**

**(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 the profit and loss and the reserve is adjusted accordingly.

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
<b>Opening Balance</b>	1,277	2,206
Other Transfers	-	(832)
Current year net change in fair value	353	(97)
<b>Closing Balance</b>	<b>1,630</b>	<b>1,277</b>

**(d) Grant reserve**

Each year trustees approve a level of grants to be made available to the community. This amount is transferred to the grant reserve. The balance in the grant reserve represents the balance available for grants at year end after the transfer to the reserve of \$4,000,000 (2018: \$600,000) and the deduction of grants approved during the financial year. In the event grants approved exceed the level of funds transferred to the grant reserve trustees will address the shortfall in the following years allocation.

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

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
<b>Opening Balance</b>	559	608
Transfer from accumulated income	4,000	600
Grants approved	(4,395)	(2,103)
Grants written back	48	1,454
<b>Closing Balance</b>	<b>212</b>	<b>559</b>

**(e) Accumulated income and expense reserve**

The accumulated income and expenses 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 grant reserve.

**Rotorua Energy Charitable Trust**  
**Notes to and Forming Part of the Consolidated Financial Statements**  
**For the year ended 31 March 2019**

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
<b>Opening Balance</b>	11,171	2,380
Current year surplus / (Deficit)	9,108	10,056
Transfer to grant reserve	(4,000)	(600)
Transfer to perpetual capital reserve	(2,066)	(1,497)
Other transfers	-	832
<b>Closing Balance</b>	<b>14,213</b>	<b>11,171</b>

**9. Investments**

Mercer (NZ) Ltd is the Trust investment manager. The Trust holds an investment in a Mercer unlisted open-ended investment fund. The Trust has classified this investment as fair value through surplus or deficit. Trustees have determined that the most appropriate measurement base of fair value is based on the closing unit price of the fund.

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
<b>Financial assets designated as at fair value through surplus or deficit</b>		
Mercer unlisted open-ended investment fund(s)	148,863	142,269
NZ listed equity investments	345	332
	<b>149,209</b>	<b>142,601</b>
<b>Financial assets designated as available for sale</b>		
Unlisted private equity investments	6,249	6,425
Listed stapled equity investments	-	360
Hedge fund investments	27	27
	<b>6,275</b>	<b>6,812</b>
<b>Total investments</b>	<b>155,484</b>	<b>149,413</b>

The Trust also has equity security holdings in the following company:

Taupo Motorsport Park Limited – The Trust holds 700,000 shares at 31 March 2019. (2018: 700,000, 10.88%). The Trust does not have an appointee to the Board. The investment is held at Nil (2018: Nil)

**Rotorua Energy Charitable Trust**  
**Notes to and Forming Part of the Consolidated Financial Statements**  
**For the year ended 31 March 2019**

**10. Property, Plant & Equipment**

	<b>Land and Buildings \$000</b>	<b>Plant and Equipment \$000</b>	<b>Total \$000</b>
<b>Cost</b>			
Balance at 1 April 2017	699	206	905
Addition	-	4	4
Balance at 1 April 2018	699	210	909
Addition	-	33	33
Balance at 31 March 2019	699	243	942
<b>Accumulated Depreciation</b>			
Balance at 1 April 2017	153	188	341
Depreciation	15	8	23
Balance at 1 April 2018	168	196	364
Depreciation	15	6	21
Balance at 31 March 2019	183	202	385
<b>Net Book Value</b>			
As at 1 April 2017	546	17	563
As at 31 March 2018	531	14	545
As at 31 March 2019	516	41	557

**11. Artwork**

	<b>2019 Group \$000</b>	<b>2018 Group \$000</b>
Opening balance	2,909	2,909
Revaluation	300	-
Closing Balance	3,209	2,909

The Trust owns 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 Paragon Matter Art Services on 31 March 2019.

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

**Rotorua Energy Charitable Trust**  
**Notes to and Forming Part of the Consolidated Financial Statements**  
**For the year ended 31 March 2019**

**12. Grants Payable**

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
Opening Balance - Grants payable	1,850	5,334
Grants Written back	(48)	(1,454)
Grants Paid	(2,986)	(4,133)
Grants Approved	4,395	2,103
Closing Balance - Grants payable	<b>3,211</b>	<b>1,850</b>
<b>Represented by:</b>		
Current	2,461	1,850
Non-Current	750	-
<b>Closing Balance</b>	<b>3,211</b>	<b>1,850</b>

**13. Trustees Fees and Expenses**

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

	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>
	<b>\$000</b>	<b>\$000</b>
T G Coffey	22	22
S J Edward	39	39
S M Kai Fong	22	22
J M La Grouw	22	22
M Raukawa-Tait	22	22
B T Yates	9	22
	<b>137</b>	<b>150</b>

**14. Related Parties**

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

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

**Key management personnel**

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

All compensation paid to key management personnel of the Trust comprised short-term benefits. No post-employment, share-based payments or other long term benefits were paid to these parties during the year (2018: nil).



## Rotorua Energy Charitable Trust

### Notes to and Forming Part of the Consolidated Financial Statements For the year ended 31 March 2019

	2019 Group \$000	2018 Group \$000
Salary and other payments (Excluding Trustees)	124	122
Benefits and other emoluments	4	2
Full-time equivalent managers	1	1

Refer to note 13 for Trustee fees paid.

#### Other Related Parties

Trustees declared interests in relation to grants approved to the following organisations during the year. Interests were declared when these grants were considered and Trustees took no part in deliberations relating to organisations they had an interest in.

Organisation	Trustee(s) with Interest		Grants Approved During Year
Friends of the Rotorua Museum of Art & History Inc	J La Grouw	\$	15,000
Friends of the Rotorua Museum of Art & History Inc (Operating Costs)	J La Grouw	\$	1,500
Get Kids Active Charitable Trust	S Kai Fong	\$	5,000
Get Kids Active Charitable Trust	S Kai Fong	\$	6,050
Geyser Community Foundation	J La Grouw	\$	25,000
Life Education Trust	J La Grouw	\$	19,000
Life Education Trust (Operating Costs)	J La Grouw	\$	12,000
Mahi Tahī Akoranga Trust (Operating Costs)	S Edward	\$	5,000
Netball Rotorua	M Raukawa -Tait	\$	25,000
N Z Aria Trust	J La Grouw	\$	15,000
Opera in the Pa	J La Grouw	\$	9,000
QE Health (Operating Costs)	S Edward	\$	5,000
Rotorua Competitions Society (Operating Costs)	J La Grouw	\$	4,000
Rotorua District Riding for the Disabled	J La Grouw	\$	5,397
Rotorua District Riding for the Disabled (Operating Costs)	J La Grouw	\$	6,000
Rotorua JP Assn	S Edward	\$	1,500
Rotorua Lakes Council (Band Rotunda Concerts)	M Raukawa -Tait	\$	13,000
Rotorua Lakes Council (Glo Festival)	M Raukawa -Tait	\$	12,000
Rotorua Lakes Council (Freeparking)	M Raukawa -Tait	\$	25,000
Rotorua Lakes Council (Matariki)	M Raukawa -Tait	\$	4,000
Rotorua Lakes Council (Concert for Elderly/Armistice Day)	M Raukawa -Tait	\$	7,000
Rotorua Lakes Council (Mayoral Relief Fund)	M Raukawa -Tait	\$	10,000
Rotorua Lakes Council (SHM Performing Arts Centre)	M Raukawa -Tait	\$	1,500,000
Rotorua Lakeside Concert Charitable Trust	S Edward	\$	50,000
Rotorua Municipal Band (Operating Costs)	T Coffey	\$	4,000
Rotorua School for Young Parents	B Yates	\$	870
		<u>\$</u>	<u>1,785,317</u>

**Rotorua Energy Charitable Trust**  
Notes to and Forming Part of the Consolidated Financial Statements  
For the year ended 31 March 2019

**15. Group Entities Subsidiaries**

The entities in the Group are as follows:

	Ownership Interest	
	2019	2018
Rotorua Trust Perpetual Capital Fund Limited	100%	100%
Thirteen Fifty Eight Investments Limited	100%	100%

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

**16. Commitments & Guarantees**

The Group has made an initial capital commitment in Public Infrastructure Partners Fund for \$4,000,000 of which \$14,306 is uncalled to date.

The Group has made an initial capital commitment in Pioneer NZ Innovation Fund I for \$2,000,000 of which \$157,511 is uncalled to date.



# Independent Auditor's Report

To the Beneficiaries of Rotorua Energy Charitable Trust

## Report on the consolidated financial statements

### Opinion

In our opinion, the accompanying consolidated financial statements of Rotorua Energy Charitable Trust (the Trust) and its subsidiaries (together 'the Group') on pages 1 to 17:

- i. Present fairly in all material respects the Group's financial position as at 31 March 2019 and its financial performance and cash flows for the year ended on that date; and
- ii. Comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit).

We have audited the accompanying consolidated financial statements which comprise:

- The consolidated statement of financial position as at 31 March 2019;
- The consolidated statements of comprehensive revenue and expense, changes in net assets/equity and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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



### Use of this independent auditor's report

This independent auditor's report is made solely to the Beneficiaries as a body. Our audit work has been undertaken so that we might state to the Beneficiaries those matters we are required to state to them in the independent 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 Beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## **Responsibilities of the Trustees for the consolidated financial statements**

The Trustees, on behalf of the Trust, are responsible for:

- The preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit));
- Implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objective is:

- To obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

This description forms part of our independent auditor's report.

Tauranga

17 June 2019