

Rotorua Energy Charitable Trust

Financial Statements contents

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Rotorua Energy Charitable Trust

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2021

	Note	2021 Group \$000	2020 Group \$000
Revenue from Exchange Transactions			
Investment Income	5	29,975	(2,192)
Other Income		5	6
Total Revenue		29,980	(2,186)
Expenses			
Trust Activities	6	(286)	(422)
Investment Activities	6	(857)	(850)
Depreciation	10	(30)	(29)
Interest		(3)	(3)
Trustee Fees and Expenses	14	(149)	(134)
Employee Remuneration		(280)	(275)
Total Expenses		(1,605)	(1,713)
Surplus/(Deficit) for the year		28,375	(3,899)
Other Comprehensive revenue and expenses			
Available-for-sale fair value reserve - Net change in fair value	8c	(818)	708
Artwork revaluation	11	480	(181)
Other comprehensive revenue/(loss) and expense for the year		(338)	526
Total comprehensive revenue and expense for the year		28,037	(3,372)

Rotorua Energy Charitable Trust
Consolidated Statement of Changes in Net Assets / Equity
For the year ended 31 March 2021

NZ\$ '000	Note	Perpetual Capital Reserve	Artwork Revaluation Reserve	Available for sale reserve	Grant Reserve	Accumulated revenue & expense reserve	Total trust funds
Balance as at 1 April 2019		139,210	1,267	1,630	212	14,212	156,531
Total Comprehensive Revenue and Expenses		-	(181)	708	-	(3,899)	(3,372)
Transfers		3,513	-	-	13,700	(17,213)	-
Grants approved		-	-	-	(12,817)	0	(12,817)
At 31 March 2020		142,723	1,086	2,338	1,095	(6,900)	140,342
Total Comprehensive Revenue and Expenses	8(a)/8(b)	-	480	(818)	-	28,375	28,037
Transfers	8(e)	2,290	-	-	5,000	(7,290)	-
Grants Received	8(d)	-	-	-	206	-	206
Grants approved	12	-	-	-	(5,189)	-	(5,189)
At 31 March 2021		145,013	1,566	1,520	1,113	14,186	163,397

Rotorua Energy Charitable Trust
Consolidated Statement of Financial Position
As at 31 March 2021

	Note	2021 Group \$000	2020 Group \$000
Trust Funds			
Perpetual capital reserve	8a	145,013	142,723
Artwork Revaluation reserve	8b	1,566	1,086
Available-for-sale-reserve	8c	1,520	2,338
Grants reserve	8d	1,113	1,095
Accumulated revenue & expense reserve	8e	14,186	(6,900)
TOTAL TRUST FUNDS		163,397	140,342
Represented by:			
Current Assets			
Cash and cash equivalents	7	463	701
Other Assets		31	28
Assets Held for Sale	20	488	-
Total Current Assets		982	729
Non-current Assets			
Investments	9	169,682	148,182
Property, plant and equipment	10	30	540
Artworks	11	3,508	3,028
Total Non-current Assets		173,220	151,750
Total Assets		174,202	152,479
Current Liabilities			
Creditors		61	73
Employee Entitlements		19	18
Grants payable	12	2,718	5,034
Loans & Borrowings	13	5	7
Total Current Liabilities		2,803	5,132
Non-Current Liabilities			
Grants payable	12	8,000	7,000
Loans & Borrowings	13	2	5
Total Non-Current Liabilities		8,002	7,005
Total Liabilities		10,805	12,137
Total Net Assets		163,397	140,342

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 2021

	2021 Group \$000	2020 Group \$000
Cash flows from Operating Activities		
Dividends Received	29	57
Other Income	6	6
Net realisation of investments	6,788	4,929
Payments to suppliers, trustees & employees	(750)	(733)
Grants paid	(6,504)	(3,995)
Grants Received	206	-
Net cash inflow / (outflow) from operating activities	(225)	265
Cash flows from Investing Activities		
Proceeds from sale of investments held for sale	-	7
Purchase of property, plant and equipment	(8)	(20)
Net cash inflow / (outflow) from investing activities	(8)	(13)
Cash flows from Financing Activities		
Loans Advanced/(Repaid)	(5)	12
Net cash inflow / (outflow) from financing activities	(5)	12
Net increase / (decrease) in cash and cash equivalents	(238)	264
Cash and cash equivalents at the beginning of the year	701	437
Cash and Cash Equivalents at the end of the year	463	701

Note

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Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

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 2021 comprise the controlling entity and its subsidiaries (together referred to as the ‘Group’). Refer to Note 16.

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 25 June 2021.

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 (Note 9)
- Artworks (Note 11)

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 2021

The following is the significant management judgement in applying the accounting policies of the Group that have a significant effect on the financial statements:

Recognition of Grants payable

The criteria used to determine whether or not a grant is payable or recognised as a contingent liability is disclosed in Note 4(d).

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 (Refer Note 16)

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 gains/(losses) on investments.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

I. Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

II. Dividend Income

Dividend income is recognised when the right to receive payment is established.

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

III. Investment Income

Subsequent to initial recognition, all financial assets at fair value through surplus or deficit are measured at fair value. Gains and losses arising from changes in the fair value are presented in surplus or deficit in the period in which they arise using the latest available market values.

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) Grants and Grants payable

The Group makes discretionary grants. Each year a grants amount is transferred from the Accumulated Revenue and Expenses Reserve into a Grants Reserve. Grants to eligible organisations are recognised as a transfer from the Grants Reserve when they are approved by the Board of Trustees.

Grants payable are those grants which have been approved, and there are no other significant obligations to be met and the grant has not been paid by the reporting date (see Note 12). Grants covering multiple years are recognised proportionally in each year they relate. Where grants have been approved in current or previous years but are subject to fulfilment of further conditions in future years, they are treated as contingent liabilities (see Note 19).

e) 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).

f) 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.

g) 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

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

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*, *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 on initial recognition*. 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.

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.

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

The Group manages such investments and makes purchase and sales decisions based on their fair value in accordance with the Group's documented risk management or investment strategy.

AFS financial assets are originally valued at cost and 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 17.

h) 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.

1. 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.

i) Property, plant and equipment

1. 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 2021

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. Land is not depreciated.

The diminishing value depreciation rates are:

- Buildings 4% - 25% SL (classified as Assets held for sale, refer to Note 20)
- Plant and equipment 6% - 80% SL; 13% - 67% DV

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

j) 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 Net Assets/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.

k) 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.

l) 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 surplus or deficit and available for sale.

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

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 surplus or deficit or available for sale.

m) Finance Lease Payments

Finance Lease Payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

5. Investment Income

	2021 Group \$000	2020 Group \$000
Interest	-	1
Dividends	29	432
Realised gain/(loss) on investments	88	-
Unrealised gain/(loss) on investments	29,858	(2,625)
	29,975	(2,192)

6. Expenses

	2021 Group \$000	2020 Group \$000
Trust Activities		
Audit Fees - KPMG	29	28
Consultants fees	30	21
Election Costs	-	84
Insurance	21	20
Legal	5	1
Occupancy Expenses	31	33
Other expenses	131	182
Public & statutory reporting	9	11
Property repairs	1	3
Sponsorship and promotion	29	40
Total Trust Activities	286	422
Investment Activities		
Artwork Storage	18	19
Investment Management	839	831
Total Investment Activities	857	850

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended 31 March 2021

7. Cash and cash equivalents

	2021 Group \$000	2020 Group \$000
Current Assets		
Bank balances	463	701
Cash and cash equivalents in statement of cash flows	463	701

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 \$2,290,523 (2020: \$3,513,000).

	2021 Group \$000	2020 Group \$000
Opening Balance	142,723	139,210
Current year "CPI" allocation	2,290	3,513
Closing Balance	145,013	142,723

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

(b) Artwork Revaluation reserve

The revaluation reserve relates to the revaluation of artworks.

	2021 Group \$000	2020 Group \$000
Opening Balance	1,086	1,267
Artwork Revaluation	480	(181)
Closing Balance	1,566	1,086

(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.

	2021 Group \$000	2020 Group \$000
Opening Balance	2,338	1,630
Current year net change in fair value	(818)	708
Closing Balance	1,520	2,338

(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 \$5,000,000 (2020: \$13,700,000) 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.

	2021 Group \$000	2020 Group \$000
Opening Balance	1,095	212
Transfer from accumulated income	5,000	13,700
Grants approved	(5,205)	(12,921)
Cash received to pay grants	92	-
Grants received back in cash	114	-
Grants written back	17	104
Closing Balance	1,113	1,095

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

(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.

	2021 Group \$000	2020 Group \$000
Opening Balance	(6,900)	14,212
Current year surplus / (Deficit)	28,375	(3,899)
Transfer to grant reserve	(5,000)	(13,700)
Transfer to perpetual capital reserve	(2,290)	(3,513)
Closing Balance	14,186	(6,900)

9. Investments

	2021 Group \$000	2020 Group \$000
Financial assets designated as at fair value through surplus or deficit		
Mercer unlisted open-ended investment fund(s)	164,690	141,169
NZ listed equity investments	-	335
	164,690	141,503
Financial assets designated as available for sale		
Unlisted private equity investments	4,992	6,652
Hedge fund investments	-	27
	4,992	6,679
Total investments	169,682	148,182

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.

The Trust also held/holds NZ listed equity, Unlisted private equity and Hedge Funds. The Trust has classified these investments as fair value through surplus or deficit. Trustees have determined that the most appropriate measurement base of fair value is based year end managers valuation.

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

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

Taupo Motorsport Park Limited – The Trust holds 700,000 shares at 31 March 2021 (2020: 700,000 10.88%). The Trust does not have an appointee to the Board. The investment is held at Nil (2020: Nil).

10. Property, Plant & Equipment

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Cost			
Balance at 1 April 2019	699	243	942
Addition	-	20	20
Disposal	-	(25)	(25)
Balance at 1 April 2020	699	238	936
Addition	-	7	7
Transfer to Assets Held for Sale	(699)	-	(699)
Balance at 31 March 2021	-	245	244
Accumulated Depreciation			
Balance at 1 April 2019	183	202	385
Depreciation	14	22	36
Depreciation Recovered	-	(25)	(25)
Balance at 1 April 2020	197	199	396
Depreciation	14	16	30
Transfer to Assets Held for Sale	(211)	-	(211)
Balance at 31 March 2021	-	215	215
Net Book Value			
As at 1 April 2019	516	41	557
As at 31 March 2020	502	39	540
As at 31 March 2021	-	30	30

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended 31 March 2021

11. Artwork

	2021 Group \$000	2020 Group \$000
Opening balance	3,028	3,209
Revaluation	480	(181)
Closing Balance	3,508	3,028

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 and represents the value as at 31 March 2021.

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

12. Grants Payable

	2021 Group \$000	2020 Group \$000
Opening Balance - Grants payable	12,034	3,211
Grants Written back	(17)	(104)
Grants Paid	(6,504)	(3,994)
Grants Approved	5,205	12,921
Closing Balance - Grants payable	10,718	12,034
Represented by:		
Current	2,718	5,034
Non-Current	8,000	7,000
Closing Balance	10,718	12,034

13. Loans and Borrowings

The Group has entered into a finance lease agreement for a motor vehicle with Toyota Financial Services during the year. The lease is for a 36 month period with monthly repayments of \$732. The agreed residual value at the end of this period is \$18,647 and there is no option to purchase the vehicle at the end of the lease.

	2021 Group \$000	2020 Group \$000
Current	5	7
Non-Current	2	5
Closing Balance	7	12

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended 31 March 2021

14. Trustees Fees and Expenses

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

	2021 Group \$000	2020 Group \$000
G Brown	22	7
T G Coffey	22	22
S J Edward	39	39
S M Kai Fong	-	15
M Keefe	22	7
J M La Grouw	22	22
M Raukawa-Tait	22	22
	149	134

15. 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 (2020: Nil).

	2021 Group \$000	2020 Group \$000
Salary and other payments (Excluding Trustees)	124	124
Benefits and other emoluments	4	4
Full-time equivalent managers	1	1

Refer to Note 14 for Trustee fees paid.

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

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.

Conflicts of Interest 2020/21

Organisation	Trustee(s) with Interest	Grants Approved during the Year \$000s
Age Concern Rotorua Inc (Expo)	J La Grouw	5
Age Concern Rotorua Inc (Op Costs)	J La Grouw	4
Age Concern Rotorua Inc (Van)	J La Grouw	17
Curtainbank Rotorua (Op Costs)	J La Grouw	2
Friends of the Rotorua Museum (Op Costs)	J La Grouw	2
Graeme Dingle Foundation, Rotorua (Kiwi Can Programme)	M Keefe	20
John Paul College (Co-Curricular funding)	G Brown	24
John Paul College (Performing Arts Centre)	G Brown	45
Lakes DHB (Managed Isolation wellbeing project)	M Raukawa-Tait	5
Life Education Trust - Rotorua (Educator Costs)	J La Grouw	13
Life Education Trust - Rotorua (Op Costs)	J La Grouw	12
Mahi Tahī Akoranga Trust (Op Costs)	S Edward	5
Opera in the Pa (2021 Concert)	J La Grouw	5
QE Health (Op Costs)	S Edward	5
QE Health (Hospital Rebuild)	S Edward	1,000
Rotorua & Districts JP Assn (Op Costs)	S Edward, M Keefe	2
Rotorua Competitions Society (Dance Festival)	J La Grouw	8
Rotorua Competitions Society (Op Costs)	J La Grouw	4
Rotorua District Riding for the Disabled (Horse care)	J La Grouw	9
Rotorua District Riding for the Disabled (Op Costs)	J La Grouw	6
Rotorua Lakes Council (Concert for the Time Honoured)	M Raukawa-Tait	2
Rotorua Lakes Council (City Xmas Tree)	M Raukawa-Tait, J La Grouw	3
Rotorua Mountain Bike Club (Mobile Phone system)	G Brown	13
Rotorua Mountain Bike Club (Op Costs)	G Brown	2
Rotorua Show Jumping Event	G Brown	2
Tipu Waiariki Trust (Native Plant restoration)	G Brown	7
		1,220

16. Group Entities Subsidiaries

The entities in the Group are as follows:

	Ownership Interest	
	2021	2020
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.

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended 31 March 2021

17. 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 (2020: \$14,306 uncalled).

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 (2020: \$157,511 uncalled).

18. Significant Events

The Global Pandemic caused by the Covid-19 crisis, which first gripped the world in early 2020, still continues today.

Due to the rapid economic responses by governments globally as well as the vaccine rollout around the world, the impacts of the crisis have lessened.

However, significant disruption to world trade and supply chains still exists and it is expected that equity market volatility will continue.

19. Contingent Liabilities and Commitments

The following conditional future grants have been approved but are subject to the applicant satisfying specific criteria:

	2021 Group \$000	2020 Group \$000
QE Health	-	1,000
	-	1,000

This grant was conditional on the balance of the funding needed being secured by QE Health to complete its proposed building development (now paid). During the 2021/22 financial year the Trust will provide a loan of \$2million on appropriate terms to assist QE Health with its rebuilding program. A further loan of \$2million is available if required.

20. Assets Held for Sale

At balance date the Trustees had entered into an unconditional sale of the property situated at 1358 Eruera Street, Rotorua. The sale price was \$970,000 and settlement occurred on the 19th May 2021.

	2021 Group \$000	2020 Group \$000
Property at 1358 Eruera Street, Rotorua	488	-
	488	-

Rotorua Energy Charitable Trust

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended 31 March 2021

21. Subsequent Events

Subject to the ongoing impacts of Covid-19 described in Note 18 and those described in Note 19, there are no material events subsequent to balance date that would have an effect on the financial statements.



Independent Auditor's Report

To the beneficiaries of Rotorua Energy Charitable Trust

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Rotorua Energy Charitable Trust (the 'Trust') and its subsidiaries (the 'Group') on pages 1 to 20:

- i. Present fairly in all material respects the Group's financial position as at 31 March 2021 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 2021;
- The consolidated statements of comprehensive income, changes in 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 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('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.



KPMG
Tauranga

25 June 2021