



**FINANCIAL STATEMENTS
FOR
THE YEAR ENDED
31 MARCH 2018**

Rātā Foundation

Financial Statements

For the year ended 31 March 2018

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Rātā Foundation

Financial Statements

For the year ended 31 March 2018

Foundation Information

1. Foundation Entity

Rātā Foundation (the Foundation) is an "in perpetuity" trust incorporated under the Charitable Trusts Act 1957, and operates under the Community Trusts Act 1999.

As a not-for-profit Public Benefit Entity (PBE) domiciled in Christchurch New Zealand, the Foundation distributes grants to qualifying organisations in the Canterbury, Nelson, Marlborough and Chatham Island regions. Through its granting programme the Foundation aspires to make communities stronger, more connected, happier and more prosperous. As an in perpetuity trust its resources are held in trust for present and future generations domiciled in the regions.

2. Foundation Structure

The Rātā Foundation Group consists of the Foundation and its controlled entities, Rātā Foundation Limited (RFL), Canterbury Trust House Limited (CTH), and Canterbury Direct Investments Limited (CDI), each of which is a registered charity.

The Foundation owns the Group's assets which include the managed funds investment portfolio and makes grants for community activities. Grant applications which are received from qualifying organisations are evaluated against the Foundation's funding programme policies.

RFL holds an investment in a property fund, and makes grants for approved projects on recommendation from the Foundation's Board. Grant applications which are received from Charities are evaluated against the Foundation's funding programme policies. CTH owns commercial property, consisting of land and buildings. CDI owns assets classed as Private Equity and Infrastructure Investments.

3. Trustees

The Foundation is governed by a Board consisting of up to twelve Trustees appointed by the Minister of Finance. Trustees are appointed for an initial term of up to four years and may, at the conclusion of their term, be appointed for a further term of up to four years. The Governance Charter provides the framework under which the Board and its committees operate.

Rātā Foundation

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For the year ended 31 March 2018

Foundation Information (continued)

Trustees at 31 March 2018 were:

Trustee	Date Appointed
Roger Bridge	June 2010
Tracey Chambers	June 2011
Sue McKenzie	June 2011
Christine Korako	October 2012
Rosemary Wells	October 2012
Sarah-Jane Weir	June 2014
Tony de Reeper	August 2014
Toni Grant	June 2015
Sam MacDonald	June 2016
Elizabeth Lovell	June 2017
Mike Rutledge	June 2017
Robyn Wallace	June 2017

The Board's workload is allocated to the following committees:

- Investment
- Audit, Risk and IT
- Māori and Pasifika Komiti
- Grants Committees
- Remuneration

4. Management

The Executive Team, led by Leighton Evans Chief Executive, consists of:

Murray Lapworth	Chief Financial Officer
Karyn McLeod	Funding Manager

5. Auditor

KPMG

6. Legal Counsel

Rhodes & Co

7. Investment Adviser

Mercer

Rātā Foundation

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For the year ended 31 March 2018

Foundation Information (continued)

8. Main Sources of Cash and Resources

The Foundation's main source of funds is from returns on its diversified investment portfolio. Over the last three years the portfolio has earned an annual investment return of 8.0%.

9. Contact Details

Physical Address: Level 1, 12 Hazeldean Road, Hazeldean Business Park, Christchurch

Postal Address: PO Box 1440, Christchurch 8140

Phone: 03 355 0305

Freephone: 0508 266 878

e-mail: enquiry@ratafoundation.org.nz

website: www.ratafoundation.org.nz

Rātā Foundation
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For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

Consolidated Statement of Comprehensive Revenue and Expense

	NOTE	2018	2017
Revenue:			
Revenue from Investments	3	31,041	41,330
Other Income		1	473
Total Revenue		31,042	41,803
Expenses:			
Grants Committed to Community Groups	4	19,304	18,049
Administration Expenses	5	3,251	2,916
Funds Management, Custodian and Advisory Fees		445	1,129
Total Expenses		23,000	22,094
SURPLUS FOR THE YEAR BEFORE INCOME TAX		8,042	19,709
Income Tax Expense	6	-	-
Other Comprehensive Revenue and Expense		-	-
Total Comprehensive Revenue and Expense for the year		8,042	19,709
Surplus attributable to Equity		8,042	19,709

Rātā Foundation
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Consolidated Statement of Changes in Foundation Equity

	Capital		Special	Accumulated	
	Base	Inflation	Fund	Income	
	Reserve	Reserve	Reserve	Reserve	Equity
Opening Balance 1 April 2017	353,807	169,684	-	61,693	585,184
Total Comprehensive Revenue and Expense	(2,569)	-	-	10,611	8,042
Real Capital Transfer	-	5,759	-	(5,759)	-
Net transfer to/(from) Reserves	2,569	-	-	(2,569)	-
Closing Balance 31 March 2018	353,807	175,443	-	63,976	593,226
Opening Balance 1 April 2016	353,807	158,415	84	53,253	565,559
Total Comprehensive Revenue and Expense	(3,612)	-	-	23,321	19,709
Grants from Special Fund	-	-	(84)	-	(84)
Real Capital Transfer	-	11,269	-	(11,269)	-
Net transfer to/(from) Reserves	3,612	-	-	(3,612)	-
Closing Balance 31 March 2017	353,807	169,684	-	61,693	585,184

Rātā Foundation
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in New Zealand Dollars (\$000's)

Consolidated Statement of Financial Position as at 31 March 2018

CURRENT ASSETS	NOTE	2018	2017
Cash and Cash Equivalents	7	4,798	2,772
Investments	8	529,840	528,883
Derivative Financial Instruments	9	281	-
Trade and Other Receivables		34	27
TOTAL CURRENT ASSETS		534,953	531,682
NON-CURRENT ASSETS			
Investments	8	42,363	34,178
Investment Property	10	25,460	28,925
Other Non-Current Assets	11	172	239
TOTAL NON-CURRENT ASSETS		67,995	63,342
TOTAL ASSETS		602,948	595,024
CURRENT LIABILITIES			
Grants Payable	12	8,217	8,411
Derivative Financial Instruments	9	285	928
Other Payables		610	501
TOTAL CURRENT LIABILITIES		9,112	9,840
NON-CURRENT LIABILITIES			
Grants Payable	12	610	-
TOTAL NON-CURRENT LIABILITIES		610	-
TOTAL LIABILITIES		9,722	9,840
NET ASSETS		593,226	585,184
Equity			
Real (Inflation Adjusted) Capital	13	529,250	523,491
Reserves		63,976	61,693
TOTAL EQUITY		593,226	585,184

Approved on behalf of the Board:



Board Chair

25 July 2018



**Audit, Risk and IT Committee
Chair**

25 July 2018

Rātā Foundation
Financial Statements
For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

	2018	2017
Consolidated Statement of Cash Flows		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from:		
Fund managers	20,422	14,417
Property sales	2,400	-
Insurance proceeds	-	15,941
Interest	274	439
Community loan repayments	1,858	2,608
Total cash inflows from operating activities	24,954	33,405
Payments to:		
Grants to community organisation	(19,161)	(21,252)
Fund managers (from insurance proceeds)	-	(15,000)
Loans to community organisations	(400)	(1,429)
Suppliers, trustees and staff	(3,247)	(3,850)
Total cash outflows from operating activities	(22,808)	(41,531)
Net cash inflows/(outflows) from operating activities	2,146	(8,126)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to:		
Purchase of Assets	(120)	-
Net cash (outflows) from investing activities	(120)	-
Net cash inflows/(outflows) from activities	2,026	(8,126)
Add: Cash and cash equivalents as at 1 April	2,772	10,898
Cash and cash equivalents at 31 March	4,798	2,772

Cash and cash equivalents consists of cash balances held with Westpac Banking Corporation and short term deposits, and does not include cash or deposits held by Fund Managers.

The Consolidated Statement of Cash Flows does not reflect the cash flows within Fund Managers' portfolios.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

1. Reporting Entity

Rātā Foundation (the Foundation) is an "in perpetuity" trust domiciled in New Zealand and incorporated under the Charitable Trusts Act 1957 and operates under the Community Trusts Act 1999. It is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013 as its primary objective is for community benefit.

The Foundation Group comprises the Foundation and its controlled entities, Rātā Foundation Limited, Canterbury Trust House Limited, and Canterbury Direct Investments Limited.

2. Basis of Preparation

The Foundation's financial statements have been prepared on the following basis:

Statement of Compliance:

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 2 PBE Accounting Standards for not-for-profit entities with reduced disclosure requirements and with the provisions of the Community Trusts Act 1999 and the Financial Reporting Act 2013.

The Foundation Group qualifies as a Tier 2 reporting entity as it has no public accountability (as defined by the External Reporting Board), and for the two most recent reporting periods it has had between \$2 million and \$30 million operating expenditure. The Foundation has elected to report under PBE Accounting Standards with reduced disclosure requirements.

Functional and Presentation Currency

These financial statements are prepared in New Zealand Dollars which is the presentation and functional currency.

Basis of Measurement:

Historical cost is the basis of measurement, except for financial assets and liabilities which are designated at fair value through revenue or expense, and investment properties at fair value through revenue or expense. Other assets are at amortised cost.

The financial statements have been prepared on a going concern basis.

Estimates and Judgements:

Information about estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in Note 8: Investments.

The accounting policies of the Group have been applied consistently to the periods presented. Certain comparatives have been re-presented to conform to the current period's presentation.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

3. Revenue from Investments

Revenue from investments includes interest, rent and realised and unrealised gains and losses related to investments classified as fair value through revenue and expense. Interest received is recognised on an accrual basis applying the effective interest rate method.

Revenue received from investments for the year is summarised as follows:

	2018	2017
Investment Revenue		
Interest earned	274	439
Rent earned	2,091	2,118
Profit/(Loss) on disposal of investment property	(600)	-
Change in fair value of derivatives	66	58
Change in fair value of investments (realised and unrealised)	29,210	38,715
Total Investment Revenue	<u>31,041</u>	<u>41,330</u>

All investments are designated as fair value through revenue or expense upon initial recognition.

4. Grants Expense

Grants to eligible organisations are recognised as an expense in the Statement of Comprehensive Revenue and Expense when they are approved by the Trustees of the Group. Payments to grant recipients are made on the satisfaction of any restrictions or conditions which may have been placed on the grant. Grants covering multiple years are recognised in full when they are approved by the Trustees.

	2018	2017
Grants Approved		
Grants approved and disbursed	14,303	13,631
Grants approved but unpaid	5,279	4,428
Grants approved to Community Groups	<u>19,582</u>	<u>18,059</u>
Discount on interest rate of Community Loans drawn down	28	85
Total Grants approved and committed to Community Groups	<u>19,610</u>	<u>18,144</u>
Grants written back and refunds received	(306)	(95)
Net Grants Expense	<u>19,304</u>	<u>18,049</u>

The names of the organisations to whom distributions have been made by the Group under section 13 of The Community Trust Act 1999 during the financial year and the amounts distributed are shown in Note 19 and on the website ratafoundation.org.nz.

Funds carried forward as accumulated income are available for the payment of grants in future years. Budgeted grants unspent in the current year are expected to be distributed in the following year. The Trustees recognise that there is a need to ensure fairness and equity between the regions as far as payments of grants are concerned in relation to budgetary allocations. The allocation of grants between regions is based on population statistics for each region.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

5. Administration Expenses

	2018	2017
Audit	37	38
Consulting and Tax advice (paid to KPMG - Auditors)	4	-
Depreciation	66	82
Impairment	120	113
Employee Costs and Benefits	1,596	1,514
Other Costs	1,428	1,169
Total Administration Expenses	3,251	2,916

6. Taxation

The Foundation is exempt from income tax. Therefore no provision for income tax has been made in these financial statements. Effective systems, procedures and resources have been put into place to manage tax risks.

7. Cash and Cash Equivalents

	2018	2017
Bank Balances	3,678	601
Short Term Deposits	1,120	2,171
Total	4,798	2,772

8. Investments

Investments meet the definition of financial assets and are designated upon initial recognition as being at fair value through revenue and expense.

Transactions are recorded by Fund Managers on a trade date basis and are initially recognised at the fair value of the consideration paid. After initial recognition investments are managed at their fair value through revenue or expense. Revaluations are undertaken at each reporting date based on the methodologies outlined in PBE IPSAS 29 Financial Instruments: Recognition and Measurement. All realised and unrealised gains and losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense. Associated transaction costs are recognised in revenue or expense as incurred.

Investments are derecognised only when the contractual rights to the cash flows arising from the asset expires or are transferred and the transfer qualifies for derecognition.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

Investments (continued)

Investment Portfolio Construction:

The portfolio is invested in pooled funds managed by 19 investment managers (2017: 19) recommended by the Foundation's Investment Adviser, Mercer, and approved by the Investment Committee and Board of Trustees. Investments, apart from direct investments of property, infrastructure and private equity, are held and priced by BNP Paribas, the Foundation's Custodian. The Foundation is not involved with the analysis, sale or purchase of individual asset securities. Each asset grouping and the portfolio as a whole is measured against an appropriate internationally accepted standard benchmark or index.

The portfolio is made up of three main asset groupings:

Growth assets include listed and private equity, both global and Trans-Tasman. These assets are expected to contribute the most to the growth of the Foundation's capital.

Diversifying assets include real and alternative assets, including real estate, infrastructure and hedge funds. These investments offer a different risk and return profile to equities. They also play an important role in protecting the value of the Foundation's capital by offering a hedge against inflation.

Income assets include fixed interest and cash. These assets are expected to contribute to the regular return on the Foundation's capital. Perhaps more importantly, as they are expected to provide protection against the impact of both prolonged economic contraction and equity market crises, this group will include a significant allocation to government bonds.

Assets are classified according to the predominant attributes they exhibit, although some assets portray characteristics of each category. Assets have been consistently classified in all periods presented.

At balance date the portfolio including investment property was made up of:

Portfolio Composition	2018	2017
Growth Assets	161,612	163,705
Diversifying Assets	121,720	122,056
Income Assets	314,327	305,297
Total Portfolio	597,659	591,058

Unaudited Information:

Principles for Responsible Investments (PRI)

The United Nations developed the Principles for Responsible Investment (PRI) which was launched in 2006. The Foundation became a signatory in April 2008. The Foundation's Investment Adviser, Mercer, is also a signatory and rates each Investment Manager on its level of integration of Environmental, Social and Governance (ESG) issues into the investment process. Mercer's ESG rating scale ranges from the lowest level 4 (assigned to strategies for which, in Mercer's view, little is being done to integrate ESG and active ownership into their core investment processes), to the highest level 1 (assigned to strategies that Mercer believes to be leaders in integrating ESG, and that provide clear evidence that ESG factors play an integral role in the manager's idea generation, portfolio construction and implementation). There are few managers globally which have been assigned Mercer's highest ESG rating, ESG1. Some fund Managers with an ESG2 rating have achieved an A+ score from UNPRI, which is attained by incorporating over 95% of PRI indicators. A realistic target for the diversified investment strategy of the Foundation is a weighted average ESG rating of between 2.0 and 3.0. Over the year the weighted average ESG rating of the Foundation's Equities Managers has improved from 2.95 to 2.94 (2017: 3.03 to 2.95).

The Foundation's Responsible Investment Beliefs are published within the Statement of Investment Policy and Objectives on the Foundations website www.ratafoundation.org.nz. The Foundation has complied with PRI.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

Investments (continued)

Community Loans

Loans are issued to not-for-profit community organisations at below market interest rates and are secured where possible by a first ranking mortgage over real property. They are classified as an income asset.

In determining the day-one fair value of concessionary loans issued, the relevant market interest rate is used to discount all contractual cash flows of principal and interest payments back to present value. The relevant market interest rate is risk-adjusted to reflect the credit risk of the counterparty particularly the security applying.

	2018	2017
Opening balance	5,950	7,060
Nominal value of loans drawn down	400	1,429
Fair value adjustment (initial recognition)	(28)	(85)
Fair value adjustment (early repayments)	77	31
Imputed interest (market effective interest rate)	106	123
Repayments during period	(1,858)	(2,608)
Closing balance	4,647	5,950
	<hr/>	<hr/>
Current	1,535	2,133
Non-current	3,112	3,817
	<hr/>	<hr/>
	4,647	5,950

The nominal amount payable at reporting date is \$4,866,000 (2017: \$6,334,000) 94% of this is secured (2017: 93%).

The Trust has nil commitments to advance funds (2017: nil) upon satisfaction of conditions, which is undrawn from approved loans.

Foreign Currency

Foreign currency transactions are recorded in New Zealand dollars at the spot rate applying at the time of the transaction. All outstanding foreign currency balances at balance date are translated to New Zealand dollars at the closing exchange rate for that day. The value of the investment portfolio with currency exposure amounted to \$74.9 million (2017: \$81.6 million).

All realised and unrealised foreign currency gains and losses are recognised in change in fair value of investments in the Consolidated Statement of Comprehensive Revenue and Expense.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

9. Risk Management

The Foundation's income is generated from its investments which are used to fund its operations and grant funding programmes.

Inherent risks arising from the Foundation's financial assets and liabilities are managed through an ongoing process of identification, measurement and monitoring. Through its investing activities the Foundation is exposed to credit risk, liquidity risk, and market risk (including currency, interest rate and pricing risks) through its investment portfolio.

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to management, the Audit, Risk and IT Committee, Investment Committee and ultimately to the Foundation Board. Under normal circumstances the Investment Portfolio is regularly rebalanced to ensure that asset classes remain within the Strategic Asset Allocation set out in the Foundation's Statement of Investment Policy and Objectives (SIPO).

Credit Risk

Credit Risk arises where a counterparty fails to discharge an obligation which will result in a financial loss to the Foundation.

The Foundation manages credit risks through:

- a diversified and non-correlated basket of investments across traditional and alternative asset classes
- the use of a multi-fund manager approach to portfolio investments
- compliance with mandate requirements of each investment
- registration of security interests in respect of community loans – preferably first ranking
- Standard & Poor's rating categories are used to manage the credit quality of the Foundation's Bond portfolios. At balance date the credit risk ratings of the Bond portfolios was:

31 March 2018

Investments which are rated:	AAA to			BB, CCC, NR		\$000's
	AA-	A+ to A-	BBB	Other		
New Zealand Bonds	60.3%	35.7%	0.0%	2.2%		171,789
Global Bonds	49.7%	28.7%	19.8%	1.8%		138,073
Cash	91.0%	0.0%	0.0%	9.0%		4,798

31 March 2017

Investments which are rated:	AAA to			BB, CCC, NR		\$000's
	AA-	A+ to A-	BBB	Other		
New Zealand Bonds	60.4%	37.5%	0.0%	2.1%		165,260
Global Bonds	52.1%	29.9%	18.0%	0.0%		134,077
Cash	94.7%	0.0%	0.0%	5.3%		2,772

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

Risk Management (continued)

Liquidity Risk

The Foundation manages its ability to meet current obligations through ensuring it maintains liquidity within the portfolio. The portfolio maintains a minimum allocation to cash of 12%. At balance date liquid assets (either cash or investments which could be realised in cash within twelve months) totalled 90% (2017: 88%).

Market Risk

Market Risk arises from fluctuations in the future value of cash flows from financial assets due to changes in market variables such as interest rates, foreign currency exchange rates, and market prices.

The exposure to market risk is managed through the policies set out in the Foundation's SIPO.

The overall effect of the Foundation's uncorrelated portfolio of investments is to reduce the overall volatility and stabilise investment returns over time.

Interest Rate Risk relates primarily to the Foundation's investment in bonds which are held in pooled accounts.

Currency Risk arises when the Foundation is exposed to foreign currency risk both directly through investments denominated in a foreign currency, and also indirectly where fund managers invest in foreign currency securities.

Equities and Emerging Market Bonds are hedged within a range of 40% to 60%, with a target of 50%, back to the New Zealand Dollar. Global Fixed Interest investments are 100% hedged back to the New Zealand Dollar. Some of the currency exposures below are hedged within fund managers to achieve these targets.

At balance date the exposure to currency risk was:

	2018	2017
Financial assets with currency exposure	74,861	81,550
Hedged currency exposure as at 31 March	(23,914)	(24,545)
Unhedged currency exposure at 31 March	<u>50,947</u>	<u>57,005</u>
Australian Dollar	20,867	24,438
United States Dollar	30,080	32,567
Unhedged currency exposure at 31 March	<u>50,947</u>	<u>57,005</u>
Derivative Financial Instrument fair values:		
Assets	281	-
Liabilities	(285)	(928)

Pricing Risk arises from an increase or decrease in the fair value of the Foundation's financial assets as a result of changes in market prices. The SIPO sets out the asset allocation policy. The portfolio is rebalanced to align with these policies.

10. Investment Property

	2018	2017
Opening balance	28,925	28,413
Additions	25	48
Disposals	(2,950)	-
Change in fair value (unrealised)	(540)	464
Closing balance	<u>25,460</u>	<u>28,925</u>

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

Investment Property (continued)

Investment property comprises a number of commercial properties that are leased to third parties: 109-117 Blenheim Road, 55 Shands Road, 126-128 Montreal Street (Christchurch), and 16 Parumoana Street (Porirua). During the year 107 Blenheim Road was sold for \$2.4 million.

Properties were valued at 31 March 2018 by external, independent, professionally qualified, experienced, registered property valuers, Telfer Young Limited, and Colliers International for Porirua.

The future non-cancellable lease rental income of operating leases as lessor at reporting date are:

Leases as lessor

	2018	2017
Less than one year	1,798	1,740
Between one and five years	4,683	5,099
More than five years	1,636	2,097
	8,117	8,936

Measurement of fair value

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers assess the fair value of the Group's investment property portfolio at least annually.

The market value for each investment property has been established after consideration of two investment valuation approaches comprising Direct Capitalisation and Discounted Cash Flow. The results of the two approaches are reconciled and a market value established. The primary approach is the Direct Capitalisation Approach as this most accurately reflects the investment strategy adopted by investors for the type of properties owned by the Group. Key inputs to the Direct Capitalisation Approach are the assessment of market rent, its relationship to the contract rent, and the investment yield. The market rent is based on the analysis of rental agreements for similar properties adjusted for quality, size, location and lease terms. The investment yield is derived from market sales of similar investment properties adjusted for property specific attributes in terms of age, tenant quality, residual lease term, investment scale and building quality. The Discounted Cash Flow Approach requires an identical analysis to establish the market rent. Other key inputs comprise expected rental growth, potential vacancies, capital outlay, the terminal yield and the discount rate.

As with the Direct Capitalisation Approach market transactions are analysed to establish the discount rate. Rental growth is based upon market expectations including anticipated CPI growth. The allowance for vacancies reflects anticipated market demand at lease expiry and the probability of lease renewal.

During the year ended 31 March 2018, rent of \$2,091,000 was recognised in the Consolidated Statement of Comprehensive Revenue and Expense (2017: \$2,118,000)

Canterbury Trust House Limited (a wholly owned subsidiary) has a 50% participating interest in an investment property in Porirua. Under the joint arrangement, rental revenue and all expenses are shared equally between each party.

The Group's share of the management fee for the property expensed in the Consolidated Statement of Comprehensive Revenue and Expense is \$14,000 (2017:\$17,000).

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

11. Other Non-Current Assets

	2018	2017
Property, plant and equipment	172	119
Investment in Associate	-	120
Total Other Assets	172	239

12. Grants Payable

Outstanding Grants are classified as liabilities and are recognised at face value.

Committed but unpaid Grants are recognised as liabilities once approved by the Board. At balance date committed but unpaid grants totalled \$8.8 million (2017: \$8.4 million).

	2018	2017
Outstanding Grants Payable		
Grants Committed in previous years but unpaid (2018: 16, 2017: 23)	2,949	3,983
Grants Committed but unpaid this year (2018: 110, 2017: 100)	5,878	4,428
Total Grants outstanding at 31 March	8,827	8,411

13. Foundation Equity

Foundation Equity consists of:

- **Capital Base Reserve**

Shares in Trust Bank Canterbury were settled on the Foundation in terms of the Trustee Banks Restructuring Act 1988. The original capital arose from the proceeds of the sale of these shares to Westpac Bank. Subsequently a portion has been applied to establish the Special Fund Reserve.

- **Inflation Reserve**

This provides a fund to reflect the effects of inflation on the Capital Base Reserve. The "in perpetuity" nature of the Foundation requires Trustees to preserve Real Capital for the benefit of current and future generations. Each year sufficient funds are set aside to increase Real Capital by the annual rate of inflation as measured by the Consumer Price Index.

- **Special Reserve**

This was created as a response to the Canterbury earthquakes, and the reserve established by proportionate deductions from the Trust's Capital Base and Inflation Reserve.

- **Accumulated Income Reserve**

This Reserve is the accumulation of the Foundation's comprehensive revenue and expense from earlier periods. It is used to provide a stable flow of grants to the Foundation's communities and to fund other reserves and capital.

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars (\$000's)

14. Group entities

Controlled entities are entities controlled by the Foundation. Financial statements of the controlled entities are included in the financial statements from the date of control until the date that control ceases. Uniform accounting policies have been used for like transactions.

Intra-group balances and revenue and expenses arising from intra-group activities are eliminated on consolidation.

The following entities form part of the Foundation group:

Name	Interest Held	Country of Incorporation	Principle Purpose
Rātā Foundation Limited	100%	New Zealand	Grants for specific charitable purposes
Canterbury Direct Investments Limited	100%	New Zealand	Private equity and infrastructure investments
Canterbury Trust House Limited	100%	New Zealand	Direct property investments
Te Kete Putea Limited Partnership*	24.6%	New Zealand	Support services for database management

*The investment in Te Kete Putea Limited Partnership represents an investment in an associate. This has been fully amortised.

15. Related Parties

Trustees and Key Management Personnel (Executive Team) are related parties.

Trustees are not employees of the Foundation. They are remunerated at rates set by the New Zealand Government. Honoraria payments during the year to Board and Committee Chairs totalled \$93,000 (2017: \$95,000). Honoraria payment during the year to other Trustees totalled \$104,000 (2017: \$100,000)

Members of the Executive Team only receive short term employment benefits. During the year short term employment benefit payments to the Executive Team totalled \$549,000 (2017: \$672,000).

Conflicts of Interest

During the year Trustees and staff were required to declare either a direct or indirect conflict of interest in any matters being considered by the Foundation. Conflicts of interest are recorded in a register of interests.

Clause 14 of the Foundation's Trust Deed provides that if a meeting of the Foundation Board would fail for want of a quorum because of the number of Trustees with an interest in the matter under consideration, then those Trustees who vote in favour of the matter must sign a certificate for entry in the minutes certifying that the matter is in the best interests of the Foundation. Particulars of the matter and the nature of the Trustees' interest are required to be included in the next financial statements of the Foundation.

At their meeting on 31 October 2017 the Trustees resolved to effect Trustee Liability Insurance for the sum of \$10 million at a premium cost of \$13,640 (2017: \$13,640).

After due consideration of a report from the Foundation's insurance brokers and other relevant information, all of the Trustees approved the purchase of the Trustee Liability Insurance by resolution to that effect, along with signing a certificate certifying that the transaction was in the best interests of the Foundation.

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16. Operating Leases

Leases as lessee	2018	2017
Non cancellable operating lease rentals are payable as follows:		
Less than one year	142	142
Between one and five years	12	12
More than five years	-	-
	154	154

17. Capital Commitments and Contingent Liabilities

At balance date the Foundation had committed a total of \$50 million (2017: \$50 million) to New Zealand based infrastructure and private equity funds. Of this sum \$32.6 million has been drawn down to date (2017: \$25.8 million). The Foundation has a contingent liability for the remaining \$15.4 million (2017: \$22.2 million).

Calls on the Foundation's commitments are contingent on calls made by Fund Managers as further investments are made. The timing of these calls is uncertain.

18. Material Events after Balance Date

On 21 May 2018 an agreement to purchase a multi-tenanted commercial property in Christchurch for \$15.7 million was confirmed as unconditional.

Rātā Foundation

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19. Grants

Canterbury

Support

180 Degrees Trust	40,000	Child Cancer Foundation Inc	5,000
Adventure Specialties Trust	25,000	Christchurch Budget Service Incorporated	25,000
Age Concern Canterbury	20,000	Christchurch Early Intervention Trust	40,000
		Christchurch Group NZ Riding for the Disabled Association Inc	15,000
Alzheimers Canterbury Inc	65,000		
Anglican Diocese of Christchurch - Parish of Riccarton-Spreydon	3,500	Christchurch Methodist Central Mission	65,000
Anglican Diocese of Christchurch - St Aidans Parish of Bryndwr	15,000	Christchurch Peoples Resource Centre (CPRC)	15,000
Aphasia New Zealand (AphasiaNZ) Charitable Trust	10,000	Christchurch Resettlement Services Inc	35,000
		Christchurch Special Needs Library for Educational and Therapeutic Resources Inc	12,000
Aranui Community Trust Inc (3 Years)	150,000		
Aviva (Incorporating Christchurch Women's Refuge) Charitable Trust	80,000	Citizens Advice Bureau Christchurch Area Inc	35,000
Avonside House Trust	15,000	City Harvest Food Rescue Canterbury	30,000
Barnardos NZ Inc - Canterbury Family Violence Collaboration	40,000	Community Development Network Trust	35,000
Barnardos NZ Inc - Right Service Right Time (3 Years)	270,000	Community Energy Action Charitable Trust	50,000
Battered Women's Trust (Christchurch)	80,000	Community Wellbeing North Canterbury Trust	80,000
		Community Wellbeing North Canterbury Trust - Social Services Waimakariri	40,000
Beckenham Community Housing Trust	1,500	Crossroads Youth With a Future	25,000
Big Brothers Big Sisters of Christchurch	35,000		
Big Brothers Big Sisters of North Canterbury Trust Board	25,000	Deaf Society of Canterbury Inc	40,000
Birthright Canterbury Trust	20,000	Delta Community Support Trust	35,000
		Disabled Persons Assembly (NZ) Inc - Christchurch & Districts	20,000
Brackenridge Estate Ltd	20,000	Disabled Persons Centre Trust (T/A Aspire Canterbury)	20,000
Bros for Change	20,000	Drug Arm Christchurch (3 Years)	150,000
Burnham School	4,000	Dyspraxia Support Group (New Zealand) Inc	8,000
Burnside Community Transformation Trust	10,000		
Burwood Academy Trust (T/A Burwood Academy of Independent Living (BAIL))	40,000	Edmund Rice Justice Aotearoa/New Zealand Trust	5,000
		Elevate Christian Disability Trust - Christian Fellowship for Disabled Chch	1,500
Canterbury Asthma Society Inc (T/A Canbreathe)	10,000	Ellesmere Community Care Organisation Inc	2,000
Canterbury Charity Hospital Trust	60,000	Enrich Community Chaplaincy Trust	10,000
Canterbury Down Syndrome Association Inc	12,000	Familial Trust	50,000
Canterbury Mens Centre	30,000		
Canterbury Tertiary Education Chaplaincy Committee Inc	10,000	Family Help Trust	80,000

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Grants (continued)

Father and Child Trust	20,000	Papanui Youth Development Trust	45,000
Free Wesleyan Church of Tonga in New Zealand Trust Board	8,000	Pathway Trust	80,000
Friends of Children in Hospital (Christchurch) Inc	5,000	Perinatal Mental Health NZ Trust	4,000
Handiscope Executive Inc	3,000	Petersgate Trust	40,000
HDC - Hurunui Youth Programme	30,000	Philippi Prison Ministry (Canterbury) Inc	5,000
He Waka Tapu Ltd	30,000	Pillars Inc	60,000
Heathcote Valley School	12,000	Positive Directions Trust - He Tohutohu Pai Ki Otautahi	15,000
Hepatitis C Trust Te Waipounamu	10,000	Postnatal Depression Family/Whanau New Zealand Trust	8,000
Horizons Day Options Trust	5,032	Pregnancy Help Canterbury Trust	30,000
Hornby Good Companions Club	1,000	Project Esther Trust	15,000
K2 Youth Development Trust	30,000	Q-topia Inc	25,000
Kidney Health New Zealand	10,000	Rachels House Trust	15,000
Kingdom Resources Ltd	50,000	Rangiora Youth Community Trust	10,000
Korowai Youth Well-Being Trust (3 Years)	150,000	Roman Catholic Diocese of Christchurch Diocesan Trust - Catholic Social Services	50,000
La Vida Youth Trust	25,000	RUR Trust	6,000
Life Education Trust Canterbury	12,000	SADD Aotearoa - Students Against Dangerous Driving Charitable Trust	9,500
Look Good Feel Better Trust	5,000	Satisfy Food Rescue	20,000
Louise Perkins Foundation	3,000	Schizophrenia Fellowship Pegasus Bay Trust	15,000
Lyttelton Community House Trust	20,000	Shakti Ethnic Womens Support Group Christchurch Inc	20,000
Majestic Youth Community Trust	15,000	Shoreline Youth Trust	25,000
Male Survivors of Sexual Abuse Trust	30,000	Social Service Council of the Diocese of Chch - Christchurch City Mission	60,000
Marralomedea Charitable Trust	20,000	Society of St Vincent De Paul Central Council of Canterbury	20,000
ME/CFS Group (Canterbury) Inc	3,000	SPAN Charitable Trust	25,000
Mental Health Advocacy and Peer Support Trust	40,000	Spreydon Youth Community Trust	55,000
Mothers Supporting Mothers Trust	11,000	St John of God Hauora Trust	70,000
Multiple Sclerosis and Parkinsons Society of Canterbury Inc	20,000	Stand Children's Services Tu Maia Whanau	30,000
New Zealand AIDS Foundation	10,000	Step Ahead Trust	45,000
New Zealand UPP Education Trust	20,000	Stepping Stone Trust	25,000
North Canterbury Mini Bus Trust	20,000	Stopping Violence Services (Christchurch) Inc	70,000
NZ Endometriosis Foundation Charitable Trust	35,000	Strengthening Linwood Youth Trust	15,000
Odyssey House Trust Christchurch	14,185	Tangata Atumotu Trust (TAT)	45,000
Opawaho Trust	10,000	Te Mapua Child and Youth Trust	20,000
Pain Action in New Zealand Inc	8,000	Te Ora Hou Otautahi Inc	50,000
Papanui Baptist Church Community Services Freedom Trust	15,000	Tenants Protection Association (ChCh) Inc	40,000

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Grants (continued)

The Aspire Trust	8,000	Bowls Canterbury Inc	35,000
The Canterbury Mental Health Education and Resource Centre Trust	30,000	Camp Quality NZ	5,000
The Christchurch Kidney Society Inc	12,000	CanSail Charitable Trust	10,000
The Clown Doctors New Zealand Charitable Trust	12,000	Canterbury Agricultural & Pastoral Association	20,000
The Dual Recovery Trust	20,000	Canterbury Australian Football League Inc	3,000
The Green Effect Trust	14,500	Canterbury Basketball Association Inc	60,000
The Home and Family Society Christchurch Inc	65,000	Canterbury Boxing Association Inc	4,000
The Lighthouse Vision Trust	5,000	Canterbury Brass Inc	10,000
The NZ Prostitutes Collective Trust	8,000	Canterbury Community Sailing Trust	10,000
The Pinc and Steel Cancer Rehabilitation Trust	8,000	Canterbury Cricket Association Inc	75,000
The Spreydon Health and Family Trust	8,000	Canterbury Film Society Inc	3,000
The Youth and Cultural Development Society Inc	45,000	Canterbury Golf Inc	30,000
Tourette's Association New Zealand	10,000	Canterbury Justices of the Peace Association Incorporated	9,000
Vaka Tautua Ltd	5,000	Canterbury Philharmonia Inc	5,000
Waikari Health Care Ltd	8,775	Canterbury Primary Schools Sports Association Inc	35,000
WDC - Safer Community Council	25,000	Canterbury Regional Basketball Foundation	30,000
West Christchurch Womens Refuge Society Inc	30,000	Canterbury Rugby Football League Inc	75,000
White Elephant Trust	30,000	Canterbury Singers Inc	2,250
Womens Centre Inc	32,500	Canterbury Steam Preservation Society Inc	10,000
Woolston Development Project Inc	30,000	Canterbury Volleyball Association Inc	35,000
Youth Southwest Christchurch Trust (T/A Hope Youth)	30,000	Canterbury West Coast Sports Trust (T/A Sport Canterbury)	100,000
	4,243,992	Canterbury Yachting Association Inc	8,000
Participate		Cashmere Tennis Club Inc	20,000
50's Up Brass Band	3,000	CCC - Kiwisport Fundamentals Learn to Swim Programme	60,000
Air Training Corp Association of New Zealand	1,500	Charteris Bay Yacht Club Inc	5,000
Akaroa District Promotions Inc	12,000	Chatham Community Focus Trust - The Stingers Netball Club	8,000
Amuri Area School	50,000	Cheviot Cricket Club Inc	8,000
Aoraki Dragon Boat Association Inc	10,000	Chinese Culture Association (NZ) Inc	14,000
Arawa Canoe Club Inc	10,000	Christchurch Arts Festival Trust	60,000
Arts on Tour NZ Trust	10,000	Christchurch Circus Trust	10,000
Ashley-Rakahuri Rivercare Group Inc	11,000	Christchurch City Chorus of Sweet Adelines International	8,000
Avon-Heathcote Estuary Ihutai Trust	15,000	Christchurch Civic Music Council Inc	10,000
Avon-Otakaro Forest Park	5,000	Christchurch High School Old Boys' - Old Collegians Cricket Club Inc	15,000
Badminton Canterbury Inc	20,000	Christchurch International Jazz Festival Trust Board	15,000
Barrington United Bowling Club Inc	5,000	Christchurch Metropolitan Cricket Association Inc	30,000
Blue Light Ventures Inc	6,000	Christchurch Music Industry Trust	19,500

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Grants (continued)

Christchurch Netball Centre Inc	20,000	ICE Trampoline Sports Inc	5,000
Christchurch Operatic Inc (T/A ShowBiz)	10,000	Imagine Charitable Trust	4,000
Christchurch Pops Choir Inc	5,000	Indian Social & Cultural Club (ChCh) Inc	5,000
Christchurch School of Music Inc	20,000	Jolt Charitable Trust	12,000
Christchurch Schools' Music Festival Association Inc	20,000	Kaiapoi North School	20,000
Christchurch Symphony Trust	72,000	Kaiapoi Softball Club Inc	3,000
Christchurch Tap Dancing Teachers Association Inc	9,000	Kirwee Players Inc	9,000
Christchurch Yacht Club Inc	6,000	Lancaster Park Cricket Club Inc	10,000
Christchurch-Little River Rail Trail Trust	40,000	Lions Community Sports and Education Trust	30,000
Church Property Trustees (Anglican Diocese of Christchurch)	45,000	Living Springs Trust	20,000
City of Christchurch International Marathon Trust Board	20,000	Loburn School	4,250
Conservation Volunteers New Zealand	11,150	LU Combined Sports Association Inc	3,000
Cotswold School	15,000	Lyttelton Rugby Club Inc	7,500
Cust Bowling Club Inc	3,350	Malvern Community Arts Council Inc	10,000
Dance Aotearoa New Zealand Ltd	4,800	Massive Company Trust	4,000
Darfield Shooting Centre Inc	10,000	Mohua Charitable Trust	12,500
Delta Rhythmic Gymnastic Club Inc	6,000	Music Moves Me Trust	4,000
Diamond Harbour Community Association Inc	5,000	Neerlandia Choir Christchurch Inc	1,700
Disabled Snowsports Canterbury Inc	12,000	New Brighton Silver Band Inc	7,000
Eastern Community Sport and Recreation Inc	30,000	New Zealand Conservation Trust	30,000
Ellesmere Art Group Trust	6,000	New Zealand Opera Ltd	40,000
Ellesmere Motor Racing Club Inc	5,000	Niu Economic and Enterprise Development Trust	25,000
Ellesmere Rugby Sub Union Inc	30,000	No 6 District Federation of NZ Football Inc (Mainland Football)	40,000
Fendalton Park Croquet Club Inc	2,000	NO Productions Theatre Ltd	2,500
Ferrymead Park Ltd	40,000	Nomads United Association Football Club Inc	12,000
Free Theatre Inc	28,000	North Beach Tennis Club Inc	3,000
Garden City Orchestra Inc	3,500	North Canterbury Alpine Trust Board	20,000
Hagley Park Tennis Club Inc	8,000	North Canterbury Athletics Club	15,938
Halberg Disability Sport Foundation	10,000	North Canterbury Netball Centre Inc	12,000
Halswell Rugby League Football Club Inc	5,000	North Canterbury Rugby Football Sub-Union Inc	15,000
Halswell United Association Football Club Inc	15,000	North Canterbury Sport and Recreation Trust	50,000
Halswell Women's Basketball Club Inc	3,951	NZ Vintage Machinery Club Inc	5,000
Handmade Studio Charitable Trust	10,000	Ohoka Rugby Football Club Inc	3,128
Harmony Singers Inc	2,000	Ohoka School	950
HDC - Tennis Netball Club Waiiau	22,000		
Hinemoa-Kaiapoi Hockey Club	8,000		
Hurunui College	5,993		
Hurunui Trails Trust Board	20,000		

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Grants (continued)

Okains Bay Maori & Colonial Museum Trust	50,000	Special Olympics North Canterbury	1,242
Olympia Gymnastic Sports Inc	10,000	St Martins Croquet Club Inc	5,000
Original Scripts Theatre Trust	10,000	St Thomas of Canterbury College	8,000
OSCAR in St Albans Inc	5,000	StarJam Charitable Trust	12,000
Otautahi Creative Spaces Trust	50,000	Sunday Classics Inc	3,000
Otautahi Paddling Club Inc	5,000	Sydenham Cricket Club Inc	10,000
Otautahi Sports Association Inc	35,000	Sydenham Park Complex Inc	10,000
Oxford Historical Records Society Inc	10,000	Sydenham Rugby Football Club Inc	3,645
Paemanu Charitable Trust	12,000	Tai Tapu Golf Club Inc	6,000
Papanui Primary School	15,000	Te Kura Kaupapa Maori o Te Whanau Tahī	10,000
ParaFed Canterbury Inc	35,000	Te Roopu Kaiako Kura Tuarua-Waitaha Trust	10,000
		Te Waka Pounamu Outrigger Canoe Club	
Parklands Christchurch United Softball Club Inc	5,000	Charitable Trust	8,500
		The Art & Industry Biennial Trust (T/A SCAPE Public	
Pegasus Bay School Parent Teacher Association	10,000	Art Trust)	55,000
Peninsula Tramping Club Inc	620	The Arts Centre of Christchurch Trust Board	20,000
People Empowerment and Environmental			
Enhancement Programme Trust	35,000	The Boys' Brigade in NZ Inc	10,000
Pioneer Volley Ball Club Inc	8,000	The Canterbury Blind Indoor Bowls Club Inc	2,000
Piping and Dancing Association of NZ Inc	14,000	The Canterbury History Foundation Inc	1,000
PowerZone Christchurch Trust	7,000	The Canterbury Railway Society Inc	10,000
		The Canterbury Society of Arts Charitable Trust (t/a	
Quilt Symposium Christchurch 2017 Inc	15,000	CoCA)	50,000
Rangiora & Districts Early Records Society Inc	8,000	The Christchurch Childrens Christmas Parade Trust	10,000
		The Christchurch Civic Music Council National	
Rangiora Boxing Club Inc	4,140	Concerto Competition Trust	10,000
		The Christchurch Primary Schools Cultural Festival	
Rangiora New Life Fellowship Trust	20,000	Trust	12,000
RDU 98.5FM Limited	13,907	The Christchurch Youth Choir Inc	5,000
Riccarton Dance Club	1,500	The Commuting Book Trust	5,000
Risingholme Orchestra Inc	2,000	The Court Theatre Trust	40,000
Rolleston Rugby Football Club Inc	10,000	The Flying Geckos Climbing Club Inc	4,000
Selwyn Netball Centre Inc	10,000	The Girl Guides Assoc NZ Inc (T/A GirlGuiding NZ)	12,000
SHARP Trust	12,000	The Kirwee Tennis Club Inc	3,036
		The Linfield Cultural Recreational and Sports Club	
Society for Music Education (Canterbury) Inc	5,000	Inc	20,000
South Brighton Voices Inc	1,942	The Malvern School of Music Inc	3,500
South Christchurch Christian Community Trust	2,500	The Muse - Community Music Trust	13,000
South Island Schools & Universities Polo			
Association Inc (SUPA)	7,000	The New Zealand Film Festival	10,000
Southbridge Rugby Football Club Inc	10,000	The Piano: Centre for Music and the Arts	30,000
Southern Ballet Theatre Trust	10,000	The Riccarton Players Inc	8,000
Southern Disability Trust	8,000	The Richmond Keas Softball Club Inc	4,000
Southwest Football Foundation Trust Board	10,000	The Sporting Futures Charitable Trust	8,000
Special Olympics Canterbury	30,000	The Voices Festival	5,000

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Grants (continued)

The World Buskers Festival Trust	60,000	Christchurch Chinese Church	10,000
The YMCA Arts Trust Christchurch Trust Board	45,000	Christchurch Community Accounting (3 Years)	150,000
		Christchurch Community House Te Whakaruruhau	
Top Dog Theatre Inc	5,000	Ki Otautahi Trust	45,000
Treasure Trove Trust	5,000	Christchurch South Community Gardens Trust	10,000
Tug Lyttelton Preservation Society Inc	20,000	ChristchurchNZ Ltd - Lantern Festival	10,000
Ultimate Martial Art Fighting Inc	5,000	Citizens Advice Bureau North Canterbury Inc	12,000
United Nations Association of NZ - UN Youth		Community Law Canterbury/Te Ture Whanui O	
Aotearoa	3,000	Waitaha Inc	85,000
Waikirikiri Sport Inc	5,000	Connect Hurunui Inc	60,000
Waimairi Tennis Club Inc	75,000	Courtenay Agricultural and Pastoral Association	5,000
Waimakariri Arts Trust Board	7,000	Diamond Harbour and Districts Croquet Club Inc	500
Waimakariri Sailing & Power Boat Club Inc	6,000	Ellesmere Food Bank Trust	10,000
Waltham Out of School Hours Inc	10,000	Ha O Te Ora O Wharekauri Trust	50,000
Watch This Space	13,000	Heathcote Valley Community Association	6,000
Whaka Raupo Carving Centre Trust	40,000	Heathcote Valley Community Library Inc	3,000
Wharenui Gators Inc	30,000	Hei Hei Broomfield Community Development Trust	10,000
Woolston Boxing Club Inc	8,000	Hokotehi Mori Trust	15,000
Woolston Brass Inc	10,000	Hororata Golf Club	10,000
WORD Christchurch	20,000	Just Dollars Trust	16,000
Working Waters Trust	12,000	Kaiapoi Promotion Association Inc	5,000
Young and Hungry Arts Trust	6,000	Korean Helpline	8,000
	3,370,992	Lincoln Envirotown Trust	35,000
Connect		Linwood Avenue Community Corner Trust	15,000
Addington Community House Inc - Manuka Cottage	20,000	Men's Shed of Lincoln Society Inc	20,000
Anglican Diocese of Christchurch - Parish of		Mt Pleasant Memorial Community Centre &	
Avonside	10,000	Residents Association Inc	19,664
Anglican Diocese of Christchurch - Parish of Upper		Neighbourhood Trust	30,000
Riccarton - Yaldhurst	100,000	Nepal New Zealand Friendship Society of	
		Canterbury Inc	6,000
Ardour Charitable Trust	5,000	Network Waitangi Otautahi Inc	6,000
Belfast Community Network Inc	50,000	New Brighton Community Gardens Trust	10,000
Bromley Community Association Inc	20,000	New Migrant Quilting Group	4,300
Canterbury Community Business Trust	15,000	New Zealand Community Economic Development	
		Conference Trust	10,000
Canterbury Neighbourhood Support Inc	25,000	North Canterbury Neighbourhood Support Inc	20,000
Canterbury Refugee Resettlement and Resource		North Canterbury Wine and Food Festival	8,000
Centre	30,000	Northgate Community Services Trust	20,000
Canterbury Youth Workers Collective Inc (2 Years)	80,000	OSCAR Network in Christchurch Inc	25,000
Chatham Community Focus Trust	20,000	Oxford Community Trust	40,000
Cheviot Community Trust	20,000		
Christchurch Childrens Holiday Camps Trust	10,000		

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Grants (continued)

Packe Street Park and Community Garden Inc	10,000	Learn	
Parish of Aranui-Wainoni	11,583	Addington Net Inc	10,000
Person to Person Help Trust	15,000	Akaroa Area School	8,000
Philippine Culture and Sports	20,000	Alliance Francaise de Christchurch Inc	10,000
Phillipstown Community Centre Charitable Trust	30,000	Amberley Toy Library Inc	1,800
Project Lyttelton Inc	50,000	Artists Alliance Inc	50,000
Rangiora Promotions Association Inc	4,000	Avonside Early Childhood Centre	2,982
Reflections Community Trust	6,500	BandQuest Charitable Trust	10,000
Rewi Alley Chinese School	15,000	Banks Avenue School	5,000
Riccarton High School	3,000	Brainwave Trust Aotearoa	8,000
Rolleston Men's Shed Charitable Trust	10,000	Canterbury & New Zealand Business Association	5,000
Rowley Resource Centre Inc	30,000	Canterbury Horticultural Society Inc	4,500
Selwyn Central Community Care	3,000	Canterbury Playcentre Association Inc	129,500
		Canterbury Westland Kindergarten Assoc Inc (T/A	
Shirley Community Trust	35,000	Kidsfirst Kindergartens)	90,000
Social Equity and Wellbeing Network Inc (3 Years)	105,000	Catapult Employment Services Trust Board	25,000
Social Service Council of the Diocese of Chch -			
Anglican Care Community Devlpt	75,000	Christchurch Korean Community School	5,000
St Lukes Centre Inc	3,000	Christchurch Public Service Child Care Centre Inc	10,000
St Martins Library Inc	5,000	Christchurch School for Young Writers Inc	20,000
Sumner Bays Union Trust	20,000	Church Corner Toy Library Inc	3,000
Sumner Senior Citizens Club	2,000	Community Toy Library Waimairi Inc	7,000
Te Whare Roopu O Oterepo Waltham Community			
Cottage Inc	20,000	Cotswold Preschool and Nursery Association Inc	3,000
Te Whare Taonga O Nga Iwi Katoa Linwood			
Resource Centre Trust	10,250	Cross Over Trust	35,000
The Canterbury Communications Trust	10,000	Dress for Success Christchurch Inc	35,000
		Early Childhood Resource Centre (Christchurch) Inc	
The Canterbury Fiji Social Services Trust	35,000	(Creative Junk)	15,000
The Hope Community Trust	20,000	Environment Hubs Aotearoa	5,000
The Inspiring Communities Trust	5,000	First Foundation	20,000
The Little River Wairewa Community Trust	30,000	He Toki Ki Te Mahi Charitable Trust	80,000
The Lyttelton Information and Resource Centre			
Trust	10,000	Hornby Toy Library Inc	4,000
The Woolston Community Association Inc	6,000	Huntsbury Preschool Inc	5,000
		Kaipoi High School - Karanga Mai Young Parents	
Two Rivers Community Trust	15,000	College	40,000
Volunteering Canterbury (3 Years)	120,000	Kimihia Adventure Programme Trust	20,000
Wainoni-Avonside Community Services Trust	12,000	Kimihia Early Learning Trust	9,000
Youth Alive Trust (3 Years)	155,000	Ladbrooks School	2,500
	2,095,797	Leithfield School	12,000

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		<u>Nelson</u>	
Limitless Charitable Trust	20,000	Support	
Linwood College - Kimihia Parents' College	20,000	Age Concern Nelson Tasman Inc (3 Years)	120,000
Literacy Christchurch Inc	35,000	Alzheimers Society Nelson Inc	20,000
Merrin School	4,000	Angels Trio Trust	10,000
Moa Kids Community Early Learning Centre Inc	4,000	Annesbrook Community Trust	8,000
New Zealand Centre for Gifted Education Ltd	12,000	Big Brothers Big Sisters of Nelson	35,000
Noku Te Ao Charitable Trust	30,000	Golden Bay Community Workers Inc	30,000
Papanui Community Toy Library Inc	3,381	Hearing Association Nelson Inc	10,000
People First New Zealand Inc	10,000	Life Education Trust Nelson/Tasman	8,000
RAD Bikes Charitable Trust	8,000	Life Linc Nelson Inc	20,000
Rangiora High School Nursery School Trust	1,920	Magenta Creative Space Charitable Trust	12,000
		Motueka Group Riding for the Disabled Association	
Rangiora Toy Library Inc	4,000	Inc	10,000
Seabrook McKenzie Trust for Specific Learning			
Disabilities	10,000	Motueka Womens Support Link Inc	15,000
Shirley Toy Library Inc	3,000	Nelson Asthma Society Inc	9,000
Springs Community Early Learning Centre Inc	20,000	Nelson Bays Community Law Service Inc	25,000
Te Kohanga Reo O Wharekauri	4,523	Nelson Multiple Sclerosis Society Inc	10,000
Te Pa o Rakaihautu	50,000	Nelson Womens Support Inc	30,000
Te Waka Huruherumanu Ki Otautahi	10,000	Post Natal Depression Support Network Nelson Inc	15,000
The Kaiapoi Toy Library	1,400	Q-Youth Inc	12,000
The Young Mens Christian Association of			
Christchurch (Inc) Charitable Trust	40,000	Richmond Group Riding for the Disabled Inc	10,000
		Sexual Abuse Support and Healing (SASH-Nelson)	
Train the Brain Charitable Trust	10,000	Inc	25,000
		Supporting Families in Mental Illness Nelson	
Untouched World Charitable Trust	16,000	Branch Inc	12,000
View Hill School	3,000	Tahunanui Parish Anglican Diocese	15,000
Windwhistle School	10,000	Te Whare Mahana Trust Board	10,500
Women in Enterprise Inc	9,000	The Nelson ARK Trust Board	10,000
		The Nelson Community Christian Night Shelter	
		Trust	6,000
	1,029,506	The Nelson Tasman Housing Trust	70,000
Total Canterbury	10,740,287	The White House Inc	10,000
		Victory Boxing Charitable Trust (3 Years)	105,000
		Village Community Trust	20,000
		Whakatu Group Riding for the Disabled Inc	10,000
		Whakatu Te Korowai Manaakitanga Trust	40,000
		Young Mens Christian Association of Nelson Inc	15,000
			757,500

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in New Zealand Dollars

Grants (continued)

Participate		Nelson Musical Theatre Inc	10,000
Athletic College Old Boys Cricket Club Inc	3,000	Nelson Netball Centre Inc	15,000
Baseline Basketball Club Inc	10,000	Nelson Performing Arts Competitions Inc	2,000
Bowls Nelson Inc	10,000	Nelson Repertory Theatre Inc	8,000
Bowls Tahunanui Inc	5,000	Nelson Rhythmic Gymnastics Club Inc	5,000
Bridge Valley Christian Trust	10,000	Nelson Rowing Club Inc	5,000
Brightwater School	10,000	Nelson Santa Parade Trust	8,000
Broadgreen Society Inc	3,000	Nelson Sculpture Trust	38,000
Celtic Flute School of New Zealand Inc	2,000	Nelson Symphony Orchestra Inc	15,000
Greenacres Golf Club Inc	5,000	Nelson Tasman Pasifika Community Trust	40,000
Henley School (Nelson)	10,000	Nelson Theatrix Ltd	8,000
Huia Rugby Football Club Inc	10,000	No Child Left Inside Ltd	12,000
Inclusive Sport Trust	15,000	Otuwhero Trust	9,000
Light Nelson Trust	20,000	Ranzau School	10,000
Mapua and District Community Association Inc	15,000	Riwaka/Brooklyn Gymnastics Club	5,000
Motueka Contract Bridge Club Inc	5,000	Rough Island Equestrian Park Management Board In	5,579
Motueka Events Charitable Trust	4,600	Ruby Coast Initiative Trust	18,660
Motueka Music Group Inc	2,000	Special Olympics Motueka	5,000
Moutere Hills Community Centre Inc	13,299	Special Olympics Nelson	15,000
Murchison Sport Recreation and Cultural Centre Inc	13,500	Sport Fishing for Youth Charitable Trust Board	4,000
Murchison Theatre Inc	20,000	Stoke Tennis Club Inc	3,000
NCC - Nelson Arts Festival	20,000	Tahunanui Tennis Club Inc	20,000
NCC - Summer in Nelson	10,000	Tasman Environmental Trust	35,000
Nelson Basketball Association Inc	5,800	Tasman Regional Sports Event Trust	10,000
Nelson Bays Football Inc	20,000	Tasman Regional Sports Trust - Motueka Recreation Centre	12,000
Nelson Bays Volleyball Association Inc	10,000	Tasman Regional Sports Trust - Richmond Town Hall	6,500
Nelson Bays Youth Teams Racing Association Inc	12,000	Tasman Regional Sports Trust - Saxton Stadium	9,500
Nelson City Brass Inc	10,000	Teapot Valley Christian Camp Trust	50,000
Nelson Civic Choir Inc	8,000	The Brook (Waimarama) Sanctuary Trust	50,000
Nelson Community Potters Inc	8,720	The City of Nelson Highland Pipe Band Inc	3,200
Nelson Contract Bridge Club Inc	8,000		793,358
Nelson Fringe Arts Charitable Trust	10,000	Connect	
Nelson Hockey Association Inc	15,000	All Saints Anglican Church Nelson	10,000
Nelson Jazz Club Inc	15,000	Bhutanese Society of Nelson New Zealand Inc	6,000
Nelson Male Voice Choir Inc	5,000	Citizens Advice Bureau Nelson Tasman Inc	8,000
Nelson Mountain Bike Club Inc	12,000	Golden Bay Work Centre Trust	12,000

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars

Grants (continued)

Kai Fest Trust	5,000	Specific Learning Disabilities Nelson Inc	2,750
Kaikaiawaro Charitable Trust	25,000	Stoke Toy Library Society Inc	4,000
Mapua Public Hall Society Inc	10,000	The Centre for Fine Woodworking Trust	12,000
Menzshed Nelson Inc	15,000	Wakefield School	2,000
Motueka Arts Council Inc	7,000	Whenua-Iti Trust	30,000
Motueka Community House Inc	10,000		263,862
Murchison Community Resource Inc	10,000	Total Nelson	2,280,720
Neighbourhood Support Nelson Incorporated	5,000		
Nelson Multicultural Council Inc	25,000	Marlborough	
Nelson Tasman Justices of the Peace Association Inc	1,500	Support	
Nelson Tasman Youth Workers Collective Inc	13,000	Asthma Marlborough Inc	7,000
Ngatimoti School	40,000	Awatere Early Learning Centre Inc	60,000
Port Nelson Mission to Seafarers Inc	6,000	Bread of Life Trust	20,000
SeniorNet (Nelson) Inc	5,000	Creative Kids Trust Board	8,000
Tahunanui Community Centre Inc	30,000	Marlborough Community Foodbank Inc	4,000
		Marlborough Group NZ Riding for the Disabled Association Inc	20,000
Te Awhina Marae O Motueka Society Inc	30,000	Marlborough Multiple Sclerosis Society Inc	13,000
Te Whare Rangi Trust	8,000	Marlborough Youth Development Trust	20,000
The Mapua Community Library	3,000	Marlborough Youth Trust Inc	40,000
The Stoke Community Centre Inc	10,000	Selmes Garden Charitable Trust	10,000
The Stoke Companions Inc	2,000	Supporting Families Marlborough Trust	20,000
The Tasman Broadcasting Trust	12,000	The Marlborough Family Budgeting Service Inc	25,000
Victory Community Centre Inc	37,500		247,000
Volunteer Nelson (3 Years)	120,000	Participate	
	466,000	Awatere Rugby Football Club Inc	10,000
Learn		Blenheim Bowling Club Inc	8,000
Adult Learning Support Nelson/Motueka Inc	40,000	Blenheim Choral Society Inc	3,000
At Your Potential Charitable Trust	11,000	Blenheim Country Music Club Inc	5,000
Bridge Street Early Learning Centre Inc	4,000	Blenheim Riverside Railway Society Inc	20,000
EVLOCITY Ltd	5,000	Blenheim Rowing Club Inc	5,000
First Years Richmond Inc	6,000	Bowls Marlborough Centre Inc	10,000
Golden Bay Toy Library Inc	2,912	Coastguard Kaikoura Inc	6,000
Kidpower Teenpower Fullpower Trust	7,000		
		D'Urville Island Stoat Eradication Charitable Trust	5,500
Mapua Community Toy Library Inc	1,000	Endeavour Park Pavilion Society Inc	12,000
Nayland College	10,000	Festivals and Events Trust	20,000
Nelson Community Toy Library	2,700		
		Fun Seekers Leisure Marchers	2,000
Nelson District Free Kindergarten Association (Inc)	50,000	Hockey Marlborough Inc	10,000
Nelson Health Services Childcare Centre Inc	10,000	Kaikoura Agricultural and Pastoral Association	5,000
Nelson Playcentres Association Inc	50,000	Kaikoura Historical Society Inc (District Museum and Archives)	30,000
		Kaipupu Point Mainland Island Society Inc	40,000
Nelson Tasman Business Trust	10,000		
Richmond-Waimea Toy Library Inc	3,500		

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars

Grants (continued)

Marlborough Civic Orchestra Inc	7,500	Multi Region	
Marlborough Cricket Association Inc	10,000		
Marlborough District Brass Band Inc	15,000	Support	
Marlborough Football Inc	15,000	Autism New Zealand Inc	18,000
Marlborough Historical Society Inc	4,277	Barnardos New Zealand Inc	120,000
Marlborough Netball Centre Inc	15,000	Bone Marrow Cancer Trust	15,000
		CANTEEN The NZ Organisation Supporting Young	
Marlborough Readers & Writers Charitable Trust	5,000	People Living With Cancer Inc	20,000
Marlborough Stadium Trust	50,000	CCS Disability Action Nelson Marlborough Inc	10,000
Marlborough Stamp Collectors Club Inc	5,000	Cystic Fibrosis Association of New Zealand	10,000
Marlborough Tennis Association Inc	10,000	Haemophilia Foundation of NZ Inc	20,000
Picton Bowling Club Inc	10,000	National Heart Foundation of NZ	8,400
Rapaura Tennis Club Inc	4,000	New Zealand Family and Foster Care Federation Inc	15,000
Renwick Rugby Football Club Inc	10,000	New Zealand Spinal Trust	39,000
South Marlborough Landscape Restoration Trust	15,000	Parent to Parent NZ Inc	30,000
Special Olympics Marlborough	7,000	Presbyterian Support (Upper South Island)	50,000
		RMH South Island Trust (T/A Ronald McDonald	
The Marlborough Sounds Restoration Trust	40,000	House South Island)	9,000
		Royal New Zealand Foundation of the Blind Inc	
The Marlborough Tennis Club Inc	6,500	(T/A Blind Foundation)	10,000
Tui Nature Reserve Wildlife Trust	15,000	St Marks Society	10,000
Waikawa Boating Club Inc	10,000	STOP	70,000
Waikawa Waka Ama Whanau Inc	6,500	SVS - Living Safe	40,000
Waitohi Rugby Football Club Inc	10,000	Talk Link Trust	42,000
	462,277	The Brain Injury Association (Nelson) Inc	12,000
		The Canterbury Branch of the Muscular Dystrophy	
Connect		Association of NZ Inc	45,000
Awatere Community Trust	18,000	The Nelson Tasman Housing Trust	50,000
Business Trust Marlborough	10,000	The Scout Association of New Zealand	80,950
Marlborough Justices of the Peace Association Inc	1,500		724,350
Marlborough Sounds Community Vehicle Trust	5,000	Participate	
Upper Wairau Cemetery Trust	4,000	Brass Band Association of NZ Inc	10,000
	38,500	Chamber Music New Zealand Trust Board	8,000
Learn		Coastguard Northern Region Inc	25,000
Climate Karanga Marlborough	4,000	Connected Media Charitable Trust	20,000
Conservation Kids NZ	10,000	GymSports New Zealand Inc	13,000
Marlborough Boys' College	10,375	Indian Ink Trust	5,325
Marlborough Playcentre Association	15,000	Keep New Zealand Beautiful Society Inc	10,000
Ngati Toarangatira Manawhenua Ki Te Tau Ihu Trust	9,602	Netball Mainland Zone Inc	40,000
	48,977	New Zealand Dance Advancement Trust	8,000
		Outward Bound	25,000
Total Marlborough	796,754		

Rātā Foundation

Statement of Accounting Policies and Explanatory Notes

For the year ended 31 March 2018

in New Zealand Dollars

Grants (continued)

Project Litefoot Trust	12,000	Gap Filler Trust	15,000
Rainbow Sports Club Inc	8,000	Good Start 5 Year Old Workshop	10,000
Rock Quest Charitable Trust	12,000	Laura Fergusson Trust (Canterbury)	10,000
		LEAD Centre for Not for Profit Leadership (TB – Capacity Building)	65,100
Shakespeare Globe Centre New Zealand Trust	8,000	Springboard Trust	200,000
Show Me Shorts Film Festival Trust Board	6,500	The Brook (Waimarama) Sanctuary Trust	6,500
Surf Life Saving New Zealand Inc	50,000	White Elephant Trust	7,450
Tasman Golf Inc	14,000	Young Enterprise Trust	25,000
Tasman Regional Sports Trust (T/A Sport Tasman)	90,000		
Tasman Rugby League Inc	20,000	Total Capacity Building	553,515
Tasman Rugby Union Incorporated	20,000		
The Footnote Dance Trust Board	3,515	Building Projects	
The Royal New Zealand Ballet	40,000	Burnside High School	250,000
Top of the South Film Productions Inc	5,000	CCC - Nga Puna Wai Sports Hub	500,000
	453,340	Eastern Community Sport and Recreation Inc	400,000
Connect		Māia Health Foundation	500,000
Christchurch Methodist Central Mission - Neighbours Day Aotearoa	13,500	Motueka Short Term Accommodation Charitable Trust	110,000
Institute for Child Protection Studies Trust (Child Matters)	20,000	Nelson Tasman Region Hospice Trust	250,000
Ngati Koata Trust	10,000	Nga Hau E Wha National Marae Charitable Trust	100,000
Royal New Zealand Plunket Inc	100,000	Queen Charlotte Yacht Club Inc	196,000
Safeguarding Children Initiative	40,000	South Brighton Surf Lifesaving Club Inc	200,000
Tangata Whenua Community and Voluntary Sector Research Inc	13,000	Te Awhina Marae O Motueka Society Inc	100,000
	196,500	Te Hapu o Ngati Wheke Inc	15,000
Learn		University of Canterbury Students Association Inc	200,000
Dyslexia Foundation of NZ	15,000	Waiau School	250,000
English Language Partners New Zealand Trust	45,000		
Garden to Table Trust	8,000	Total Building Projects	3,071,000
Mathematics Achievement Challenge Charitable Trust	5,795		
SPELD New Zealand Inc	20,000	2016 Earthquake Recovery	
	93,795	Amuri Golf Club Inc	5,000
Total Multi Region	1,467,985	Kaikoura Boating Club Inc	20,000
		Kaikoura Grommets Surfing Club	4,000
Capacity Building		Kaikoura High School	6,000
Canterbury Youth Workers Collective Inc	125,000	Kaikoura Information and Tourism Inc	15,000
Capacity Building Workshop	6,225	Marlborough Kaikoura Trail Trust	600,000
Catapult Employment Services Trust Board	10,000	Mental Health Foundation of New Zealand	20,000
		Murchison Area School	2,240
CCC - Leadership in Communities Programme (LinC)	70,000		
Cross Over Trust	3,240	Total 2016 Earthquake Recovery	672,240

Rātā Foundation
Statement of Accounting Policies and Explanatory Notes
For the year ended 31 March 2018

in New Zealand Dollars

Grants (continued)

Community Loan Interest Discounts

Chris Ruth Centre	27,793
Total Comm Loan Discounts	27,793



Independent Auditor's Report

To the beneficiaries of Rata Foundation

Report on the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Rata Foundation (the trust) and its subsidiaries (the group) on pages 4 to 31:

- i. present fairly in all material respects the Group's financial position as at 31 March 2018 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 2018;
- the consolidated statements of comprehensive revenue and expense, changes in Foundation 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.

Our firm has also provided other services to the group in relation to taxation. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.



Other information

The Trustees, on behalf of the group, are responsible for the other information included in the entity's financial statements. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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
Christchurch
25 July 2018