The Canterbury Community Trust

Financial Statements for Year Ended 31 March 2013

Financial Statements for Year Ended
31 March 2013

Contents

The Canterbury Community Trust

Statement of Financial Position

As at 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012 (Restated)	Trust 2013	Trust 2012 (Unaudited)
Assets					
Property, plant and equipment	11	247	334	226	247
Investment in associate	23	544	0	544	0
Investment in subsidiary	23	0	0	12,000	12,000
Investment property	12	28,425	27,555	0	0
Financial assets	13	4,400	4,552	4,400	4,552
Total non-current assets		**33,616**	**32,441**	**17,170**	**16,799**
Advances to subsidiaries	22	0	0	31,243	37,015
Trade and other receivables	15	3,554	8,925	721	825
Cash and cash equivalents	16	41,118	10,422	41,030	10,236
Financial assets	13	452,641	463,069	427,669	437,151
Total current assets		**497,313**	**482,416**	**500,663**	**485,227**
Total assets		**530,929**	**514,857**	**517,833**	**502,026**
Trust Funds					
Core real capital base reserve	17	371,422	371,422	371,422	371,422
Capital base reserve	17	155,718	151,015	155,718	151,015
Accumulated income reserve	17	(4,189)	(19,612)	(11,119)	(22,540)
Total trust funds		**522,951**	**502,825**	**516,021**	**499,897**
Liabilities					
Trade and other payables	18	7,978	12,032	1,812	2,129
Total current liabilities		**7,978**	**12,032**	**1,812**	**2,129**
Total liabilities		**7,978**	**12,032**	**1,812**	**2,129**
Total trust funds and liabilities		**530,929**	**514,857**	**517,833**	**502,026**

The notes on pages 4 to 24 are an integral part of these financial statements.

For and on behalf of the Board of Trustees:

Chambers

Chair of Board of Trustees
3 July 2013

Trustee
3 July 2013

The Canterbury Community Trust

Statement of Comprehensive Income

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Revenue	6	41,563	13,653	39,922	13,852
Investment fees	8	(1,796)	(1,461)	(1,593)	(1,431)
Other income	7	2,661	4,960	0	0
Other expenses	9	(3,077)	(1,983)	(1,980)	(1,757)
		39,351	**15,169**	**36,349**	**10,664**
Distribution to beneficiary	22	0	0	(16,167)	(16,738)
Donations	10	(19,225)	(20,605)	(4,058)	(3,867)
Profit/(loss) before tax		**20,126**	**(5,436)**	**16,124**	**(9,941)**
Tax	14	**0**	**0**	**0**	**0**
Profit/(loss) for the year		**20,126**	**(5,436)**	**16,124**	**(9,941)**
Other comprehensive income		**0**	**0**	**0**	**0**
Total comprehensive income for the year		**20,126**	**(5,436)**	**16,124**	**(9,941)**

Statement of Changes in Equity

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

Group		Core Real Capital Base Reserve	Capital Base Reserve	Accumulated Income Reserve	Total
Balance at 1 April 2012		371,422	151,015	(19,612)	502,825
Total comprehensive income for the year		(4,058)	0	24,184	20,126
Reserve transfers		4,058	4,703	(8,761)	0
Balance at 31 March 2013	17	**371,422**	**155,718**	**(4,189)**	**522,951**
Balance at 1 April 2011		371,422	142,788	(4,949)	509,261
Prior Period Misstatement	5	0	0	(1,000)	(1,000)
Total comprehensive income for the year		(3,905)	0	(1,531)	(5,436)
Reserves transfers		3,905	8,227	(12,132)	0
Balance at 31 March 2012 (Restated)		**371,422**	**151,015**	**(19,612)**	**502,825**

Trust		Core Real Capital Base Reserve	Capital Base Reserve	Accumulated Income Reserve	Total
Balance at 1 April 2012		371,422	151,015	(22,540)	499,897
Total comprehensive income for the year		(4,058)	0	20,182	16,124
Reserve transfers		4,058	4,703	(8,761)	0
Balance at 31 March 2013	17	**371,422**	**155,718**	**(11,119)**	**516,021**
Balance at 1 April 2011		371,422	142,788	(4,372)	509,838
Total comprehensive income for the year		(3,867)	0	(6,074)	(9,941)
Reserves transfers		3,867	8,227	(12,094)	0
Balance at 31 March 2012		**371,422**	**151,015**	**(22,540)**	**499,897**

The Canterbury Community Trust

Statement of Cash Flows

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Cashflows from operating activities					
Other income		1,355	3,561	44	50
Interest received		907	268	2,103	1,852
Cash paid to suppliers, employees and trustees		(4,122)	(1,831)	(3,827)	(3,570)
Donations		(23,552)	(20,417)	(20,225)	(20,103)
Net cash from/used in operating activities	21	**(25,412)**	**(18,419)**	**(21,905)**	**(21,771)**
Cashflows from investment activities					
Managed funds investments		51,005	27,899	46,917	29,054
Proceeds from repayment of community loans		822	866	822	866
Advances to subsidiaries		0	0	5,772	2,083
Sale of investment property and property, plant and equipment		11,901	0	0	0
New Community loans provided		(810)	(1,521)	(810)	(1,521)
Purchase of investment property and property, plant and equipment		(6,810)	0	(2)	(8)
Net Cash from/used in investing activities		**56,108**	**27,244**	**52,699**	**30,474**
Net (decrease)/increase in cash and cash equivalents		**30,696**	**8,825**	**30,794**	**8,703**
Cash and cash equivalents at 1 April		10,422	1,597	10,236	1,533
Cash and cash equivalents at 31 March	16	**41,118**	**10,422**	**41,030**	**10,236**

The notes on pages 4 to 24 are an integral part of these financial statements.

1 Reporting entity

The Canterbury Community Trust (the "Trust") is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of The Community Trust Act 1999 and has a registered office at 12 Hazeldean Road, Christchurch.

Consolidated financial statements are presented for The Canterbury Community Trust. The consolidated financial statements of the Group as at and for the year ended 31 March 2013 comprise the Trust and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Group is a charitable trust which distributes income from its investment activities to the communities of Canterbury, Nelson, Marlborough and the Chatham Islands.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards and its interpretations (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

The financial statements have been approved by the Board of Trustees on 3 July 2013.

(b) Basis of measurement

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

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- investment property is measured at fair value.

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

(c) Functional and presentation currency

These financial statements are presented in thousands of New Zealand dollars ($000's), which is the Parent and Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of 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 these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are related to the valuation of investments are discussed further in note 4.

3 Significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

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

3 Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are accounted for at the trade date.

Non-derivative financial instruments are recognised initially at fair value. Derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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

Investments in subsidiaries

Investments in equity securities of subsidiaries are measured at cost in the financial statements of the Parent.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Trade and other payables

Trade and other payables are stated at amortised cost.

(ii) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Hedge accounting is not adopted and derivatives are recognised as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit and loss on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are as follows:

- Office equipment 6-60% diminishing value
- Furniture and fittings 14-40% diminishing value
- Computers 28-48% diminishing value

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at fair value with any change therein recognised in the profit and loss. Investment property is revalued annually.

(f) Impairment

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit and loss.

(i) Impairment of debt instruments and receivables

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

(g) Statement of Cash Flows

Cash comprises cash at bank but does not include cash or deposits held by the Fund Managers. Therefore the Statement of Cash Flows does not reflect the cash flows within the Fund Managers' portfolios.

(h) Employee benefits

Short-term benefits

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

(i) Revenue

(i) Investment income

Investment income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in the profit and loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(ii) Rental income

Rental income from investment property is recognised in the profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Movements in fair value

Revenue is reflective of changes in the fair value movement of investments held and are recognised in the profit and loss.

(j) Lease payments

Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(k) Finance expenses

Finance expenses comprise interest expense, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in the profit and loss.

(l) Distributions in the form of Donations

Distributions are accounted for as they are committed to be distributed to eligible organisations approved by the Trustees of the Trust. Committed donations are payable on the satisfaction of any conditions placed on the recipients.

3 Significant accounting policies (continued)

(m) New standards adopted and interpretations not yet adopted

The following new interpretations and amendments to standards were adopted for the year ended 31 March 2013, and have been applied in preparing these consolidated financial statements:

Amendments to NZ IFRS 7 Financial Instruments: Disclosures to NZ IFRS 7 enhance the transparency of disclosure requirements for the transfer of financial assets.
For transferred financial assets that are derecognised in their entirety but where the entity has a continuing involvement in them, the amendments require disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.
For transferred financial assets that are not derecognised in their entirety, the amendments require disclosure of information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities.
There are no transferred financial assets in the period covered by these financial statements.
FRS-44 New Zealand Additional Disclosures is a consequence of the joint Trans-Tasman Convergence project of the Australian Accounting Standards Board (AASB) and Financial Reporting Standards Board (FRSB). This standard relocates New Zealand specific disclosures from other standards to one place and revises disclosures in the following areas:
(a) Compliance with NZ IFRS
(b) The statutory basis or reporting framework for financial statements
(c) Audit fees
(d) Imputation credits
(e) Reconciliation of net operating cash flow to profit (loss)
(f) Prospective financial statements
(g) Elements in the statement of service performance
There have been no changes to disclosures resulting from adoption of this standard.
Amendments to NZ IFRS to Harmonise with IFRS and Australian Accounting Standards:
(a) Remove the disclosures which have been relocated to FRS 44
(b) Harmonise audit fee disclosure requirements in NZ IAS 1 with AASB 101
(c) Harmonise imputation/franking credits' disclosure requirements in NZ IAS 12 with AASB 101
(d) Introduce of the option to use the indirect method of reporting cash flows in NZ IAS 7
(e) Introduce an accounting policy choice to use the cost model for investment property under NZ IAS 40
(f) Remove the requirement to use an independent valuer and the related disclosure requirements currently in NZ IAS 16 and NZ IAS 40
(g) Remove some NZ-specific disclosures
Disclosures regarding use of an independent valuer for investment property under NZ IAS 16 and NZ IAS 40 have been removed. There have been no other changes to disclosures resulting from adoption of this standard.
Amendments to NZ IAS 12 Income Taxes — Deferred Tax: Recovery of Underlying Assets include:
• A rebuttable presumption that deferred tax on investment property measured using the fair value model in NZ IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale
• A requirement that deferred tax on non-depreciable assets, measured using the revaluation model in NZ IAS 16, should always be measured on a sale basis
The amendments incorporate NZ SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into NZ IAS 12 for non-depreciable assets measured using the revaluation model in NZ IAS 16 Property, Plant and Equipment.
The Group already measures deferred tax on revalued assets on a sale basis therefore there have been no changes resulting from adoption of this standard.

The following new interpretations and amendments to current standards are not yet effective for the year ended 31 March 2013, and have not been applied in preparing these consolidated financial statements. The Group expects the following amendments to standards to have an impact on its financial statements in future periods:

NZ IFRS 9 (2009) & (2010) "Financial Instruments" was approved for periods beginning on or after 1 January 2013. This standard replaces the multiple classification and measurement models in IAS 39 financial instruments: Recognition and measurement with a single model that has only two categories: amortised cost and fair value. The Group intends to adopt this standard from 1 April 2015. The new standard is not expected to significantly impact the Group but will result in some amended presentation within the Financial Statements.

(n) Change in accounting policies

Other than new standards adopted there have not been any changes in accounting policies during the year.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investment property

Colliers International Valuation (Chch) Limited, BBK Property and Telfer Young (Christchurch properties), Duke and Cooke (Nelson properties), Darroch Limited (Porirua property) having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the relevant part of the Group's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

(b) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, is determined by reference to their quoted bid price at the reporting date wherever this information is available. Certain investments in emerging markets are only traded on certain days. In this instance the trades that occurred on the date nearest to the balance date have been used.

For investments where there is no active market, investments have been valued using Australian Private Equity & Venture Capital Association Limited ("AVCAL") reporting guidelines. This broadly requires the investment to be valued at cost for the first 18 months and subsequently based on net asset value.

(c) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(d) Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

5 Restatements impacting the Statement of Comprehensive Income

A donation of $1,000,000 was committed to during the year ended 31 March 2010 but not recorded. The Statement of Comprehensive Income for the prior year has been restated with the effect that comprehensive income has been reduced by $1,000,000.

in New Zealand Dollars ($000's)

6 Revenue

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Rents received	979	846	0	0
Interest received	907	268	2,365	1,852
Management fees	0	0	43	50
Change in fair value of investments	39,677	12,539	37,514	11,950
	41,563	**13,653**	**39,922**	**13,852**

7 Other income

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Change in fair value of investment property	(96)	1,785	0	0
Profit on disposal of investment property	481	460	0	0
Rent received from investment property	2,276	2,715	0	0
	2,661	**4,960**	**0**	**0**

8 Investment fees

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Fund manager fees	1,293	1,033	1,222	1,031
Custodial fees	134	168	134	168
Advisory fees	369	260	237	232
	1,796	**1,461**	**1,593**	**1,431**

9 Other expenses

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Advertising public relations, distribution and other costs	239	363	216	199
Computer costs	112	187	112	200
Depreciation	94	116	23	88
Loan write-off	218	0	218	0
Professional fees	387	108	186	75
Property costs	969	221	167	157
Salaries, trustee fees and staff-recruiting fees	997	955	997	1,005
Share of profit/loss from associates	4	0	4	0
Auditor's remuneration				
- for audit of financial statements	32	33	32	33
- tax compliance services	25	0	25	0
	3,077	**1,983**	**1,980**	**1,757**

in New Zealand Dollars ($000's)

10 Donations

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 the Annual Report.

Funds carried forward as accumulated income are available for the payment of donations in future years. Budgeted donations unspent in the current year are expected to be distributed in the following year.

The Group has future commitments of donations where the donee must fulfil future obligations before the donation is payable. At 31 March 2013 these totalled $97,000 (2012: $470,000).

The Trustees recognise that there is a need to ensure fairness and equity between the regions as far as payments of donations are concerned in relation to budgetary allocations. The allocation of donations between regions is based on population statistics for each region.

11 Property, Plant and Equipment

Group	Office equipment	Fixtures and fittings	Computers	Leasehold Improvements	Total
Cost					
Balance at 1 April 2012	85	89	246	201	621
Additions	0	5	38	1	44
Disposals	0	0	(70)	(31)	(101)
Balance as at 31 March 2013	**85**	**94**	**214**	**171**	**564**
Balance at 1 April 2011	94	179	246	201	720
Additions	2	0	6	0	8
Disposals	(11)	(90)	(6)	0	(107)
Balance as at 31 March 2012	**85**	**89**	**246**	**201**	**621**
Depreciation					
Balance at 1 April 2012	30	36	193	28	287
Depreciation for the year	11	11	29	17	68
Disposals	0	0	(38)	0	(38)
Balance as at 31 March 2013	**41**	**47**	**184**	**45**	**317**
Balance at 1 April 2011	26	79	148	11	264
Depreciation for the year	13	35	51	17	116
Disposals	(9)	(78)	(6)	0	(93)
Balance as at 31 March 2012	**30**	**36**	**193**	**28**	**287**
Carrying amounts					
At 1 April 2012	**55**	**53**	**53**	**173**	**334**
At 31 March 2013	**44**	**47**	**30**	**126**	**247**
At 1 April 2011	**68**	**100**	**98**	**190**	**456**
At 31 March 2012	**55**	**53**	**53**	**173**	**334**

in New Zealand Dollars ($000's)

11 Property, Plant and Equipment (cont)

Trust	Office equipment	Fixtures and fittings	Computers	Leasehold Improvements	Total
Cost					
Balance at 1 April 2012 (unaudited)	85	42	176	170	473
Additions	0	0	38	1	39
Disposals	0	0	0	0	0
Balance as at 31 March 2013	**85**	**42**	**214**	**171**	**512**
Balance at 1 April 2011 (unaudited)	94	42	176	170	482
Additions	2	0	6	0	8
Disposals	(11)	0	(6)	0	(17)
Balance as at 31 March 2012 (unaudited)	**85**	**42**	**176**	**170**	**473**
Depreciation					
Balance at 1 April 2012 (unaudited)	30	11	155	28	224
Depreciation for the year	11	5	29	17	62
Disposals	0	0	0	0	0
Balance as at 31 March 2013	**41**	**16**	**184**	**45**	**286**
Balance at 1 April 2011 (unaudited)	26	5	110	11	152
Depreciation for the year	13	6	51	17	87
Disposals	(9)	0	(6)	0	(15)
Balance as at 31 March 2012 (unaudited)	**30**	**11**	**155**	**28**	**224**
Carrying amounts					
At 1 April 2012 (unaudited)	**55**	**31**	**21**	**142**	**249**
At 31 March 2013	**44**	**26**	**30**	**126**	**226**
At 1 April 2011 (unaudited)	**68**	**37**	**66**	**159**	**330**
At 31 March 2012 (unaudited)	**55**	**31**	**21**	**142**	**249**

in New Zealand Dollars ($000's)

12 Investment property

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Balance at 1 April	27,555	33,470	0	0
Acquisitions	6,766	0	0	0
Disposals	(5,800)	(7,700)	0	0
Change in fair value	(96)	1,785	0	0
Balance at 31 March	**28,425**	**27,555**	**0**	**0**

Investment property comprises nine properties. 262 Oxford Terrace, 95 Oxford Terrace, 141 Hereford Street, 242 Manchester Street,105-107 Blenheim Road, 55 Shands Road (Christchurch) 16 Parumoana Street (Porirua), 188 Hardy Street and 50 Halifax Street (Nelson).

Christchurch investment properties were valued at 31 March 2013 by Colliers International Valuation (Chch) Limited, Telfer Young Limited and BBK Valuation Ltd. Nelson investment properties were valued at 31 March 2013 by Duke and Cooke Limited. The Porirua investment property was valued at 31 March 2013 by Darroch Limited.

The following properties were within the restricted Christchurch CBD area and have been disposed of during the year:

- 262 Oxford Terrace
- 141 Hereford Street
- 242 Manchester Street

The land at 141 Hereford Street was sold. The land at 262 Oxford Terrace and 242 Manchester Street was compulsorily acquired by the Canterbury Earthquake Recovery Authority. Insurance settlements for the indemnity values of the buildings have been received or provided for in these accounts. Some payments have been deferred pending completion of demolition work. Demolition costs have been paid or provided for in these accounts.

During the year ended 31 March 2013, rent of $2,276,355 was recognised as being other income in the Statement of Comprehensive Income (2012: $2,714,617).

Canterbury Trust House Limited 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 Statement of Comprehensive Income is $19,531; (2012:$20,124).

13 Financial assets

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Non-current investments				
Loans and receivables	4,400	4,552	4,400	4,552
	4,400	**4,552**	**4,400**	**4,552**
Current investments				
Loans and receivables	726	805	726	805
Financial assets at fair value through profit or loss	451,915	462,264	426,943	436,346
	452,641	**463,069**	**427,669**	**437,151**

14 Taxation

The Canterbury Community Trust is exempt from income tax with effect 1 April 2004. This means that the Canterbury Trust House Limited is now the only taxable entity in the Group.

The Group has an unrecognised deferred taxation asset in respect of taxation losses of $2,702,160 (2012: $3,053,702). The assets and liabilities are not expected to be realised in the foreseeable future.

in New Zealand Dollars ($000's)

15 Trade and other receivables

	Group	Group	Trust	Trust
	2013	**2012**	**2013**	**2012 (Unaudited)**
Other trade receivables	3,554	8,925	721	825
	3,554	**8,925**	**721**	**825**

See note 19 with respect to impairment of trade receivables.

16 Cash and cash equivalents

	Group	Group	Trust	Trust
	2013	**2012**	**2013**	**2012 (Unaudited)**
Call Deposits	40,880	10,164	40,880	10,164
Bank balances	238	258	150	72
	41,118	**10,422**	**41,030**	**10,236**

The effective interest rate on call deposits in 2013 was an average of 4.16-4.46 percent (2012: 2.5-4.1 percent).
The deposits were on call deposit with the balance fluctuating on a daily basis.

17 Trust funds

Core Real Capital Base Reserve

The Core Real Capital Base Reserve arose when monies were received on the sale of the Trust Bank Canterbury to Westpac.

Capital Base Reserve

The Capital Base Reserve provides a fund to reflect the effects of annual inflation on the Core Real Capital Base Reserve, using the Consumer Price Index.

Accumulated Income Reserve

The Accumulated Income Reserve reflects the accumulated profits from earlier periods.

18 Trade and other payables

	Group	Group	Trust	Trust
	2013	**2012 (Restated)**	**2013**	**2012 (Unaudited)**
Other trade payables	795	522	501	237
Unpaid donations	7,183	11,510	1,311	1,892
	7,978	**12,032**	**1,812**	**2,129**

19 Financial instruments

Risk Management

Risks arising from the Group's financial assets and liabilities are inherent in the nature of the Group's activities, and are managed through an ongoing process of identification, measurement and monitoring. The Group is exposed to credit risk, liquidity risk, and market risk (including currency, interest rate and pricing risks).

The Group's income is generated from its financial assets. Liabilities which arise from its operations are met from cash flows provided by these assets.

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

19 Financial instruments (continued)

The SIPO sets out the Trust's investment objectives. These can be summarised as:

1. To invest the Trust's assets in such a way as to deliver the best possible risk-adjusted returns over the long term.
2. To ensure that funds are available for distribution, as required, to meet the need and distribution policies of the Trust.
3. To maintain the value of the Trust's capital base in real terms.
4. To provide a modest level of additional capital growth.
5. To use best endeavours to invest prudently and consistent with its commitment to the United Nations Principles of Responsible Investment (PRI).

The Investment Portfolio

The Trust manages its Investment Portfolio in terms of its SIPO. The SIPO is monitored on a regular basis by the Board of Trustees and, as required, amended to reflect international best investment practice. The Portfolio's Strategic Asset Allocation is reviewed at three yearly intervals. The Strategic Asset Allocation was last reviewed in early 2013. The Trust has engaged Mercer NZ Limited as its Investment Adviser.

Portfolio Characteristics

The Group is not directly involved with the analysis, sale or purchase of individual asset securities. Investments are made in pooled funds with Fund Managers. The performance of each asset class is measured against an appropriate internationally accepted standard benchmark or index for each asset class.

Credit risk

Credit risk represents the risk that a counter party to a financial asset fails to discharge an obligation which will cause the group to incur a financial loss.

The Group's credit risk arises from any default by a counterparty. The current exposure at balance date is the fair value of these assets as disclosed in the Statements of Financial Position.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty or where a number of counterparties are engaged in similar business activities, geographical regions, or similar economic features that would influence their ability to meet their contractual obligations by reason of changes in economic, political or other conditions.

The Group manages credit concentration risks through:

1. A diversified and non-correlated portofolio of investments across traditional and alternative classes.
2. Through use of a multi-fund manager approach to investments in its portfolio.
3. By ensuring compliance with the individual mandate requirements of each investment.

The Group's SIPO stipulates value ranges that may be held in cash, New Zealand bonds, international bonds, emerging market bonds and property. Within each of these investment sub-groups there are maximum limits that can be invested within one financial institution. This diversified investment strategy reduces the credit risk exposure of the Group.
The Group only makes loans to entities that are well established and have the ability to demonstrate strong cashflows.

The SIPO sets out minimum credit standards that must be maintained before investments will be made in a range of asset classes.

19 Financial instruments (continued)

Credit Risk Ratings of Investments

Group and Trust

31 March 2013

	AAA to AA-	A+ to A-	BBB+ - B	CCC, NR Other	$000
New Zealand Bonds	63.7%	36.2%		0.1%	141,180
Global Bonds	100.0%				136,059
Cash	86.9%	0.1%	12.8%	0.2%	41,118

Group and Trust

31 March 2012

	AAA to AA-	A+ to A-	BBB+ - B	CCC, NR Other	$000
New Zealand Bonds	48.3%	51.7%			178,485
Global Bonds	100.0%				123,715
Cash	43.6%	22.0%	33.3%	1.1%	10,422

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. This risk is managed through the Group's investment in a diversified portfolio of financial assets. The Group evaluates its liquidity measurements on an ongoing basis.

The Group's investment portfolio mainly consists of listed securities which under normal market conditions are readily convertible to cash. In addition the Trust maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Group's financial liabilities comprise of Sundry Accounts Payable and Outstanding Donations Payable. At balance date, all Accounts Payable were current and are normally settled on the 20th of the month following invoice date. Outstanding Donations Payable are settled as the terms and conditions of payment for each donation are satisfied. The inter-group Current Accounts are between the Trust and its subsidiary companies who transact on a regular basis.

Market risk

Market risk is the risk that fair value of future cash flows from financial assets and liabilities will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices. Market risk is managed and monitored using sensitivity analysis and minimised by ensuring that all investment activities are undertaken in accordance with established mandate limits and the investment strategies set out in the Group's SIPO.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial assets. The Group's investment in global bonds is held in a pooled fund. As such movements in interest rates will be reflected in each pooled fund's fair value asset pricing. NZ Bonds are held in a pooled fund. The exposure to movement in the fair value of the Group's bond portfolios is discussed in the note on pricing risk.

Currency risk

The Group is exposed to foreign currency risk as a result of investment transactions entered into by fund managers in a currency other than the Parent's functional currency, New Zealand dollars ($), which is the presentation currency of the Group. Fund managers typically hedge investments denominated in a foreign currency where appropriate with foreign exchange contracts.

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Pricing risk

Pricing risk is the risk that the fair value of financial assets will increase or decrease as a result of changes in market prices, whether these changes are caused by factors specific to individual stocks or factors affecting all financial assets in the market. Pricing risks arise from the Group's investment portfolio.

Quantitative disclosure

Credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group's maximum exposure to credit risk for investments by geographic regions and investment type is as follows, net of related derivative liabilities:

	Group	Group	Trust	Trust
Carrying amount	**2013**	**2012**	**2013**	**2012 (Unaudited)**
New Zealand Community Loans	5,126	5,357	5,126	5,357
New Zealand Cash	44,829	91,658	44,829	91,658
New Zealand Fixed interest	96,351	86,827	96,351	86,827
New Zealand Property	13,279	12,749	0	0
Australasian Equities	36,573	29,741	36,573	29,741
Private Equity	13,046	14,007	1,353	1,386
Global Bonds	136,059	123,715	136,059	123,715
Global Equities	75,482	67,854	75,482	67,854
Emerging Market Debt	23,056	21,923	23,056	21,923
Emerging Market Equities	13,240	13,241	13,240	13,241
Total Financial Assets	**457,041**	**467,072**	**432,069**	**441,702**

Global Bonds, Global Equities, Australasian Equities, Emerging Market Debt and Emerging Market Equities contain investments denominated in US Dollars and Australian Dollars.

The Group has uncalled commitments to private equity funds totalling $13,755,967 (2012: $13,753,522).

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Liquidity risk

The following table sets out the contractual cash flows for all financial liabilities, financial assets and derivatives that are settled on a gross cash flow basis. Note that contractual cash flows from securities that are tradeable but not fixed interest are assumed to be 6 months or less.

Group 2013	**Balance sheet**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 Years**	**2-5 Years**	**More than 5 Years**
Financial liabilities and derivatives							
Trade and other payables	7,978	7,978	7,978	0	0	0	0
	7,978	**7,978**	**7,978**	**0**	**0**	**0**	**0**
Financial assets and derivatives							
New Zealand Community Loans	5,126	5,126	360	366	738	2,096	1,566
Trade and other receivables	3,554	3,554	3,554	0	0	0	0
Cash and cash equivalents	41,118	41,118	41,118	0	0	0	0
Investments	451,915	451,915	425,590	0	13,279	0	13,046
	501,713	**501,713**	**470,622**	**366**	**14,017**	**2,096**	**14,612**

Group 2012	**Balance sheet**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 Years**	**2-5 Years**	**More than 5 Years**
Financial liabilities and derivatives							
Trade and other payables	12,032	12,032	12,032	0	0	0	0
	12,032	**12,032**	**12,032**	**0**	**0**	**0**	**0**
Financial assets and derivatives							
New Zealand Community Loans	5,357	5,357	402	403	805	1,540	2,207
Trade and other receivables	8,925	8,925	8,925	0	0	0	0
Cash and cash equivalents	10,422	10,422	10,422	0	0	0	0
Investments	462,264	462,264	317,031	0	12,749	0	14,007
	486,968	**486,968**	**336,780**	**403**	**13,554**	**1,540**	**16,214**

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Trust 2013	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 Years
Financial liabilities and derivatives							
Trade and other payables	1,812	1,812	1,812	0	0	0	0
	1,812	**1,812**	**1,812**	**0**	**0**	**0**	**0**
Financial assets and derivatives							
New Zealand Community Loans	5,126	5,126	360	366	738	2,096	1,566
Trade and other receivables	721	721	721	0	0	0	0
Cash and cash equivalents	41,030	41,030	41,030	0	0	0	0
Investments	426,943	426,943	425,590	0	0	0	1,353
	473,820	**473,820**	**467,701**	**366**	**738**	**2,096**	**2,919**

Trust 2012 (unaudited)	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 Years
Financial liabilities and derivatives							
Trade and other payables	2,129	2,129	2,129	0	0	0	0
	2,129	**2,129**	**2,129**	**0**	**0**	**0**	**0**
Financial assets and derivatives							
New Zealand Community Loans	5,357	5,357	402	403	805	1,540	2,207
Trade and other receivables	825	825	825	0	0	0	0
Cash and cash equivalents	10,236	10,236	10,236	0	0	0	0
Investments	436,345	436,345	434,959	0	0	0	1,386
	452,763	**452,763**	**446,422**	**403**	**805**	**1,540**	**3,593**

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Foreign currency exchange risk

The Group and Trust's exposure to foreign currency risk can be summarised as follows:

2013	USD	AUD
Foreign currency risk		
Investments	36,592	25,866
Net balance sheet exposure before hedging activity	**36,592**	**25,866**
Forward exchange contracts		
Notional amounts	12,332	6,270
Net unhedged exposure	**24,260**	**19,596**

2012	USD	AUD
Foreign currency risk		
Investments	35,433	23,582
Net balance sheet exposure before hedging activity	**35,433**	**23,582**
Forward exchange contracts		
Notional amounts	11,132	5,121
Net unhedged exposure	**24,301**	**18,461**

The foreign currency risk of certain investments is managed within the fund. The Group is unable to quantify the extent that this risk is managed. The foreign currency exchange risk is the NZ equivalent value.

Interest rate risk - Group and Trust 2013

Interest rate risk at 31 March 2013 occurs in the following investments:

	Carrying amount $'000	Percentage covered by interest rate swaps
New Zealand Cash	44,829	0%
New Zealand Fixed Interest	96,351	0%
Global Bonds	136,059	0%
Emerging Market Debt	23,056	0%
	300,295	**0%**

Interest rate risk - Group and Trust 2012

Interest rate risk at 31 March 2012 occurs in the following investments:

	Carrying amount $'000	Percentage covered by interest rate swaps
New Zealand Cash	91,658	0%
New Zealand Fixed Interest	86,827	0%
Global Bonds	123,715	0%
Emerging Market Debt	21,923	0%
	324,123	**0%**

At 31 March 2013 the Group had no interest rate swaps (2012: none).

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Capital management

The Group's capital includes Core Real Capital Base Reserve, Accumulated Income Reserve and Capital Base Reserve.

The Group's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the Canterbury Community Trust. This is achieved by setting aside each year sufficient sums from reserves to increase the Trust Capital by the annual rate of inflation as measured by the consumer price index. Donations policy is adjusted as required based on the financial performance of the Group's investments.

The Group is not subject to any externally imposed capital requirements.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Trustees.

There have been no material changes in the Group's management of capital during the period.

Estimation of fair value

The methods used in determining the fair values of financial instruments are discussed in note 4.

Fair value hierarchy

NZ IFRS 7 requires that the classification of financial instruments at fair value through profit and loss be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e.,as prices) or indirectly (i.e., derived from prices)
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the financial instruments as well as methods used to estimate the fair values are summarised in the following table:

Group 2013	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments	259,021	179,848	13,046
	259,021	**179,848**	**13,046**

Trust 2013	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments	259,021	179,848	1,353
	259,021	**179,848**	**1,353**

Group 2012	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments	178,485	269,145	14,086
	178,485	**269,145**	**14,086**

Trust 2012 (Unaudited)	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments	178,485	269,145	1,386
	178,485	**269,145**	**1,386**

in New Zealand Dollars ($000's)

19 Financial instruments (continued)

Reconciliation of Level 3 financial assets

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Opening balance	14,086	19,851	1,386	1,618
Purchases	1,496	1,872	3	17
Sales	(3,687)	(7,970)	(69)	0
Total gains and losses recognised in profit and loss	1,151	333	33	(249)
Closing balance	**13,046**	**14,086**	**1,353**	**1,386**
Total gains and losses for assets held at end of the year	**1,151**	**333**	**33**	**(249)**

There were no transfers between categories in the year.

Disclosures in respect of the valuation techniques used are made in note 4.

20 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Less than one year	123	123	0	0
Between one and five years	492	521	0	0
More than five years	503	123	0	0
	1,118	**767**	**0**	**0**

Leases as lessor

The Group leases out its investment property held under operating leases (see note 11). The future minimum lease payments under non-cancellable leases are as follows:

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Less than one year	1,680	1,889	0	0
Between one and five years	4,668	2,471	0	0
More than five years	4,322	337	0	0
	10,670	**4,697**	**0**	**0**

in New Zealand Dollars ($000's)

21 Reconciliation of the profit for the period with the net cash from operating activities

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Total comprehensive income for the year	20,126	(5,436)	16,124	(9,941)
Adjustments for:				
Depreciation	92	116	23	83
(Gains)/losses on disposal of property, plant and equipment	(481)	(460)	0	0
Change in fair value of investment property	96	(1,785)	0	0
Share of associate (profit)/loss	4	0	4	0
Loan written off	218	0	218	0
Managed funds income (gains)/losses	(40,620)	(10,367)	(37,517)	(10,155)
Change in trade and other receivables	(793)	(672)	(440)	(249)
Change in trade and other payables	(4,054)	185	(317)	(1,509)
Net cash from operating activities	**(25,412)**	**(18,419)**	**(21,905)**	**(21,771)**

22 Related parties

Transactions with key management personnel

Key management personnel compensation comprised:

		Group 2013	Group 2012 (unaudited)	Trust 2013	Trust 2012 (unaudited)
A Neill	Fees	32	35	32	35
R Bridge	Fees	16	13	16	13
T Chambers	Fees	14	6	14	6
L Collyns	Fees	8	13	8	13
W Dahlberg	Fees	19	15	19	15
B Dent	Fees	0	6	0	6
P Graham	Fees	14	14	14	14
S McKenzie	Fees	15	14	15	14
E Moke	Fees	8	15	8	15
B Moore	Fees	15	13	15	13
L Rutland	Fees	7	13	7	13
M Spence	Fees	15	13	15	13
S Thompson	Fees	0	1	0	1
J Thomas	Fees	14	11	14	11
C Korako	Fees	7	0	7	0
R Wells	Fees	8	0	8	0
		192	**182**	**192**	**182**

in New Zealand Dollars ($000's)

22 Related parties (continued)

Parent transactions with Group entities

			Interest received	Management fees received	Expenses contribution paid	Distributions paid	Amounts owed by related parties
Canterbury Trust House Limited	Subsidiary	2013	722	43	0	0	16,506
		2012 (unaudited)	933	50	0	0	22,012
Canterbury Trust Charities Limited	Subsidiary	2013	418	0	0	16,167	5,354
		2012 (unaudited)	180	0	0	16,738	2,639
Canterbury Direct Investments Limited	Subsidiary	2013	320	0	0	0	9,384
		2012 (unaudited)	472	0	0	0	12,364
Te Kete Putea Partnership	Associate	2013	0	0	72	0	0
		2012 (unaudited)	0	0	0	0	0

23 Group entities

Significant subsidiaries	Country of ownership incorporation	Interest (%) 2013	Interest (%) 2012
Canterbury Trust House Limited	New Zealand	100%	100%
Canterbury Trust Charities Limited	New Zealand	100%	100%
Canterbury Direct Investments Limited	New Zealand	100%	100%
Associates			
Te Kete Putea Partnership	New Zealand	23%	0%

24 Special Fund

In February 2013 the Trustees announced the creation of a one off Special Fund of $25 million to be funded from the Trust funds. This fund is in recognition of the recovery funding which is required after the impact of the Canterbury earthquakes. It is expected that donations will be allocated over a five year period under the following funds:

	Group 2013	Group 2012	Trust 2013	Trust 2012 (Unaudited)
Social Housing	10,000	0	10,000	0
Contestable Fund	6,000	0	6,000	0
Event Development Fund	1,900	0	1,900	0
Ngai Tahu Partnership Fund	2,000	0	2,000	0
Regional Fund (Nelson, Marlborough, Chatham Islands)	5,100	0	5,100	0
	25,000	**0**	**25,000**	**0**

The criteria and scope of each of these funds are currently being developed.

25 Subsequent Events

There were no significant events occuring subsequent to 31 March 2013 (2012: none).

Independent auditor's report

To the beneficiaries of The Canterbury Community Trust

Report on the trust and group financial statements

We have audited the accompanying financial statements of The Canterbury Community Trust ("the trust") and the group, comprising the trust and its subsidiaries, on pages 1 to 24. The financial statements comprise the statements of financial position as at 31 March 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the trust and the group.

Trustees' responsibility for the trust and group financial statements

The trustees are responsible for the preparation of trust and group financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the trustees determine is necessary to enable the preparation of trust and group financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these trust and group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the trust and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the trust and group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the trust and group in relation to taxation services. These matters have not impaired our independence as auditor of the trust and group. The firm has no other relationship with, or interest in, the trust and group.

Opinion

In our opinion the financial statements on pages 1 to 24:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the trust and the group as at 31 March 2013 and of the financial performance and cash flows of the trust and the group for the year then ended.

Other matter

The financial statements of the group, for the year ended 31 March 2012, were audited by another auditor who expressed an unmodified opinion on those statements on 2 July 2012.

We were first appointed auditors of the company on 22 February 2013. The financial statements of the parent presented for the prior period have not been audited. .

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by The Canterbury Community Trust as far as appears from our examination of those records.

KPMG

3 July 2013
Christchurch