SUPPLEMENT TO

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THE CANTERBURY COMMUNITY TRUST

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

Financial Statements for Year Ended
31 March 2014

Contents

The Canterbury Community Trust

Statement of Financial Position

As at 31 March 2014

in New Zealand Dollars ($000's)

		Group	Group	Trust	Trust
Assets	**Note**	**2014**	**2013**	**2014**	**2013**
Property, plant and equipment	10	238	247	195	226
Investment in associate	22	453	544	453	544
Investment in subsidiary	22	0	0	12,000	12,000
Investment property	11	34,385	28,425	0	0
Financial assets	12	31,307	30,725	5,205	5,753
Total non-current assets		**66,383**	**59,941**	**17,853**	**18,523**
Advances to subsidiaries	21	0	0	28,217	31,243
Trade and other receivables	14	1,370	3,554	1,148	721
Cash and cash equivalents	15	24,435	41,118	24,254	41,030
Financial assets	12	440,939	426,316	440,939	426,316
Total current assets		**466,744**	**470,988**	**494,558**	**499,310**
Total assets		**533,127**	**530,929**	**512,411**	**517,833**
Trust Funds					
Capital base reserve	16	353,807	371,422	353,807	371,422
Inflation reserve	16	155,865	155,718	155,865	155,718
Special fund reserve	16	7,241	0	7,241	0
Accumulated income reserve (deficit)	16	(2,009)	(4,189)	(11,662)	(11,119)
Total trust funds		**514,904**	**522,951**	**505,251**	**516,021**
Liabilities					
Advances from subsidiaries	21	0	0	3,900	0
Trade and other payables	17	18,223	7,978	3,260	1,812
Total current liabilities		**18,223**	**7,978**	**7,160**	**1,812**
Total liabilities		**18,223**	**7,978**	**7,160**	**1,812**
Total trust funds and liabilities		**533,127**	**530,929**	**512,411**	**517,833**

The notes on pages 4 to 23 are an integral part of these financial statements.

For and on behalf of the Board of Trustees:

Chair of Board of Trustees
7 July 2014

Trustee
7 July 2014

The Canterbury Community Trust

Statement of Comprehensive Income

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

	Note	Group 2014	Group 2013	Trust 2014	Trust 2013
Revenue	5	27,085	41,563	27,252	39,922
Investment fees	6	(1,675)	(1,796)	(1,394)	(1,593)
Other income	7	4,187	2,661	0	0
Other expenses	8	(2,806)	(3,077)	(2,162)	(1,980)
		26,791	**39,351**	**23,696**	**36,349**
Distribution to beneficiary	21	0	0	(15,000)	(16,167)
Donations	9	(18,968)	(19,225)	(3,596)	(4,058)
Surplus/(deficit) before tax		**7,823**	**20,126**	**5,100**	**16,124**
Tax	13	**0**	**0**	**0**	**0**
Surplus/(deficit) for the year		**7,823**	**20,126**	**5,100**	**16,124**
Other comprehensive income		**0**	**0**	**0**	**0**
Total comprehensive income for the year		**7,823**	**20,126**	**5,100**	**16,124**

Statement of Changes in Equity

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

Group	Note	Capital Base Reserve	Inflation Reserve	Special Fund Reserve	Accumulated Income Reserve	Total
Balance at 1 April 2013		371,422	155,718	0	(4,189)	522,951
Total comprehensive income for the year		(3,596)	0	0	11,419	7,823
Establishment of Special Fund Reserve		(17,615)	(7,385)	25,000	0	0
Reserve transfers		3,596	7,532	(17,759)	(9,239)	(15,870)
Balance at 31 March 2014	16	**353,807**	**155,865**	**7,241**	**(2,009)**	**514,904**
Balance at 1 April 2012		371,422	151,015	0	(19,612)	502,825
Total comprehensive income for the year		(4,058)	0	0	24,184	20,126
Reserves transfers		4,058	4,703	0	(8,761)	0
Balance at 31 March 2013		**371,422**	**155,718**	**0**	**(4,189)**	**522,951**

Trust	Note	Capital Base Reserve	Inflation Reserve	Special Fund Reserve	Accumulated Income Reserve	Total
Balance at 1 April 2013		371,422	155,718	0	(11,119)	516,021
Total comprehensive income for the year		(3,596)	0	0	8,696	5,100
Establishment of Special Fund Reserve		(17,615)	(7,385)	25,000	0	0
Reserve transfers		3,596	7,532	(3,807)	(9,239)	(1,918)
Capital Distribution		0	0	(13,952)	0	(13,952)
Balance at 31 March 2014	16	**353,807**	**155,865**	**7,241**	**(11,662)**	**505,251**
Balance at 1 April 2012		371,422	151,015	0	(22,540)	499,897
Total comprehensive income for the year		(4,058)	0	0	20,182	16,124
Reserves transfers		4,058	4,703	0	(8,761)	0
Balance at 31 March 2013		**371,422**	**155,718**	**0**	**(11,119)**	**516,021**

The notes on pages 4 to 23 are an integral part of these financial statements.

The Canterbury Community Trust

Statement of Cash Flows

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

	Note	Group 2014	Group 2013	Trust 2014	Trust 2013
Cashflows from operating activities					
Other income		6,487	1,355	509	44
Interest received		1,888	907	2,886	2,103
Cash paid to suppliers, employees and trustees		(4,572)	(4,122)	(3,455)	(3,827)
Donations		(23,398)	(23,552)	(28,125)	(20,225)
Net cash from/used in operating activities	20	**(19,595)**	**(25,412)**	**(28,185)**	**(21,905)**
Cashflows from investment activities					
Managed funds investments		8,516	51,005	9,029	46,917
Proceeds from repayment of community loans		1,269	822	1,269	822
Advances to subsidiaries		0	0	3,026	5,772
Sale of investment property and property, plant and equipment		456	11,901	0	0
New Community loans provided		(1,900)	(810)	(1,900)	(810)
Purchase of investment property and property, plant and equipment		(5,429)	(6,810)	(15)	(2)
Net Cash from/used in investing activities		**2,912**	**56,108**	**11,409**	**52,699**
Net (decrease)/increase in cash and cash equivalents		**(16,683)**	**30,696**	**(16,776)**	**30,794**
Cash and cash equivalents at 1 April		41,118	10,422	41,030	10,236
Cash and cash equivalents at 31 March	15	**24,435**	**41,118**	**24,254**	**41,030**

The notes on pages 4 to 23 are an integral part of these financial statements.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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 2014 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 7 July 2014.

(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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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 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
- Leasehold improvements 10% straight line

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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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 2014, and have been applied in preparing these consolidated financial statements:

IFRS 13 Fair Value Measurement

The nature and effects of the changes are explained below.

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. As a result, additional disclosures are included in this regard (see Note 11).

Notwithstanding the above, the change had no significant impact on the measurements of assets and liabilities.

The following new interpretations and amendments to current standards are not yet effective for the year ended 31 March 2014, 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 2015. 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

Valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value 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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

4 Determination of fair values (continued)

(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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

5 Revenue

	Group 2014	Group 2013	Trust 2014	Trust 2013
Rents received	1,151	979	0	0
Interest received	1,888	907	3,270	2,365
Management fees and other income	0	0	552	43
Change in fair value of investments	24,046	39,677	23,430	37,514
	27,085	**41,563**	**27,252**	**39,922**

6 Investment fees

	Group 2014	Group 2013	Trust 2014	Trust 2013
Fund manager fees	1,334	1,293	1,092	1,222
Custodial fees	101	134	101	134
Advisory fees	240	369	201	237
	1,675	**1,796**	**1,394**	**1,593**

7 Other income

	Group 2014	Group 2013	Trust 2014	Trust 2013
Change in fair value of investment property	788	(96)	0	0
Profit on disposal of investment property	246	481	0	0
Rent received from investment property	3,153	2,276	0	0
	4,187	**2,661**	**0**	**0**

8 Other expenses

	Group 2014	Group 2013	Trust 2014	Trust 2013
Advertising public relations, distribution and other costs	366	239	359	216
Computer costs	149	112	149	112
Depreciation	55	94	46	23
Loan write-off	0	218	0	218
Professional fees	64	387	51	186
Property costs	787	969	177	167
Salaries, trustee fees and staff-recruiting fees	1,214	997	1,214	997
Share of profit/loss from associates	91	4	91	4
Auditor's remuneration				
- for audit of financial statements	28	32	28	32
- tax compliance services	52	25	47	25
	2,806	**3,077**	**2,162**	**1,980**

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

9 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 on the website commtrust.org.nz.

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 2014 these totalled $Nil (2013: $97,000).

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.

10 Property, Plant and Equipment

Group	Office equipment	Fixtures and fittings	Computers	Leasehold Improvements	Total
Cost					
Balance at 1 April 2013	85	94	214	171	564
Additions	0	35	6	6	47
Disposals	(1)	0	0	0	(1)
Balance as at 31 March 2014	**84**	**129**	**220**	**177**	**610**
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**
Depreciation					
Balance at 1 April 2013	41	47	184	45	317
Depreciation for the year	8	15	15	17	55
Disposals	0	0	0	0	0
Balance as at 31 March 2014	**49**	**62**	**199**	**62**	**372**
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**
Carrying amounts					
At 1 April 2013	**44**	**47**	**30**	**126**	**247**
At 31 March 2014	**35**	**67**	**21**	**115**	**238**
At 1 April 2012	**55**	**53**	**53**	**173**	**334**
At 31 March 2013	**44**	**47**	**30**	**126**	**247**

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

10 Property, Plant and Equipment (cont)

Trust	**Office equipment**	**Fixtures and fittings**	**Computers**	**Leasehold Improvements**	**Total**
Cost					
Balance at 1 April 2013	85	42	214	171	512
Additions	0	3	6	6	15
Disposals	(1)	0	0	0	(1)
Balance as at 31 March 2014	**84**	**45**	**220**	**177**	**526**
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**
Depreciation					
Balance at 1 April 2013	41	16	184	45	286
Depreciation for the year	9	5	15	17	46
Disposals	(1)	0	0	0	(1)
Balance as at 31 March 2014	**49**	**21**	**199**	**62**	**331**
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**
Carrying amounts					
At 1 April 2013	**44**	**26**	**30**	**126**	**226**
At 31 March 2014	**35**	**24**	**21**	**115**	**195**
At 1 April 2012 (unaudited)	**55**	**31**	**21**	**142**	**249**
At 31 March 2013	**44**	**26**	**30**	**126**	**226**

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

11 Investment property

	Group 2014	Group 2013	Trust 2014	Trust 2013
Balance at 1 April	28,425	27,555	0	0
Acquisitions	5,382	6,766	0	0
Disposals	(210)	(5,800)	0	0
Change in fair value (unrealised) included in other income	788	(96)	0	0
Balance at 31 March	**34,385**	**28,425**	**0**	**0**

Investment property comprises a number of commercial properties that are leased to third parties: 95 Oxford Terrace, 105-107 Blenheim Road, 55 Shands Road, 126-128 Montreal Street (Christchurch), 16 Parumoana Street (Porirua), and 188 Hardy Street (Nelson). 126-128 Montreal Street was purchased in 2014.

Measurement of fair value

The fair value of investment property was determined by external, independent peoperty valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide 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.

The fair value measurement for investment property of $34,385,000 has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

During the year ended 31 March 2014, rent of $3,153,000 was recognised as being other income in the Statement of Comprehensive Income (2013: $2,276,000).

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 $17,000; (2013:$19,000).

12 Financial assets

	Group 2014	Group 2013	Trust 2014	Trust 2013
Non-current investments				
Loans and receivables	3,839	4,400	3,839	4,400
Financial assets at fair value through profit or loss	27,468	26,325	1,366	1,353
	31,307	**30,725**	**5,205**	**5,753**
Current investments				
Loans and receivables	961	726	961	726
Financial assets at fair value through profit or loss	439,978	425,590	439,978	425,590
	440,939	**426,316**	**440,939**	**426,316**

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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13 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 $1,550,000 (2013: $2,702,000). The assets and liabilities are not expected to be realised in the foreseeable future.

14 Trade and other receivables

	Group 2014	Group 2013	Trust 2014	Trust 2013
Other trade receivables	1,370	3,554	1,148	721
	1,370	**3,554**	**1,148**	**721**

See note 3 with respect to impairment of trade receivables.

15 Cash and cash equivalents

	Group 2014	Group 2013	Trust 2014	Trust 2013
Call Deposits	23,354	40,880	24,251	40,880
Bank balances	1,081	238	3	150
	24,435	**41,118**	**24,254**	**41,030**

The effective interest rate on call deposits in 2014 was an average of 4.28-4.30 percent (2013: 4.16-4.46 percent).
The deposits were on call deposit with the balance fluctuating on a daily basis.

16 Trust funds

Capital Base Reserve

The Capital Base Reserve arose when monies were received on the sale of the Trust Bank Canterbury to Westpac. Subsequently a portion has been applied to establish the Special Fund Reserve.

Inflation Reserve

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

Special Fund Reserve

The Special Fund was created during the year 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

The Accumulated Income Reserve reflects the accumulated surpluses/(deficits) from earlier periods.

17 Trade and other payables

	Group 2014	Group 2013	Trust 2014	Trust 2013
Other trade payables	557	795	465	501
Unpaid donations	17,666	7,183	2,795	1,311
	18,223	**7,978**	**3,260**	**1,812**

18 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 Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

18 Financial instruments (continued)

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).

The SIPO sets out the Trustee'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 for non-direct holdings.

Portfolio Characteristics

The Group is not directly involved with the analysis, sale or purchase of individual asset securities, apart from direct property. 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 counterparty 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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

18 Financial instruments (continued)

Credit Risk Ratings of Investments

Group and Trust

31 March 2014

	AAA to AA-	A+ to A-	BBB	BB, CCC, NR Other	$000
New Zealand Bonds	62.9%	34.8%		2.3%	152,724
Global Bonds	56.6%	10.5%	29.5%	3.4%	120,046
Cash	51.8%	12.5%	35.0%	0.7%	24,435

Group and Trust

31 March 2013

	AAA to AA-	A+ to A-	BBB	BB, CCC, NR Other	$000
New Zealand Bonds	63.7%	36.2%		0.1%	141,180
Global Bonds	77.3%	8.7%	11.8%	2.2%	136,059
Cash	86.9%	0.1%	12.8%	0.2%	41,118

The prior year figures have been reclassified to align with current year presentation

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 other trade payables and unpaid donations. 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.

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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18 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	**2014**	**2013**	**2014**	**2013**
New Zealand Community Loans	4,800	5,126	4,800	5,126
New Zealand Cash	86,057	85,947	85,876	85,859
New Zealand Fixed interest	91,102	96,351	91,102	96,351
New Zealand Property	13,262	13,279	0	0
Australasian Equities	43,815	36,573	43,815	36,573
Private Equity	14,206	13,046	1,366	1,353
Global Bonds	120,046	136,059	120,046	136,059
Global Equities	94,046	75,482	94,046	75,482
Emerging Market Debt	16,928	23,056	16,928	23,056
Emerging Market Equities	12,419	13,240	12,419	13,240
Total Financial Assets	**496,681**	**498,159**	**470,398**	**473,099**

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 $12,161,000 (2013: $13,756,000).

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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18 Financial instruments (continued)

Liquidity risk

The following table sets out the contractual cash flows for all financial liabilities 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 2014	**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	18,223	18,223	18,223	0	0	0	0
	18,223	**18,223**	**18,223**	**0**	**0**	**0**	**0**

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**

Trust 2014	**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	3,260	3,260	3,260	0	0	0	0
	3,260	**3,260**	**3,260**	**0**	**0**	**0**	**0**

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**

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

18 Financial instruments (continued)

Foreign currency exchange risk

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

2014	**USD**	**AUD**
Foreign currency risk		
Investments	31,736	25,021
Net balance sheet exposure before hedging activity	**31,736**	**25,021**
Forward exchange contracts		
Notional amounts	8,031	6,271
Net unhedged exposure	**23,705**	**18,750**

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**

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 2014

Interest rate risk at 31 March 2014 occurs in the following investments:

	Carrying amount $000's	**Percentage covered by interest rate swaps**
Loans and receivables	4,800	0%
New Zealand Cash	86,057	0%
New Zealand Fixed Interest	91,102	0%
Global Bonds	120,046	0%
Emerging Market Debt	16,928	0%
	318,933	**0%**

Interest rate risk - Group and Trust 2013

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

	Carrying amount $000's	**Percentage covered by interest rate swaps**
Loans and receivables	5,126	0%
New Zealand Cash	85,947	0%
New Zealand Fixed Interest	96,351	0%
Global Bonds	136,059	0%
Emerging Market Debt	23,056	0%
	346,539	**0%**

At 31 March 2014 the Group had no interest rate swaps (2013: none).

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

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18 Financial instruments (continued)

Capital management

The Group's capital includes Capital Base Reserve, Inflation Reserve, Special Fund Reserve and Accumulated Income Reserve.

The Group's policy is to maintain a strong capital base so as to maintain stakeholder 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.

Measurement of fair value

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

The market comparison valuation technique is applied to determine the fair values of managed funds and forward exchange contracts. These fair values are based on broker quotes. Similar securities and contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. Significant unobservable inputs are not applicable. Accordingly there is no inter-relationship between significant unobservable inputs and fair value measurement.

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).

At 31 March 2014 financial instruments with a carrying amount of $295,015,000 were transferred from level 1 to level 2 as while daily Net Asset Values are available in most instances, due to the nature of the investments being managed funds, as the level of trading activity is not publicly available the Group and Trust have determined that these investments meet the level 2 fair value hierarchy criteria. In the prior year these investments were classified as level 1 based upon confirmation from fund managers regarding the level of trading, however with hindsight the Group deem the level 2 classification to be more appropriate. The prior year figures have been reclassified to align with current year presentation. To determine the fair value of such financial instruments, management used the market comparison technique in which all significant inputs were based on observable market date.

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

Group 2014	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	0	436,483	30,963	467,446

Trust 2014	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	0	436,483	4,861	441,344

Group 2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	0	438,869	13,046	451,915

Trust 2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	0	425,590	1,353	426,943

The Canterbury Community Trust

Notes to the financial statements

For the year ended 31 March 2014

in New Zealand Dollars ($000's)

18 Financial instruments (continued)

Reconciliation of Level 3 financial assets	Group 2014	Group 2013	Trust 2014	Trust 2013
Opening balance	13,046	14,086	1,353	1,386
Purchases	1,822	1,496	3	3
Sales	(1,073)	(3,687)	(6)	(69)
Total unrealised gains and losses recognised in profit and loss	947	1,151	570	33
Transfers in to Level 3	16,221	0	2,941	0
Closing balance	**30,963**	**13,046**	**4,861**	**1,353**
Total gains and losses for assets held at end of the year	**947**	**1,151**	**570**	**33**

The Group and Trust have investments which were previously classified as level 2 of the fair value hierarchy at 31 March 2013. During 2014 these investments did not have observable market data, so the fair value measurement has been transferred from level 2 to level 3 of the fair value hierachy at 31 March 2014.

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

Sensitivity Analysis

For the fair value of private equity reasonably possible changes at the reporting date to one of the significant unobservable inputs would not have a material effect.

19 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group 2014	Group 2013	Trust 2014	Trust 2013
Less than one year	147	123	0	0
Between one and five years	453	492	0	0
More than five years	0	503	0	0
	600	**1,118**	**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 2014	Group 2013	Trust 2014	Trust 2013
Less than one year	2,403	1,680	0	0
Between one and five years	5,853	4,668	0	0
More than five years	4,278	4,322	0	0
	12,534	**10,670**	**0**	**0**

The Canterbury Community Trust

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

	Group 2014	Group 2013	Trust 2014	Trust 2013
Total comprehensive income for the year	7,823	20,126	5,100	16,124
Adjustments for:				
Depreciation	55	92	46	23
(Gains)/losses on disposal of property, plant and equipment	(246)	(481)	0	0
Change in fair value of investment property	(788)	96	0	0
Change in value of loans	957	218	957	218
Share of associate (profit)/loss	91	4	91	4
Managed funds income (gains)/losses	(24,046)	(40,620)	(23,430)	(37,517)
Donations recognised in equity	(15,870)	0	(15,870)	0
Change in trade and other receivables	2,184	(793)	(427)	(440)
Change in trade and other payables	10,245	(4,054)	5,348	(317)
Net cash from operating activities	**(19,595)**	**(25,412)**	**(28,185)**	**(21,905)**

21 Related parties

Transactions with key management personnel

Key management personnel compensation comprised:

		Group 2014	Group 2013	Trust 2014	Trust 2013
R Bridge	Fees	16	16	16	16
T Chambers	Fees	24	14	24	14
L Collyns	Fees	0	8	0	8
W Dahlberg	Fees	18	19	18	19
P Graham	Fees	14	14	14	14
C Korako	Fees	16	7	16	7
S McKenzie	Fees	15	15	15	15
E Moke	Fees	0	8	0	8
B Moore	Fees	15	15	15	15
A Neill	Fees	10	32	10	32
L Rutland	Fees	0	7	0	7
M Spence	Fees	15	15	15	15
J Spooner	Fees	12	0	12	0
J Thomas	Fees	16	14	16	14
R Wells	Fees	15	8	15	8
		186	**192**	**186**	**192**

The Canterbury Community Trust

Notes to the financial statements

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in New Zealand Dollars ($000's)

21 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	2014	509	43	0	0	17,748
		2013	722	43	0	0	16,506
Canterbury Trust Charities Limited	Subsidiary	2014	542	0	0	15,000	(3,900)
		2013	418	0	0	16,167	5,353
Canterbury Direct Investments Limited	Subsidiary	2014	332	0	0	0	10,469
		2013	320	0	0	0	9,384
Te Kete Putea Partnership	Associate	2014	0	0	84	0	0
		2013	0	0	72	0	0

22 Group entities

Significant subsidiaries	Country of ownership incorporation	Interest (%) 2014	Interest (%) 2013
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

Associates	Country of ownership incorporation	Interest (%) 2014	Interest (%) 2013
Te Kete Putea Partnership Limited (TKP)	New Zealand	23%	23%

This entity provides Donations Management Software services to the Trust and the Group. The Group has determined that it has significant influence because it has represenation on the board of the investee.

23 Contingencies

There were no contingencies at 31 March 2014 (2013: None).

24 Subsequent Events

The Trust is continuing to work with it's insurers to settle it's insurance claims arising from the Canterbury earthquakes. There were no other significant events occuring subsequent to 31 March 2014 (2013: None).

KPMG

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 23. The financial statements comprise the statements of financial position as at 31 March 2014, 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 and group'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 and group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the 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 and grant administration support. Subject to certain restrictions, partners and employees of our firm may also deal with the trust and group on normal terms within the ordinary course of trading activities of the business of the trust and group. 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.

KPMG

Opinion

In our opinion the financial statements on pages 1 to 23:

- 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 2014 and of the financial performance and cash flows of the trust and the group for the year then ended.

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

7 July 2014

Christchurch

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