SUPPLEMENT TO

New Zealand Gazette

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OTAGO COMMUNITY TRUST

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

Contents

Otago Community Trust

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For the year ended 31 March 2013

Trustees	Stuart Walker (Chairperson)	Dunedin
	Ken Copland	Wanaka [Appointed October 2012]
	Gary Kircher	Oamaru
	Nina Kirifi – Alai	Dunedin [Retired September 2012]
	Stephen Kornyei	Balclutha
	Ken Lister	Dunedin
	Ross McRobie	Wanaka
	Noeline Munro	Wanaka
	Louise Rosson	Cromwell
	Lauren Semple	Dunedin
	Nicola Taylor	Dunedin
	Helen Webster	Oamaru

Chief Executive:	Keith Ellwood
Registered Office:	2nd Floor Community Trust House Corner of Filleul Street & Moray Place Dunedin
Auditor:	Deloitte Dunedin
Solicitor:	Anderson Lloyd Dunedin
Investment Advisor:	Russell Investment Group Limited Auckland
Bankers:	Westpac Banking Corporation Dunedin

Otago Community Trust

Statement of comprehensive income

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Revenue	5	22,304	13,279	22,244	13,221
Investment fees	7	(100)	(98)	(100)	(98)
		22,204	13,181	22,144	13,123
Other income	6	-	(10)	-	-
Other expenses	8	(909)	(909)	(881)	(847)
Surplus before donations		21,295	12,262	21,263	12,276
Donations approved during the year	9	(4,692)	(4,758)	(4,692)	(4,758)
Surplus before taxation		16,603	7,504	16,571	7,518
Tax expense	13	(9)	(1)	-	-
Surplus for the year		**16,594**	**7,503**	**16,571**	**7,518**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**16,594**	**7,503**	**16,571**	**7,518**

Statement of changes in trust funds

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Total trust funds at the beginning of the year		**209,334**	**201,831**	**208,884**	**201,366**
Plus total comprehensive income for the year		16,594	7,503	16,571	7,518
Total trust funds at the end of the year		**225,928**	**209,334**	**225,455**	**208,884**

The notes on pages 6 to 26 are an integral part of these financial statements.

Otago Community Trust

Balance sheet
As at 31 March 2013
in New Zealand Dollars ($000's)

		Group		Parent	
	Note	2013	2012	2013	2012
Assets					
Property, plant and equipment	10	1,654	30	44	30
Investment property	11	-	1,610	-	-
Investments in subsidiaries	25	-	-	1	1
Other investments	12	225,353	208,535	225,353	208,535
Deferred tax asset	13	22	29	-	-
Other receivables	14	-	277	-	277
Total non-current assets		**227,029**	**210,481**	**225,398**	**208,843**
Trade and other receivables	14	142	136	1,180	1,226
Prepayments		13	6	8	6
Cash and cash equivalents	15	290	941	245	869
Total current assets		**445**	**1,083**	**1,433**	**2,101**
Total assets		**227,474**	**211,564**	**226,831**	**210,944**
Trust Funds					
Trust Capital	16	131,467	131,467	131,467	131,467
Capital Maintenance Reserve	16	67,913	66,333	67,913	66,333
Uncommitted Surplus	16	26,548	11,534	26,075	11,084
Total Trust Funds	16	**225,928**	**209,334**	**225,455**	**208,884**
Trade and other payables	17	1,377	2,063	1,376	2,060
Total current liabilities		**1,377**	**2,063**	**1,376**	**2,060**
Deferred tax liability	13	169	167	-	-
Total non-current liabilities		**169**	**167**	**-**	**-**
Total liabilities		**1,546**	**2,230**	**1,376**	**2,060**
Total trust funds and liabilities		**227,474**	**211,564**	**226,831**	**210,944**

Approved on behalf of the Trustees:

[signature] Chairperson

J Semple Trustee

25 June 2013 Date

25 June 2013 Date

The notes on pages 6 to 26 are an integral part of these financial statements.

Otago Community Trust

Statement of cashflows

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Cashflows from operating activities					
Interest received		17	41	17	41
Other income received		123	123	20	2
Cash paid to suppliers, employees and trustees		(943)	(1,050)	(913)	(978)
Donations paid	9	(5,423)	(6,733)	(5,423)	(6,733)
Net cash outflow from operating activities	23	**(6,226)**	**(7,619)**	**(6,299)**	**(7,668)**
Cashflows from investment activities					
Receipts from fund managers		5,500	6,000	5,500	6,000
Acquisition of property, plant and equipment		(34)	-	(34)	-
Acquisition of units in Te Kete Putea Limited Partnership		(155)	-	(155)	-
Net Cash from/(used) in investing activities		**5,311**	**6,000**	**5,311**	**6,000**
Cashflows from financing activities					
Advance from / (to) subsidiary companies		-	-	100	(20)
Advance to other entity		264	3	264	3
Net cash from/(used) in financing activities		**264**	**3**	**364**	**(17)**
Net (decrease)/increase in cash and cash equivalents		(651)	(1,616)	(624)	(1,685)
Cash and cash equivalents at 1 April 2012		941	2,557	869	2,554
Cash and cash equivalents at 31 March 2013	**15**	**290**	**941**	**245**	**869**

The notes on pages 6 to 26 are an integral part of these financial statements.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies

1 Reporting entity

Otago Community Trust (the "Parent") is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of the Community Trusts Act 1999.

Separate parent and consolidated financial statements are presented. The consolidated financial statements for the year ended 31 March 2013 comprise the Parent and its wholly owned subsidiary, Fillmor House Limited (together referred to as the "Group").

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 in preparing the financial statements for the year ended 31 March 2013 and the comparative information presented in these financial statements for the year ended 31 March 2012.

The financial statements have been approved by the Trustees on 25 June 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

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 Group's functional currency.

(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 relate to the valuation of investments and are discussed further in note 4.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies (continued)

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. The purchase method is used to account for the financial results of subsidiaries.

(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.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to New Zealand dollars (the "functional currency") 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.

Non-derivative financial instruments are recognised initially at fair value.

Cash and cash equivalents comprise cash balances and call deposits.

Instruments at fair value through profit or loss
An instrument is classified as at fair value through profit or loss if it 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 profit or loss 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 profit or loss.

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

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

Trade and other payables
Trade and other payables are stated at 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. However, derivatives that do not qualify for hedge accounting are accounted for 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 re-measurement to fair value is recognised immediately in profit or loss.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies (continued)

(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.

(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 profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a diminishing value (d.v) basis over the estimated useful lives of each part of an item of plant and equipment.

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

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

- Office furniture & equipment	12 – 48% d.v.
- Buildings	3% d.v

(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 profit or loss.

(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 Statement of Comprehensive Income.

(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 cashflows, discounted to 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 profit or 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.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies (continued)

(f) Impairment (continued)

(ii) Non-financial assets (continued)

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.

(g) Revenue

(i) Investment income

Refer to note (i) below

(ii) Rental income

Rental income from investment property is recognised in profit or 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.

(h) Lease payments

Payments made under operating leases are recognised in profit or 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. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(i) Finance income and expenses

Finance 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 profit or 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.

Finance expenses comprise interest expense on 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 profit or loss.

(j) Income tax expense

Income tax expense comprises current and deferred tax, income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, with the exception of investment properties where the deferred tax is determined based on the tax consequences that would arise if the building were to be sold. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies (continued)

(j) Income tax expense (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Donation Expenditure

The entity makes discretionary donations. The donations are recognised as expenditure when the Trustees approve to award the applicant a donation.

(l) Statement of cashflows

For the purpose of the statement of cashflows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows;

- Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowing of the entity.

(m) New standards adopted and interpretations not yet adopted

Certain new accounting standards have been published that are not mandatory for the current reporting period. It is not expected that these standards will have any material impact on the financial statements.

(n) Changes in Accounting Policy

All accounting policies have been applied on a basis consistent with those used in previous years.

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

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property on an annual basis. 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. The discounted cashflow technique is also applied as a cross-check of the valuation.

(b) Investments in equity and debt securities

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the Statement of Financial Position date.
Investments in pooled funds are valued at the unit exit price determined by the Fund Manager at the close of business on the Balance Sheet date.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

Significant accounting policies (continued)

(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 based on their listed market price, if available. If a listed market price is not available, then fair value 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.

(e) Fair value hierarchy

For those instruments recognised at fair value in the balance sheet, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation technique with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The Trust's managed investments are classified as level 2. There were no transfers between different levels and no financial instruments fall under level 1. Changing the value assumption to a reasonable possible alternative would not significantly change fair value.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars (000's)

5 **Revenue**	**Group**		**Parent**	
	2013	**2012**	**2013**	**2012**
Rents received	122	120	-	-
Managed Fund income				
- Interest	17	41	69	93
- Investment income and unrealised gain / (loss)	22,164	13,113	22,164	13,113
- Impairment loss	-	-	-	-
Other	1	5	11	15
Total revenue	**22,304**	**13,279**	**22,244**	**13,221**

6 **Other income**	**Group**		**Parent**	
	2013	**2012**	**2013**	**2012**
Change in fair value of investment property	-	(10)	-	-
Net gain on sale of property, plant and equipment	-	-	-	-
	-	**(10)**	**-**	**-**

7 **Investment fees**	**Group**		**Parent**	
	2013	**2012**	**2013**	**2012**
Fund manager fees	-	-	-	-
Investment advisory fees	100	98	100	98
	100	**98**	**100**	**98**

The Trust incurs fund manager fees on its investments. Income from pooled funds is reported net of fund managers fees.

8 **Other expenses**	**Group**		**Parent**	
	2013	**2012**	**2013**	**2012**
Public and statutory reporting	18	18	18	18
Auditors remuneration	13	13	13	13
Promotion	10	15	10	15
Depreciation	20	13	20	13
Amortisation of Investment in Te Keke Putea Limited Partnership	1	-	1	-
Professional fees (analysis below)	70	87	67	82
Property costs	81	114	64	67
Salaries	381	390	381	390
Other operating	139	115	131	105
Trustee remuneration	150	118	150	118
Trustee expenses	26	26	26	26
Total other expenses	**909**	**909**	**881**	**847**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

In New Zealand Dollars (000's)

	Group		Parent	
Professional fees:	**2013**	**2012**	**2013**	**2012**
- accounting and other support	13	16	13	16
- computer support	43	42	43	42
- legal advice	2	7	1	5
- other professional advice	12	22	10	19
Total professional fees	**70**	**87**	**67**	**82**

9 Donations

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Donations paid for the year	5,423	6,733	5,423	6,733
Balance paid	5,423	6,733	5,423	6,733
Comprising:				
- Tax exempt donees	5,279	6,545	5,279	6,545
- Non tax exempt donees	144	188	144	188
	5,423	6,733	5,423	6,733
Movement in donations payable for the year	(731)	(1,975)	(731)	(1,975)
Donations approved during the year	**4,692**	**4,758**	**4,692**	**4,758**

	2013	2012
Available for non-taxable distribution to Donees		
Opening Balance	160,157	160,345
Deduct donations paid to non tax exempt donees	(144)	(188)
Deduct donations paid to tax exempt donees	-	-
Closing balance	160,013	160,157
Available for taxable distribution to Donees		
Opening Balance	48,727	41,021
Current year surplus	21,263	12,276
Deduct donations approved during the year	(4,692)	(4,758)
	65,298	48,539
Add donations paid during the year	5,423	6,733
Deduct donations paid to tax exempt donees	(5,279)	(6,545)
Closing balance	65,442	48,727
Total Trust Capital	**225,455**	**208,884**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

10 Property, Plant and Equipment - Group

	Land	Buildings	Office furniture & equipment	Total
Cost or deemed cost				
Balance at 1 April 2011	-	-	237	237
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2012	**-**	**-**	**237**	**237**
Balance at 1 April 2012	-	-	237	237
Additions	-	-	34	34
Disposals	-	-	-	-
Reclassification from Investment Property	805	805	-	1,610
Balance as at 31 March 2013	**805**	**805**	**271**	**1,881**
Depreciation and impairment losses				
Balance at 1 April 2011	-	-	194	194
Depreciation for the year	-	-	13	13
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2012	**-**	**-**	**207**	**207**
Balance at 1 April 2012	-	-	207	207
Depreciation for the year	-	-	20	20
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2013	**-**	**-**	**227**	**227**
Carrying amounts				
At 1 April 2011	-	-	43	43
At 31 March 2012	**-**	**-**	**30**	**30**
At 1 April 2012	-	-	30	30
At 31 March 2013	**805**	**805**	**44**	**1,654**

Otago Community Trust

Notes to the financial statements
For the year ended 31 March 2013
in New Zealand Dollars ($000's)

10 Property, Plant and Equipment – Parent

	Office furniture & equipment	Total
Cost or deemed cost		
Balance at 1 April 2011	237	237
Additions	-	-
Disposals	-	-
Balance as at 31 March 2012	**237**	**237**
Balance at 1 April 2012	237	237
Additions	34	34
Disposals	-	-
Balance as at 31 March 2013	**271**	**271**
Depreciation and impairment losses		
Balance at 1 April 2011	194	194
Depreciation for the year	13	13
Impairment loss	-	-
Disposals	-	-
Balance as at 31 March 2012	**207**	**207**
Balance at 1 April 2012	207	207
Depreciation for the year	20	20
Impairment loss	-	-
Disposals	-	-
Balance as at 31 March 2013	**227**	**227**
Carrying amounts		
At 1 April 2011	43	43
At 31 March 2012	**30**	**30**
At 1 April 2012	30	30
At 31 March 2013	**44**	**44**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

11 Investment property

	Group 2013	Group 2012	Parent 2013	Parent 2012
Balance at 1 April	1,610	1,620	-	-
Acquisitions	-	-	-	-
Change in fair value	-	(10)	-	-
Reclassification to property, plant and equipment	(1,610)			
Total fair value balance at 31 March	-	**1,610**	-	-

Investment property comprised the property at 229 Moray Place, Dunedin. The property was reclassified to property, plant and equipment on 31 March 2013.

12 Other investments

	Group 2013	Group 2012	Parent 2013	Parent 2012
Non-current investments				
Investment in Te Kete Putea Limited Partnership	154	-	154	-
Financial assets designated at fair value through profit or loss (Note 18)	225,199	208,535	225,199	208,535
	225,353	**208,535**	**225,353**	**208,535**

The Trust has a 6.5% investment in the Te Kete Putea Limited Partnership. This entity was established with 10 other New Zealand Community Trusts to acquire the combined Community Trusts database (DMS Database) from the ASB Community Trust. It is accounted for at cost.

13 Taxation

Otago Community Trust is exempt from income tax pursuant to section CW52 of the Income Tax Act 2007. Fillmor House Limited is the only taxable entity in the Group.

	Group 2013	Group 2012	Parent 2013	Parent 2012
Current Tax				
(Deficit)/Surplus before tax	16,603	7,504	16,571	7,518
(Deficit)/Surplus attributable to tax exempt parent	16,571	7,518	16,571	7,518
(Deficit)/Surplus attributable to tax exempt subsidiaries	-	-	-	-
	32	(14)	-	-
Change in fair value of property	-	10	-	-
Tax depreciation	(7)	(8)	-	-
Tax surplus/(loss)	25	(12)	-	-
Current tax using company tax rate of 28%	7	(3)	-	-
Deferred Tax				
Tax loss	7	(3)	-	-
Change in fair value of property	2	2	-	-
Adjustment in tax losses following change in tax rate	-	2		
Applying tax rate of 28%	9	1	-	-
Tax expense per Income Statement	**9**	**1**	-	-

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

Group

Deferred tax assets and liabilities are attributable to the following

	Assets		Liabilities		Net	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Property	-	-	169	167	169	167
Tax losses	(22)	(29)	-	-	(22)	(29)
Net tax (assets)/liabilities	**(22)**	**(29)**	**169**	**167**	**147**	**138**

Movement in temporary differences during the year

	Balance 1-Apr-11	Recognised in profit or loss	Balance 31-Mar-12	Recognised in profit or loss	Balance 31-Mar-13
Property	165	2	167	2	169
Tax losses	(28)	(1)	(29)	7	(22)
	137	**1**	**138**	**9**	**147**

14 Trade and other receivables

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Sundry debtor	-	30	-	30
Advance to ASB Trust (i)	-	155	-	155
Advance to Te Kete Putea	118	-	118	-
Advance due from subsidiary company	-	-	1,037	1,089
Goods and Services tax	24	31	25	32
Advance to Dunedin Community House Trust (ii)	-	197	-	197
	142	**413**	**1,180**	**1,503**
Classified as:				
Current assets	142	136	1,180	1,226
Non current assets	-	277	-	277
	142	**413**	**1,180**	**1,503**

(i) The advance to ASB Trust represents this Trust's contribution towards its agreed share of the costs of the new donations management project being undertaken in conjunction with ten other community trusts. The project is owned and operated by Te Kete Putea Limited Partnership (TKP) in which this trust is a 6.5% partner (Note 12). This advance converted in part to shares in TKP during the year. The balance of the advance to Te Kete Putea was to enable it to meet its operational expenses prior to setting up its own bank account. The advance was repaid in full subsequent to balance date.

(ii) The Trust entered into a Deed of Settlement with Dunedin Community House Trust (DCHT). DCHT reduced the loan by instalments, with the final instalment paid on 1 December 2012. In accordance with the terms of the deed, the residual amount of $122,500 converted to a donation for the benefit of DCHT.

15 Cash and cash equivalents

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Bank balances	124	191	79	119
Call and Term deposits	166	750	166	750
Cash and cash equivalents	**290**	**941**	**245**	**869**
Cash and cash equivalents in the statement of cash flows	290	941	245	869

The effective interest rate on call deposits in 2013 was 2.0% (2012: 2.00%). No term deposits were held during the current financial year.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

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16 Trust funds

Group	Note	Trust Capital	Capital Maintenance Reserve	Uncommitted Surplus	Total
Balance at 1 April 2011		131,467	63,203	7,161	201,831
Total recognised income and expense		-	-	12,261	12,261
Reserves transfers		-	3,130	(3,130)	-
Donations approved from trust equity		-	-	(4,758)	(4,758)
Balance at 31 March 2012		**131,467**	**66,333**	**11,534**	**209,334**
Balance at 1 April 2012		131,467	66,333	11,534	209,334
Total recognised income and expense		-	-	21,286	21,286
Reserves transfers		-	1,580	(1,580)	-
Donations approved from trust equity		-	-	(4,692)	(4,692)
Balance at 31 March 2013		**131,467**	**67,913**	**26,548**	**225,928**

Parent	Note	Trust Capital	Capital Maintenance Reserve	Uncommitted Surplus	Total
Balance at 1 April 2011		131,467	63,203	6,696	201,366
Total recognised income and expense		-	-	12,276	12,276
Reserves transfers		-	3,130	(3,130)	-
Donations paid from trust equity		-	-	(4,758)	(4,758)
Balance at 31 March 2012		**131,467**	**66,333**	**11,084**	**208,884**
Balance at 1 April 2012		131,467	66,333	11,084	208,884
Total recognised income and expense		-	-	21,263	21,263
Reserves transfers		-	1,580	(1,580)	-
Donations paid from trust equity		-	-	(4,692)	(4,692)
Balance at 31 March 2013		**131,467**	**67,913**	**26,075**	**225,455**

Trust Capital
Trust capital represents the realised value of its original asset, being shares in Trust Bank.

Capital Maintenance Reserve
The Capital Maintenance Reserve represents the additional amount necessary to preserve the real value of the capital allowing for inflation as measured by the Consumers' Price Index (CPI).

Uncommitted Surplus
Uncommitted surplus represents funds not allocated to the Capital Maintenance Reserve and as such form part of the Trust Fund. Like the Capital Maintenance Reserve, balances in Uncommitted Surplus are used to provide a stable flow of grants to the community during times of adverse investment earnings.

Capital Management
The Trust's policy is to maintain a strong capital base so as to sustain future development of the Trust.

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

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Trustees. There have been no material changes in the Trust's management of capital during the period.

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

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17 Trade and other payables

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Donations payable	1,231	1,962	1,231	1,962
Other trade payables	146	101	145	98
	1,377	**2,063**	**1,376**	**2,060**

18 Financial Instruments

The Trust (Parent) has the following financial assets and liabilities:

Summary Financial Assets and Liabilities

Financial Assets	Managed by	2013		2012	
Self Managed Funds					
Cash at bank and on deposit with Trading Banks			245		869
Investments Held by Fund Managers					
NZ Cash	AMP Capital NZ	8,273		8,000	
NZ Fixed Interest	AMP Capital NZ	24,364		23,641	
NZ Equities	Harbour Asset Management	11,615		9,185	
Global Fixed Interest	Tower Asset Management NZ	53,823		51,998	
Global Fixed Interest	PIMCO	56,266		52,667	
Global Equities	Russell Investments Australia	70,859		63,045	
			225,200		208,536
Total Financial Assets			**225,445**		**209,405**
Donations Payable		1,231		1,962	
Trade Payables		145		98	
Total Financial Liabilities			**1,376**		**2,060**

Risks arising from the financial assets and liabilities are inherent in the nature of the Trust's activities and are managed by means of an ongoing process of identification, measurement and monitoring. The Trust is exposed to credit risk, liquidity risk, and market risk. Market risk includes risks around foreign currency, interest rates and pricing.

The Trust generally manages these risks in accordance with its Statement of Investment Performance Objectives (SIPO). The principle investment objectives are:

- to maximise the total amount of donations which can be financed by the investment of the Fund over the long term;
- to preserve the real capital of the Fund;
- to maintain equity between present and future generations with respect to the amounts available for donations;
- to maintain the highest degree of stability of investment earnings that is possible consistent with the preceding objectives;

Otago Community Trust

Notes to the financial statements
For the year ended 31 March 2013
in New Zealand Dollars ($000's)

18 Financial instruments (continued)

Trustees regard risk as the likelihood that the Trust fails to achieve these objectives and have adopted a series of strategies to mitigate all risks. The principle strategies include:

- ensuring the Fund is well diversified;
- maintaining an appropriate level of liquidity;
- avoiding purely speculative investments;
- retaining an investment consultant for investment advice;
- using only fund managers which are researched and recommended by the investment consultant;
- maintaining adequate reserves;
- regularly reviewing investment performance.

1. Credit Risk
Credit risk represents the risk that a counter-party to a financial asset fails to discharge an obligation which will cause the Trust to incur a financial loss. The current exposure at balance date is the fair value of these assets as disclosed in the Statement 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, geographic regions or similar economic features that would influence their ability to meet their contractual obligations by reason of changes in economic, political or other considerations.

The Trust manages credit concentration risks through:

- a diversified and non-correlated basket of investments across traditional and alternative asset classes
- ensuring compliance with the mandate requirements of each fund manager

The credit quality of the Trust's New Zealand and global fixed interest portfolios is managed using the Standard and Poors rating categories. In addition, exposure to global bonds is fully hedged against foreign currency movements. The following is an analysis of the Trust's fixed interest portfolios, based on information supplied by the Fixed Interest managers.

Analysis of Fixed Interest Portfolios

	2013 Global	2013 NZ	2012 Global	2012 NZ
Credit Rating				
AAA	68,525	1,289	73,447	1,487
AA	13,928	19,425	4,943	17,844
A	10,813	2,393	13,153	3,234
BBB	12,333	1,257	10,273	1,009
Other	4,490	-	2,849	66
Totals	**110,089**	**24,364**	**104,665**	**23,640**
Sector Rating				
Government	64,070	10,150	53,701	10,897
Corporates	23,827	10,075	22,044	298
Mortgages	21,005	4,069	16,059	8,045
Swaps	(2,736)	(37)	(132)	4,196
Other	3,923	107	12,993	204
Totals	**110,089**	**24,364**	**104,665**	**23,640**

Otago Community Trust

Notes to the financial statements

in New Zealand Dollars ($000's)

18 Financial instruments (continued)

Analysis of Fixed Interest Portfolios (continued)

	2013 Global	2013 NZ	2012 Global	2012 NZ
Duration				
0-3 years	15,604	7,672	30,518	6,777
3-5 years	24,256	4,349	27,324	3,008
5-7 years	3,402	2,748	7,979	7,443
7-9 years	4,613	4,422	6,182	(6)
9-11 years	18,166	(7)	14,357	5,506
11+ years	39,636	5,180	8,484	912
Liquidity	4,412	-	9,821	-
Totals	**110,089**	**24,364**	**104,665**	**23,640**

The group's maximum exposure to credit risk is:

	2013	2012
Cash and cash equivalents	290	941
Investments	142,726	136,306
Other	142	413
Totals	**143,158**	**137,660**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

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2. Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulties in meeting the obligations associated with its financial liabilities. This risk is managed through the Trust's investment in a diversified portfolio of financial assets. This portfolio consists of marketable securities which, under normal conditions are readily convertible to cash. In addition, the Trust maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Trust's financial liabilities comprise trade and other payables and committed but unpaid donations.

At balance date the ratio of financial assets to financial liabilities was 164:1 (2012 103:1).

3. Market Risk

Market Risk is the risk that the fair value of future cash flows from financial assets 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 Trust's Statement of Investment Performance Objectives.

3.1 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 Trust's investment in global bonds is held in a pooled fund. Movements in interest rates will be reflected in each pooled fund's fair value asset pricing. NZ Bonds are held in segregated accounts. The exposure to movement in the fair value of the Trust's bond portfolios is discussed in the commentary on Price Risk.

The Trust's self managed cash and deposit accounts are interest bearing. Any movement in interest rates on these accounts is minimal and is not considered to be material.

3.2 Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from financial assets will fluctuate due to changes in foreign currency exchange rates.

At balance date the Trust's exposure to currency risk was as follows:

	2013	**2012**
Foreign currency denominated financial assets	183,830	170,432
Less foreign currency contracts	182,092	170,006
Total Unhedged Exposure at 31 March	**1,738**	**426**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

18 Financial Instruments (continued)

3.3 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. Price risks arise from the Trust's investment portfolio (the Fund). As reported in the section on Significant Accounting Policies, the financial assets are valued at fair value as determined by reference to their quoted bid price at the reporting date, wherever this information is available.

Sensitivity to fluctuations in income for the Trust's Fund arising from market risk are set out in the following tables provided by the Trust's investment consultant, Russell Investment Group Limited.

Sensitivity Analysis for the Trust's Portfolio 31 March 2013

Based on the actual asset allocation of the Trust's Portfolio as at 31 March 2013, the long term expected return for the portfolio (ignoring fees and value add from active management) is currently 5.7% per annum. There is approximately a 68% probability that the return in any one year will be within the range of -0.8% to 12.2%.

As at 31 March 2013 the Trust's portfolio was valued at NZ$225.3m. Assuming the short-term return distribution approximates the long-term return distribution, then for the year 1 April 2013 to 31 March 2014 there is approximately 68% probability that the Trust's revenue from investment activities will lie in the range of -$1.8m to $27.5m, with an expected value of $12.8m.

Sensitivity Analysis for the Trust's Portfolio 31 March 2012

Based on the actual asset allocation of the Trust's portfolio as at 31 March 2012, the long term expected return for the portfolio (ignoring fees and value add from active management) is currently 6.2% per annum. There is approximately a 68% probability that the return in any given year will be within the range of -0.6% to 13.0%.

As at 31 March 2012 the Trust's portfolio was valued at $208.6m. Assuming the short-term return distribution approximates the long-term return distribution, then for the year 1 April 2013 to 31 March 2013 there is an approximately 68% probability that the Trust's revenue from investment activitied will lie in the range of -$1.3m to $27.1m, with an expected value of $12.9m.

These sensitivity analyses are based on the volatility of each asset class and the Fund as a whole, as measured by plus or minus one standard deviation. The overall effect of the Trust's diversified portfolio is to reduce volatility and stabilise investment returns over time.

Otago Community Trust

Notes to the financial statements

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19 Asset and liability classification and fair value

Classification and fair values

Group 2013	**Designated at fair value**	**Held-to-maturity**	**Loans and receivables**	**Other amortised cost**	**Total carrying amount**	**Fair value**
Assets						
Other receivables	-	-	-	-	-	-
Other investments	225,199	-	-	154	225,353	225,353
Total non-current assets	225,199	-	-	154	225,353	225,353
Other Investments						
Trade and other receivables	-	-	155	-	155	155
Cash and cash equivalents	-	-	290	-	290	290
Total current assets	-	-	445	-	445	445
Total assets	**225,199**	**-**	**445**	**154**	**225,798**	**225,798**
Liabilities						
Trade and other payables	-	-	-	1,546	1,546	1,546
Total current liabilities	-	-	-	1,546	1,546	1,546
Total liabilities	**-**	**-**	**-**	**1,546**	**1,546**	**1,546**

Group 2012	**Designated at fair value**	**Held-to-maturity**	**Loans and receivables**	**Other amortised cost**	**Total carrying amount**	**Fair value**
Assets						
Other receivables	-	-	122	-	122	122
Other investments	208,535	-	-	-	208,535	208,535
Total non-current assets	208,535	-	122	-	208,657	208,657
Other investments	-	-	-	-	-	-
Trade and other receivables	-	-	297	-	297	297
Cash and cash equivalents	-	-	941	-	941	941
Total current assets	-	-	1,238	-	1,238	1,238
Total assets	**208,535**	**-**	**1,360**	**-**	**209,895**	**209,895**
Liabilities						
Trade and other payables	-	-	-	2,230	2,230	2,230
Total current liabilities	-	-	-	2,230	2,230	2,230
Total liabilities	**-**	**-**	**-**	**2,230**	**2,230**	**2,230**

Otago Community Trust

Notes to the financial statements

For the year ended 31 March 2013

in New Zealand Dollars ($000's)

20 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Less than one year	-	3	-	3
Between one and five years	12	-	12	-
More than five years	-	-	-	-

Leases as lessor

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

	Group		Parent	
	2013	**2012**	**2013**	**2012**
Less than one year	-	54	-	-
Between one and five years	168	58	-	-
More than five years	-	-	-	-

During the year ended 31 March 2013, $122,444 was recognised as being rental income in the income statement (2012: $120,000). Repairs and maintenance expense, recognised in occupancy costs, was $9,583 (2012: $41,978).

21 Capital commitments

The Trust has no capital commitments as at balance date. (2012: Nil)

22 Contingencies

The Trust had no contingent liabilities as at balance date (2012: Nil).

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

		Group		Parent	
	Note	**2013**	**2012**	**2013**	**2012**
Surplus/(Deficit for the period		16,594	7,503	16,571	7,518
Adjustments for:					
Depreciation		20	13	20	13
Amortisation in Te Kete Putea Limited Partnership		1		1	
Change in fair value of property		-	10	-	-
Interest on Subsidiary Advance		-	-	(52)	(52)
Change in fair value of managed funds		(22,164)	(13,114)	(22,164)	(13,114)
Income tax expense		9	1	-	-
Change in trade and other receivables		-	(1)	9	(13)
Change in trade and other payables		(686)	(2,031)	(684)	(2,020)
Net cash from operating activities		**(6,226)**	**(7,619)**	**(6,299)**	**(7,668)**

Otago Community Trust

Notes to the financial statements
For the year ended 31 March 2013

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24 Related parties

Several of the Trustees of the Community Trust and key management personnel have a key relationship with organisations which were recipients of donations during the year. The details are as follows:

Trustee	Recipient Organisation	Donation Amount ($) 2013	Donation Amount ($) 2012
Mr Gary Kircher	Sport Otago	170,500	181,000
	For Trades (Chamber of Commerce)	30,000	0
	Skeggs Foundation	0	50,000
		200,500	**231,000**
Ms Nicola Taylor	Anglican Family Care	**70,000**	**60,000**
Mr Ken Lister	Dunedin Civic Orchestra	55,000	0
	St Hilda's Collegiate	0	5,280
		55,000	**5,280**
Mr Stephen Kornyei	For Trades (Chamber of Commerce)	**30,000**	**0**
Mr Ross McRobie	Snow Sports (NZ)	**38,000**	**0**
Mr Stuart Walker	The Big Night in Charities Ltd	**0**	**25,000**
Mrs Helen Webster	North Otago Rugby Union	**20,000**	**0**
Key Management Personnel			
Mrs Carol Melville	Special Olympics NZ	6,500	7,500
	Special Olympics Otago	7,000	0
		13,500	**7,500**

Mr Stuart Walker and Ms Lauren Semple, trustees of the Otago Community Trust, are consultant and partner (part year as left firm during the year) respectively with Anderson Lloyd, the law firm engaged by the Trust. The value of services obtained from Anderson Lloyd to 31 March 2013 was $2,369 (GST excl). (2012: $7,810)

25 Group entities

Significant subsidiaries	Note	Country of ownership incorporation	Interest (%) Group 2013	Interest (%) Group 2012
Fillmor House Limited		New Zealand	100%	100%

Otago Community Trust

Statutory information

1 Trustees remuneration

Rates of Trustee remuneration are set by the Minister of Finance. Remuneration includes the honoraria and meeting fees

in New Zealand Dollars	Board meetings held	Board meetings attended	Remuneration
Stuart Walker (Chairperson)	11	10	$24,000
Stephen Kornyei	11	11	$12,000
Ken Lister	11	10	$12,000
Nicola Taylor	11	11	$12,000
Ken Copland	5	5	$6,600
Louise Rosson	11	7	$13,200
Noeline Munro	11	9	$12,400
Nina Kirifi-Alai	6	2	$6,000
Helen Webster	11	10	$12,000
Gary Kircher (Deputy Chairperson)	11	11	$15,000
Lauren Semple	11	8	$12,000
Ross McRobie	11	8	$13,200
			$150,400

2 Trustees interest

(A) Trustees' interests in transactions

The Trust maintains a "register of Interests" which is held at its offices and which is available for public inspection.

(B) Trustee liability insurance

The Trust has insured its Trustees against liability to other parties that may arise from their position as Trustees. The policies do not cover liabilities arising from criminal actions.

The Trust has also insured its Trustees who are its nominated directors of Fillmor House Ltd against liability to other parties that may arise from their position.

3 Employee's remuneration

During the year, the following number of employees received remuneration of at least $100,000:

	Number of Employees 2013	Number of Employees 2012
150,000 – 159,999	1	1

A list of donations approved during the year ended 31 March 2013 is available on request from the office of the Otago Community Trust, telephone 0800 101 240 or via the website www.oct.org.nz

Deloitte

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF OTAGO COMMUNITY TRUST

Report on the Financial Statements

We have audited the financial statements of Otago Community Trust and group on pages 3 to 26, which comprise the consolidated and separate balance sheet of Otago Community Trust, as at 31 March 2013, the consolidated and separate statements of comprehensive income, statements of changes in trust funds and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 entity's preparation of 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall 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.

Other than in our capacity as auditor, we have no relationship with or interests in Otago Community Trust or any of its subsidiaries.

Opinion

In our opinion, the financial statements on pages 3 to 26:

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

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2013:

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

Deloitte

Chartered Accountants
25 June 2013
Dunedin, New Zealand

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