SUPPLEMENT TO

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ASB COMMUNITY TRUST

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

ASB COMMUNITY TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	Consolidated 2010 $000	Parent 2010 $000	Parent 2009 $000
Revenue from Investments	2	236,248	236,248	(201,314)
Less:				
Fund Management, Custodian and Advisory Fees		(1,343)	(1,343)	(1,792)
Investment Margin		234,905	234,905	(203,106)
Other Income		2,353	2,353	2,862
Administration Expenses	7	(3,544)	(3,501)	(4,240)
Grants committed during year to community groups	5.1	(16,304)	-	(33,643)
Grants committed during year to ASB Community Trust Charitable Purposes Limited for the Maori and Pacific Education Initiative		-	(7,910)	-
Grants committed during year to ASB Community Trust Charitable Purposes Limited for granting to community groups in current and future years		-	(60,690)	-
Grants written back during the year		3,860	3,843	5,775
SURPLUS (DEFICIT) FOR THE YEAR		221,270	169,000	(232,352)
Other Comprehensive Income				
Revaluation of Land and Buildings		-	-	892
Total Comprehensive Income for the year		221,270	169,000	(231,460)

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 31 MARCH 2010

	Original Capital $000	Capital Maintenance Reserve $000	Trust Real Capital $000	Asset Revaluation Reserve $000	Reserve for Grants $000	Retained Surplus $000	Total Trust Funds $000
Opening Balance 1 April	579,106	238,392	817,498	892	-	(28,855)	789,535
Total Comprehensive Income:							
Surplus for the year	-	-	-	-	-	221,270	221,270
Total Comprehensive Income for year	-	-	-	-	-	221,270	221,270
Transfer to Capital Maintenance	-	16,350	16,350	-	-	(16,350)	-
Transfer to Reserve for Grants	-	-	-	-	52,270	(52,270)	-
Closing Balance - 31 March	579,106	254,742	833,848	892	52,270	123,795	1,010,805

The notes are an integral part of these consolidated financial statements.

STATEMENT OF CHANGES IN PARENT FUNDS
FOR THE YEAR ENDED 31 MARCH 2010

	Original Capital $000	Capital Maintenance Reserve $000	Trust Real Capital $000	Asset Revaluation Reserve $000	Retained Surplus $000	Total Trust Funds $000
Opening Balance 1 April	579,106	238,392	817,498	892	(28,855)	789,535
Total Comprehensive Income:						
Surplus for the year	-	-	-	-	169,000	169,000
Total Comprehensive Income for the year	-	-	-	-	169,000	169,000
Transfer to Capital Maintenance	-	16,350	16,350	-	(16,350)	-
Closing Balance 31 March	579,106	254,742	833,848	892	123,795	958,535

The notes are an integral part of these consolidated financial statements.

SUMMARY STATEMENT OF CHANGES IN PARENT FUNDS
FOR THE YEAR ENDED 31 MARCH 2009

	Original Capital	Capital Maintenance Reserve	Trust Real Capital	General Reserve	Asset Revaluation Reserve	Retained Surplus	Total Trust Funds
	$000	$000	$000	$000	$000	$000	$000
Opening Balance 1 April	579,106	214,581	793,687	225,000	-	2,308	1,020,995
Total Comprehensive Income							
Deficit for the year	-	-	-	-	-	(232,352)	(232,352)
Revaluation of Land and Buildings	-	-	-	-	892	-	892
Total Comprehensive Income for the year	-	-	-	-	892	(232,352)	(231,460)
Transfer to Capital Maintenance	-	23,811	23,811	-	-	(23,811)	-
Transfer to Retained Surplus	-	-	-	(225,000)	-	225,000	-
Closing Balance 31 March	579,106	238,392	817,498	-	892	(28,855)	789,535

The notes are an integral part of these consolidated financial statements.

ASB COMMUNITY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2010

	NOTE	Consolidated 2010 $000	Parent 2010 $000	Parent 2009 $000
ASSETS				
Cash at Bank		7,459	7,459	29,145
Sundry Accounts Receivable		1,557	1,557	670
Investments	4	1,042,368	1,042,368	823,094
Fixed Assets	3	2,877	2,877	2,915
TOTAL ASSETS		1,054,261	1,054,261	855,824
LIABILITIES:				
Sundry Accounts Payable		829	829	938
Loans from Community Trusts		529	529	-
Outstanding Grants Payable	5.2	42,098	20,923	65,351
Subsidiary Company Current Account		-	73,445	
TOTAL LIABILITIES		43,456	95,726	66,289
NET ASSETS AT 31 MARCH		**1,010,805**	**958,535**	**789,535**
Represented by:				
FUNDS				
Original Capital		579,106	579,106	579,106
Capital Maintenance Reserve		254,742	254,742	238,392
Reserve for Grants		52,270	-	-
Asset Revaluation Reserve		892	892	892
Retained (Deficit) Surplus		123,795	123,795	(28,855)
FUNDS AT 31 MARCH		**1,010,805**	**958,535**	**789,535**

Approved on behalf of the Board:

Chair

Date 31st May 2010

Finance and Investment Committee Chair

Date 31-5-2010

The notes are an integral part of these consolidated financial statements.

ASB COMMUNITY TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	Consolidated 2010 $000	Parent 2010 $000	Parent 2009 $000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Interest received		342	342	827
Revenue received from other activities		1,267	1,267	1,765
Revenue received from donations		5	5	-
Cash was disbursed on:				
Payment to suppliers, trustees and staff		(3,547)	(3,547)	(4,079)
Fund management and advisory fees		(1,452)	(1,452)	(1,797)
Grants to community organisations		(35,775)	(28,562)	(43,197)
Grants paid to community organisations on behalf of subsidiary		-	(7,213)	-
		(40,774)	(40,774)	(49,073)
Net cash outflow from operating activities	10	(39,160)	(39,160)	(46,481)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Receipts from fund managers		140,920	140,920	200,908
Proceeds of sale of fixed assets	3	1	1	2
Loans from Community Trusts		529	529	-
Cash was disbursed on:				
Transfers to fund managers		(123,946)	(123,946)	(126,637)
Purchase of fixed assets	3	(30)	(30)	(113)
Net cash inflow from investing activities		17,474	17,474	74,160
Net cash inflow (outflow) from activities		(21,686)	(21,686)	27,679
Add: Cash at bank at 1 April		29,145	29,145	1,466
Cash at Bank at 31 March		7,459	7,459	29,145
Cash at Bank at 31 March comprises:				
Cash at bank		7,459	7,459	29,145

The notes are an integral part of these consolidated financial statements.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. STATEMENT OF ACCOUNTING POLICIES

The ASB Community Trust ("the Trust"), formerly known as ASB Bank Community Trust, was formed on 30 May 1988 through the creation of a trust deed in compliance with the Trustee Banks Restructuring Act 1988. Under the terms of the trust deed the Trust was settled with 60 million $1 fully paid ordinary shares in ASB Bank Limited representing 100% of the issued capital. As at 31 March 1988 the net tangible asset backing of those 60 million shares was $147,655,000. In 1989 45 million shares were sold to the Commonwealth Bank of Australia for $252,000,000 which was then donated to the ASB Charitable Trust. In October 2000, the remaining 15 million shares were sold to the Commonwealth Bank of Australia for $545,000,000. On 27 February 2006 the Trustees of the ASB Charitable Trust resolved to distribute, on or before 31 March 2006, the capital of that Trust (including all accumulations of income and capital to that date less accrued liabilities) in specie to the ASB Bank Community Trust. Subsequent to this distribution the ASB Charitable Trust was wound up. The ASB Bank Community Trust formally changed its name to the ASB Community Trust by way a Deed dated 17 July 2006.

This is the first year that consolidated financial statements have been presented given that both subsidiary companies were dormant until 1 April 2009. ASB Community Trust Charitable Purposes Limited commenced operation during this financial year. As a result no comparative Group figures are presented.

The Trust is a Public Benefit Entity which makes grants to qualifying entities in the Auckland and Northland region, and is domiciled in Auckland, New Zealand. The Trust's registered office is Allendale House, 50 Ponsonby Road, Auckland. The consolidated financial statements of the Trust as at and for the year ended 31 March 2010 comprise the Trust and its subsidiaries, ASB Community Trust Charitable Purposes Limited and ASB Trusts Amateur Public Sports Promotion Limited, collectively referred to as the Group. The Group is the reporting entity.

Basis of Preparation
Statement of Compliance:
These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZ GAAP). The Financial Statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and in accordance with, and compliance with the requirements of New Zealand Equivalents to the International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards as appropriate for public benefit entities.

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

Basis of Measurement
The measurement basis adopted is that of historical cost except for financial assets and liabilities which are designated at fair value through profit or loss, and land and buildings which are revalued at five yearly intervals.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Estimates and Judgements:
The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and assumptions form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements are made by management in the application of the NZ IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 5: Grants and Note 9: Financial Assets and Liabilities.

ACCOUNTING POLICIES:

Consolidated financial statements

Subsidiaries are entities controlled by the Trust. The financial statements of the subsidiaries are included in the consolidated financial statements from the date of control to the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions. Intra-group balances and income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. The Trust's subsidiary company, ASB Trusts Amateur Public Sports Promotion Limited has not operated since incorporation.

Statement of Cash Flows

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

Income from Dividends, Pooled Funds and Interest

Dividends are recognised as income on declaration date, and are recorded net of any imputation tax credits. Income from Pooled Funds comprises distributions, recognised on declaration date, and unrealised gains and losses. Interest is recognised on an accrual basis.

Grants

Grants are accounted for as they are committed to be distributed to eligible organisations approved either by the Trustees of the Trust or Directors of the subsidiary company. Committed grants are payable on the satisfaction of any conditions placed on the recipients. Grants no longer required or not fully utilised by grant recipients are shown separately in the Consolidated Statement of Comprehensive Income as Grants written back.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

From time to time the Trust may distribute grants to its subsidiary company ASB Community Trust Charitable Purposes Limited to provide grants for special initiatives approved by Trustees or for grants to community organisations in future years. At year end uncommitted funds held by the subsidiary company are disclosed as Reserve for Grants in the Consolidated Statement of Financial Position.

Fixed and Intangible Assets
FIXED ASSETS:
Fixed Assets with exception of land and buildings are measured at cost, less accumulated depreciation and accumulated impairment losses. Commencing from 1 April 2008 land and buildings are revalued to market value five yearly. The gain on revaluation is recognised as a revaluation reserve in Other Comprehensive Income in the Consolidated Statement of Comprehensive Income.

In accordance with the provisions of New Zealand Institute of Chartered Accountants "Not for Profit Accounting Guide" buildings with a New Zealand Historic Places Trust classification are not depreciated as they are likely to increase in value. As from 1 April 2008 the Trust's building is no longer depreciated as it has a New Zealand Historic Places Trust classification and the useful life of the asset is considered indefinite.

Fixed Assets are reviewed annually to determine any impairment losses. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Depreciation, Amortisation and Impairment Losses
Depreciation is provided over the useful life of the assets on the diminishing value basis.

The rates used are those approved by Trustees as follows:

	2010	2009
Land and Buildings	Nil	Nil
Office Equipment and Furniture	9.5% - 60.0%	9.5% - 60%

Foreign Currency Transactions and Balances
Foreign Currency transactions are recorded in New Zealand dollars at the spot exchange rate applying at the date of the transaction.

All amounts denominated in foreign currencies at balance date are translated to New Zealand dollars at the balance date closing exchange rate.

All realised and unrealised gains and losses on foreign currency transactions are recognised in the Consolidated Statement of Comprehensive Income.

Financial Assets
All assets that are financial instruments are recognised in the Consolidated Statement of Financial Position.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

All investments are initially recognised at fair value, being the fair value of consideration paid. After initial recognition, financial assets are designated at fair value through profit or loss as the Group manages the investments, based on their fair value. Investments are revalued to fair value at each reporting date.

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 Consolidated Statement of Financial Position date. As these are quoted prices (unadjusted) in active markets for identical assets, they fall within Level 1 of the fair value hierarchy within NZ IFRS 7 Financial Instruments: Disclosures that reflects the significance of the inputs used in making measurements.

All realised and unrealised gains or losses on investments are recognised in the Consolidated Statement of Comprehensive Income.

Investments in pooled funds are valued at the unit exit price determined by the Fund Manager at the close of business on the Consolidated Statement of Financial Position date. This is based on quoted prices (unadjusted) in active markets for the underlying fund assets, and fall within Level 1 of the NZ IFRS 7, fair value hierarchy.

Investment transactions are recorded by Fund Managers on a transaction date basis.

Financial assets are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Group, as disclosed in Note 9.

The Group uses derivative financial instruments, forward exchange contracts, to reduce exposure to fluctuations in foreign currency denominated assets and liabilities. Forward exchange contracts are entered into to hedge foreign currency denominated assets. Derivatives are not held or issued for trading purposes. However derivatives not qualifying for hedge accounting purposes are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value and transactional 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 the Consolidated Statement of Comprehensive Income.

The Group derecognises a financial asset when and only when the contractual rights to cash flows from the financial asset expire.

Financial Liabilities
All liabilities that are financial instruments are recognised in the Consolidated Statement of Financial Position.

Financial liabilities comprising Sundry Accounts Payable, Loans from Community Trusts, and subsidiary company current account are stated at cost.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Reserves
Transfers to the Capital Maintenance Reserve are based on the annual movement in the Consumer Price Index as described in Note 6.

Transfers to all other Reserves from the Retained Surplus are made at the discretion of the Trustees of the Group.

Taxation
The Income Tax Act 1994 provides exemption from income tax for Community Trusts established under the Trustee Banks Restructuring Act 1988. The amendment applied from the 2005 income year, and consequently no taxation has been provided for in these financial statements.

Adoption of new accounting standards
The Group has applied NZ IAS 1: Presentation of Financial Statements (2007) which became effective as of 1 January 2009. The Group presents all transfers between retained earnings and reserves in the Statements of Changes in Trust Funds, and all non- reserve changes in the Consolidated Statement of Comprehensive Income. Comparative information has been presented in conformity with the revised standard. Since the accounting standard change only impacts presentation, there is no impact on recognition and measurement.

The Group has applied Improving Disclosures about Financial Instruments (Amendments to NZ IFRS 7) issued in March 2009. The amendments require that fair value measurement disclosures use a three level hierarchy that reflects the significance of the inputs used in the measuring of fair values of the financial instruments. Specific disclosures are required when fair value measurements are categorised as level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between level 1 and level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfer into and out of each level. Furthermore, changes in valuation techniques from one period to another, including reasons, are required to be disclosed for each class of financial instruments.

Changes in Accounting Policies
There were no changes in accounting policies during the financial year.

International Financial Reporting Standards Issued But Not Yet Effective
International Financial Reporting Standards that have been issued but which are not yet in effect and that may have an impact on the Group's future accounting policies and disclosures are set out in Note 14.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

2. REVENUE FROM INVESTMENTS

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
Investments			
Net unrealised (losses) gains and distributions earned from Pooled Funds	129,947	129,947	(108,746)
Net realised (losses) gains from Pooled Funds	(32,305)	(32,305)	-
Dividends	3,799	3,799	4,537
Interest	8,037	8,037	16,592
Net Realised (Losses) Gains from Segregated Accounts	(2,993)	(2,993)	(4,505)
Net Unrealised (Losses) Gains from Segregated Accounts	25,309	25,309	(10,479)
Net Realised Foreign Exchange (Losses) Gains	102,403	102,403	(132,423)
Net Unrealised Foreign Exchange (Losses) Gains	2,051	2,051	33,710
	236,248	236,248	(201,314)

This Revenue relates to Financial Assets at Fair Value through profit or loss.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

3. FIXED ASSETS

FIXED ASSETS - CONSOLIDATED AND PARENT

	Land and Buildings	Office Equipment and Furniture	Total
	$000	$000	$000
Cost			
Opening Balance 1 April 2008	2,079	926	3,005
Additions	-	113	113
Revaluation	571	-	571
Disposals	-	(17)	(17)
Closing Balance 31 March 2009	2,650	1,022	3,672
Opening Balance at 1 April 2009	2,650	1,022	3,672
Additions	-	30	30
Revaluation	-	-	-
Disposals	-	(42)	(42)
Closing Balance 31 March 2010	2,650	1,010	3,660
Depreciation and Impairment Losses			
Opening Balance 1 April 2008	321	693	1,014
Depreciation for year	-	79	79
Impairment Losses	-	-	-
Disposals	-	(15)	(15)
Depreciation Recovered on Revaluation	(321)	-	(321)
Closing Balance 31 March 2009	-	757	757
Opening Balance at 1 April 2009	-	757	757
Depreciation for year	-	67	67
Impairment Losses	-	-	-
Disposals	-	(41)	(41)
Closing Balance 31 March 2010	-	783	783
Carrying amounts			
Balance at 1 April 2008	1,758	233	1,991
Balance at 31 March 2009	2,650	265	2,915
Balance at 31 March 2010	2,650	227	2,877

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

The first revaluation of the Trust's property at 50 Ponsonby Road Ponsonby Auckland (Allendale House) took place in August 2008. The valuation was undertaken by Colliers International NZ Limited, a qualified and independent, registered valuer. The valuation was based on the then current market value using an estimated market rental and capitalisation rates. The valuation took account of observable prices in an active market, and where estimates were used, on the basis of appropriate valuation techniques, with one of the key assumptions being occupancy rates. Land and Buildings were revalued to \$2.65 million at 31 March 2009, being the fair market value as determined by the valuation. The surplus on revaluation was \$892,000.

There are no indications of impairment as at 31 March 2010.

4. INVESTMENTS

	Consolidated	Parent	
	2010	**2010**	**2009**
	\$000	**\$000**	**\$000**
Managed by External Managers			
Balance as at 1 April	823,094	823,094	1,098,679
Movement in market value and investment income	236,248	236,248	(201,314)
Net withdrawals	(16,974)	(16,974)	(74,271)
	1,042,368	1,042,368	823,094

	2010	2010	2009
Investments managed by external managers comprise	**\$000**	**\$000**	**\$000**
Cash	45,615	45,615	9,948
Foreign Exchange Contracts	5,977	5,977	33,333
Global Bond Funds	313,077	313,077	261,598
Global Equity Funds	397,958	397,958	268,635
Collateralised Commodity Futures Fund	52,152	52,152	23,763
Global Property Fund	18,056	18,056	10,563
New Zealand Equities	106,858	106,858	84,416
New Zealand Bonds	102,675	102,675	130,838
Portfolio total	1,042,368	1,042,368	823,094

These are long term investments.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

5. GRANTS

5.1 Committed during this year

	Consolidated 2010 $000	Parent 2010 $000	Parent 2009 $000
Committed and disbursed	7,213	68,600	13,707
Committed but unpaid	9,091	-	19,936
Total Grants approved and committed this year	16,304	68,600	33,643

5.2 Outstanding Grants Payable

Outstanding Grants Payable

	2010 $000	2010 $000	2009 $000
Committed in previous years	33,007	20,923	45,415
Committed but unpaid this year	9,091	-	19,936
Total Grants outstanding as at 31 March 2010	42,098	20,923	65,351

Reconciliation of Outstanding Grants	2010 $000	2010 $000	2009 $000
Opening Balance at 1 April	65,351	65,351	80,680
Less: Transfer to ASB Community Trust Charitable Purposes Limited Current Account	-	(80,684)	-
Plus Grants committed during year	16,304	68,600	33,643
Less: Grants paid to community organisations	(35,775)	(28,562)	(43,197)
Grants Written Back	(3,782)	(3,782)	(5,775)
Closing Balance 31 March	42,098	20,923	65,351

Committed but unpaid grants are recognised as liabilities pending the satisfaction of conditions under which the grant was made. At balance date Committed but unpaid Grants totalled $42.1 million (2009: $65.3 million) for the consolidated group and $20.9 million (2009 $65.3 million) for the parent trust. The timing of the payment of these Grants is uncertain.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Committed but unpaid grants at 31 March 2010 had the following profile:

Financial Year Approved	Number of Group Grants Outstanding	Value of Group Grants Outstanding $000	Number of Parent Grants Outstanding	Value of Parent Grants Outstanding $000
2007	8	$7,739	8	$7,739
2008	7	$2,943	7	$2,943
2009	22	$10,241	22	$10,241
2010	280	$21,175	-	-
Total	**317**	**$42,098**	**37**	**$20,923**

Committed but unpaid grants at 31 March 2009 had the following profile:

Financial Year Approved	Number of Parent Grants Outstanding	Value of Parent Grants Outstanding $000
2005	1	$56
2006	5	$9,297
2007	25	$12,177
2008	102	$23,885
2009	245	$19,936
Total	**378**	**$65,351**

6. TRUST FUNDS AND RESERVES

6.1 Original Capital and Capital Maintenance Reserve

Trust Real Capital
The Original Capital of the Trust arose from the sale of shares in the ASB Bank Limited. The Original Capital and the Capital Maintenance Reserve form the Trust Capital. Trustees are required to preserve the Trust Capital for the benefit of present and future generations. 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.

6.2 General Reserve

The General Reserve formed part of the Trust Fund for the purpose of providing a stable flow of grants to the community during times of adverse investment earnings. As a result of the extraordinary global economic events of the 2008/09 financial year, which led to a significant decline in the value of the Trust's investment portfolio, Trustees resolved to transfer the balance of funds held in General Reserve to Retained Surplus, to partially offset the recorded deficit for the year.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

6.3 Asset Revaluation Reserve

As disclosed in the accounting policies, land and buildings are revalued at five yearly intervals. Land and Buildings were revalued for the first time during the year ended 31 March 2009. This gave rise to an asset revaluation adjustment of $892,000. The next revaluation is not due until the year ending 31 March 2014.

6..4 Reserve for Grants

The Reserve for Grants form a part of the Group's Trust Funds for the purpose of providing a stable flow of grants to the community during times of adverse investment earnings. The Trust has irrevocably committed these funds via its subsidiary company. The amounts are therefore transferred from the Group's retained earnings to the Reserve for Grants.

6.5 Retained (Deficit) Surplus

The Retained Deficit at 31 March 2009 represented the extent to which the Trust Fund was below the Trust's Real (inflation proofed) Capital. When in surplus the balance forms part of the Trust Fund which is used to provide a stable flow of grants to the community.

The Trust Real (inflation proofed) Capital and Reserves form the Trust Fund and maintain the capital base of the Trust.

7. ADMINISTRATION EXPENSES

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
ADMINISTRATION EXPENSES			
Audit fees	55	55	42
Depreciation - Office Equipment and Furniture	67	67	79
Legal fees	54	49	62
Occupancy costs	77	77	106
Other operating costs	639	601	1,311
Public and statutory reporting	115	115	165
Staff expenses	2,128	2,128	2,062
Trustees' fees	251	251	277
Trustees' expenses	146	146	127
Tax Advice (paid to KPMG - Auditors)	12	12	9
	3,544	3,501	4,240

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

8. RELATED PARTY INFORMATION

The following companies have been established by the Trust:

Name	Interest Held	Balance Date	Principle Purpose
ASB Trusts Amateur Public Sports Promotion Limited	100%	31 March	Grants to amateur sport bodies
ASB Community Trust Charitable Purposes Limited	100%	31 March	Grants for specific charitable purposes

These subsidiaries were incorporated on 29 March 2001. ASB Trusts Amateur Public Sports Promotion Limited has not operated since incorporation.

ASB Community Trust Charitable Purposes Limited is a registered charity under the Charities Act 2005. Its registration number is CC38999. During the 2009/10 financial year the Trust distributed grants to its subsidiary company of $7.9 million to be committed to grants awarded to organisations in terms of the Trust's Maori and Pacific Education Initiative. During the financial year under review the Trust also committed grants to its subsidiary company of $60.7 million for granting to community groups in the 2009/10 and future financial years. At balance date the current Account between the Trust and ASB Community Trust Charitable Purposes Limited totalled $73.4 million. The company's constitution prohibits distributions to the Trust.

The Trustees are the key management personnel of the Trust as defined by NZ IAS 24: Related Party Disclosures. As the Trustees are not employees of the Trust, they do not receive short term employee benefits, post employment benefits, other long term benefits, or termination benefits. Trustees are appointed by the New Zealand Government and remunerated at rates set by the Government. These rates were last set in June 2002.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

During the year Trustees received honoraria and meeting fees as follows:

Parent and Group	2010	2009
	$	$
C Craven	19,834	16,204
M Foy	11,285	24,301
A Green	15,546	15,546
P Greenbank	17,542	17,041
A Hartley	23,911	14,005
W Jensen	14,615	22,458
P Kearns	6,548	-
J Kirk	16,491	19,745
K Kohere-Soutar	18,889	26,629
Yoon Boo Lee	5,498	12,536
B Leveloff	4,027	-
B Lythe	20,634	21,028
S Pamaka	12,781	14,181
W Petera	8,791	11,031
K Prime	15,250	30,200
P Rowe	14,944	13,114
P Snedden	-	1,662
K Whitney	6,898	-
L Wilson	17,732	17,576
	$ 251,216	**$ 277,257**

There are no monies owing to or due from Trustee at 31 March 2010 (31 March 2009: Nil).

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

9. FINANCIAL ASSETS AND LIABILITIES

The Trust has the following financial assets and liabilities:

Financial Assets

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
Cash at Bank	7,459	7,459	29,145
Sundry Accounts Receivable	1,557	1,557	670
Managed Funds consisting of:			
Global Equity Funds	397,958	397,958	268,635
Global Bond Funds	313,077	313,077	261,598
Collateralised Commodities Futures Fund (CCF)	52,152	52,152	23,763
Global Property Fund	18,056	18,056	10,563
New Zealand Equities	106,858	106,858	84,416
New Zealand Bonds	102,675	102,675	130,838
Cash	45,615	45,615	9,948
Forward Exchange Contracts	5,977	5,977	33,333
	1,042,368	1,042,368	823,094

These financial assets are valued at fair value on the basis of Level 1 (quoted prices, unadjusted, in active markets for identical assets).

Financial Liabilities

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
Sundry Accounts Payable	829	829	938
Loans from Community Trusts	529	529	-

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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

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

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the Trust's management, the Trust's Finance and Investment Committee and ultimately to the 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 Trust's investment objectives. These can be summarised as to:

- maintain the real value of the Trust's capital with regard to inflation
- maintain equity between present and future generations in terms of the amounts available for grants
- ensure a stable level of grants over time by maximising the total return that can be provided by the investments of the Trust, subject to a prudent level of portfolio risk.

As a responsible member of the world community, the Group aims to demonstrate leadership by advancing universal principles and responsible corporate citizenship to make the global economy more sustainable and inclusive. The Group supports the United Nations Global Compact and is a signatory to the United Nations Principles for Responsible Investment.

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 2008, and was under review at year end. During the year Russell Investment Group Limited assisted both management and Trustees with international strategic and best practice investment advice and portfolio monitoring. On 1 January 2010 the Trust engaged Cambridge Associates Limited LLC as its Investment Adviser. The Trust's contract with Russell Investment Group Limited terminated on 31 March 2010. The pricing of financial assets is undertaken by JP Morgan Chase Bank NA, the Trust's Custodian.

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

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Global Equities:
The Global Equities portfolio is made up of three pooled funds with nine underlying product Fund Managers. This spread of Fund Managers enables the Group to access a wide range of segments within the global equity markets. This portfolio is measured against the MSCI World Index, and is fully hedged back to New Zealand Dollars.

Global Bonds:
The Global Bond Portfolio is managed by one Fund of Fund Manager, with four underlying product managers. This spread of Fund Managers enables the Group to access a wide range of segments within the global bond markets. The portfolio is measured against the Barclays Capital Global Aggregate Index, and is fully hedged back to New Zealand Dollars.

Collateralised Commodity Futures Fund (CCF):
The CCF portfolio is actively managed by one Fund Manager and is measured against the DJ UBS Commodity Index. The portfolio is fully hedged back to New Zealand Dollars.

Global Property:
The Global Property Fund Portfolio is Managed by one Fund of Fund Manager, with four underlying product Fund Managers. This spread of Fund Managers enables the Group to access a wide range of segments with the global property markets. The portfolio is measured against the FTSE EPRA/NAREIT index, and is fully hedged back to New Zealand Dollars.

New Zealand Equities:
The New Zealand Equity Portfolio is a segregated account with one Fund Manager. The investment mandate allows the Fund Manager to invest up to twenty percent of the portfolio in companies listed on the Australian Stock Exchange. This portfolio is measured against the NZX 50 index.

New Zealand Bonds:
The New Zealand Bond Portfolio is managed by one Fund Manager. The investment guidelines provide strict limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX Government Stock Index.

Cash:
The Cash Portfolio is managed by one Fund Manager. The mandate places limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX 90 Day Bank Bill Index.

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 Statement of Financial Position.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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 conditions.

The Group manages credit concentration risks through:

- a diversified and non-correlated basket of investments across traditional and alternative classes
- through the use of a multi-fund manager approach to investments in its portfolio
- and by ensuring compliance with the individual mandate requirements of each investment.

The Trust's Custodian reviews the portfolio for compliance against each investment mandate on a regular basis and reports findings to the Group's Management and Board of Trustees. Fund of Fund Managers ensure that underlying product fund managers comply with Fund mandates.

The credit quality of the Group's Bond portfolio is managed by the Group using Standard & Poor's rating categories.

Consolidated and Parent
This Year

	AAA to AA	A+ to A-	BBB+ to B	CCC, NR Other	**2010 $000**
New Zealand Bonds	90.4%	3.6%	6.0%	-	102,675
Global Bonds	61.8%	9.5%	21.4%	7.3%	313,077
Cash	85.7%	8.3%	6.0%	-	45,615

Parent Trust
Last Year

					2009 $000
New Zealand Bonds	82.7%	12.8%	4.5%	-	130,838
Global Bonds	61.5%	16.3%	21.3.%	0.9%	261,598
Cash	98.8%	1.2%	-	-	9,948

Forward Exchange Contracts:
Hedging is undertaken by J P Morgan Chase Bank NA. At 31 March 2010 J P Morgan had an S & P credit rating of rating AA-.

Consolidated and Parent Outstanding Contracts	**2010**	**2009**
Market value $000	5,977	33,333

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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's investment portfolio during the year under review consisted of only 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 Trust has also an established credit line with ASB Bank Limited.

The Group's financial liabilities comprise trade and other payables. At balance date, all trade and other payables were current, and are normally settled on the 20th of the month following invoice date.

Market Risk
Market Risk is the risk that the 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 segregated account. The exposure to movement in the fair value of the Group's bond portfolios is discussed in the commentary on Price Risk.

The Group's cheque and call accounts are interest bearing. Any movement in interest rates on these accounts is minimal and is not considered to be material.

Currency Risk
Currency Risk is the risk that the fair value of, or future cash flows from financial assets and amounts owing under financial liabilities will fluctuate due to changes in foreign currency exchange rates. All investments denominated in foreign currencies are fully hedged back to the New Zealand dollar on a monthly basis for 30 day periods. Liabilities denominated in foreign currencies are fully hedged back to New Zealand dollars at the time that the obligation is entered into. This effectively removes the exposure to currency risk.

Implementation of hedging contracts for the investment portfolio follows the month end valuation of the portfolio. Any movements in markets during this period may result in the portfolio being under or over hedged. These are not considered material, and will have minimal impact on the fair value of or future cash flows from the Group's financial assets.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
Foreign currency denominated financial assets	781,242	781,242	564,559
Less foreign currency contracts	(763,351)	(763,351)	(566,660)
(Overhedged) Unhedged currency exposure at 31 March	17,891	17,891	(2,101)

USA and Canada	10,463	10,463	(1,141)
United Kingdom and Europe	5,508	5,508	(618)
Japan and Far East	1,920	1,920	(342)
(Overhedged) unhedged currency exposure at 31 March	17,891	17,891	(2,101)

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.

The Group's financial assets are priced at fair value by the Trust's custodian. The effect on the Group's Statement of Comprehensive Income and Statement of Financial Position at 31 March 2010, due to a reasonably possible change in market factors is represented in the following table:

	Sensitivity Range (-1 to +1 standard deviation from the expected annual return)	Sensitivity Impact (from the expected annual return) $000
NZ Equities	-9.5% to +28.5%	-10,152 to +30,455
Global Equities	-6.0% to +26.0%	-23,877 to +103,468
NZ Bonds	-1.0% to +13.0%	-1,026 to +13,348
Global Bonds	-1.0% to +13.0%	-3,131 to +40,700
NZ Cash	+2.0% to +6.0%	+912 to +2,737
CCF's	-11.0% to +27.0%	-5,737 to +14,081
Global Property	-5.0% to +23.0%	-903 to +4,153
Total Portfolio	**-0.7% to +16.5%**	**-7,297 to +171,991**

There is a 68% probability that the return in any one year will be within the range of -0.7% to 16.5%.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

The effect on the Group's Statement of Comprehensive Income and Statement of Financial Position as at 31 March 2009, due to a possible change in market factors is represented in the following table:

	Sensitivity Range (-1 to +1 standard deviation from the expected annual return)	Sensitivity Impact (from the expected annual return) $000
NZ Equities	-7.8% to +26.3%	-6,584 to +22,117
Global Equities	-6.6% to +23.8%	-17,730 to +63,935
NZ Bonds	+3.0% to +9.6%	+3,925 to +12,560
Global Bonds	+3.0% to +9.6%	+7,848 to +25,113
NZ Cash	+4.2% to +7.2%	+1,818 to +3,116
CCF's	-10.2% to +25.8%	-2,424 to +6,131
Global Property	-3.9% to +20.1%	-412 to +2,123
Total Portfolio	**+0.8% to +14.1%**	**+6,585 to +116,056**

There is a 68% probability that the return in any one year will be within the range of 0.8% to 14.1%.

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

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

10. RECONCILIATION OF REPORTED SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated	Parent	
	2010	2010	2009
	$000	$000	$000
Reported surplus (deficit)	221,270	169,000	(232,352)
Add: Non-cash Items			
Depreciation	67	67	79
Unrealised loss on Foreign Exchange contract	19	19	-
Movements in working capital items:			
Increase (decrease) in Accounts Payable	(128)	(128)	97
Decrease (increase) in Accounts Receivable	(887)	(887)	(290)
Increase (decrease) in Outstanding Grants Payable	(23,253)	29,017	(15,329)
	(24,268)	28,002	(15,522)
Investment income reinvested	(236,248)	(236,248)	201,314
Net cash outflow from operating activities	(39,160)	(39,160)	(46,481)

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Other than committed grants for the group totalling $41,205,000, and capital commitments to the Combined Community Trusts database project, the Trust has no other material capital commitments or contingent liabilities.

12. CONFLICTS OF INTEREST

During the year Trustees and staff were required to declare either a direct or indirect conflict of interest in a matter being considered by the Trust. A register of interests is maintained by the Trust.

At the commencement of a meeting, Trustees are asked to disclose any interest in the upcoming business. A Trustee who has an interest in any matter before the meeting must not be counted in the quorum present at the meeting, not vote in respect of the matter, and absent him/herself from discussion or consideration of the matter. If, because of the number of Trustees who have an interest in the matter the meeting would fail for want of a quorum and it is a meeting of a Committee of Trustees, the matter is referred to a meeting of the Board of Trustees. If a meeting of the Board of Trustees would fail for want of a quorum because of the number of Trustees with an interest in the matter under consideration, then those Trustees who have the interest must a sign a certificate for entry in the minutes certifying that the matter is in the best interest of the Trust and cause details of the matter and the nature of the Trustee's interest to be included in the next financial statements of the Trust.

ASB COMMUNITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

At their meeting on 30 November 2009 the Trustees resolved to effect Trustee Liability Insurance for the sum of $2 million at a premium cost of $10,600. The sum insured was subsequently increased on 1 March 2010 to $10 million at a premium cost of $17,402.

All of the Trustees signed the resolution approving the purchase of the Trustee Liability Insurance along with a certificate certifying that the transaction was in the best interests of the Trust as the terms of the insurance and the cost were recommended by the Trust's brokers as being appropriate and reasonable.

13. MATERIAL EVENTS AFTER BALANCE DATE

There were no material events after balance date which required adjustment to the Financial Statements for the year ended 31 March 2010.

14. INTERNATIONAL FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following table outlines details of International Financial Reporting Standards that have been issued but are not yet in effect. It is not expected that these standards, once in effect, will have a material effect on the Group's accounting policies, presentation of the financial statements or disclosures thereto.

Standard Reference	Standard Title	Effect Date (accounting periods beginning on or after)
NZ IFRS 9	Financial Instruments: Classification and Measurement	1 Jan 2013
NZ IAS 24	Related Party Disclosures (revised 2009)	1 Jul 2011

NZ IFRS 9 Financial Instruments. The requirements of this standard represent a significant change from the existing requirements of NZ IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value, and eliminates the existing NZ IAS 39 categories of held to maturity, available for sale, and loans and receivables, A financial asset would be measured at amortised cost if it is held to collect contractual cash flows and interest on specified dates. All other financial assets would be measured at fair value. This standard is not expected to substantially change the way in which the Group currently measures and presents financial instruments.

NZ IAS 24 Related Party Disclosures simplifies the definition of a related party. However this is unlikely to result in any substantial change in the recognition or disclosure of the Group's related party transactions.

The Group does not plan to early adopt any of the above noted Financial Reporting Standards.

A copy of the list of all distributions of income and capital approved by the ASB Community Trust is available on request from ASB Community Trust, PO Box 68048, Newton, Auckland 1145.

KPMG

Audit report

To the Trustees of ASB Community Trust

We have audited the financial statements of ASB Community Trust ("the Trust") and its subsidiaries (the "Group") on pages 1 to 28. The financial statements provide information about the past financial performance of the Trust and Group and their financial positions as at 31 March 2010. This information is stated in accordance with the accounting policies set out on pages 7 to 11.

Trustees' Responsibilities

The Trustees are responsible for the preparation of financial statements which give a true and fair view of the financial positions of the Trust and Group as at 31 March 2010 and the results of their operations and cash flows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Trustees and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Trust and Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm has also provided other services to the Trust in relation to taxation services. Partners and employees of our firm may also deal with the Trust and its subsidiaries on normal terms within the ordinary course of trading activities of the Trust and Group. These matters have not impaired our independence as auditors of the Trust and or the Group. The firm has no other relationship with, or interest in, the Trust and its subsidiaries.

KPMG

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 1 to 28:

- comply with New Zealand generally accepted accounting practice;

- give a true and fair view of the financial positions of the Trust and Group as at 31 March 2010 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 10 June 2010 and our unqualified opinion is expressed as at that date.

KPMG

Auckland

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