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BAY OF PLENTY COMMUNITY TRUST INCORPORATED

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

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For the year ended 31 March 2009

The Trust was initially incorporated on 5 August 1988 as the Trust Bank Bay of Plenty Community Trust in accordance with the provisions of the Trustee Banks Restructuring Act, 1988. It continues under the provisions of the Community Trusts Act, 1999. The purpose of the Trust is to provide charitable, cultural, philanthropic, recreational and other benefits to Bay of Plenty communities. In April 1998 the name was changed to the Bay of Plenty Community Trust. In March 2006 the Trust adopted the name **BayTrust** for operational purposes.

TRUSTEES:	Ms P Thompson (Chair) Mr P Blanks Mr F Cookson Mrs M Dillon Ms T J Eggleton Ms L Hudson Ms S Kai Fong Mr B Kerr Mr L Martin, JP Mrs P J McLeod, MNZM Mr R Morrison (resigned 31/12/2008) Mrs M Ngatai, QSM JP Ms A Simpson Ms A von Tunzelmann
TRUST MANAGER:	Mr B W Cronin, JP
ACCOUNTANTS:	Staples Rodway Tauranga
AUDITORS:	Ingham Mora Tauranga
BANKERS:	BNZ Tauranga
FINANCIAL ADVISORS:	Russell Investment Group Limited Auckland
SOLICITORS:	Sharp Tudhope Tauranga
TAX ADVISORS:	KPMG Christchurch

Chair and CEO report

For the year ended 31 March 2009

Without doubt 2008-09 was the most difficult period in BayTrust's 20-year history. As we mentioned last year, the Trust is well-advised and has a well-diversified investment portfolio, but this could not completely protect it from the unprecedented global financial crisis.

In the year to 31 March 2009 the Trust's investments reduced in value by \$21m (16%) and overall the Trust made a loss of \$20.5m.

Despite that very disappointing investment performance, in the same 12 months BayTrust paid out over \$2.5m in grants to essential BOP causes, from arts, heritage and cultural groups to sports clubs, schools, hospices, churches and welfare groups, from Katikati to Turangi to East Cape. It also awarded Dillon Scholarships totaling \$88,450 to 37 people, supporting tertiary study for those with disabilities.

Highlights of BayTrust's Year included:

- \$140,000 to Opotiki District Council towards feasibility studies into the Opotiki Harbour Development.
- \$50,000 to Disabled Sailing Trust towards sails for the 2009 IFDS World Blind Sailing Championships in Rotorua in March 2009.
- \$99,000 to Taupo-nui-a-Tia-College towards construction of its Student Centre
- \$110,000 to Creative Tauranga towards rent of its new premises in Spring Street.

CoachForce remains one of BayTrust's prime investments. Since its inception as a Sport BoP/BayTrust partnership in 1997 the Trust has contributed nearly \$6m to this critically important programme encouraging more and better coaches in Bay sport. We congratulate Sport BoP and all those involved in CoachForce's continuing success.

We are also proud of the Trust's \$600,000, 3-year commitment to the Rotorua-based BayTrust Rescue Helicopter. In the last three years this service has completed well over 200 missions, saved countless lives and significantly reduced pain and suffering.

During the year under review Trustees Pam McLeod (Taupo) and Terri Eggleton (Whakatane) retired and their places were taken by Peter Blanks (Taupo) and Mary Dillon (Tauranga). Also during the year Rotorua Trustee Ray Morrison resigned from the Trust and emigrated to Australia. Pam and Terri had both served two terms (eight years) with BayTrust and they and Ray were committed and diligent contributors to all the Trust's objectives and activities.


Our sincere thanks to all Trustees and staff for their commitment to BayTrust over the past 12 months. These have been seriously challenging times but rewarding ones too. The emphasis on the next 12 months will be on helping:

- Organisations assisting those less able to care for themselves – e.g. children; the elderly; those with disabilities; those suffering particularly from the recession.
- Organisations with significant volunteer (unpaid) assistance.
- Important projects where BayTrust funding may act as a lever in attracting additional funding.

As always it is an absolute privilege for Trustees & staff to assist the work and efforts of so many wonderful organisations and people who comprise the essential and vibrant fabric of our communities. BayTrust is humbled by the excellent work that is done for the betterment of our communities and the wonderful spirit with which community assistance is provided. We remain firmly committed to supporting and strengthening our BOP communities and people and thank all those who give so much of themselves for others.



Paula Thompson
Chair



Bruce W Cronin
Trust Manager

09.07.09

Balance sheet

	Note	2009	2008
Assets			
Property, plant and equipment	8	37	50
Loans		105	157
Investments, including derivatives	9,13	109,304	131,471
Total non-current assets		109,446	131,678
Loans		82	77
Cash and cash equivalents	11	215	1,128
Total current assets		297	1,205
Total assets		109,743	132,882
Trust Funds			
Trust Capital	12	89,308	89,308
Income Fluctuation Reserve	12	-	12,087
Retained Earnings / (Deficit)	12	(16,279)	-
Inflation and Population Reserve	12	36,408	31,167
Total Funds		109,437	132,562
Liabilities			
Trade and other payables, including derivatives		306	320
Total current liabilities		306	320
Total liabilities		306	320
Total equity and liabilities		109,743	132,882

The notes on pages 8 to 21 are an integral part of these financial statements.

Signed on behalf of the Board of Trustees;

Chair: 

Trustee: 

Date: 30/6/09

Income statement

For the year ended 31 March 2009*in New Zealand Dollars (\$000's)*

	Note	2009	2008
Revenue	5	(19,152)	(5,761)
Portfolio management and advisory fees		592	600
Profit/(loss) before tax		(19,744)	(6,361)
Other expenses	6	731	721
Income Tax	10	-	-
Profit/(loss) for the year		(20,475)	(7,082)

Statement of recognised income and expense

For the year ended 31 March 2009*in New Zealand Dollars (\$000's)*

	Note	2009	2008
Profit/(loss) for the year		(20,475)	(7,082)
Total recognised income and expense for the year	12	(20,475)	(7,082)

The notes on pages 8 to 21 are an integral part of these financial statements.

Statement of Cashflows

For the year ended 31 March 2009

in New Zealand Dollars (\$000's)

	Note	2009	2008
Cashflows from operating activities			
Investment Income		4,205	2,750
Other Income		40	94
Cash paid to suppliers, employees and trustees		(1,324)	(1,263)
Grants paid to the community		(2,650)	(4,136)
Net cash from/(used in) operating activities	15	271	(2,555)
Cashflows from investing activities			
Acquisition of property, plant and equipment		-	(15)
Disposal of investments		6,618	16,907
Acquisition of investments		(7,802)	(13,975)
Net cash from/(used in) investing activities		(1,184)	2,917
Net (decrease)/increase in cash and cash equivalents		(913)	362
Cash and cash equivalents at 1 April		1,128	766
Cash and cash equivalents at 31 March		215	1,128

The notes on pages 8 to 21 are an integral part of these financial statements.

Notes to the financial statements

Significant accounting policies

1 Reporting entity

The Bay of Plenty Community Trust is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of The Community Trusts Act 1999. The Trust is a public benefit entity.

The Bay of Plenty Community Trust is a charitable trust which distributes income from its investment activities to the Bay of Plenty communities.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and 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. Compliance with NZ IFRS ensures that the financial statements do comply with International Financial Reporting ("IFRS").

The financial statements have been approved by the Board of Trustees on 18th June 2009.

(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). All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Notes to the financial statements (continued)

Significant accounting policies (continued)

3 Significant accounting policies

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Trust entities at exchange rates at the date 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.

(b) 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 plus, for instruments not at fair value derivative financial instruments are measured as described below.

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 is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Trust 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.

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 Trust uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from investment activities. In accordance with its policy, the Trust 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 remeasurement to fair value is recognised immediately in profit or loss.

(c) 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.

Notes to the financial statements (continued)

Significant accounting policies (continued)

3 Significant accounting policies

(c) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust 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 basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are from 11.4% to 60%

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

(d) Impairment

The carrying amounts of the Trust'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 Income Statement.

(i) Impairment of debt instruments and receivables

The recoverable amount of the Trust's receivables carried at amortised cost is calculated as the present value of estimated future cashflows, discounted 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 Trust's non-financial assets 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.

(e) Employee benefits

There are no employee benefits at 31 March 2009.

(f) Revenue

Investment income

Dividend income is recognised on the date that the Trust's right to receive payment is established. Interest income is recognised as it accrues.

Notes to the financial statements (continued)

Significant accounting policies (continued)

3 Significant accounting policies

(g) Grants payable

Grants payable are recognised as a distribution from equity when the payment of the grant has been approved by the Trustees and the recipient of the grant does not have any further obligations to meet in order to receive the grant.

(h) New standards and interpretations not yet adopted

A number of new interpretations are not yet effective for the year ended 31 March 2009, and have not been applied in preparing these financial statements:

- NZ IFRS 8 *Operating Segments*. NZ IFRS 8, which becomes mandatory for the Trust's 2010 financial statements, is not expected to have any impact on the financial statements.
- NZ IFRS 1 *Presentation of financial Statements (revised)*. NZ IFRS 1 will become mandatory for the Trust's 2010 financial statements. The Trust has not yet determined the potential effect of the interpretation.
- NZ IFRS 4 *Insurance Contracts – Amendments*. NZ IFRS 4, which becomes mandatory for the Trust's 2010 financial statements, is not expected to have any impact on the financial statements.
- NZ IAS 23 *Borrowing Costs*. NZ IAS 23 will become mandatory for the Trust's 2010 financial statements, and is not expected to have any impact on the financial statements.

4 Determination of fair values

A number of the Trust'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) Investments in equity and debt securities

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

(b) Loans

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

(c) 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).

Notes to the financial statements (continued)

*in New Zealand Dollars (000's)***5 Revenue**

	2009	2008
Dividends received	980	2,198
Interest received	885	553
Investment gains and losses	(21,059)	(8,605)
Other	42	93
Total revenue	(19,152)	(5,761)

6 Other expenses

	2009	2008
Advertising public relations, distribution and other costs	63	56
Accountancy Fees	17	6
Depreciation	13	19
Loss on Disposal of property, plant and equipment	0	0
Office administration fees	52	76
Office lease expenses	66	64
Other administration fees	142	88
Wages – Casual	11	0
Employer KiwiSaver Contribution	2	0
Wages and salaries	186	194
Trustee fees	138	157
Trustee expenses	36	53
	726	713
Auditor's remuneration to Ingham Mora		
- audit of financial statements	5	8
Total auditor's remuneration	5	8
Total Other Expenses	731	721

7 Grants

a) The following future grants have been approved but have not been paid. Payments are conditional on the continual viability of the projects and are expected to be paid as follows:

Grants recipient	2010	2011	2012	2013
Sport Bay of Plenty	370	87	-	-
Phillips Search & Rescue Trust	100	200	200	200
Multi-Sport Opotiki	20	-	-	-
Whakatane Citizens Advice Bureau	15	-	-	-
Waiariki Institute of Technology	80	80	-	-
Shakti Ethnic Women's Group (Central Region)	18	-	-	-
Kiwican Charitable Trust	25	-	-	-
Total	628	447	200	200

Notes to the financial statements (continued)

*in New Zealand Dollars (000's)***7 Grants (continued)**

b) The following conditional future grants have been approved but are subject to the applicants satisfying specific criteria in each case:

	2009	2008
Grants recipient		
Murupara Community Facilities Community Trust	-	7
Back-Up NZ	6	8
Propel Community Trust	-	6
Tuporo Kohanga Reo	-	10
Waipapa Charitable Trust	-	23
Opotiki District Council	-	140
Otumoetai Sports & Recreation	75	-
Bainbridge House Charitable Trust	5	-
Westbrook School	20	-
Total	106	194

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

8 Property, Plant and Equipment

	Note	Furniture & Fittings	Office equipment	Total
Cost				
Balance at 1 April 2007		61	55	115
Additions		-	17	17
Disposals		-	(15)	(15)
Balance as at 31 March 2008		61	58	119
Balance at 1 April 2008		61	58	119
Additions		-	-	-
Disposals		-	(6)	(6)
Balance as at 31 March 2009		61	52	113
Depreciation				
Balance at 1 April 2007		20	42	62
Depreciation for the year		7	13	20
Disposals		-	(13)	(13)
Balance as at 31 March 2008		27	42	69
Balance at 1 April 2008		27	42	69
Depreciation for the year		5	8	13
Disposals		-	(6)	(6)
Balance as at 31 March 2009		32	44	76
Carrying amounts				
At 1 April 2007		41	14	55
At 31 March 2008		34	16	50
At 1 April 2008		34	16	50
At 31 March 2009		29	8	37

9 Other investment

Non-current investments

Financial assets designated at fair value through profit or loss

	2009	2008
Financial assets designated at fair value through profit or loss	109,304	131,471

Current investments

There are no current investments at 31 March 2009.

Notes to the financial statements (continued)

*In New Zealand Dollars (\$000's)***10 Taxation**

Bay of Plenty Community Trust Inc is exempt from income tax with effect 1 April 2004, under section CW 44 of the Income Tax Act 2004

11 Net cash and cash equivalents

	2009	2008
Bank balances	158	1,018
Call deposits	57	110
Cash and cash equivalents	215	1,128

12 Trust funds

	Note	Trust Capital	Retained Earnings / (Deficit)	Income Fluctuation Reserve	Inflation & Population Growth Reserve	Total
Balance at 1 April 2007		89,308	-	26,774	27,698	143,780
Total recognised income and expense		-	(7,082)	-	-	(7,082)
Distributions in the form of grants		-	(4,136)	-	-	(4,136)
Reserves transfers		-	11,218	(14,687)	3,469	-
Balance at 31 March 2008		89,308	-	12,087	31,167	132,562
Balance at 1 April 2008		89,308	-	12,087	31,167	132,562
Total recognised income and expense		-	(20,475)	-	-	(20,475)
Distributions in the form of grants		-	(2,650)	-	-	(2,650)
Reserves transfers		-	6,846	(12,087)	5,241	-
Balance at 31 March 2009		89,308	(16,279)	-	36,408	109,437
Balance at 1 April 2007		89,308	-	26,774	27,698	143,780
Balance at 31 March 2008		89,308	-	12,087	31,167	132,562
Balance at 1 April 2008		89,308	-	12,087	31,167	132,562
Balance at 31 March 2009		89,308	(16,279)	-	36,408	109,437

Income Fluctuation Reserve

The Income Fluctuation Reserve relates to a capital maintenance reserve established and maintained at the trustees' discretion.

Inflation & Population Growth Reserve

The Inflation & Population Growth Reserve relates to a capital maintenance reserve based on an inflation factor (CPI) and 50% population growth in the region.

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments

Exposure to credit, interest rate, foreign currency, equity price and liquidity risks arises in the normal course of the Trust's business. The Trust's risk management policies and procedures for financial instruments are formally documented and approved by the Trustees in the Trust's Statement of Investment Policies and Objectives ("SIPO")

Credit risk

The Trust's SIPO stipulates value ranges that may be held in New Zealand equities, overseas equities, overseas fixed interest, New Zealand cash, Hedge funds, global property and Collateralised commodity futures. Within each of these investment sub-Trusts there are maximum limits that can be invested within one investment group and with one investment manager. This diversified investment strategy reduces the credit risk exposure of the Trust.

The Trust makes loans only to entities that are well established and have demonstrated a robust ability to make regular repayments.

The SIPO states minimum credit ratings of investment bonds.

Liquidity risk

Liquidity risk represents the Trust's ability to meet its contractual obligations. The Trust evaluates its liquidity measurements on an ongoing basis. In general, the Trust generates sufficient cash flows from its activities to meet its obligations arising from its financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or equity prices, will affect the Trust's profit or valuation of net assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The risk is mitigated by the policies and procedures outlined in the Trust's SIPO. These include diversification of the investment portfolio and prudent investment strategies.

Foreign currency risk

The Trust is exposed to foreign currency risk as a result of investment transactions entered into by fund managers in a currency other than the Trust's functional currency, New Zealand dollars (\$), which is the presentation currency of the Trust. It is Trust Policy to have at least 90% of its overseas investments hedged to NZ dollars.

Interest rate risk

The Trust has bank call and deposit accounts, government and local authority securities and other investment held by the Trust's fund managers that are exposed to interest rate risk. Interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Trust's policy.

Other market price risk

The entity is not exposed to substantial other market price risk arising from financial instruments.

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Quantitative disclosure

Credit and Interest rate risk

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

The Trust's maximum exposure to credit risk for investments by geographic regions and investment type and information relating to the interest rate risk is as follows:

Carrying amount	2009	2008
New Zealand cash	13,159	8,738
New Zealand equities	4,105	5,280
Collateralised commodity futures		
Global bonds	58,605	59,272
Global equities	28,140	45,286
Global property	2,576	6,043
Hedge fund of funds	2,718	6,852
Total financial assets	109,304	131,471

Management of the interest rate risk is performed by the fund managers by use of interest rate swaps.

The average interest rate is determined inclusive of interest rate swaps that are embedded with the funds.

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Liquidity risk

The following table sets out the contractual cash flows for all financial assets, liabilities and for derivatives that are settled on a gross cash flow basis:

	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trust 2009							
Trade and other payables	306	306	306				
Total non-derivative liabilities	306	306	306				
Investments	109,304						
Loans	187	187	42	37	67	41	-
Total non-derivative assets							
Trust 2008							
Trade and other payables	320	320	320				
Total non-derivative liabilities	320	320	320				
Investments	131,471						
Loans	234	234	38	38	65	93	-
Total non-derivative assets							

Global bonds, equities and property are investments denominated in foreign currencies. These are hedged to New Zealand dollars within the fund by way of foreign exchange contracts.

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Capital management

The Trust's capital includes Trust Capital, Income Fluctuation Reserve and Inflation & Population Growth Reserve.

The Trust's policy is to maintain a strong capital base so as to maintain investor confidence and 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 Board of Trustees, and during the year a decision was taken not to rebalance the investment portfolio while its value is below "Real Capital".

Sensitivity analysis

Table 1 shows the asset allocation for the Trust's portfolio as at 31 March 2009 as well as the long term expected return for each asset class. The return one standard deviation above and below the expected return is also shown.

Table 1: Sensitivity Analysis for the Trusts Portfolio 31 March 2009

Asset Class	Asset Allocation (31 March 2009)	Long Term Expected Return p.a.	-1 Std Deviation Return p.a.	+1 Std Deviation Return p.a.
NZ Equities	5.0%	9.2%	-7.8%	26.2%
Global Equities	24.6%	8.6%	-6.6%	23.8%
Global Bonds	53.5%	6.3%	3.0%	9.6%
NZ Cash	12.0%	5.7%	4.2%	7.2%
Global Property	2.5%	8.1%	-3.9%	20.1%
Hedge Funds	2.4%	8.3%	0.3%	16.3%
Total	100.00%	7.0%	2.0%	12.1%

From table 1 the long term expected return for the Trust's portfolio is 7.0% per annum and there is approximately a 68% probability that the return in any one year will be within the range of 2% and 12.1%.

As at 31 March 2009 the Trust's Portfolio had NZ\$109.3m under management. Assuming the short term return distribution approximates the long term return distribution there is approximately a 68% probability that the Trust's revenue profit from investment activities will lie in the range of \$2.2m to \$13.2m, with an expected revenue of \$7.7m for the year ended 31 March 2009 to 31 March 2010.

Notes to the financial statements (continued)

in New Zealand Dollars (\$000's)

13 Financial instruments (continued)

Table 2 shows the asset allocation for the Trust's portfolio as at 31 March 2008 as well as the long term expected return for each asset class. The return one standard deviation above and below the expected return is also shown.

Table 2: Sensitivity Analysis for the Trusts Portfolio 31 March 2008

Asset Class	Asset Allocation (31 March 2008)	Long Term Expected Return p.a.	-1 Std Deviation Return p.a.	+1 Std Deviation Return p.a.
NZ Equities	5.2%	9.2%	-7.8%	26.2%
Global Equities	33.5%	8.7%	-6.2%	23.6%
Global Bonds	45.1%	6.3%	3.0%	9.6%
NZ Cash	6.4%	5.7%	4.2%	7.2%
Global Property	4.6%	8.1%	-3.9%	20.1%
CCF's	0.0%	7.8%	-10.2%	25.8%
Hedge Funds	5.2%	8.3%	0.3%	16.3%
Total	100.00%	7.4%	1.2%	13.6%

From table 2 the long term expected return for the Trust's portfolio was 7.4% per annum and there was approximately a 68% probability that the return in any one year would be within the range of 1.2% to 13.6%.

As at 31 March 2008 the Trust's Portfolio had NZ\$131.5m under management. Assuming the long term return distribution approximates the short term return distribution, then for the year 31 March 2008 to 31 March 2009 there is approximately a 68% probability that the Trust's revenue profit from investment activities will lie in the range of \$1.7m to \$17.9m, with an expected value of \$9.7m.

Classification and fair values

All financial assets (including investments, loans, trade receivables and cash) are recognised at fair value.

All investments are designated at fair value. Loans and trade receivables are designated as loans and receivables.

Estimation of fair values

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

Notes to the financial statements (continued)

in New Zealand Dollars (000's)

14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2009	2008
Less than one year	66	66
Between one and five years	99	232

Lease is for a 6 year term, with 2 rights of renewal for 3yrs each.

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

	2009	2008
Profit for the period	(20,475)	(7,082)
Adjustments for:		
Depreciation	13	19
Loss on disposal of property, plant and equipment		
Capital Grants	(2,650)	(4,135)
Unrealised loss on investments	23,398	8,604
Change in trade and other payables	(15)	39
Net cash from operating activities	271	(2,555)

16 Related parties

There were no related transactions for the year ended 31 March 2009.

17 Subsequent event

There are no Subsequent events at 31 March 2009.

18 Contingent Liabilities

There are no Contingent Liabilities at 31 March 2009.

A full list of all distributions by way of grants for the year ended 31 March 2009 is available from the trust office on request, info@baytrust.org.nz or telephone (07) 578 6546 or 0800 654 546.

**Audit Report****To the Trustees of Bay of Plenty Community Trust Incorporated**

We have audited the financial statements on pages 5 to 21. The financial statements provide information about the past financial performance of the trust and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 8 to 11.

Trustees' Responsibilities

The trustees are responsible for the preparation of financial statements which give a true and fair view of the financial position of the trust as at 31 March 2009 and the results of operations and cash flows for the year ended on that date.

Auditor's Responsibilities

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

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; and
- whether the accounting policies are appropriate to the trust'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 give 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.

Other than in our capacity as auditor we have no relationship with, or interests in the trust.

Unqualified Opinion

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

In our opinion the financial statements on pages 5 to 21:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- fairly reflect the financial position of the trust as at 31 March 2009 and the results of operations and cash flows for the year ended on that date.

Our audit was completed on 30 June 2009 and our unqualified opinion is expressed as at that date.

Ingham Mora

**INGHAM MORA
TAURANGA**