SUPPLEMENT TO

New Zealand Gazette

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THE COMMUNITY TRUST OF SOUTHLAND

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

THE COMMUNITY TRUST OF SOUTHLAND
TRUSTEE'S RESPONSIBILITY STATEMENT

The Trustees of The Community Trust of Southland ("the Trust") are pleased to present the financial statements for the year ended 31 March, 2008.

The Trustees are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Trust and group as at 31 March, 2008 and the results of their operations and cash flows for the year ended on that date.

The Trustees consider the financial statements of the Trust have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Trustees believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Financial Statements are signed on behalf of the Board by:

Trustee

26/11/2008

Trustee

26/11/2008

THE COMMUNITY TRUST OF SOUTHLAND
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended 31 March, 2008

		Group		Parent	
	Notes	**2008 $000**	**2007 $000**	**2008 $000**	**2007 $000**
Investment Income:					
Dividends		4,909	5,111	4,886	5,087
Interest	1	4,969	3,970	4,107	3,270
Gains/(losses) from change in fair value of managed funds		(13,807)	(686)	(13,826)	(686)
		(3,929)	8,395	(4,833)	7,671
Share of Associates Earnings		87	21	-	-
Gains/(loss) on revaluation of Property, plant and equipment		40	79	40	79
Expenses:					
Depreciation		51	67	50	66
Bad debts expense		-	114	-	-
Fund managers fees		800	956	800	956
Trustees fees		182	201	182	201
Directors fees		60	58	-	-
Employee entitlements		510	466	356	323
Administration expenses	2	489	549	462	443
Operating surplus/(deficit) before grants		(5,894)	6,084	(6,643)	5,761
Grants	3	8,177	11,450	8,177	11,450
Net surplus/(deficit) before taxation		(14,071)	(5,366)	(14,820)	(5,689)
Taxation expense	4	162	-	-	-
Net surplus/(deficit) after taxation		$(14,233)	$(5,366)	$(14,820)	$(5,689)

THE COMMUNITY TRUST OF SOUTHLAND
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March, 2008

Group	Trust Capital	Capital Maintenance Revenue	Grants Maintenance Revenue	Other	Total
	$000	$000	$000	$000	$000
Balance at 1 April, 2006	158,460	12,990	25,159	-	196,610
Net surplus/(deficit) after taxation	-	-	-	(5,366)	(5,366)
Revaluation of land/buildings	-	-	-	57	57
Transfer to/(from) reserves	-	4,828	(10,137)	5,309	-
Balance at 31 March, 2007	158,460	17,818	15,022	-	191,301
Net surplus/(deficit) after taxation	-	-	-	(14,233)	(14,233)
Revaluation of land/buildings	-	-	-	84	84
Transfer to/(from) reserves	-	6,729	(20,878)	14,149	-
Balance at 31 March, 2008	$158,460	$24,547	$(5,856)	$Nil	$177,152

Parent	Trust Capital	Capital Maintenance Revenue	Grants Maintenance Revenue	Other	Total
	$000	$000	$000	$000	$000
Balance at 1 April, 2006	158,460	38,032	1,634	-	198,126
Net surplus/(deficit) after taxation	-	-	-	(5,689)	(5,689)
Revaluation of land/buildings	-	-	-	57	57
Transfer to/(from) reserves	-	4,828	(10,460)	5,632	-
Balance at 31 March, 2007	158,460	42,859	(8,826)	-	192,494
Net surplus/(deficit) after taxation	-	-	-	(14,820)	(14,820)
Revaluation of land/buildings	-	-	-	84	84
Transfer to/(from) reserves	-	6,729	(21,465)	14,736	-
Balance at 31 March, 2008	$158,460	$49,588	$(30,291)	$Nil	$177,758

THE COMMUNITY TRUST OF SOUTHLAND
STATEMENT OF FINANCIAL POSITION
As At 31 March, 2008

	Notes	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
Funds Employed					
Trust capital	5	158,460	158,460	158,460	158,460
Reserves	6	18,692	32,841	19,298	34,034
TOTAL FUNDS EMPLOYED		$177,152	$191,301	177,758	$192,494
Liabilities					
Accounts payable		302	301	220	215
Grants committed not paid	7	14,544	13,373	14,544	13,373
		14,846	13,674	14,764	13,588
Assets					
Cash and cash equivalents		1,071	206	1	3
Accounts receivable		819	237	733	158
Inventory		-	85	-	-
Investments - Other	9	2,200	613	49	133
Managed funds	10	180,803	194,990	180,803	194,990
Advances - Other	11	1,669	2,095	1,669	2,095
Advances Investment	12	3,921	5,297	-	-
Investments in associates	13	494	517	-	-
Investment in subsidiaries	14	-	-	8,248	7,768
Database development	8	5		5	-
Property, plant and equipment	15	1,014	936	1,013	934
Taxation balance		3	-	-	-
		191,999	204,976	192,521	206,081
NET ASSETS		$177,152	$191,301	$177,758	$192,494

THE COMMUNITY TRUST OF SOUTHLAND
STATEMENT OF CASHFLOWS
For the Year Ended 31 March, 2008

	Notes	Group		Parent	
		2008 $000	**2007 $000**	**2008 $000**	**2007 $000**
Cashflows from Operating Activities					
Cash was provided from (applied to):					
Interest and dividends		10,004	8,931	9,112	8,207
Other expenses		(2,206)	(2,284)	(1,796)	(1,917)
Grants paid		(6,681)	(7,836)	(6,681)	(7,836)
Net cash in (out) flows from Operating Activities		1,117	(1,189)	635	(1,546)
Cashflows from Investment Activities					
Cash was provided from (applied to):					
Managed Funds		(673)	1,920	(693)	2,336
Property, plant and equipment		(2)	(52)	(2)	(52)
Purchase of Inventory		85	(85)	-	-
Investment in Associates		97	(372)	-	-
Drawdown of debt		-	(462)	-	-
Advances		241	(748)	58	(748)
Net cash in (out) from Investing Activities		(252)	201	(637)	1,535
Cashflows from Financing					
Cash was provided from (applied to):					
Net cash in (out) from Financing Activities		-	-	-	-
Net Increase/(decrease) in Cash held		865	(987)	(2)	(10)
Add cash at beginning of year		206	1,193	3	12
Total Cash Balance at End of Year		$1,071	$206	$1	$2

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Community Trust of Southland was formed under the Trustee Banks Restructuring Act 1988 and is incorporated under the Charitable Trusts Act 1957. The financial statements represented are those for the Community Trust of Southland group ("Group"). The Group consists of The Community Trust of Southland ("Trust"), its wholly owned subsidiary companies and the Trust's interest in associates.

The financial statements comply with the Financial Reporting Act 1993 and the Community Trusts Act 1999.

Statement of Compliance

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

These are the first financial statements of the Trust to be prepared in accordance with NZ IFRS.

The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 *First Time Adoption of New Zealand Equivalent to International Financial Reporting Standards*, with 1 April, 2006 as the date of transition. An explanation of the transition to NZ IFRS is discussed in Note 22.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial assets which are stated at their fair value.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March, 2008, the comparative information presented in these financial statements for the year ended 31 March, 2007 and in the preparation of the opening NZ IFRS Balance Sheet at 1 April, 2006, the Trust's date of transition.

Critical Accounting Estimates & Judgements

In the application of NZ IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ to 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 revisions affects only that period or in the period of the revision and future periods of the revision affects both current and future periods.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries). Control is achieved where the Trust has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Group Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under NZ IFRS-3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with NZ IFRS-5 *Assets held for Sale and Discontinued Operations,* which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assts, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but where there is no control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS-5 *Non-current Assets Held for Sale and Discontinued Operations.* Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assts, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

Property, Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation, less accumulated impairment losses, less accumulated devaluations and plus accumulated revaluations.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Land and buildings are measured at fair value. Fair value is determined on the basis of an annual independent valuation prepared by external valuation experts, based on a discounted cash flows or capitalisation of net income approach. The fair values are recognised in the financial statements of the Trust, and are reviewed at the end of each reporting period to ensure the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings in credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increased in credited to the Statement of Financial Performance to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of the asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale of the revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Revenue Recognition

Dividend & Interest Revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Financial Assets & Liabilities

Investments

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are recognised at fair value through profit or loss.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

Financial Assets

Financial assets are classified into the following specified categories financial assets "at fair value through profit or loss", "held to maturity" investments, "available for sale" financial assets, and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial Assets at Fair Value through Profit or Loss

The Trust classifies its Managed Funds and Investments in shares as financial assets at fair value through profit or loss. These financial assets are designated by management at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy and for which information is provided internally to key management personnel on that basis.

Regular-way purchases and sales of Managed Funds are recognised on the trade date - the date on which the Trust commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the Managed Funds have expired or the Trust has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Financial Performance. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in the Statement of Financial Performance in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the Income Statement within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Financial Performance within dividend income when the Trust's right to receive payments is established.

Loans & Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Accounts receivable, Advances Investment and Advances-Other are carried at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipt through the expected life of the financial asset, or where appropriate, a shorter period, to the net carrying amount of the financial asset.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of Accounts Receivable where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

Impairment of Financial Assets (continued)

recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does no exceed what the amortised cost would have been had the impairment not been recognised.

Other Financial Liabilities

Other liabilities include Accounts Payable and Grants committed not paid.

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount of the financial liability.

Currency Translation

Functional & Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in New Zealand dollars, which is the Trust's functional and presentation currency, rounded to the nearest dollar.

Transactions & Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

Standards, interpretations and amendments to published standards that are not yet effective

Initial application of the following standards is not expected to have any material impact to the financial report of the Trust.

Standard	Effective for annual Reporting Periods Beginning on or after	Expected to be initially Applied in the financial year ending
NZ IFRS 8 "Operating Segments"	1 January 2009	31 March 2010
NZ IAS-1 Presentation of Financial Statements - Revised Standard	1 January 2009	31 March 2010

Standard/Interpretation	Effective for annual Reporting Periods Beginning on or after	Expected to be initially Applied in the financial year ending
NZ IFRIC-12 "Service Concession Arrangements"	1 January 2008	31 March 2009
NZ IFRIC-12 "Customer Loyalty Programmes"	1 July 2008	31 March 2010
NZ IFRIC-14 "NZ IAS-19 The Limit on a defined Benefit Asset, Minimum Funding Requirements and their Interaction"	1 January 2008	31 March 2009
NZ IAS-23 "Borrowing Costs" - revised standard	1 January 2009	31 March 2010
NZ IFRS-2 "Share based Payment" - revised standard	1 January 2009	31 March 2010
NZ IFRS-3 "Business Combinations" - revised standard	1 July 2009	31 March 2011
NZ IAS-27 "Consolidated and Separate Financial Statements" - revised standard	1 July 2009	31 March 2011

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

1. INTEREST

	Group		Parent	
	2008 $000	**2007 $000**	**2008 $000**	**2007 $000**
Short term deposits	124	118	14	3
Managed funds	4,058	3,247	4,058	3,247
Advances Investment	787	605	35	20
	$4,969	$3,970	$4,107	$3,270

2. ADMINISTRATION EXPENSE

Included in Administration Expenses are the following:

Auditors fees:

Audit fees paid or payable to the auditors of the Trust for auditing the financial statements of the Group are as follows:

Audit of the financial statements	28	36	22	32
	$28	$36	$22	$32

The auditor of the Group is Deloitte.

3. GRANTS

Committed and payable in the current year	6,861	7,766	6,861	7,766
Committed and not payable until future years	841	3,684	841	3,684
Grants previously recognised as loans (i)	475	-	475	-
	$8,177	$11,450	$8,177	$11,450

(i) During the year certain loans were forgiven in accordance with the contractual terms of the loan arrangement. The basis for forgiving the loans is that certain conditional elements of the lending arrangements are unlikely to be invoked and as such the Trust does not expect to recover the amounts loaned. As such the outstanding balances on the loans have been recognised as a grant in the current year.

4. TAXATION

Taxation expense of $162,000 and the taxation balance of $3,000 relates to subsidiary entities.

The Community Trust of Southland is exempt from income tax with effect from 1 April, 2004.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

5. TRUST CAPITAL

	Group		Parent	
	2008 $000	**2007 $000**	**2008 $000**	**2007 $000**
Opening and closing balance	158,460	158,460	158,460	158,460
	$158,460	$158,460	$158,460	$158,460

6. RESERVES

	Group 2008	Group 2007	Parent 2008	Parent 2007
Capital Maintenance Reserve (i)	24,547	17,818	49,588	42,859
Grants Maintenance Reserve (ii)	(5,855)	15,023	(30,290)	(8,825)
	$18,692	$32,841	$19,298	$34,034

(i) <u>Capital Maintenance Reserve</u>

	Group 2008	Group 2007	Parent 2008	Parent 2007
Opening balance	17,818	12,990	42,859	38,032
Transfer from Net Surplus/(Deficit) after taxation	6,729	4,827	6,729	4,827
	$24,547	$17,818	$49,588	$42,859

(ii) <u>Grants Maintenance Reserve</u>

	Group 2008	Group 2007	Parent 2008	Parent 2007
Opening balance	15,022	25,159	(8,826)	1,634
Net Surplus/(deficit) after taxation	(20,878)	(10,137)	(21,465)	(10,460)
	$(5,856)	$15,022	$(30,291)	$(8,826)

7. GRANTS COMMITTED NOT PAID

Commitments of $14,544,000 (2007: $13,373,000) exist for grants which will be distributed from either capital or future income sources in future years.

The years in which these commitments fall due are as follows:

	Group 2008	Group 2007	Parent 2008	Parent 2007
Year ending 31 March, 2008	-	11,558	-	11,558
Year ending 31 March, 2009	13,020	692	13,020	692
Year ending 31 March, 2010	861	511	861	511
Year ending 31 March, 2011	554	511	554	511
Year ending 31 March, 2012	109	101	109	101
	$14,544	$13,373	$14,544	$13,373

All grants committed but not paid at balance date are initially recognised at fair value, but are then adjusted to reflect their value in present day dollar terms. This adjustment is achieved by discounting the future grants payable by the rate of 8.25% per annum, for each of the years from balance date until the date the grant is due to be paid.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

8. DATABASE DEVELOPMENT

The combined Community Trusts throughout New Zealand are considering jointly developing a shared database, to be used across all of the 12 Community Trusts. Database Development costs are the Group's share of the preliminary costs incurred on this joint project until 31 March 2008.

9. INVESTMENTS OTHER

		Group		Parent	
	Interest Rate	**2008 $000**	**2007 $000**	**2008 $000**	**2007 $000**
Investments at amortised cost (i)		2,029	510	49	133
Investments in shares at fair value (ii)		171	100	-	-
		$2,200	$610	$49	$133

(i) Investments at amortised cost

	Interest Rate	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
Westpac on call	7.70%	49	133	49	133
National Bank	8.62%	861	-	-	-
SBS	8.74%	742	-	-	-
Back Country Foods Ltd RP Shares		25	25	-	-
South Canterbury Finance RP Shares	10.25%	344	250	-	-
ASB RP Shares	7.65%	-	100	-	-
Back Country Foods Ltd advance		3	3	-	-
Bushroad Ltd advance		5	-	-	-
		$2,029	$511	$49	$133

(ii) Investments in shares at fair value

	Group 2008 $000	Group 2007 $000	Parent 2008 $000	Parent 2007 $000
Shares - Pacific Edge Biotechnology Ltd	80	100	-	-
Shares - Clocktower Games Ltd	91	-	-	-
	$171	$100	$Nil	$Nil

The investments in shares at fair value are valued at their quoted bid price at balance date.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

10. MANAGED FUNDS

The Group has funds with five investment managers (Fund Managers) as follows:

- Alliance Bernstein
- AMP Capital Investors
- Capital International
- First New Zealand Capital
- Tower Asset Management

The fair value of the Managed Funds investments as at balance date was as follows:

	Alliance Bernstein $000	AMP Capital $000	Capital International $000	First NZ Capital $000	Tower Asset Management $000	Total $000
Australasian Equities		16,549		18,277		34,826
Overseas Equities	18,572		13,875			32,447
NZ Fixed Interest		24,943				24,943
Overseas Fixed Interest					54,892	54,892
Property				7,090		7,090
Cash		26,605				26,605
Total	$18,572	$68,097	$13,875	$25,367	$54,892	$180,803

The fair value of the Managed Funds investments as at 31 March 2007 was as follows:

	Alliance Bernstein $000	AMP Capital $000	Capital International $000	ING (NZ) Limited $000	Tower Asset Management $000	Total $000
NZ Equities				20,997		20,997
Overseas Equities	37,273		35,338			72,611
NZ Fixed Interest		23,507				23,507
Overseas Fixed Interest					50,233	50,233
Property		881				881
Cash		10,762		15,999		26,761
Total	$37,273	$35,150	$35,338	$36,996	$50,233	$194,990

Exposure to currency, interest rate and credit risk arises in the normal course of the fund managers management of the Group investments. A range of hedging policies are in place whereby the fund managers use derivative financial instruments as a means of managing exposure to fluctuations in foreign exchange rates and interest rates. While these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by opposite effects and the items being hedged.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

11. ADVANCES – OTHER

Loan balances outstanding at 31 March, 2008 were as follows:

	Group		Parent	
	2008 $000	2007 $000	2008 $000	2007 $000
Troopers Memorial Corner Charitable Trust (i)	-	195	-	195
Bluff Healthy Homes	32	-	32	-
Ringa Ringa Heights Golf Club	-	36	-	36
Croydon Aviation Museum (ii)	-	280	-	280
Southland Rural Fire Authority	50	-	50	-
Invercargill Artificial Sport Surface Trust	97	97	97	97
Northern Southland Medical Trust	50	50	50	50
Otautau Community Health Trust	18	21	18	21
Troopers Memorial Corner Charitable Trust - Yule House	160	170	160	170
Arrowtown Community Pre-School	9	-	9	-
Wyndham Rest Home	100	100	100	100
Parata Rest Home	-	15	-	15
Borland Lodge	353	332	353	332
Southland Indoor Leisure Centre Charitable Trust	800	800	800	800
	$1,669	$2,095	$1,669	$2,095

(i) Under the terms and conditions of the loan to Troopers Memorial Corner Charitable Trust, the loan will be forgiven on 21 June 2010. The Trustees have assessed the likelihood of the amount being required to be repaid prior to that date as unlikely and as such have reclassified the loan to grants paid.

(ii) Under the terms and conditions of the loan to Croydon Aviation Museum, the loan will be forgiven upon the completion of the Museum's construction. This is expected to occur within the next 12 months. The Trustees have assessed the likelihood of the loan being required to be repaid as unlikely and as such have reclassified the loan to grants paid.

All other loans are repayable on demand. All loans are interest free with the exception of the loan to Borland Lodge which incurs interest of 6.5%.

12. ADVANCES INVESTMENT

	Group		Parent	
	2008 $000	2007 $000	2008 $000	2007 $000
Finance Leases	-	249	-	-
Other advances	3,921	5,048	-	-
	$3,921	$5,297	$Nil	$Nil

The Other advances relate to certain lending activities carrying interest rates between 11.85% and 13.50%.

THE COMMUNITY TRUST OF SOUTHLAND
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For the Year Ended 31 March, 2008

13. INVESTMENT IN ASSOCIATES

Name	Percentage Held	Balance Date	Principal Activity
Back Country Foods Limited	42%	31 March	Freeze dried food maker
Tulip International Limited	33%	31 May	Tulip grower
Bush Road Limited	30%	31 March	Vegetable processor
Woodland Apiary Limited (In Receivership)	49%	31 December	Honey producer

	Group	
	2008	**2007**
	$000	**$000**
Carrying amount of associates:		
Carrying amount at beginning of year	517	149
Equity accounted earnings of associates	87	21
Addition/(Disposal) of associates	(110)	375
Dividends received from associates	-	(3)
Reclassification of associates	-	(25)
	$495	$517

Summarised financial information is provided in respect of the Group's associates:

	2008	2007
Total assets	3,016	2,803
Total liabilities	1,546	1,257
Net assets	$1,470	$1,546
Group's share of net assets	$495	$517

14. INVESTMENT IN SUBSIDIARIES

Subsidiaries	Percentage Held	Balance Date	Principal Activity
Southland Community Trust Charities Limited	100%	31 March	Distribution of grants to charitable organisations
Invest South Limited	100%	31 March	Debt funding and equity investments
Invest South Asset Management Limited	100%	31 March	Asset Management

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15. PROPERTY, PLANT & EQUIPMENT

	Land	Buildings	Office Equipment	Furniture & Fittings	Motor Vehicles	Total
	$000	$000	$000	$000	$000	$000
Group						
Cost and Revaluations at 1 April, 2006	220	658	229	157	87	1,351
Additions/Revaluations	20	116	27	1	29	193
Disposals/Revaluations	-	-	(19)	-	-	(19)
Cost or Valuations at 31 March, 2007	240	774	237	158	116	1,525
Additions/Revaluations	40	84	9	-	-	133
Disposals/Revaluations	-	-	-	-	(31)	(31)
Cost or Valuations at 31 March, 2008	280	858	246	158	85	1,627
Accumulated depreciation at 1 April, 2006	-	173	175	142	35	525
Depreciation	-	21	19	5	24	69
Disposals	-	-	(5)	-	-	(5)
Accumulated depreciation at 31 March, 2007	-	194	189	147	59	589
Depreciation	-	19	12	3	18	52
Disposals	-	-	-	-	(28)	(28)
Accumulated depreciation at 31 March, 2008	-	213	201	150	49	613
Net book value 31 March, 2007	240	580	48	11	57	936
Net book value 31 March, 2008	280	645	45	8	36	1,014
Parent						
Cost and Revaluations at 1 April, 2006	220	658	212	153	87	1,330
Additions/Revaluations	20	116	27	1	29	193
Disposals/Revaluations	-	-	(19)	-	-	(19)
Cost or Valuations at 31 March, 2007	240	774	220	154	116	1,504
Additions/Revaluations	40	84	9	-	-	133
Disposals/Revaluations	-	-	-	-	(31)	(31)
Cost or Valuations at 31 March, 2008	280	858	229	154	85	1,606
Accumulated depreciation at 1 April, 2006	-	173	159	140	35	507
Depreciation	-	21	19	5	24	69
Disposals	-	-	(5)	-	-	(5)
Accumulated depreciation at 31 March, 2007	-	194	173	145	59	571
Depreciation	-	19	11	2	18	50
Disposals	-	-	-	-	(28)	(28)
Accumulated depreciation at 31 March, 2008	-	213	184	147	49	593
Net book value 31 March, 2007	240	580	47	9	57	933
Net book value 31 March, 2008	280	645	45	7	36	1,013

THE COMMUNITY TRUST OF SOUTHLAND
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16. CAPITAL COMMITMENTS

Commitments of up to $4,568 (2007: $4,580) exist for Advances - Other which Trustees have approved, but which had not been drawn down as at balance date. The approved advances are as follows:

	Group		Parent	
	2008	2007	2008	2007
	$000	$000	$000	$000
South Catlins Environment and Development Trust	600	600	600	600
Living Fiordland Charitable Trust	3,700	3,700	3,700	3,700
Bluff Healthy Homes	168	200	168	200
Southern Rural Fire Authority	-	50	-	50
Arrowtown Community Pre School	-	30	-	30
Arrowtown Trust	100	-	100	-
	$4,568	$4,580	$4,568	$4,580

17. RECONCILIATION WITH OPERATING SURPLUS

	Group		Parent	
	2008	2007	2008	2007
	$000	$000	$000	$000
Net surplus before distribution	(6,056)	6,084	(6,643)	5,761
Less grants	(8,177)	(11,450)	(8,177)	(11,450)
Net surplus/(deficit)	$(14,233)	$(5,366)	$(14,820)	$(5,689)
Add (less) movement in working capital				
Increase/(decrease) in accounts payable	1,171	(68)	1,175	(96)
(Increase)/decrease in accounts receivable	(136)	3,897	(141)	3,872
	$1,035	$3,829	$1,034	$3,776
Add (less movement in non-cash items				
Gains/)losses) from change in fair value investments	13,806	686	13,826	686
Depreciation	48	63	47	62
Other	(37)	(305)	(37)	(283)
Revaluation of property, plant and equipment	(40)	(136)	(40)	(136)
Share of associate's earnings	(87)	-	-	-
Movement in NPV of loans	150	-	150	-
	$13,840	$308	$13,946	$329
Add (less) items classified as investing/ financing activities				
Loan repayment by way of grant approval	475	40	475	40
Net cash provided from operating activities	$1,117	$(1,189)	$635	$(1,546)

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18. KEY MANAGEMENT PERSONNEL

The compensation of the Executives, being the key management personnel of the entity, is set out below:

	Group		Parent	
	2008	**2007**	**2008**	**2007**
	$000	**$000**	**$000**	**$000**
Short term employee benefits	303	283	149	140
	$303	$283	$149	$140

19. FINANCIAL INSTRUMENTS

Financial Risk Management

The Trust's activities expose it to a variety of financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk.

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimise exposure from its treasury activities. The Trust has established investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

The Trust's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

There has been no change to the Trust's exposure to market risks or in the manner it manages and measures the risk.

The measures the Trustees have put in place to manage these risks are:
- to retain an investment advisor to advise the Trust as to appropriate investment objectives, policies, and strategies
- to use external Fund Managers to undertake the management of the investments
- to operate a widely diversified portfolio of investments

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its fixed rate cash at bank and fixed rate cash deposits with fund managers.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a variable rate financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the Trust to cash flow interest rate risk.

THE COMMUNITY TRUST OF SOUTHLAND
NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March, 2008

19. FINANCIAL INSTRUMENTS (Cont.)

Currency Risk

Currency risk is the risk that the value of a foreign currency denominated financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk arises from transactions and recognised assets that are denominated in a currency that is not the Trust's functional currency.

Equity Price Risk

The Trust is exposed to equity price risk. This arises from Managed Funds held by the Trust and classified as financial assets at fair value through profit and loss.

Credit Risk Management

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss.

The Group from time to time has significant funds in trading bank deposits. The Group limits risk by spreading the deposits over several trading banks. The Group has not required collateral or other security to support its financial instruments. The Group further limits risk through its policy of placing Managed Funds with five separate fund managers, with each fund manager having an investment mandate which requires that they diversify their instruments on the Group's behalf. The Group has sought and obtained the advice of professional financial advisers prior to making its investment allocations and placement decisions.

Liquidity Risk Management

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Trust aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Trust maintains a target level of investments that collectively provide liquidity equivalent to an average level of two years' grant distributions allowing for expected interest income.

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For the Year Ended 31 March, 2008

19. FINANCIAL INSTRUMENTS (Cont.)

Capital Risk Management

The Trust's objectives when managing Trust capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for the community. The capital structure of the Trust consists of cash and cash equivalents and Trust funds. The Trustees review the Trust funds and risks associated with the Trust funds, with advice and guidance from the Trust's investment advisor.

Following the sale of the Group's shares in Trust Bank New Zealand Limited in April 1996 for $158,460,000, the Trustees agreed that the value of the Trust at that time should be maintained for the benefit of current and future generations living in the region. For this purpose the Trustees agreed that $158,460,000 would be considered as the "Trust Capital" value of the Group. Trustees further agreed that over the long term the net assets of the Group would not be allowed to reduce to a level below the inflation-adjusted real value of this Trust Capital.

The Trustees have adopted an investment strategy with a targeted long term real annual rate of return of 5.5% (2007: 5.4%) of the Trust's capital value. Recognising that actual returns are likely to fluctuate from year to year, the Trust retains the variation from the target in trust funds so that in years when investment returns are less than the target sufficient funds are available to meet expenditure and make distributions. If the Trust fund falls below the value that needs to be maintained for the benefit of current and future generations the level of expenditure and distributions are reviewed by the Trust.

The Trust's present grants policy is to distribute annually as grants an amount equivalent to $8.5 million in 2007 dollar terms, inflation-adjusted each year thereafter. This amount has been calculated based on the Trustees' long term investment expectations, together with the objective of maintaining the capital value of the fund for the benefit of current and future generations. The Trustees recognise that for a number of reasons this might not always be achievable and that there will inevitably be fluctuations between the grants distributed and the actual target.

The Trust uses the services of an investment advisor to pursue an investment policy considered appropriate for the Trust. The Policy aims to achieve a long term asset allocation of:

Australasian Equities	20%
New Zealand Fixed Interest	20%
New Zealand Cash	5%
Overseas Fixed Interest	25%
Overseas Equities	20%
Property	10%
	100%

Capital Maintenance Reserve

The Capital Maintenance Reserve represents the additional amount necessary to preserve the real value of the Trust Capital allowing for inflation as measured by the Consumers Price Index (all groups), and payments of grants out of capital.

Grants Maintenance Reserve

While the Trustees have adopted a long-term investment strategy, they accept that annual returns from investments are likely to fluctuate from year to year. In recognition of this a Grants Maintenance Reserve is maintained. In years when net income from investments is higher than the grant levels, surplus income will be transferred to this reserve. In years when there is insufficient income to sustain the level of grants, an appropriate amount will be transferred from the Grants Maintenance Reserve to income.

THE COMMUNITY TRUST OF SOUTHLAND
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19. FINANCIAL INSTRUMENTS (Cont.)

The following table details the Group's sensitivity to certain risks as follows:

- Interest rate risk +/- movement in interest rates of 100 basis points
- Foreign exchange +/- movement in foreign exchange rates of 10%
- Equity price risk +/- in equity prices of 10%

	Interest Rate Risk		Foreign Exchange Risk		Equity Price Risk	
31 March 2008	**-1%**	**+1%**	**-10%**	**+10%**	**-10%**	**+10%**
Net Surplus/(Deficit)	$3,596	$(3,596)	$5,362	$(4,387)	$(7,495)	$7,495
Total Funds Employed	$3,596	$(3,596)	$5,362	$(4,387)	$(7,495)	$7,495

	Interest Rate Risk		Foreign Exchange Risk		Equity Price Risk	
31 March 2007	**-1%**	**+1%**	**-10%**	**+10%**	**-10%**	**+10%**
Net Surplus/(Deficit)	$3,210	$(3,210)	$8,068	$(6,601)	$(9,423)	$9,423
Total Funds Employed	$3,210	$(3,210)	$8,068	$(6,601)	$(9,423)	$9,423

The above sensitivity analysis has been prepared based on the following assumptions:
1. The assets and liabilities as at year end remain the same throughout the ensuing year.
2. Each of the sensitivities is performed in isolation.
3. For the purposes of assessing foreign exchange risk, it has been assumed that the offshore equity investments held by the Trust are domiciled in the following currencies:

US$	50%
Euros	30%
Yen	20%

The Trust's offshore fixed interest investments are fully hedged, and therefore no foreign exchange risk exists in respect of those investments.

THE COMMUNITY TRUST OF SOUTHLAND
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19. FINANCIAL INSTRUMENTS (Cont.)

Liquidity & Interest Risk tables - Financial Liabilities

The following tables detail the Trust's remaining undiscounted contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust can be required to pay. The table includes both principal and interest cash flows.

	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
2008					
Accounts payable	302	-	-	-	302
Grants committed not paid	13,019	932	649	139	14,739
	$13,321	$932	$649	$139	$15,041
2007					
Accounts payable	301	-	-	-	301
Grants committed not paid	11,278	1,029	599	787	13,693
	$11,579	$1,029	$599	$787	$13,994

20. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

Key management declared interests in relation to organisations that received grants totalling $174,562 (2007: $64,635) during the year. Interests were declared when these grants were considered and key management took no part in deliberations relating to organisations they had an interest in.

There are no outstanding balances at balance date.

Transactions with Trustees

Trustees declared interests in relation to organisations that received grants totalling $1,568,542 (2007: $1,601,154) during the year. Interests were declared when these grants were considered and Trustees took no part in deliberations relating to organisations they had an interest in.

There are no outstanding balances at balance date.

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21. TRUSTEE FEES

Trustee meeting fees and honorariums are set by the Minister of Finance, and were paid to Trustees as follows:

	Meetings Attended	Fees 2008 $000	Fees 2007 $000
A A Broad	57	36	38
P B Redpath	32	19	26
T W Harpur	39	17	16
R Evans	15	8	-
S G Palmer	-	-	4
N J Wyeth	36	19	19
D Williams	6	3	21
M Hawes	5	2	15
K S Henderson	3	1	17
G M Neave	6	2	16
J T Hicks	30	16	14
P Lindsay	31	16	15
J Kiernan	30	13	-
A C Robins	27	14	-
L Sinclair	35	16	-
		$182	$201

22. IMPACTS OF THE ADOPTION OF NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Trust changed its accounting policies on 1 April, 2007 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 '*First-Time Adoption of New Zealand Equivalents to International Reporting Standards*', with 1 April, 2006 as the date of transition.

An explanation of how the transition from superseded policies to NZ IFRS has affected the Trust's financial position, and financial performance is set out below:

Reconciliation of Equity under NZ IFRS

	Notes	31 March 2007 $000	1 April 2006 $000
Total reported equity under superseded NZ GAAP		190,981	196,610
NZ IFRS adjustments:			
Fair value of Grants committed not paid	**a**	320	300
Total NZ IFRS reported equity		$191,301	$196,910

THE COMMUNITY TRUST OF SOUTHLAND
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Reconciliation of Surplus under NZ IFRS

		Year Ended 31 March 2007 $000
Total reported surplus/(deficit) under superseded NZ GAAP		(5,629)
NZ IFRS adjustments:		
Fair value of Grants committed not paid	a	263
Total NZ IFRS reported surplus/(deficit)		$(5,366)

(a) Grants committed not paid

Under previous NZ GAAP Grants committed not paid were recognised at the undiscounted costs of discharging the grant commitment.

Under NZ IFRS all Grants committed not paid are initially recognised at fair value, and subsequently measured at amortise costs using the effective interest rate. This has the effect of discounting the Grants committed not paid at initial recognition. The discount unwinds as interest expense over the remaining periods until the Grant is paid using the original effective interest rate.

23. EVENTS AFTER BALANCE DATE

Subsequent to balance date the continued decline of the New Zealand and international securities markets, as a result of events associated with the global credit crunch, has resulted in the fair value of the Trust's investments reducing by approximately $11 million as at 31 October 2008.

In line with the Trust's currency management policy, following the fall in the New Zealand dollar the Trustees have as at 6th November 2008 implemented full hedging against all non Australian international equities, against future currency movements. Consistent with the Trust's currency management policy, the application of future hedging will vary to reflect movements in the New Zealand dollar.

Deloitte

AUDIT REPORT

TO THE TRUSTEES OF THE COMMUNITY TRUST OF SOUTHLAND

We have audited the financial statements on pages 2 to 27. The financial statements provide information about the past financial performance and financial position of the Community Trust of Southland and group as at 31 March, 2008. This information is stated in accordance with the accounting policies set out on pages 7 to 12.

Board of Trustees' Responsibilities

The Board of Trustees is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Community Trust of Southland and group as at 31 March, 2008 and of the results of operations and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board of 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 Board of Trustees in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the company and group 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.

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

Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by the Community Trust of Southland as far as appears from our examination of those records; and
- the financial statements on pages 2 to 27:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of the financial position of the Community Trust of Southland and group as at 31 March, 2008 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 26 November, 2008 and our unqualified opinion is expressed as at that date.

Deloitte

Deloitte, Chartered Accountants
DUNEDIN, NEW ZEALAND

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