



ROD DONALD BANKS PENINSULA TRUST
Te Pātaka o Rākaihautū

STATEMENT OF INTENT

For the year ending
30 June 2016

**ROD DONALD BANKS PENINSULA TRUST STATEMENT OF INTENT (SoI)
For the year ending 30 June 2014**

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1. INTRODUCTION

This Statement of Intent (“Sol”) is prepared in accordance with Section 64(1) of the Local Government Act 2002.

The Sol specifies for the Rod Donald Banks Peninsula Trust (“RDBPT”) the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the Trust may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable Sol is a public and legally required expression of the accountability relationship between the RDBPT and its Settlor the Christchurch City Council, and its Trustees.

The Sol is reviewed annually by Christchurch City Council and covers a three year period.

The RDBPT’s registered office is at the offices of Christchurch City Council, 53 Hereford Street, Christchurch.

The contact details for the RDBPT and its officers are:

Postal Address: P.O. Box 5, Little River, Banks Peninsula 7591 or
secretary@roddonaldtrust.co.nz

Physical Address: c/o Simon Mortlock, Mortlock McCormack, 99 Clarence Street, Riccarton, Christchurch

The RDBPT is a council-controlled organisation (“CCO”) for the purposes of the Local Government Act 2002.

2. OBJECTIVES OF THE TRUST

The RDBPT is a trust for charitable purposes.

The RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

The RDBPT’s activities will focus on the area within the district administered by the Banks Peninsula District Council immediately prior to its amalgamation with the Christchurch City Council (the “Region”). A map of this Region is included as Appendix One to this Statement of Intent.

The objectives of the RDBPT are:

- (a) to promote sustainable management and conservation (consistent with the purposes and principles of the Resource Management Act 1991 and the Conservation Act 1987 and any replacement legislation) of the natural environment in the Region;
- (b) to establish, support or facilitate environmental based projects that are focussed on:

- (i) the maintenance and development of recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (ii) providing public access to recreation facilities including parks, reserves, walkways and affordable camping grounds in the Region;
 - (iii) the reinstatement and preservation of native vegetation in the Region;
 - (iv) the enhancement of the natural biodiversity of the Region;
 - (v) the restoration of the Region's waterways to their natural state; and
 - (vi) the protection of native endangered species present in the Region;
- (c) to establish, support or facilitate projects that are focussed on the protection, preservation and enhancement of areas of historical or cultural significance, or the built heritage of the Region;
 - (d) to undertake or facilitate in any other way research projects or scientific enquiries to carry out the Objects;
 - (e) to provide educational opportunities to further the public's understanding or enjoyment of the natural, historical and cultural qualities of the Region;
 - (f) to commission or otherwise support research and monitor projects relating to the status and quality of the natural and physical environment throughout the Region;
 - (g) to purchase or lease land to:
 - (i) carry out any improvements on land for the sustainable management of the environment or more general environmental or conservational purposes of the Trust,
 - (ii) provide facilities or opportunities for the educational purposes of the Trust;
 - (h) to source and allocate funds for projects which support, promote or otherwise contribute to the Objects;
 - (i) to seek the support and involvement of appropriate persons, organisations and agencies, (including the Christchurch City Council) and

work alongside or collaboratively with such persons, organisations and agencies to carry out the Objects;

- (j) to hold seminars, tutorials and lectures within the Region and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;
- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and
- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

In pursuance of the objectives of the RDBPT, the Trustees are required to have regard to:

- (a) the views of Te Hapu o Ngati Wheke (Rapaki), Te Runanga o Koukourarata, Wairewa Runanga, Te Taumutu Runanga and Onuku Runanga in respect to the value of Banks Peninsula's Mana Whenua (Land), Mana Moana (Waterways) and Mana Tangata (People);
- (b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Christchurch City Council;
- (c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- (d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.

3. NATURE AND SCOPE OF ACTIVITIES OF THE TRUST

The long term vision of the RDBPT is that Banks Peninsula is restored to its traditional status as Te Pātaka o Rākaihautū – the storehouse that nourishes. This vision encompasses the following goals for Banks Peninsula:

- a rich biodiversity;
- all streams are re-vegetated;
- the lakes and rivers flow with clean water;
- people are active in their care of the environment;
- it is regarded as a special recreation place and is actively but respectfully used by people;

- people of Banks Peninsula are prospering and passionately participate in engaged conservation;
- there is a walkway right around Banks Peninsula connecting all communities;
- a centre for environmental education and creative environmental thinking is established;
- people describe Banks Peninsula as an Ecological Island.

The RDBPT cannot achieve these goals on its own or in the short term. Instead, the RDBPT will focus on acting as a facilitator, conduit and connector - to assist groups and projects which have aims that align with the objects of the RDBPT.

The RDBPT has been established to honour the memory of Rod Donald and his commitment to the Banks Peninsula area. Therefore, the RDBPT's hallmark will be entrepreneurship and practical achievement, these were important values to Rod Donald. The RDBPT's funds will be well husbanded and will be used to achieve things that individual groups and projects cannot achieve on their own.

The "Performance Indicators" section of this Sol sets out the initial goals of the RDBPT. These Performance Indicators reflect the initial actions that the RDBPT will take towards achieving the RDBPT's long term vision.

Four key pillars will underpin the Trust as it works on projects to achieve these goals. These pillars are:

- Access
- Biodiversity
- Knowledge
- Partnership

4. CORPORATE GOVERNANCE STATEMENT

This statement gives readers an overview of RDBPT's main corporate governance policies, practices and processes to be adopted or followed by the RDBPT Trustees.

Role of the Trustees

The Trustees will manage the affairs of RDBPT in accordance with their legal obligations, the objectives of RDBPT and the terms of the RDBPT Trust Deed.

In addition the Trustees' decisions will reflect the following values and principles:

- *Leading* – the RDBPT should be a trusted and credible body making unique and courageous decisions and instigating projects
- *Linking* – the RDBPT will focus on the big picture issues of Banks Peninsula and link people and projects.
- *Influencing* – the RDBPT will engage with existing people and groups, supporting their passion for Banks Peninsula.
- *Enhancing* – the RDBPT will work as an entrusted steward/guardian enhancing the historic work of previous generations.
- *Enduring* – The funds and work of the Trust are to be used to create an enduring legacy for the Peninsula

The Trust will adhere to the following principles in its own work and partnerships:

- Respect and engage with the Peninsula community
- High trust relationships
- Transparency between partners
- No surprises, full disclosure
- Behave in an ethical manner
- Be well documented
- Have a process for dispute resolution and exiting
- Be formal in its processes – things properly approved and documented.
- Have clear benefits for the Peninsula community

Responsibility to Settlor

i. Statement of Intent

In accordance with the Local Government Act 2002, the RDBPT will submit an annual draft Statement of Intent (Sol) to the Council for consultation and approval. The Sol will set out the RDBPT's overall objectives, intentions and performance targets.

ii. Information flows

The Trustees will aim to ensure that the Council is informed of all major developments affecting the RDBPT's state of affairs. Information will be communicated to the Council through the RDBPT by periodic reports and through both the annual report and the half-yearly report.

The RDBPT will endeavour to operate on a “no surprises” basis with regard to all issues of relevance to the Settlor. Early notice will be given to the Settlor of issues that arise requiring its consent.

Trustees

Trustees have been appointed by Christchurch City Council unless indicated as co-opted.

Claudia Reid
3/14 Andover Street, Merivale,
Christchurch 8014

Stewart Miller (co-opted)
7 Heaphy Court
Rolleston 7614

Garry Moore (Chair)
103 Warrington Street
Mairehau
Christchurch 8013

Stuart Wright-Stow (co-opted)
255 Okuti Valley Road
Little River 7591

Tutehounuku (Nuk) Korako
PO Box 210
Lyttelton

Simon Mortlock
PO Box 13 474
Christchurch 8141

Andrew Turner
PO Box 209
Lyttelton 8841

Bob Webster
20 Hyndhope Road
Halswell 8025

Brian Patrick
15 Laura Kent Drive,
Woolston
Christchurch

Note that Trustees Claudia Reid and Nuk Korako have terms expiring before the start of the 2015/16 financial year, and Garry Moore is stepping down. The Trust will be making a recommendation to Council on new Trustees prior to this SOI coming into effect.

Subsidiary and Monitored Companies

The RDBPT has no investments in other companies.

Financial Results

The Trustees will receive and review the RDBPT's financial and other reports regularly, and will provide financial statements to the Council on a 6 monthly basis.

Distributions

The Trust has developed an investment policy based on the eventual distribution of the entire capital fund. The rate and method by which this distribution is to be achieved will depend on the emergence of opportunities matching the Trust's objectives. In order to provide some working guidelines, the Trust has invested its funds and planned its operational arrangements with the view to expending up to \$1,385,000 (approximately 40% of its original capital by the year 2017 and the remainder in years to follow. For the purpose of financial forecasting this has been apportioned into an even annual capital spending sum of \$346,250. In practice the amounts spent will be determined by the availability of suitable projects that leave an enduring legacy for Banks Peninsula.

The Trust has determined that income derived from the capital fund will be used for its operational expenses and minor projects that do not leave an enduring legacy.

In the financial year 2012/13 the Trust committed three years of grant funding to two partner organisations, the Banks Peninsula Conservation Trust and Orton Bradley Park from its annual income totalling \$50,000 per annum. These organisations have aims that align with the Trust and the funding is aimed at assisting them to achieve financial sustainability.

5. ACCOUNTING POLICIES

As a result of the adoption in New Zealand of a new accounting standards framework developed by the External Reporting Board, the RDBPT is required to adopt Public Benefit Entity (PBE) Accounting Standards from 1 July 2014.

PBE Accounting Standards allow the RDBPT to elect which of the four tiers of the framework that it will report under. The RDBPT has elected to report under Tier 2 of the framework and will adopt Public Sector PBE Accounting Standards with reduced disclosure requirements. These standards are broadly the same as has been adopted in the last several years under New Zealand International Financial Reporting Standards with differential reporting.

The financial statements are prepared on the basis of historical cost, except for the revaluation of certain non-current assets.

The current accounting policies are attached to this Statement of Intent in Appendix Two.

6. PERFORMANCE TARGETS AND MEASURES

Financial Performance Targets

The financial performance targets for the Trust are as follows:

	2015/16	2016/17	2017/18
Operating Surplus			
Revenue*	103,931	220,491	76,815
Operational expenditure	81,600	83,232	84,897
Committed grants	31,250	0	0
Minor projects	31,200	31,824	32,460
	<hr/>	<hr/>	<hr/>
Operating Surplus/(Deficit)	(40,119)	105,435	(40,543)
	<hr/>	<hr/>	<hr/>
Trusts Funds			
Opening funds	2,892,622	2,506,253	2,265,438
Operating Surplus/(Deficit)	(40,119)	105,435	(40,543)
Capital grants and project expenditure**	346,250	346,250	346,250
	<hr/>	<hr/>	<hr/>
Closing balance	2,506,253	2,265,438	1,878,646

*Revenue is made up of interest income only, except in 2016/17 when the Trust has a signed sale and purchase agreement to sell its land holding in Le Bons Bay to the Langer Trust for incorporation into its Panama Reserve.

**Note that in line with the Trust's Investment policy the capital expenditure forecast is based on the aim of investing \$1,038,750 over the next 3 years in projects which leave an enduring legacy. This is unlikely be spread evenly over the 3 years as shown in the forecast, as it will depend on the development of the Trust's strategies and availability of matching opportunities. The even spread shown above is done for the purpose of revenue forecasting and provides a reference point against which actual expenditure can be compared.

**** Operational expenditure has increased since the forecast made in the previous SOI due to the increase in the Trust's work and the engagement of additional contract staff time to provide this.*

The Trustees will report financial results as set out below in the "Information to be Provided" section.

Other Performance Measures

In addition to the above financial performance measures, the RDBPT Trustees will use other measures including the performance indicators listed below to assess the RDBPT's performance over the 2015/16 to 2017/18 financial years.

The indicators given incorporate the Trust's general work in assessing opportunities that arise, keeping the public informed of its progress, building relationships and supporting its four key pillars as well as more specific goals for the major projects that it now has in progress. The Trust signals its intention to increase its focus on biodiversity, the Lyttelton basin and to research a wider involvement with environmental issues.

Current projects

At the time of SOI drafting, the Trust has six major projects underway and much of its efforts in the coming year will be directed at progressing these projects.

Spine of the Lizard

The Spine of the Lizard project aims to develop the existing Summit walkway from Gebbies Pass to Hilltop along the spine of the Peninsula (as originally envisaged by Christchurch MP and conservationist) into a route suitable for novice trampers, and to combine this with education about the environment en route. The project incorporates the Packhorse Hut built by Ell and a network of feeder tracks linking to the spine route from communities below.

The project predominately supports the pillars of Access and Partnership. While access exists along the routes at present, in places it crosses private land, and the Trust is working to secure long term public access on these crossings. The project involves the Trust working with a host of partners. The Trust has developed a project plan for the project which identifies core partners as Department of Conservation, Christchurch City Council and Orton Bradley Park. Other partners are the landowners en route, the rūnanga whose rohe cover the routes, local businesses given opportunities by the track and other funding partners, such as corporates, who are envisaged as participating to fund the shelters for the track and the user base of both tramping clubs and youth organisations and schools.

As the project rolls out more support for the Knowledge pillar will emerge through the provision of interpretation and possibly other products such as maps and brochures.

The project also supports all the goals of the Trust's walking strategy.

Spine of the Lizard hut

The lack of a second hut along the Spine of the Lizard route was identified as a major barrier to the use of the existing network of tracks and the Trust had determined to involve itself in providing such a hut from the outset of the project. In 2014 it purchased a 10ha property at the head of Western Valley at the half way point along the route that included a small crib. It has since worked to upgraded the building to a tramping hut meeting the Department of Conservation Back Country Comfort Seekers (BCC) Serviced standard.

The Trust's decision to make an offer on the property in Western Valley demonstrated its ability to move flexibly and quickly to take advantage of opportunities presenting. The purchase took place after a thorough due diligence exercise determined it was fit for the purpose of a tramping hut. The property includes 10ha of regenerating bush already protected with a QEII Trust covenant.

The hut project furthers all four pillars: Access in terms of facilitating use of the Spine of the Lizard tracks; Biodiversity as the Trust is now the owner of a property managed for the purpose of native bush regeneration; Partnership as the hut is being developed to meet DOC standards and will be incorporated into the DOC booking and information system and Knowledge as interpretation is being developed and there is potential for further work with biodiversity interpretation in the future. The Trust will work to determine the best method for its future ownership and care

Akaroa reserve

The Trust is involved as a partner in a project lead by New Zealand Native Forests Restoration Trust (NZNFRT) to develop a large new reserve in the Grehan Valley above Akaroa abutting the well-established and highly respected Hinewai reserve. The project supports the pillars of Biodiversity, Access, Partnership and Knowledge. The primary purpose of the reserve is to facilitate the natural restoration of native forest, with the very tangible by-product of enhancing the Akaroa water catchment. Public access will be provided on tracks. The Trust has welcomed NZNFRT as a new player in conservation on Banks Peninsula and supported it with a financial contribution to purchase the first tranche of land. In the coming year, the Trust will work with NZNFRT and the Maurice White Native Forest Trust who own the adjacent Hinewai reserve and have undertaken to manage the new reserve and the Christchurch City Council who have also made a significant contribution, including with public information.

Panama reserve

The Trust has purchased a 107ha block of land containing regenerating native forest in Le Bons Bay, with the intention of merging it into the Josef Langer Trust's adjacent reserve. The project supports the Trust goals of Biodiversity, Access, Partnership and Knowledge. The reserve is to be primarily managed for the natural restoration of native forest, supporting the Biodiversity principle. Free public access is to be provided on walking tracks, with the on the ground work and management provided by the Josef Langer Trust from the outset. Both Trust's have agreed to work in partnership to explore whether the block can be registered under the Permanent Forest Sink Initiative for carbon credits to assist with the ongoing financial viability of native forest restoration projects.

Lyttelton Head to Head walkway

The Trust is supporting the Lyttelton/Mt. Herbert Community Board project to develop a walkway around the Lyttelton harbour basin from Godley Head to Adderley Head. The project supports the Trust goal of Access. The Trust is participating in the working party set up by the Community Board and has signalled its intention to work has signalled its willingness to work with others towards securing public access across private land.

Comprehensive mapping project

Creating a comprehensive inventory of all the existing walks on Banks Peninsula and understanding their relation to one another and to communities provided essential background information to the Trust, and it worked during 2013-14 to pull this information together. The information was then released to the public in the form of an

overview map book, an accompanying website (www.bpwalks.co.nz), and a series of brochures documenting 21 walks in the Akaroa area that were not being publicised or documented by other agencies. These products are now supplied to all Peninsula visitor information centres and a number of other retail outlets on the Peninsula and in the Clty. The project has supported the pillars of Knowledge, Access and Partnership. It has made a contribution to the Peninsula tourism industry by filling an information gap, and the Trust has built many relationships with other organisations through the project. Going forward the Trust is committed to keeping the inventory and associated products up to date, improving the website and is considering developing more brochures in conjunction with other Peninsula organisations.

Performance Indicators

Indicator 1

The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.

Achievement

Assess all potential projects brought to the Trust's attention against these four pillars to determine whether they should be added to the Trust's project list and action those that are deemed a high priority.

Make submissions to relevant policy documents in support of the pillars.

Indicator 2

Provide tangible support for the key projects and leadership building the Access pillar

Achievement

Work to enable public walking and cycling access to support the objectives of the Trust's Walking strategy through continual review of potentially strategic property to secure long term public access – both on existing tracks, and new projects emerging from the community.

Progress the Spine of the Lizard project according to the Phase 1 project plan.

Open and manage the Rod Donald Hut.

Support the development of tracks and opening of the new Akaroa reserve and Panama reserve extension.

Support the Lyttelton Head to

Indicator 3

Provide tangible support for biodiversity

Head walkway development.

Achievement

Support groups as appropriate who are directly working to improve biodiversity and mechanisms to achieve this.

Jointly develop the Trust's land adjacent to the Panama Reserve, Le Bons Bay with the Joseph Langer Trust to facilitate its restoration with native forest.

Develop a property management plan for the Rod Donald Hut property with a focus on increasing biodiversity gains in line with its QEII covenant.

Take an active role in supporting the development of the land above Akaroa purchased by New Zealand Native Forests Restoration Trust to facilitate its restoration to native forest.

Investigate whether the Trust can play an advocacy role in control of weeds that threaten native species on Banks Peninsula.

Indicator 4

Provide tangible support and leadership for projects building the Knowledge pillar.

Achievement

Keep the Trust's map, brochure and web products updated with changes and new walks in the new reserves.

Develop new walking brochures for the Lyttelton harbour in conjunction with Lyttelton Information Centre.

Develop an interpretation plan for the Spine of the Lizard project including the Rod Donald hut.

Indicator 5

Provide tangible support for and work with a range of partners

Achievement

Investigate registration of the Panama Reserve under the Permanent Forest Sink Initiative for the purpose of accruing carbon

credits as a pilot to assist with financial sustainability of biodiversity recovery projects.

Inform the public and relevant interest groups about on-going activities and progress of the Trust

Keep the Akaroa/Wairewa and Lyttelton/Mt. Herbert Community boards informed of significant achievements and progress, and attend shared meetings.

Continue to develop and build relationships with, and gain the trust of, existing interest groups with aims aligned to those of the RDBPT, along with relevant runanga, government agencies and territorial authorities.

Identify other bodies which have funds available for projects aligned with the objectives of the RDBPT, develop strategic relationships with these bodies with the aim of a 5:1 leverage on Trust capital where possible.

7. INFORMATION TO BE PROVIDED

Statutory Information Requirements

i. Annual Statement of Intent

The RDBPT will provide this in accordance with Section 64(1) of the Local Government Act 2002. The Trustees will include any other information they consider appropriate.

ii. Half yearly report

The RDBPT will provide a half yearly report in accordance with Section 66(1) of the Local Government Act 2002. This will comply with Tier 2 PBE Accounting Standards and generally accepted accounting practice and include any other information the Trustees consider appropriate.

iii. Annual report

The RDBPT will provide an annual report including audited financial and performance statements in accordance with Section 67 of the Local Government Act 2002. Again this will comply with Tier 2 PBE Accounting Standards and generally accepted

accounting practice and will include any other information the trustees consider appropriate.

The RDBPT will provide its annual reports to the Lyttelton/Mt Herbert and Akaroa/Wairewa Community Boards, for the information of the Community Boards.

Other Information to Meet the Needs of the Council

The RDBPT will invite the the Chairpersons of the Akaroa/Wairewa and Lyttelton/Mt. Herbert Community Boards to attend one of its Board meetings each year. If called upon by the Council the RDBPT will meet with these representatives on a further two occasions in any one financial year.

The RDBPT Trustees will attend a joint workshop of the Akaroa/Wairewa and Lyttelton/Mt. Herbert Community Board once per year to discuss the RDBPT's activities and the respective Boards activities.

8. ACQUISITION OF SHARES IN ANY COMPANY

The Trust will only acquire securities or debt shares in any company after having notified Council.

9. RATIO OF CONSOLIDATED TRUST FUNDS TO TOTAL ASSETS

The RDBPT's funds equal its total assets therefore the ratio of total trust funds to total assets is 1:1.

10. ESTIMATE OF DISTRIBUTIONS OF ACCUMULATED PROFITS AND CAPITAL RESERVES

The Trustees will explore options to attract funds from other sources to grow the trust fund and/or to serve the trust objectives.

The RDBPT will identify projects that it wishes to support. This support may be in the form of the distribution of accumulated profits or the through use of the capital. Any projects identified and the related estimated distributions of accumulated profits will be signalled in the RDBPT's six monthly reports to the Council. The RDBPT will develop a distributions policy in regard to these distributions.

11. COMMERCIAL VALUE OF INVESTMENT

The commercial value of the investment is equal to the net assets of the RDBPT. The current asset of the RDBPT is approximately \$3,714,893 including cash, property and other assets (31 December 2014). The commercial value will be reviewed on a 6 monthly basis when the financial reports for the RDBPT are prepared.

12. ACTIVITIES FOR WHICH COMPENSATION IS SOUGHT FROM ANY LOCAL AUTHORITY

Currently there are no activities for which compensation will be sought from any local authority.

**APPENDIX 1 - MAP OF DISTRICT ADMINISTERED BY THE FORMER BANKS
PENINSULA DISTRICT COUNCIL**



APPENDIX 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary is set out in a form consistent with the form in which the accounting policies will be set out when presented with the financial statements of RDBPT. No financial statements are included with this SOI.

Statement of Significant Accounting Policies

a. Basis of financial statement preparation

In accordance with the new Accounting Standards Framework the RDBPT is a Public Sector PBE. The RDBPT while meeting the requirements to apply Tier 3 PBE Accounting standards (is not publically accountable and has expenses less than \$2 million) has elected to apply Tier 2 PBE standards with effect from 1 July 2014.

There has been no significant change in the Trust's accounting policies as a result of the new accounting standards.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain non-current assets.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

b. Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

c. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

d. Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

f. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

g. Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

h. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

i. Goods and Services Tax

The Rod Donald Banks Peninsula Trust is registered for GST. All amounts stated are exclusive of GST where applicable.

j. Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

k. Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

APPENDIX 3 – INVESTMENT STRATEGY

This appendix lays out the

- Rod Donald Banks Peninsula Trust Investment Principles
- Available funds
- Method to achieve principles
- Proposed annual expenditure budget

Trust's Investment Principles

The strategy is aimed at the 5 year period from the start of the financial year on July 1 2012 to the end of the financial year on June 30, 2017. It incorporates the following principles:

- In support of its Trust Deed and Statement of Intent, the Trust will invest funds locally and ethically. Locally means in the first instance Canterbury and then New Zealand, but not overseas.
- Ensure a prudent spread of investments so that risk on the capital fund is minimised.
- To limit risk the following conditions have been applied to investments falling outside of the Christchurch City Council Investment Policy; at the time of their investment and subsequent reinvestment:
 - a. no more than 30% of fixed income investments will be in instruments falling outside of the Christchurch City Council Investment Policy,
 - b. will exclude non credit rated bank deposit takers and
 - c. any such investments should be assessed by the Investment Sub-Committee for credit risk acceptability.
- The Trust will only acquire securities or debt shares in any company after having notified Council.
- Ensure funds are available to cover the annual basic running costs of the Trust.
- Have some funding available annually for Trust minor projects and grants to partners.
- Funding for the Trust's operational costs, minor projects and grants will be derived from income.
- Expend up to 40% of the capital in investments over the 5 year period July 1, 2012 to June 30, 2017 years in ways that will leave a long term legacy.
- Aim to achieve a multiplier effect of 5:1 through partnerships with other organisations – i.e. for every \$1 the Trust invests, it would look for \$4 to come from partners or other sources.
- Retain approximately 60% of the capital for the next period.
- Any decisions on re-investment are to be approved by the Board with the proviso that if the Board is not available a decision can be made by the Manager in conjunction with the Chair or another Board member if the Chair is not available and will need to be affirmed at the next Board meeting.

Available Funds

The following table reflects the Trust's available cash and investments as of February 2015.

Bank	Amount	Capital Allocated for
BNZ cash	\$167,086	
Kiwibank	\$910,000	Earmarked for use by June 2017 or earlier subject to suitable projects
Prometheus Finance	\$250,000	Earmarked for use after June 2017 or earlier subject to suitable projects, Currently controlled by PWC receiver
Kiwibank	\$1,150,000	Earmarked for use after June 2017
TSB	\$500,000	Earmarked for use after June 2017
Heartland/CBS	\$250,000	Earmarked for use after June 2017
Summary	\$291,500	Current liabilities and forecast amount to be spent by end of 2014-15 financial year.
	\$785,586	Total earmarked as capital funds until June 2017 less current liabilities
	\$2,080,000	Total earmarked for use after June 2017
Total February 2015	\$3,157,086	Current total funds in February 2015
Total Forecast funds July 2015	\$2,865,586	Amount forecast as available at start of 2015-16 financial year

Methods to achieve principles

The total capital sum forecast as available for use from the start of the financial year on July 1, 2015 is \$2,865,586. \$786,586 is earmarked as funds for capital expenditure over the next two years (the remainder of the first five year period). The remaining \$2,080,000 is earmarked for the next period.

As funds mature they will be reinvested using the principles to produce income for the Trust. A mix of longer and shorter term investments will be used to ensure that the Trust has access to sufficient capital funds each year to meet the demands of any projects that have been accepted and are in its forecast, or are pending. However, the Trust may break a longer term deposit if a sufficiently compelling opportunity arises and this cannot be avoided. The capital will be used on projects that leave an enduring legacy.

The annual operational expenditure of the Trust, its minor operational projects, and grants to assist with the operational activities of partner organisations will be funded from a mix of income and capital.

Annual Expenditure

The proposed Annual expenditure includes the Trust's annual operational expenditure and an allocation for minor project work, to be carried out either directly by the Trust or through grants to key partners.

Total annual budget

Item	Budgeted amount p.a.
Annual operating expenditure	\$81,600

(management)	
Operating costs	\$21,200
Grants to partners	\$31,500
Minor projects	\$10,000
Total annual budget	\$144,300

The Annual operating expenditure is based on the rate the Trust is currently paying for Trust Management service of approximately 5 days per week. The operating costs include website hosting, accounting, auditing and insurance costs.