OTAGO
Community Trust

Consolidated Financial Statements
For the year ended 31 March 2021

Otago Community Trust

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Otago Community Trust

Directory

Trustees	Diccon Sim (Chairperson)	Dunedin
	Gina Huakau	Dunedin
	Philippa Laufiso	Dunedin
	Barb Long	Dunedin
	Kevin Malcolm	Oamaru
	Michael Stevens (Appointed August 2020)	Dunedin
	Bridget Tweed	Waitahuna
	Raewyn van Gool (Appointed August 2020)	Cromwell
	Haley van Leeuwen	Dunedin
	Rebecca Williams (Appointed August 2020)	Cromwell
	Malcolm Wong	Dunedin
Chief Executive	Barbara Bridger	
Registered Office	2nd Floor Community Trust House Corner of Filleul Street & Moray Place Dunedin	
Auditor	Deloitte Limited Dunedin	
Solicitor	Anderson Lloyd Dunedin	
Investment Advisor	Russell Investment Group Limited Auckland	
Bankers	Westpac Banking Corporation Dunedin	
Accountant	Findex NZ Limited Dunedin	

Otago Community Trust

Consolidated Statement of Comprehensive Revenue and Expense
For the year ended 31 March 2021

	Notes	Group 2021 $000	Group 2020 $000
REVENUE FROM EXCHANGE TRANSACTIONS			
Rental income		97	118
Gains/(losses) from investments	7	57,832	(4,404)
Other income		-	5
Total revenue from exchange transactions		**57,929**	**(4,281)**
TOTAL REVENUE		**57,929**	**(4,281)**
EXPENSES			
Investment fees		135	150
Other expenses	9	1,016	1,128
OPERATING SURPLUS/(DEFICIT) BEFORE TAX AND GRANTS		**56,778**	**(5,559)**
OTHER GAINS/(LOSSES)			
Gain/(loss) on sale of assets		(2)	-
TOTAL OTHER GAINS/(LOSSES)		**(2)**	**-**
Grants	8	8,268	11,534
OPERATING SURPLUS/(DEFICIT) BEFORE TAX		**48,508**	**(17,093)**
Income tax expense / (credit)		-	-
OPERATING SURPLUS/(DEFICIT) AFTER TAX		**48,508**	**(17,093)**
OTHER COMPREHENSIVE REVENUE AND EXPENSES			
Movements that will be reclassified to surplus or deficit in subsequent periods:		-	-
Movements that will not be reclassified to surplus or deficit in subsequent periods:		-	-
Total other comprehensive revenue and expense		**-**	**-**
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		**48,508**	**(17,093)**

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Otago Community Trust

Consolidated Statement of Financial Position
As at 31 March 2021

	Notes	Group 2021 $000	Group 2020 $000
ASSETS			
Current			
Cash and cash equivalents	10	915	1,138
Receivables from exchange transactions		-	-
Receivables from non-exchange transactions	11	7	8
Prepayments		29	18
Total current assets		**951**	**1,164**
Non-current			
Property, plant and equipment	15	1,480	1,519
Other investments	14	325,554	278,221
Total non-current assets		**327,034**	**279,740**
TOTAL ASSETS		**327,985**	**280,904**
LIABILITIES			
Current			
Payables under exchange transactions	12	122	260
Payables under non-exchange transactions	13	7,863	8,602
Total current liabilities		**7,985**	**8,862**
Non-current			
Payables under non-exchange transactions	13	785	1,335
Total non-current liabilities		**785**	**1,335**
TOTAL LIABILITIES		**8,770**	**10,197**
NET ASSETS		**319,215**	**270,707**
TRUST FUNDS			
Trust capital		131,467	131,467
Capital Maintenance reserve		89,916	86,637
Uncommitted surplus		97,832	52,603
TOTAL TRUST FUNDS	16	**319,215**	**270,707**

These financial statements have been authorised for issue by the trustees on 22 June 2021.

Trustee

Trustee

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Otago Community Trust

Consolidated Statement of Changes in Trust Funds
For the year ended 31 March 2021

Group	**Notes**	**Trust Capital** $000	**Capital Maintenance Reserve** $000	**Uncommitted Surplus** $000	**Total** $000
Balance 1 April 2020	**16**	131,467	86,637	52,603	270,707
Opening balance		131,467	86,637	52,603	270,707
Surplus/ (deficit) for the year before grants		-	-	56,776	56,776
Grants		-	-	(8,268)	(8,268)
Total comprehensive revenue and expense		-	-	48,508	48,508
Transfer to/ (from) equity reserves in the year		-	3,279	(3,279)	-
Balance 31 March 2021	**16**	**131,467**	**89,916**	**97,832**	**319,215**
Balance 1 April 2019		131,467	81,053	75,280	287,800
Surplus/ (deficit) for the year before grants		-	-	(5,559)	(5,559)
Grants		-	-	(11,534)	(11,534)
Total comprehensive revenue and expense		-	-	(17,093)	(17,093)
Transfer to/ (from) equity reserves in the year		-	5,584	(5,584)	-
Balance 31 March 2020		**131,467**	**86,637**	**52,603**	**270,707**

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Consolidated Statement of Cash Flows
For the year ended 31 March 2021

	Notes	Group 2021 $000	2020 $000
Cash flow from operating activities			
Cash was provided from/(applied to):			
Interest received		0	1
Other income received from exchange transactions		88	126
Payments to suppliers, employees and trustees		(1,249)	(1,423)
Grants paid	8	(9,557)	(8,614)
Net cash from/(used in) operating activities		**(10,718)**	**(9,910)**
Cash flow from investing activities			
Cash was provided from/(applied to):			
Receipts from fund managers		10,500	10,000
Acquisition of investments		-	-
Acquisition of property, plant and equipment		(5)	(19)
Receipts from loan from third party		-	35
Disposal of property, plant and equipment		-	-
Net cash from/(used in) investing activities		**10,495**	**10,016**
Cash flow from financing activities			
Cash was provided from/(applied to):			
Advance to other entities		-	-
Net cash from/(used in) financing activities		**-**	**-**
Net increase/(decrease) in cash and cash equivalents		(223)	106
Cash and cash equivalents, beginning of the year		1,138	1,032
Cash and cash equivalents at end of the year	**10**	**915**	**1,138**

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Otago Community Trust

Notes to the consolidated financial statements for the year ended 31 March 2021

1 Reporting entity

These financial statements comprise the consolidated financial statements of Otago Community Trust (the "Trust") for the year ended 31 March 2021.

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

The consolidated group comprises the Trust (the "Parent") and its wholly owned subsidiary Fillmor House Limited.

The financial statements were authorised for issue by the Trustees on the date indicated on page 3.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

The Parent and Group is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that is does not have public accountability and annual expenditure does not exceed $30 million.

The Parent and Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

(b) Basis of measurement

The financial statements have been prepared on a historical costs basis, except for the following:
- financial assets designated at fair value through surplus or deficit which are also measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars, which is the group's functional currency.

All numbers are rounded to the nearest thousand ($000), except when otherwise stated.

(d) Comparatives

The comparative financial period is 12 months.

The net asset position and net surplus or deficit reported in comparatives is consistent with previously authorised financial statements.

The accounting policies of the Group been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised as follows:

3 Summary of significant accounting policies

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent is exposed, or has rights to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity (defined as "subsidiaries").

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The subsidiary has a 31 March balance date and consistent accounting policies are applied.

The consolidation of the Parent and subsidiary involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

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3 Summary of significant accounting policies

(b) Foreign currency translation

Transactions in foreign currencies are translated to New Zealand dollars (the "functional currency") at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

(d) Receivables

Trade debtors and other receivables are measured at amortised cost using the effective interest rate method.

An allowance for impairment is established where there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivable.

(e) Creditors and other payables

Trade creditors and other payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

(f) 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.

Financial assets at fair value through surplus or deficit

A financial asset is classified as at fair value through surplus or deficit if it held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through surplus or deficit if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transactions costs are recognised in surplus or deficit when incurred. Subsequent to initial recognition, financial instruments at fair value through surplus or deficit are measured at fair value, and changes therein are recognised in surplus or deficit.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets held by the Group in the years reported have been designated into one classification, "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment.

(g) Property, plant and equipment

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.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

A item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a diminishing value (D.V.) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been

Land	0% S.L.
Buildings	3%-10% D.V.
Office furniture and equipment	10-60% D.V.

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

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(h) Impairment

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses.

(i) Impairment of receivables

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cashflows, discounted to the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee entitlements

Short- term employee benefits

Employee benefits, previously earned from past services, that the Parent and Group expect to be settled within 12 months of

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Group's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Dividend income

Dividend income is recognised on the date that the Group's rights to receive payments are established.

Rental income

Rental income arising from rental premises is accounted for on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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(k) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in profit or loss.

(l) Income tax

Otago Community Trust is exempt from income tax pursuant to section CW 52 of the Income Tax Act 2007. Fillmor House Limited is exempt from income tax pursuant to sections CW 41 & 42 of the Income Tax Act 2007 from 31 March 2017. On 31 March 2017, the subsidiary company (Fillmor House Limited) obtained charitable status. Income derived from this date forward is exempt from income tax.

(m) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Consolidated Statement of Financial Position.

(n) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(o) Grant expenditure

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

(p) Statement of cash flows

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

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

(q) New standards adopted and interpretations not yet adopted

All mandatory new or amended accounting standards and interpretations were adopted in the current year with no significant impact on these financial statements.

A number of new standards and interpretations have been issued but not yet effective as of the date of the financial statements. For the year ended 31 March 2021 these are:

- PBE FRS 48 - Service Performance Reporting, effective from 1 April 2022
- PBE IPAS 41 - Financial Instruments, effective for periods beginning on or after 1 January 2022

The Group has not yet assessed the impact of these new standards and interpretations. The Trustees expect to adopt the above Standards in the period in which they become mandatory. With the exception of PBE FRS 48, the Trustees anticipate that the above Standards are not expected to have a material impact on the financial statements in the period of initial application, however a detailed assessment of the impact has yet to be performed.

PBE FRS 48 introduces the Statement of Service Performance, which is intended to:

- Provide users with sufficient contextual information to understand why the Group exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Provide users with information about what the Group has done during the reporting period in working towards its broader aims and objectives, as described above.

This will have a significant impact on how the Group reports on initial application of PBE FRS 48.

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(r) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

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

(ii) Receivables

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

4 Significant accounting judgements, estimates and assumptions

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

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of investments (including the impact of COVID-19) and are discussed further in note 3 above.

5 Capital Management Policy

The Parent and Group capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Parent and Group's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Parent and Group manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need to utilise capital reserves.

6 Subsidiaries

The consolidated financial statements of the Group include the following 100% subsidiary of the Parent:

Name of subsidiary	Principal activity	Country of incorporation	Carrying value at cost	
			2021	2020
Fillmor House Limited	Property Rental	New Zealand	500	500
Total			500	500

The subsidiary has a 31 March reporting date.

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Parent in the form of cash distributions or to repay loans or advances.

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7 Investment income

	Group 2021 $000	Group 2020 $000
Interest	0	1
Investment income and unrealised gain / (loss)	57,832	(4,405)
Total investment income	**57,832**	**(4,404)**

8 Grants

	Group 2021 $000	Group 2020 $000
Grants paid for the year	9,557	8,614
Comprising:		
Tax exempt grantees	9,557	8,614
Non-tax exempt grantees	-	-
	9,557	8,614
Movement in grants payable for the year	(1,289)	2,920
Total grants approved during the year	**8,268**	**11,534**

9 Other expenses

The following amounts were expensed in the surplus/(deficit) for the year:

	Group 2021 $000	Group 2020 $000
Public and statutory reporting	16	22
Audit fees	21	21
Promotion	31	43
Depreciation	40	44
Professional fees	132	123
Property costs	85	90
Salaries	414	403
Other operating costs	109	209
Trustee remuneration	150	149
Trustee expenses	18	24
Total	**1,016**	**1,128**

10 Cash and cash equivalents

	Group 2021 $000	Group 2020 $000
Bank balances	165	138
Call and term deposits	750	1,000
Total cash and cash equivalents	**915**	**1,138**

The carrying amount of cash and cash equivalents approximates their fair value.

The effective interest rate on call deposits in 2021 was 1.00% (2020: 1.00%). No term deposits were held during the current financial year.

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11 Receivables from non-exchange transactions

	Group 2021 $000	Group 2020 $000
Goods and Services Tax	7	8
Total receivables from non-exchange transactions	**7**	**8**

12 Payables under exchange transactions

	Group 2021 $000	Group 2020 $000
Current		
Trade creditors and other payables	100	235
Annual leave entitlements	22	25
Total current	**122**	**260**
Total payables under exchange transactions	**122**	**260**

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms. The carrying amount approximates fair value.

Annual leave entitlements represent the Groups obligation to is current and former employees that are expected to be settled within 12 months of balance date.

13 Payables under non-exchange transactions

	Group 2021 $000	Group 2020 $000
Grants payable - current	7,863	8,602
Grants payable - non-current	785	1,335
Total payables under non-exchange transactions	**8,648**	**9,937**

14 Other investments

	Notes	Group 2021 $000	Group 2020 $000
Non-current investments			
Financial assets designated at fair value through surplus or deficit	17	325,554	278,221
Total non-current investments		**325,554**	**278,221**

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Notes to the consolidated financial statements for the year ended 31 March 2021

15 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

Group 2021	Land $000	Buildings $000	Office Equipment & Furniture $000	Total $000
Gross carrying amount				
Opening balance	805	830	380	2,015
Additions	-	-	5	5
Disposals	-	-	(239)	(239)
Closing balance	**805**	**830**	**146**	**1,781**
Accumulated depreciation and impairment				
Opening balance	-	180	316	496
Depreciation for the year	-	26	14	40
Disposals	-	-	(235)	(235)
Closing balance	**-**	**206**	**95**	**301**
Carrying amount 31 March 2021	**805**	**624**	**51**	**1,480**

Group 2020	Land $000	Buildings $000	Office Equipment & Furniture $000	Total $000
Gross carrying amount				
Opening balance	805	830	361	1,996
Additions	-	-	19	19
Disposals	-	-	-	-
Closing balance	**805**	**830**	**380**	**2,015**
Accumulated depreciation and impairment				
Opening balance	-	154	298	452
Current year depreciation	-	26	18	44
Impairment charge for the year	-	-	-	-
Closing balance	**-**	**180**	**316**	**496**
Carrying amount 31 March 2020	**805**	**650**	**64**	**1,519**

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16 Trust funds

	Trust Capital $000	Capital Maintenance $000	Uncommitted Surplus $000	Total $000
Balance at 1 April 2020	131,467	86,637	52,603	270,707
Total operating surplus/(deficit) before grants	-	-	56,776	56,776
Reserves transfers	-	3,279	(3,279)	-
Grants approved	-	-	(8,268)	(8,268)
Balance at 31 March 2021	**131,467**	**89,916**	**97,832**	**319,215**
Balance at 1 April 2019	131,467	81,053	75,280	287,800
Total operating surplus before grants	-	-	(5,559)	(5,559)
Reserves transfers	-	5,584	(5,584)	-
Grants approved	-	-	(11,534)	(11,534)
Balance at 31 March 2020	**131,467**	**86,637**	**52,603**	**270,707**

Trust Capital

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

Capital Maintenance Reserve

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

Uncommitted Surplus

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

Capital Management

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

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

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Trustees.

There have been no material changes in the Trust's management of capital during the period.

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17 Financial instruments

(a) Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

Group 2021	Financial assets at fair value through surplus or deficit	Held-to-maturity investments	Loans and receivables	Other amortised cost	Total carrying amount	Fair value
Financial assets						
Other investments	325,554	-	-	-	325,554	325,554
Total non-current assets	**325,554**	-	-	-	**325,554**	**325,554**
Other financial assets						
Receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	915	-	915	915
Total current assets	-	-	**915**	-	**915**	**915**
Total assets	**325,554**	-	**915**	-	**326,470**	**326,470**
Financial liabilities						
Trade and other payables	-	-	-	8,770	8,770	8,770
Total current liabilities	-	-	-	**8,770**	**8,770**	**8,770**
Total liabilities	-	-	-	**8,770**	**8,770**	**8,770**

Group 2020	Financial assets at fair value through surplus or deficit	Held-to-maturity investments	Loans and receivables	Other amortised cost	Total carrying amount	Fair value
Financial assets						
Other investments	278,221	-	-	-	278,221	278,221
Total non-current assets	**278,221**	-	-	-	**278,221**	**278,221**
Other financial assets						
Receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	1,138	-	1,138	1,138
Total current assets	-	-	**1,138**	-	**1,138**	**1,138**
Total assets	**278,221**	-	**1,138**	-	**279,360**	**279,360**
Financial liabilities						
Trade and other payables	-	-	-	10,197	10,197	10,197
Total current liabilities	-	-	-	**10,197**	**10,197**	**10,197**
Total liabilities	-	-	-	**10,197**	**10,197**	**10,197**

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Notes to the consolidated financial statements for the year ended 31 March 2021

18 Operating leases

	Group	
	2021	2020
Non-cancellable operating leases are payable as follows:	$000	$000
Less than one year	1	1
Between one and five years	1	1
More than five years	-	-
Total	**2**	**2**

19 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Group.

The Group has a related party relationship with its Trustees and other key management personnel.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Parent and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Transactions with related parties

The following transactions were carried out with related parties:

(a) Related party balances

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

Trustee	Recipient organisation	Grant amount 2021 $	Grant amount 2020 $
Mr Ross McRobie	Queenstown Lakes District Council	425,000	5,000
	Friends of the Forrester Gallery	25,000	-
	Oamaru Whitestone Trust	12,000	-
	Waitaki District Council	86,675	4,500
	Otematata Residents Association	12,000	-
		560,675	**9,500**
Mrs Bridget Tweed	Clutha Parks Trust	300,000	-
	Clutha Gold Charitable Trust	-	500,000
		300,000	**500,000**
Ms Gina Huakau	Community Builders	20,000	-
		20,000	**-**

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		Grant amount 2021 $	Grant amount 2020 $
Ms Philippa (Pip) Laufiso	Te Mana Ahua Ake Charitable Trust	-	17,500
	Otago Polytechic - Dunedin School of Art	800	-
		800	**17,500**
Ms Barb Long	WellSouth Primary Health Network	-	2,500
	Kavanagh College	22,765	8,700
	Integrated Accelerator Programme	129,000	-
		151,765	**11,200**
Mrs Kate Hazlett	Roxburgh Golf Club	-	6,500
		-	**6,500**
Mr Diccon Sim	St Hilda's Collegiate School	-	39,500
	St Pauls Cathedral	-	30,000
	Choirs Aotearoa NZ Trust	5,500	8,000
	Showbiz Dunedin Limited	10,000	-
	Punga Croquet Club	700	-
		16,200	**77,500**
Key Management Personnel			
Ms Barbara Bridger	Cosy Homes Trust	250,000	646,973
		250,000	**646,973**

(b) Trustees remuneration

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

	Board meetings held	Board meetings attended	Remuneration
Ross McRobie (ex-Chairperson)	6	5	7,920
Diccon Sim (Chairperson)	12	12	18,750
Kate Hazlett	6	6	5,720
Gina Huakau	12	12	12,000
Philippa (Pip) Laufiso	12	11	12,000
Barb Long	12	11	13,750
Kevin Malcolm	12	11	12,000
Michael Stevens	5	5	6,800
Bridget Tweed	12	12	12,000
Raewyn van Gool	5	5	7,480
Haley van Leeuwen	12	12	12,900
Rebecca Williams	5	5	7,480
John Wilson (ex-Chairperson)	6	6	9,570
Malcolm Wong	12	12	12,000
Total	**129**	**125**	**150,370**

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Otago Community Trust

Notes to the consolidated financial statements for the year ended 31 March 2021

(c) Key management compensation

The Group have a related party relationship with its key management personnel. Key management personnel include the Senior Management of the Trust.

	Group 2021 $000	2020 $000
Key management personnel compensation includes the following expenses:		
Salaries and other short-term employee benefits	275	256
Total remuneration	**275**	**256**
Number of FTEs recognised as key management personnel	**2**	**2**

20 Contingent assets and contingent liabilities

The Group has no contingent assets or continent liabilities (2020: None).

21 Commitments

The Trust has no capital commitments at balance date (2020: None).

22 Events after the reporting period

There were no significant events after balance date.

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Independent Auditor's Report

To the Trustees of Otago Community Trust

Opinion

We have audited the financial statements of Otago Community Trust (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive revenue and expense, statement of changes in trust funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 2 to 18, present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the entity or any of its subsidiaries. These services have not impaired our independence as auditor of the entity or group.

Other information

The Trustees are responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Trustees' responsibilities for the consolidated financial statements

The Trustees are responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Trustees, as a body, in accordance with Section 15(e) of the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Dunedin, New Zealand
22 June 2021