

**THE COMMUNITY TRUST OF SOUTHLAND  
TRUSTEES' RESPONSIBILITY STATEMENT**

The Trustees of The Community Trust of Southland ("the Trust") are pleased to present the summary financial statements for The Community Trust of Southland Group ("the Group") for the year ended 31 March 2017.

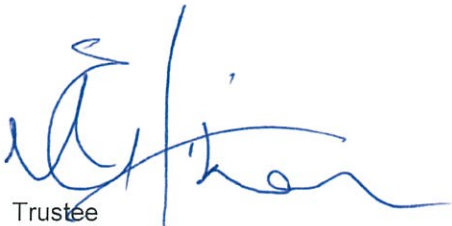
The Trustees are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which presents fairly the financial position of the Group as at 31 March 2017 and the results of its operations and cash flows for the year ended on that date.

The Trustees consider the summary financial statements of the Group 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 Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

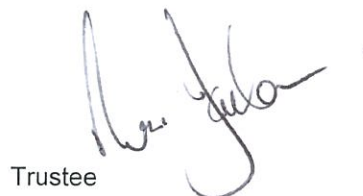
The Trustees have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities.

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



Trustee

28 July 2017



Trustee

28 July 2017

**THE COMMUNITY TRUST OF SOUTHLAND**  
**Summary Financial Statements for the year ended 31 March 2017**

**SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**  
**For the Year Ended 31 March 2017**

|  | <b>Group</b>    |                |
|--|-----------------|----------------|
|  | <b>2017</b>     | <b>2016</b>    |
|  | <b>\$000</b>    | <b>\$000</b>   |
| Revenue  | 11,846          | 18,120         |
| Interest   | 1,513           | 1,819          |
| Fair value gains/(losses) from managed funds                                     | 12,220          | 71             |
| Other income   | 400             | (357)          |
|  | <hr/>           | <hr/>          |
|  | 25,979          | 19,653         |
| Plus Change in fair value of other investments                                   | 1,403           | 5,325          |
| Less Investing activity expenses   | (8,772)         | (12,865)       |
| Less Impairment of goodwill  | -               | (248)          |
| Less Loss on sale of subsidiary  | (858)           | -              |
|  | <hr/>           | <hr/>          |
| <b>Net Surplus from Investing Activities</b>                                     | 17,752          | 11,865         |
| Trust expenses   | 1,152           | 1,048          |
|  | <hr/>           | <hr/>          |
| <b>Operating Surplus before Grants</b>   | 16,600          | 10,817         |
| Grants   | 5,978           | 4,444          |
| Discount on concessionary loans  | 66              | 2              |
|  | <hr/>           | <hr/>          |
| <b>Net Surplus before Taxation</b>   | 10,556          | 6,371          |
| Taxation (expense)/benefit   | 545             | (55)           |
|  | <hr/>           | <hr/>          |
| <b>Net Surplus after Taxation</b>  | 11,101          | 6,316          |
|  | <hr/>           | <hr/>          |
| <b>Total Comprehensive Revenue and Expense for the Year</b>                      | <u>\$11,101</u> | <u>\$6,316</u> |
| <b>Net Surplus and Total Comprehensive Revenue and Expense is Attributed to:</b> |                 |                |
| Owners of the parent   | 11,118          | 6,642          |
| Minority interests   | (17)            | (326)          |
|  | <hr/>           | <hr/>          |
|  | <u>\$11,101</u> | <u>\$6,316</u> |

**THE COMMUNITY TRUST OF SOUTHLAND**  
**Summary Financial Statements for the year ended 31 March 2017**

**SUMMARY STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**For the Year Ended 31 March 2017**

|  | Trust<br>Capital | Accumulated<br>Revenue<br>& Expense | Capital<br>Maintenance<br>Reserve | Grants<br>Maintenance<br>Reserve | Minority<br>Interest | Total            |
|--|------------------|-------------------------------------|-----------------------------------|----------------------------------|----------------------|------------------|
|  | \$000            | \$000                               | \$000                             | \$000                            | \$000                | \$000            |
| <b>Balance at 1 April 2015</b>           | \$158,460        | \$Nil                               | \$88,068                          | (\$47,634)                       | \$2,195              | 201,089          |
| Total comprehensive revenue<br>& expense | -                | 6,642                               | -                                 | -                                | (326)                | 6,316            |
| <b>Transactions with owners</b>          |                  |                                     |                                   |                                  |                      |                  |
| Minority interest adjustment             | -                | -                                   | -                                 | -                                | (125)                | (125)            |
| Transfer to / (from) reserves            | -                | (6,642)                             | 5,528                             | 1,114                            | -                    | -                |
| <b>Balance at 31 March 2016</b>          | <u>\$158,460</u> | <u>\$Nil</u>                        | <u>\$93,596</u>                   | <u>(\$46,520)</u>                | <u>\$1,744</u>       | <u>\$207,280</u> |
| Total comprehensive revenue<br>& expense | -                | 11,118                              | -                                 | -                                | (17)                 | 11,101           |
| <b>Transactions with owners</b>          |                  |                                     |                                   |                                  |                      |                  |
| Minority interest adjustment             | -                | -                                   | -                                 | -                                | (1,727)              | (1,727)          |
| Transfer to / (from) reserves            | -                | (10,596)                            | 7,001                             | 3,595                            | -                    | -                |
| Acquisition of minority interest         | -                | (522)                               | -                                 | -                                | -                    | (522)            |
| <b>Balance at 31 March 2017</b>          | <u>\$158,460</u> | <u>\$Nil</u>                        | <u>\$100,597</u>                  | <u>(\$42,925)</u>                | <u>\$Nil</u>         | <u>\$216,132</u> |

**THE COMMUNITY TRUST OF SOUTHLAND**  
**Summary Financial Statements for the year ended 31 March 2017**

**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2017**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>2017</b>      | <b>2016</b>      |
|  | <b>\$000</b>     | <b>\$000</b>     |
| <b>Current Assets</b>                                      |                  |                  |
| Cash and cash equivalents                                  | 1,252            | 867              |
| Accounts receivable  | 577              | 2,746            |
| Inventories  | 418              | 1,097            |
| Biological assets – salmon stock                           | -                | 4,503            |
| Other current assets                                       | 43               | 19               |
| Loan receivables   | 1,050            | 160              |
| <b>Total Current Assets</b>                                | <b>3,340</b>     | <b>9,392</b>     |
| <b>Non-Current Assets</b>                                  |                  |                  |
| Investment in managed funds                                | 207,869          | 192,255          |
| Investment in equities                                     | 13,860           | 15,520           |
| Loan receivables   | 1,841            | 292              |
| Intangible assets  | 37               | 323              |
| Property, plant and equipment                              | 1,605            | 3,550            |
| <b>Total Non-Current Assets</b>                            | <b>225,212</b>   | <b>211,940</b>   |
| <b>Total Assets</b>  | <b>228,552</b>   | <b>221,332</b>   |
| <b>Current Liabilities</b>                                 |                  |                  |
| Accounts payable (exchange transactions)                   | 618              | 1,074            |
| Taxation payable   | 37               | 84               |
| Other current liabilities                                  | 369              | 452              |
| Grant obligations  | 9,429            | 9,315            |
| Loans  | -                | 271              |
| <b>Total Current Liabilities</b>                           | <b>10,453</b>    | <b>11,196</b>    |
| <b>Non-current Liabilities</b>                             |                  |                  |
| Deferred tax payable                                       | 7                | 678              |
| Grant obligations  | 1,960            | 1,358            |
| Term loans   | -                | 820              |
| <b>Total Non-Current Liabilities</b>                       | <b>1,967</b>     | <b>2,856</b>     |
| <b>Total Liabilities</b>                                   | <b>12,420</b>    | <b>14,052</b>    |
| <b>NET ASSETS</b>  | <b>\$216,132</b> | <b>\$207,280</b> |
| <b>Equity comprises:</b>                                   |                  |                  |
| Trust capital  | 158,460          | 158,460          |
| Reserves   | 57,672           | 47,076           |
| Net Assets/Equity attributable to equity holders of parent | 216,132          | 205,536          |
| Minority interests   | -                | 1,744            |
| <b>TOTAL NET ASSETS/EQUITY</b>                             | <b>\$216,132</b> | <b>\$207,280</b> |



**THE COMMUNITY TRUST OF SOUTHLAND**  
**Summary Financial Statements for the year ended 31 March 2017**

**SUMMARY STATEMENT OF CASH FLOWS**  
**For the Year Ended 31 March 2017**

|  | <b>Group</b>   |              |
|--|----------------|--------------|
|  | <b>2017</b>    | <b>2016</b>  |
|  | <b>\$000</b>   | <b>\$000</b> |
| <b>Cash Flows from Operating Activities</b>                  |                |              |
| Cash was provided from (applied to):                         |                |              |
| Receipts from customers                                      | 8,448          | 11,251       |
| Interest and dividends                                       | 5,798          | 7,420        |
| Payments to suppliers and employees                          | (5,209)        | (9,916)      |
| Other expenses   | (2,514)        | (2,732)      |
| Grants paid  | (5,261)        | (4,485)      |
| Other Income   | 400            | -            |
| <b>Net Cash Inflows/(Outflows) from Operating Activities</b> | <b>1,662</b>   | <b>1,538</b> |
| <b>Cash Flows from Investment Activities</b>                 |                |              |
| Cash was provided from (applied to):                         |                |              |
| Investments in unlisted equities                             | 2,844          | (3,616)      |
| Investments in listed equities                               | 119            | 1,808        |
| Investments in associates/subsidiaries                       | (390)          | -            |
| Loan receivables   | (2,395)        | 1,396        |
| Property, plant and equipment                                | 1,649          | (390)        |
| Investment in Managed Funds                                  | (2,062)        | -            |
| Goodwill & Intangibles                                       | 49             | -            |
| <b>Net Cash Inflows/(Outflows) from Investing Activities</b> | <b>(186)</b>   | <b>(802)</b> |
| <b>Cash Flows from Financing Activities</b>                  |                |              |
| Cash was provided from (applied to):                         |                |              |
| Term loans   | (1,091)        | (248)        |
| <b>Net Cash Inflows/(Outflows) from Financing Activities</b> | <b>(1,091)</b> | <b>(248)</b> |
| <b>Net Increase / (Decrease) in Cash held</b>                | <b>385</b>     | <b>488</b>   |
| Add cash at beginning of year                                | 867            | 379          |
| <b>Total Cash Balance at End of Year</b>                     | <b>\$1,252</b> | <b>\$867</b> |
| Represented by:  |                |              |
| Cash and cash equivalents                                    | 1,252          | 867          |
| <b>Total Cash Balance</b>                                    | <b>\$1,252</b> | <b>\$867</b> |

**THE COMMUNITY TRUST OF SOUTHLAND**  
**Summary Financial Statements for the year ended 31 March 2017**

**SUPPLEMENTARY INFORMATION**  
**For the Year Ended 31 March 2017**

**TRUSTEE FEES**

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

|  | <b>2017</b>  | <b>2016</b>  |
|--|--------------|--------------|
|  | <b>\$000</b> | <b>\$000</b> |
| Tracy Hicks (retired June 2015)                            | -            | 3            |
| Joan Kiernan (retired June 2015)                           | -            | 3            |
| Craig Robins (retired June 2015)                           | -            | 3            |
| Linette Sinclair (retired June 2015)                       | -            | 3            |
| John Wilson (retired June 2016)                            | 4            | 11           |
| Richard Wason  | 16           | 16           |
| Penny Simmonds (remuneration paid to SIT)                  | 14           | 14           |
| Stephen Bragg  | 14           | 14           |
| Lindsay Wright   | 19           | 19           |
| Trish Boyle  | 25           | 29           |
| Ross Jackson (remuneration paid to McCulloch and Partners) | 14           | 14           |
| Mata Cherrington   | 14           | 11           |
| Margot Hishon  | 18           | 11           |
| Stephen O'Connor   | 14           | 11           |
| Warren Skerrett (appointed June 2016)                      | 10           | -            |
|  | <b>\$162</b> | <b>\$162</b> |

**REPORTING ENTITY**

The Community Trust of Southland ("the Trust") was formed under the Trustee Banks Restructuring Act 1988 and is incorporated under the Charitable Trusts Act 1957. The consolidated Summary Financial Statements presented are those for The Community Trust of Southland (the "Group"). The Group consists of The Community Trust of Southland, and its controlled entities, Southland Community Trust Charities Limited, Invest South Holdings Limited, Invest South GP Limited, Invest South Limited Partnership, Back Country Foods Ltd, and Aoraki Smokehouse Salmon Ltd.

These summary financial statements have been prepared in accordance with PBE FRS 43: Summary Financial Statements. The specific disclosures included in the Summary Financial Report have been extracted from the full audited financial statements approved by the trustees on 28 July 2017 and on which an unmodified opinion was issued dated the same date. The full financial statements have been prepared in accordance with NZ PBE Reduced Disclosure Regime. Users of the Summary Financial Statements should note that the information contained herein cannot be expected to provide a complete understanding as provided in the full financial report of the Group.

These Summary Financial Statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

Users who require additional information are encouraged to access the full financial statements on the Group's website at [www.ctos.org.nz](http://www.ctos.org.nz). Users who do not have access to the website can request a printed version from the following address:

The Community Trust of Southland  
 PO Box 1646  
 Invercargill 9840  
 Ph: (03) 218-2034  
 Email: [info@ctos.org.nz](mailto:info@ctos.org.nz)

Or collect a copy from the Trust's offices at 62 Don Street, Invercargill

The Summary Financial Statements are authorised for issue by the Board of Trustees on 28 July 2017.



## ***Report of the Independent Auditor on the Summary Financial Statements***

To the Trustees of The Community Trust of Southland

The consolidated summary financial statements comprise:

- the summary statement of financial position as at 31 March 2017;
- the summary statement of comprehensive revenue and expense for the year then ended;
- the summary statement of changes in net assets/equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- related notes.

### ***Our opinion***

The summary financial statements are derived from the audited consolidated financial statements of The Community Trust of Southland, including its subsidiaries (the Group), for the year ended 31 March 2017.

In our opinion, the accompanying consolidated summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

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### ***Summary consolidated financial statements***

The consolidated summary financial statements do not contain all the disclosures required by New Zealand Public Benefit Entities Standards Reduced Disclosure Regime. Reading the consolidated summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The consolidated summary financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

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### ***The audited consolidated financial statements and our report thereon***

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 July 2017.

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### ***Responsibilities of the Trustees for the consolidated summary financial statements***

The Trustees are responsible, on behalf of the Trust, for the preparation of the consolidated summary financial statements in accordance with PBE FRS-43: *Summary Financial Statements* (PBE FRS 43).

### ***Auditor's responsibility***

Our responsibility is to express an opinion on whether the consolidated summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



We are independent of the Trust and Group. Other than in our capacity as auditor we have no relationship with, or interests in, the Trust or any of its subsidiaries.

*Who we report to*

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which 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.

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A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers'.

Chartered Accountants  
15 August 2017

Dunedin