

# **AVONSIDE HOUSE TRUST**



## **Annual Report**

**2009/10**

# **AVONSIDE HOUSE TRUST**

## **Mission Statement**

**“Towards Fullness of Life”**

## **Objectives:-**

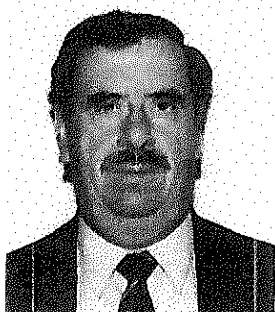
- To provide people with a mild intellectual disability a caring home-like environment based on Christian values.
- To support them in the development of social and living skills.
- To provide the opportunity for them to live a life of greater independence.

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**AVONSIDE HOUSE TRUST****DIRECTORY**

<b>PRINCIPAL ACTIVITY</b>	Provision of accommodation and training for mildly intellectually disabled adults
<b>BUSINESS LOCATION</b>	20 Lychgate Close Avonside Christchurch
<b>TRUSTEES</b>	Graham Martin (Chairman) Fred Murray (Patron) Ray Berry (Treasurer) Robin Mellish Allison Nichols-Dunsmuir Katrina Merrett John Thompson
<b>SECRETARY</b>	Anthony Waters
<b>TREASURER</b>	Ray Berry
<b>REGISTERED OFFICE</b>	Miller, Gale & Winter P O Box 270 Christchurch
<b>LEGAL ADVISORS</b>	Papprills 79-83 Hereford Street Christchurch
<b>BANKERS</b>	Westpac Linwood Branch 101 Stanmore Road Christchurch
<b>AUDITORS</b>	PriceWaterhouse Coopers 119 Armagh Street Christchurch
<b>ACCOUNTANTS</b>	Miller, Gale & Winter P O Box 270 Christchurch



### **Graham Martin**

*38 years as a parent with a son with mild intellectual disability and Autism Spectrum Disorder.*

*20 years own commercial business.*

*Secretary, Horticulture Canterbury Ltd.*

*Chairman of various committees in both the commercial and volunteer sectors.*

*Chairman, Autlink Foundation.*

*Chairman Your Studio Trust*

## **Chairman's Report 2010**

Welcome to the 15<sup>th</sup> Annual General Meeting of Avonside House Trust.

I can report that financially Avonside House made a further surplus this year of \$161,600. As the treasurer will report, this is down on last year by approx \$60k. This was to be expected given that we undertook to complete most of our maintenance plan.

2009 was a very big year for Avonside House. What started out as a review to up date our strategic plan for 2010 to 2020 we only managed to progress through the identification of accommodation requirements and the identified need for more ground floor accommodation. This resulted in Avonside House purchasing land on Avonside Drive and then entering into a building project to develop seven two bed (EPH) units on the site with the commitment to borrow the required funding. Whilst we did have \$50K of our own money to commence the project our funds for the next year or so until the units are fully occupied will be stretched. All expenditure will need to be pruned, bearing in mind that we are still in a recession and the likelihood of this improving is unlikely to happen much before 2011.

We were fortunate in getting a small cost of living increase for residents late in the year and with the current inflation being around 1.9% I would not expect any great favours from the Government for sometime yet.

We also gained Certification under the Health & Disability Service Standards for a further two years thanks to the efforts of Karin and her staff.

So what's going to happen in 2010?

First of all there is a lot of work to be done in association with the new project – the plans for which are available to view.

Work has commenced on the groundwork but we need to finalise our funding. The bank advanced us \$506k to enable us to purchase the land, and have agreed to provide about 600k more. We are meeting with the Canterbury Community Trust on Monday to seek financial support from them and have also enquired from Church Property Trustees whether they would consider increasing our mortgage as a back up.

Once all the finance is tied up, construction will commence with the first residents being able to move in before the year is out.

Whilst this is going on, we are completing refurbishing the hostel lounge. There is a need to lighten the area up. As the finance officer reports we do have money set aside for this work.

We need to complete our strategic review. Addressing such things as transport requirements, meaningful daily activities for all residents, marketing and development of a website will help raise awareness of Avonside House, our services and facilities.

All of the above is going to be a lot of work and will require careful planning, budgeting and co-ordination.

Ray & I are required to stand down from the Board as our 3 year term expires

I thank you all, Residents, Staff, Family and Board members for your commitment and giving your time to Avonside House as we face the year ahead.

Graham Martin  
Chairman  
3<sup>rd</sup> May 2010

3<sup>rd</sup> May 2010

## **Manager's Report**

Well, it's that time of year again. Once again it's been another busy and productive year.

### **Human Resources & Residential**

#### ***Staff***

In order to implement quality improvements at Avonside House, several staff have been employed within the last twelve months. An existing employee has commenced an additional position as part-time Administration Assistant in June 2009, and two Assistant Senior Residential Support Workers were reemployed. One in a part-time role per February 2010, and the other in a full-time capacity per March 2010. I would like to take this opportunity to welcome them back. It is encouraging to see previous employees wishing to resume employment at Avonside House.

In June 2009, the Assistant Manager resigned.

We currently have 21 permanent staff who work either full-time or part-time. Last year we had 20 permanent staff. Staffing levels are currently stable, allowing for extensive planning and ongoing quality improvements.

Staff Performance Appraisals have been successfully completed in March and April 2010.

Staff training is ongoing. At present applications are underway for a number of staff to commence with the National Certificate in Community Support Services. It is pleasing to see our sector, which has been undervalued for so long, receive some well deserved recognition and acknowledgement.

In July 2009 a full Ministry of Health DAA Audit of all of Avonside House occurred. The outcome was successful, with only a small amount of corrective actions. DAA corrective actions progress reports were sent and accepted. We can anticipate a Ministry of Health DAA Surveillance Audit in July this year.

In March 2010, our Finance Officer, was extremely busy with our financial audit. The outcome of this audit has not been received to date (of this report), but verbal feedback has been very positive.

#### ***Residents***

I would firstly like to take this opportunity to acknowledge Marty (Martin) Somers, who unfortunately passed away on 9<sup>th</sup> August 2009. In honour of this respected resident and friend, a very moving Memorial Service occurred at The Church of the Most Holy Trinity of Avonside. A memorial tree has been planted, and a plaque placed. Thank you to residents and staff who supported Marty, in particular through his challenging times.

Avonside House is home to 25 permanent residents and two respite residents. Another gentleman came once for respite, and is likely to require more in the future. At the previous AGM, we had 26 permanent residents. At present we have two part time respite vacancies, and have at times been inundated with requests for additional respite. There is a considerable

need for respite care in the community. Hopefully, once the building of our Elderly Persons Housing (EPH) type units on Te Orewai Place/Avonside Drive is completed in approximately September 2010, we can support those requiring respite, in addition to our aging residents who will require more downstairs accommodation. Obviously, placement will occur according to Avonside House policies and procedures.

Once again there have been a number of maintenance accomplishments achieved in order to enhance the lives of our residents. Some of which are, plants selected and planted by a resident and employee at the back of the House, main gardens landscaped (to Fred's delight also), exterior of Units and House painted, interior of Units painted, and a flat screen T.V. purchased for the Hostel respite room. Work has finally commenced on the long awaited renovations to the Hostel lounge. Trees from the inner Hostel courtyard have been removed, creating a more spacious and well lit area. Seeking funding plays a large role in projects of this nature.

Due to the individual talents and interests of our residents, numerous activities have occurred. Here are some of the highlights:

- May 2009: A resident won a gold medal at the Special Olympics Regional Basketball games in Dunedin for overall skills, and his team won a silver medal.
- 27.06.09: Residents Mid Winter Christmas Party occurred and on 12.12.09 the Christmas Party occurred.
- October 2009: Resident support and participation at the Parish Fair. Once again selling of drinks and homemade sweets was successful.
- November 2009: Royal Canterbury AMP Show attendance.
- November 2009: A resident won a silver cup and a trophy for most improved skier, with Disabled Skiing Canterbury.
- December 2009: Five residents competed at the National Games in Palmerston North, in either Special Olympics Athletics or Indoor Bowls, all won events and proudly came home with either medals, ribbons or both.
- 22<sup>nd</sup> – 27<sup>th</sup> April 2010: Avonside House Southland holiday visiting the Catlins, Bluff, Hokitika, and Franz Joseph Glaciers occurred. (Photographs are being finalised and will be on display at the Mid Winter Christmas Party – date to be finalised).
- Three residents participating in various Your Studio Art exhibitions.
- Various trips with Enable Tours or Specialised Chartered Services to places such as Australia, Thailand and Warbirds Over Wanaka.

A special thank you to all residents for your contributions, and to family, friends, staff and the Board who have supported residents to achieve their goals.

Karin Hofmans  
Manager



## Finance 2010

This has been a year of two halves, with the first half showing a steady financial position including the ability to transfer further funds to term deposit to take advantage of higher interest rates, and the second half using these resources to purchase the land at 56-58 Avonside Drive and start the process of building new accommodation for our residents.

To purchase the property at Avonside Drive project we required external finances and this has been provided by way of a Loan from Westpac Bank. We require further funds for building and this may come from a number of sources including, but not limited to Westpac, Canterbury Community Trust, Church Property Trustees and our own funds, being the Term Deposits.

This will greatly reduce our Cashflow position short term and elevate our debt to equity ratio, however long term should ensure continued viability for Avonside House.

**Buildings:** Throughout the year a lot of maintenance has occurred with the view to having it all completed this year to enable us to focus on Avonside Drive in the coming financial year. We have repainted and repaired the exterior of the House and Units, replaced guttering over the carport, painted the front fence, and replaced the vinyl in the Hostel kitchen. Painting of the interior of the Units prior to the carpets being replaced will begin in early 2010 financial year, as will work on the refurbishment of the Hostel Lounge. We received a grant from Canterbury Community Trust of \$30,000 towards this renovation.

New dining furniture was purchased for the Units, with a grant from Mainland Trust of \$1,000 going towards the cost of this.

A new washing machine for the Hostel was purchased with a grant from Eureka Trust. The grant was for \$1,936, this covered the whole cost of the machine.

**Grounds:** During the year it was decided that the grounds, especially the Lychgate entrance, needed upgrading. Wai-Ora Trust was contracted to complete this work, with the end result being a much tidier and aesthetically pleasing view.

A commemoration tree has also been planted.

**Funding:** Our income decreased slightly during the year due to a reduction in resident numbers, however respite care has been identified as an area we can utilize to off set this. We received an increase from the Ministry of Health; however we do not expect to receive an increase this year. WINZ also increased their subsidy during the year.

Due to this year's expansion project there will be increased demand on our funds, with the result that we will apply for Grant funding at every opportunity.

A few areas of concern have been tidied up including arranging insurance for the personal effects of our residents, installing Broadband in the House and Office, with the Office, Hostel, and photocopier being networked, new reports being developed to monitor progress of the new development, and changing to Internet Banking to enable online payment of accounts.

**AVONSIDE HOUSE TRUST  
ANNUAL FINANCIAL REPORTS  
FOR THE YEAR ENDED 31 JANUARY 2010**

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**AVONSIDE HOUSE TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2010**

**Avonside House Trust  
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**Avonside House Trust**  
**Statement of Financial Performance**  
**For the year ended 31 January 2010**

2009	Revenue	2010
188,383	WINZ Receipts	199,588
928,131	Ministry of Health Income	900,433
143	Fundraising - General	401
200	Donations	4,887
12,556	Rent - Residential	10,259
20,856	Interest Received	17,370
14,000	Community Trust Grant	30,000
<u>\$ 1,164,269</u>		<u>\$ 1,162,938</u>
	<b>Less Direct Expenses</b>	
72,419	Food	76,423
4,436	Household Renewables	6,414
4,902	Residents' Allowance	5,326
6,058	Communications	7,973
28,274	Electricity & Gas	30,097
2,457	Recreational Programmes	1,638
7,993	Community Support Worker	-
<u>\$ 126,539</u>	<b>Total Direct Expenses</b>	<u>\$ 127,871</u>
<u>\$ 1,037,730</u>	<b>Total Gross Income</b>	<u>\$ 1,035,067</u>

*The accompanying notes form part of these financial statements*

**Avonside House Trust**  
**Statement of Financial Performance (Continued)**

1,037,730	<b>Total Gross Income</b>	1,035,067
	<b>Less Expenditure</b>	
5,865	ACC Levies	6,932
1,948	Accounting & Secretarial Fees	3,974
2,788	Advertising, PR & Recruitment	394
3,350	Audit Fees	3,683
1,050	Audit Fees - MOH	5,409
766	Bank Fees	276
1,128	Computer Expenses	3,966
4,372	Fire Protection and Monitoring	4,691
	- Fundraising Expenses	196
2,917	Insurance	3,021
100	Donations	406
18,039	Interest - Church Property Trustees	9,345
7,402	Legal Fees	-
5,698	Motor Vehicle Expenses	4,634
16,573	Motor Vehicle Lease	19,765
1,364	Vehicle Insurance	3,041
6,568	Printing, Stamps & Stationery	7,511
45,910	Rent	44,435
1,149	Lease - Plant & Equipment	1,325
15,531	Repairs & Maintenance	47,030
775	Rubbish Removal	3,112
2,535	Security Services	2,535
50	Consultants, Architect, Engineer etc	3,258
3,584	Training & Supervision	2,404
561	Rates	564
482	Subscriptions	608
388	Recreational Expenses ex fundraising	-
8,053	Valuation Expenses	-
565,640	Wages	601,221
13,476	Wages - Employment Agency	8,754
3,852	Staff Expenses	5,445
952	Trust Board Expenses	1,622
1,500	Executive Expenses	1,719
<b>\$ 744,366</b>	<b>Total Cash Expenses</b>	<b>\$ 801,276</b>
126	Assets Written Off	277
60,000	Depreciation	57,327
<b>\$ 804,492</b>	<b>Total Operating Expenses</b>	<b>\$ 858,880</b>
<b>\$ 233,238</b>	<b>Net Operating Surplus for the Year</b>	<b>\$ 176,187</b>
(15,679)	Plus Grants Utilised/(Unutilised)	(16,000)
<b>\$ 217,559</b>	<b>Net Surplus for the Year</b>	<b>\$ 160,187</b>

*The accompanying notes form part of these financial statements*

**Avonside House Trust**  
**Statement of Movement in Equity**  
**For the year ended 31 January 2010**

2009		2010
	<b>Accumulated Funds</b>	
797,158	Opening Accumulated Funds	1,014,717
217,559	Net Surplus for the Year	160,187
<u>\$ 1,014,717</u>	Closing Accumulated Funds	<u>\$ 1,174,904</u>

*The accompanying notes form part of these financial statements*

**Avonside House Trust**  
**Statement of Financial Position as at 31 January 2010**

2009	Current Assets	2010
400	Petty Cash	400
92,428	Westpac - Cheque Account	131,742
5,000	Westpac - Imprest Account	5,500
66,479	Westpac - Bonus Saver	304,590
363,800	Westpac - Investment	-
1,615	Restricted Cash (Note 2)	1,754
690	Rental Bond - 190 Stanmore Road	1,317
40,167	Sprinklers, Internal Renovations (80% complete)	-
95,716	Accounts Receivable	97,680
<u>\$ 666,295</u>	<b>Total Current Assets</b>	<u>\$ 542,983</u>
679,197	Total Property, Plant & Equipment (Note 9)	692,186
-	Capital Work in Progress	746,979
<u>\$ 679,197</u>	<b>Total Non-Current Assets</b>	<u>\$ 1,439,165</u>
<u>\$ 1,345,492</u>	<b>Total Assets</b>	<u>\$ 1,982,148</u>
<b>Current Liabilities</b>		
35,442	Accounts Payable	33,504
6,711	GST Payable	8,401
56,124	Accrued Holiday Pay	70,271
5,000	Other Accrued Expenses	25,367
14,000	Unspent restricted funds (Note 3)	30,000
40,165	D P Allison Construction renovation accrual	-
43,076	Current Portion - CPT Mortgage	35,413
<u>\$ 200,518</u>	<b>Total Current Liabilities</b>	<u>\$ 202,956</u>
<b>Non Current Liabilities</b>		
130,257	Mortgage - CPT Mortgage (Note 7)	98,038
-	Mortgage - Westpac (Note 8)	506,250
<u>\$ 130,257</u>	<b>Total Non-Current Liabilities</b>	<u>\$ 604,288</u>
<u>\$ 330,775</u>	<b>Total Liabilities</b>	<u>\$ 807,244</u>
<u>\$ 1,014,717</u>	<b>Net Assets</b>	<u>\$ 1,174,904</u>

Represented by:

Trust Equity

\$ 1,014,717 Accumulated Funds

\$ 1,014,717 **Total Trust Equity**

\$ 1,174,904

\$ 1,174,904

Signed G V Martin

*G V Martin*

Trustee

Signed L R Berry

*L R Berry B.Com.*

Trustee

Date

*4/5/10*

The accompanying notes form part of these financial statements



**Avonside House Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 January 2010**

**1. Statement Of Accounting Policies**

**Reporting Entity**

Avonside House Trust is a Charitable Trust, incorporated under the Charities Act 2005. The financial statements have been prepared in accordance with generally accepted accounting principles.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed.

**Differential Reporting**

Avonside House Trust is a qualifying entity for the purposes of the Framework for Differential Reporting as it is not publicly accountable and the entity is not large as defined under the Framework for Differential Reporting. The Trust has taken advantage of all differential reporting exemptions except for Financial Reporting Standard 19, Accounting for Goods and Services Tax, with which it has complied fully.

The Trust has chosen not to adopt the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"). The decision not to adopt is consistent with the exemption provided by Accounting Standards Review Board ("ASRB") Release 9, issued in September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply New Zealand Financial Reporting Standards ("NZ FRS"). The Trust is a qualifying entity on the basis that they are not issuers, are not required to file financial statements with the Registrar of Companies under section 19 of the Financial Reporting Act 1993 and are not considered large (less than \$20m revenue and less than 50 full-time employee equivalents).

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice ("NZ GAAP"). They comply with NZ FRS and other applicable pronouncements as appropriate for profit-orientated entities.

**Goods And Services Tax**

Avonside House Trust is registered for GST. All revenue and expense transactions are recorded exclusive of GST. Where applicable all assets and liabilities have been stated exclusive of GST with the exception of receivables and payables which are stated inclusive of GST.

**Accounts Receivable**

Accounts Receivable are valued at their estimated realisable value.

**Investments**

Investments are valued at cost plus accumulated interest.

**Property Plant & Equipment**

Property Plant & Equipment are initially recorded at cost.

**Avonside House Trust**  
**Notes to the Financial Statements (Continued)**

**Depreciation**

All items of property plant & equipment are depreciated over their estimated useful lives using the straight-line method of depreciation for buildings and the diminishing value method of depreciation for all other assets.

Major depreciation periods are:

Buildings	20 years
Chattels	3-25 years
Plant & Equipment	10-20 years
Office Furniture & Equipment	5-10 years

**Operating Leases**

Operating lease payments, where the lessors effectively retain all the risks and benefits of ownership of the leased items, are included in the determination of the net profit in equal instalments over the lease term.

**Taxation**

No provision has been made for taxation as the Trust is specifically exempted as an approved Charitable Trust.

**Changes In Accounting Policies**

There have been no changes in accounting policies that would have had a significant effect on the determination of profit for the year.

All policies have been applied on bases consistent with those used in previous years.

**2. Restricted Cash**

The Trust receives general donations from time to time to fund its activities. That part of these donations which at 31 January 2010 has not been spent is disclosed in the Statement of Financial Position as "Restricted Cash" under the heading of "Current Assets".

	2010	2009
General Fundraising		
Opening Balance (overdrawn)	1,615	2,842
Plus Received	2,352	343
	3,967	3,185
Less Spent	(2,213)	(1,570)
Total Restricted Cash (Overdrawn)	<u>\$1,754</u>	<u>\$1,615</u>

**Avonside House Trust**  
**Notes to the Financial Statements (Continued)**

**3. Unspent Restricted Funds**

The Trust is in receipt of various grants to fund specific activities. That part of those grants which at 31 January 2010 has not been spent is disclosed in the Statement of Financial Position as "Unspent Restricted Funds" under the heading of "Current Liabilities".

	2010	2009
Canterbury Community Trust		
Opening Balance at 1 February	14,000	-
Plus Received	30,000	14,000
Less Applied 2009/2010	(14,000)	-
Closing Balance at 31 January	30,000	14,000
<b>Total Unspent Restricted Funds</b>	<b>\$30,000</b>	<b>\$0</b>

**4. Capital Commitments**

There were no capital commitments as at 31 January 2010. (2009: \$56,485).

**5. Lease Commitments**

The Company leases the following assets: Land & Buildings, Motor Vehicles, Photocopier.  
The amounts payable in subsequent years are:

	2010	2009
Lease Commitments for less than one year	\$63,958	\$65,872
Lease Commitments between two and five years	\$23,602	\$73,356
Lease Commitments greater than five years	\$nil	\$nil

**6. Contingent Liabilities**

There were no contingent liabilities as at 31 January 2010. (2009: nil)

**7. Mortgage – Church Property Trustees**

The Trust entered into a Mortgage agreement in 1997 with the Church Property Trustees. The security over this Mortgage is the property at 168a Stanmore Road, Christchurch. The interest rate is at 5.80%. On the current terms of repayment, the loan will be fully repaid in July 2013.

**8. Mortgage – Westpac**

The Trust entered into a Mortgage agreement during the year to purchase land at 56 Avonside Drive. The amount of the loan was for \$506,250, and it is secured over the land at 56 Avonside Drive. The interest rate as at balance date was 5.39%. The loan was interest only as at balance date. The loan matures on the 30 October 2014.

**Avonside House Trust**  
**Notes to the Financial Statements (Continued)**

**9. Property Plant & Equipment**

	Opening Cost	Additions	Less Cost of Disposals	Closing Cost	Opening Accum Depn	Depreciation for the year	Less Accum Depn on Disposals	Closing Depreciation To Date	Book Value 31.01.10
Buildings	491,345	59,708	-	551,053	286,101	16,029	-	302,130	248,923
Hostel Furniture & Fittings	64,310	3,052	1,375	65,987	52,915	2,499	1,366	54,048	11,939
Hostel Plant & Equipment	16,275	-	2,516	13,759	13,325	668	2,417	11,576	2,183
Flat Furniture & Fittings	307	-	-	307	280	7	-	287	20
House Furniture & Fittings	21,078	884	3,243	18,719	17,828	897	3,176	15,549	3,170
House Plant & Equipment	1,617	-	-	1,617	1,306	90	-	1,396	221
Office Furniture & Fittings	7,741	4,239	555	11,425	6,021	1,606	532	7,095	4,330
Office Plant & Equipment	11,044	548	2,432	9,160	10,505	300	2,416	8,389	771
Units Furniture & Fittings	16,622	3,218	1,512	18,328	15,326	476	1,448	14,354	3,974
Units Plant & Equipment	954	-	-	954	754	63	-	817	137
Motor Vehicle	662	-	-	662	53	97	-	150	512
Leasehold Improvements	569,015	-	685	568,330	118,414	34,595	685	152,324	416,006
	<b>\$1,200,970</b>	<b>71,649</b>	<b>12,318</b>	<b>1,260,301</b>	<b>522,828</b>	<b>57,327</b>	<b>12,040</b>	<b>568,115</b>	<b>692,186</b>

## **Auditors' Report**

To the Trustees of Avonside House Trust

We have audited the financial statements on pages 3 to 10. The financial statements provide information about the past financial performance of the Trust for the year ended 31 January 2010 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 7 and 8.

This report is made solely to the Trust's Trustees, as a body. Our audit has been undertaken so that we might state to the Trust's Trustees those matters we are required to state to them in an auditors' 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 Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

### **Trustees' Responsibilities**

The Trust's Trustees are responsible for the preparation and presentation of the financial statements which present fairly the financial position of the Trust as at 31 January 2010 and its financial performance for the year ended on that date.

### **Auditors' Responsibilities**

We are responsible for expressing an independent opinion on the financial statements presented by the Trustees and reporting our opinion to you.

### **Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Trust, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Trust other than in our capacity as auditors.

**Auditors' Report**  
Avonside House Trust

**Unqualified Opinion**

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

In our opinion the financial statements on pages 3 to 10:

- (a) comply with generally accepted accounting practice in New Zealand; and
- (b) present fairly the financial position of the Trust as at 31 January 2010 and its financial performance for the year ended on that date.

Our audit was completed on 4 May 2010 and our unqualified opinion is expressed as at that date.



Chartered Accountants

Christchurch