



ST JOHN'S COLLEGE TRUST BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2017

ST JOHN'S COLLEGE TRUST BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

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ST JOHN'S COLLEGE TRUST BOARD

DIRECTORY

For the year ended 31 December 2017

BOARD OF TRUSTEES

Mr K Wearne (Chairman)
Mr M Tangohau (Deputy Chair)
Ms M Tallal
Archdeacon D Rangī
Mr J Halapua
Archbishop Philip Richardson
Ms M Ritchie

REGISTERED OFFICE

Level 4
123 Carlton Gore Road
Newmarket
Auckland

CHARITIES COMMISSION REGISTRATION NUMBER

CC21706

INDEPENDENT AUDITOR

KPMG
18 Viaduct Harbour Avenue
Auckland

ST JOHN'S COLLEGE TRUST BOARD
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 \$000	2016 \$000
Operating Revenue	2	22,274	18,715
Less Expenditure			
Operating Expenditure	3		
Management Expenses		1,582	1,542
Property Expenses		4,050	3,744
General Administration Expenses		318	210
		5,950	5,496
Distributable Surplus for the Year		16,324	13,219
Capital Gains	4	27,801	25,404
Non Distributable Discount Charge and Deemed Interest	7	534	(331)
Total Comprehensive Income for the Year		44,659	38,292

The accompanying notes form part of these financial statements

ST JOHN'S COLLEGE TRUST BOARD
Statement of Changes in Equity
For the year ended 31 December 2017

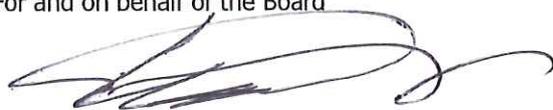
	2017 \$000	2016 \$000
Equity at the Beginning of Year	431,236	405,227
Total Comprehensive Income for the Year	44,659	38,292
Less Distributions to Beneficiaries	(13,815)	(12,283)
Equity at End of Year	462,080	431,236

The accompanying notes form part of these financial statements

ST JOHN'S COLLEGE TRUST BOARD
Statement of Financial Position
As at 31 December 2017

	Notes	2017 \$000	2016 \$000
Current Assets			
Cash and Cash Equivalents	6	1,955	3,947
Term Deposits		1,600	3,500
Loan	7	200	200
Trade and Other Receivables	5	655	769
		4,410	8,416
Non Current Assets			
Loan	7	9,219	8,683
Property, Plant & Equipment	8	44,938	44,812
Investments	9	181,777	159,435
Investment Property	10	222,730	210,965
		458,664	423,895
Total Assets		463,074	432,311
Current Liabilities			
Trade Payables	12	994	1,075
		994	1,075
Equity			
Non Distributable Reserves	13	424,655	396,854
Distributable Reserves	13	37,425	34,382
Total Equity	13	462,080	431,236
Total Funds Employed		463,074	432,311

For and on behalf of the Board



Chairman

18/04/18

Date

The accompanying notes form part of these financial statements

ST JOHN'S COLLEGE TRUST BOARD
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	2017 \$000	2016 \$000
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from Rental Customers		13,094	11,915
Interest Received		849	4,038
Dividends		1,980	760
Cash Provided		15,923	16,713
<i>Cash was Applied to:</i>			
Payments to Suppliers		(5,434)	(4,752)
Cash Applied		(5,434)	(4,752)
Net Cash Inflow from Operating Activities	14	10,489	11,961
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Proceeds from Sale of Financial Assets		9,577	27,791
Proceeds from Sale of Property Plant & Equipment		-	5,265
Cash Provided		9,577	33,056
<i>Cash was Applied to:</i>			
Loans		-	(1,939)
Purchase of Financial Assets		(5,428)	(30,560)
Purchase of Investment Property		(2,228)	(37,583)
Purchase of Property Plant & Equipment		(587)	(168)
Cash Applied		(8,243)	(70,250)
Net Cash Inflow/(Outflow) from Investing Activities		1,334	(37,194)
Cash Flows from Financing Activities			
<i>Cash was Applied to:</i>			
Distributions to Beneficiaries		(13,815)	(12,283)
Cash Applied		(13,815)	(12,283)
Net Cash Outflow from Financing Activities		(13,815)	(12,283)
Net (Decrease) in Cash Held		(1,992)	(37,516)
Cash and Cash Equivalents Balance at 1 January		3,947	41,463
Cash and Cash Equivalents Balance at 31 December		1,955	3,947

The accompanying notes form part of these financial statements



ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

1 Statement of Accounting Policies

Reporting Entity

The financial statements are in respect of the St John's College Trust Board (the Trust).

The financial statements of the Trust are a general purpose report which has been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards. The St John's College Trust is a trust domiciled in New Zealand and registered under the Charities Act 2005. The financial statements have been prepared in accordance with the requirements of the Charities Act 2005 and the Financial Reporting Act 2013.

Financial Period

The financial statements are for the 12 month period ended 31 December 2017. The comparative period is for the 12 months ended 31 December 2016.

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards and other applicable financial reporting standards as appropriate for profit oriented entities. The financial statements were approved by the Trust Board on 18th April 2018.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently with those used in the previous year.

Measurement Base

The financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties which are measured at fair value.

Capital gains and losses on the revaluation or sale of investments are included in the calculation of the Trust's total comprehensive income for the year. However they are not classified as part of the reserves available for distribution to the beneficiary.

Specific Accounting Policies

The following specific accounting policies have been followed by the Trust in the preparation of the financial statements:

(a) Taxation

The Trust is registered as a Charitable Trust (registration number CC21706) and is exempt from Income Tax under the Income Tax Act 1994.

(b) Goods and Services Tax (GST)

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Income and the Statement of Cash Flows are stated exclusive of GST. Non recoverable GST is reported as an operating expense.

The GST component of cashflows arising from investing activities and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cashflow.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(c) Property, Plant & Equipment

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(d) Impairment of Tangible Assets

At the end of each reporting period, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

(e) Depreciation

Depreciation is provided for on a straight line basis on all non investment property, plant and equipment, other than freehold land, at depreciation rates calculated to allocate the assets' cost over their estimated useful lives and is charged to the Statement of Comprehensive Income.

Major depreciation periods are :

Buildings	50 years
Equipment	3-8 years

(f) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of recoverable GST, which is consistent with the method used in the Statement of Comprehensive Income.

Definitions of the terms used in the statement of cash flows:

"Investing activities" are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

"Financing activities" are those activities relating to changes in the equity structure of the Trust and those activities relating to the cost of servicing the Trust's equity capital.

"Operating activities" include all transactions and other events that are not investing or financing activities.

(g) Cash & Cash Equivalents

Cash and cash equivalents includes bank, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(h) Investment Property

Investment property is property held either to earn rental income, for capital appreciation or for both. Investment property is initially measured at cost and subsequently measured at fair value with any change therein recognised in the Statement of Comprehensive Income. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. In accordance with the valuation policy of the Trust, complete property valuations are carried out at least annually by independent registered valuers. The fair values are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Investment properties are derecognised when they have been disposed of and any gains or losses incurred on disposal are recognised in the Statement of Comprehensive Income in the year of derecognition.

(i) Revenue

Revenue is comprised of rental and investment income. Rental income is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount. Distribution income from investments is recognised when the Trust's right to receive payment has been established.

(j) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated at the New Zealand rate of exchange ruling at the transaction date. At balance date foreign monetary assets are translated at the closing rate and exchange variations arising from these transactions are included in the Statement of Comprehensive Income.

(k) Functional Currency and Presentation Currency

The presentation currency for the Trust is New Zealand Dollars. The functional currency of the Trust is also New Zealand Dollars.

(l) Key Judgements and Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on going basis.

ST JOHN'S COLLEGE TRUST BOARD

Notes to the Financial Statements

For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(I) Key Judgements and Sources of Estimation Uncertainty (Continued)

Investment Property

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation. The valuation takes into account occupancy rates, 98.34% (2016: 99.13%), capitalisation rates ranging from 5.0%-7% (2016: 5%-7.25%); and average lease terms ranging from 0.5 years to 17 years (2016: 2.33 to 18.64 years). The estimate of fair value is a judgment which has been made based on circumstances which apply at balance date.

The valuations of Freehold Properties which conform to New Zealand Property Institute Practice Standard 3 – Valuations for Financial Reporting Purposes, were arrived at by market evidence of transaction prices for similar properties.

The valuation of the lessors' interest in Commercial Leasehold Properties is based on the calculation of the present value of the contract rental for the remaining term of leases until the next rent review plus the calculation of the present value of the reversionary interest in the land discounted over the remaining term of the lease at a rate that allows for the estimated growth in land value. Ground rental rates is 7.50% (2016: 7.5%), the discount rate range from 8.0% to 8.25% (2016: 8%-8.25%) and there is a growth rate assumption of 3% (2016: 3%).

Valuation of Investments

Trustees perform an assessment of the carrying value of Investments for impairment at least annually and considers objective evidence for impairment taking into account observable data on the investment, the fair value, the status or context of capital markets, and the investments performance relating to relevant benchmarks. The assessment also requires Trustees to make judgements about the expected future performance and cash flows.

Apart from as disclosed in the relevant notes to the financial statements there are no other key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(m) Financial Instruments

Financial Instruments recognised in the Statement of Financial Position include cash balances, trade receivables, trade payables, investments in units trusts, discounted securities, debt instruments, private equity and forward foreign exchange contracts. All financial instruments, other than those not at fair value, are initially recognised at fair value plus any direct attributable transaction costs. Subsequent to initial recognition financial instruments are measured as set out below.

Impairment of Financial Assets

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Comprehensive Income. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial Liabilities at Amortised Cost

Trade and Other Payables

Trade payables and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables and other payments are subsequently recognised at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Trust and which have been not been paid at the end of the financial year. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values.

Derecognition of financial liabilities

The Trust derecognises financial liabilities when the Trust's obligations are discharged, cancelled or they expire.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(m) Financial Instruments (Continued)

Financial Assets

Investments

The Trust has designated investments in managed unit trusts at fair value through profit or loss upon initial recognition. The Trust satisfies the requirements in NZ IAS 39 for designation as at fair value through profit or loss upon initial recognition as the financial assets form part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with the Trust's investment strategy.

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit and loss are measured at fair value with any resultant gain or loss recognised in the Statement of Comprehensive Income. The net gain or loss recognised in the Statement of Comprehensive Income is shown separately from any dividends or interest earned on the financial asset.

Loans and Receivables

Trade receivables are subsequently recorded at amortised cost less impairment loss.

Held for Trading

Financial assets held for trading are initially recognised and subsequently measured at fair value through profit or loss. The (realised and unrealised) results are included in 'Capital Gains/(Losses)' in the Statement of Comprehensive Income.

Fair Value of Financial Instruments

Fair value is based on the closing redemption price of the various unit trusts. The Trustees use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Australasian Shares, International Shares, International Bonds

Fair value is based on the closing redemption price of the underlying unit trusts.

NZ Bonds

Fair value is based on the observable market yields.

Private Equity Investments

Capital payments to the private equity funds are deemed to be the fair value of the investment initially. Subsequent to initial recognition, fair value of the investment is based on the Trust's share of the underlying investments entered into by the private equity funds.

Derecognition of Financial Assets

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

ST JOHN'S COLLEGE TRUST BOARD

Notes to the Financial Statements

For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(n) Equity

Trust equity is split between Non Distributable Reserves and Distributable Reserves. Total Comprehensive Income for the Year is split between distributable and non-distributable surpluses and allocated to reserves.

Non Distributable Reserves

Non Distributable Reserves are represented by realised and unrealised investment gains and losses.

Distributable Reserves

Distributable Reserves are amounts available for distribution to the beneficiaries at the discretion of the Trustees. Distributable Reserves includes an Income Equalisation Reserve. This reserve is maintained by the annual transfer of 15% of the Total Comprehensive Income for the Year available for distribution, until such time as the reserve meets one years operating revenue. The reserve is to enable Trustees to use their discretion to continue to distribute at agreed levels in years where the Total Comprehensive Income for the Year falls below the agreed distribution.

Accumulated income is represented by the Total Comprehensive Income for the Year after distributions to the beneficiaries and transfer to reserves. The Trustees will generally use their discretion to distribute the balance of the accumulated income reserve in accordance with the provisions of the Trust Deed.

(o) Interests in Joint Operations Jointly Controlled Assets

A joint operation is a contractual arrangement whereby the Trust and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities of the joint operation require the unanimous consent of the parties sharing control. Where the Trust undertakes its activities under joint operation arrangements directly, its share of jointly controlled assets and any liabilities incurred jointly with other operations are recognised in the financial statements of the Trust and classified according to their nature.

Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Trust's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Trust and their amount can be measured reliably.

(p) Leased Assets

Trust as Lessor

Operating lease revenue is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

ST JOHN'S COLLEGE TRUST BOARD

Notes to the Financial Statements

For the year ended 31 December 2017

1 Statement of Accounting Policies (Continued)

(q) Adoption of New and Revised Standards and Interpretations

Disclosure Initiative - amendment to NZ IAS 7

The amendment requires disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendment became effective on 1 January 2017 and has no impact on the Trust's financial statements.

(r) Standards and Interpretations in Issue not yet adopted

NZ IFRS 9 Financial Instruments

Effective for annual reporting periods beginning on or after 1 January 2018. The new standard replaces NZ IAS 39 and introduces a new classification and measurement regime for financial assets and liabilities. The Trust has not adopted the new standard which is not expected to have a significant impact on the Trust's financial statements based on assessments undertaken to date:

Classification & Measurement

Most financial assets will continue to be measured at FVTPL.

Impairment

Most financial assets are measured at fair value and not in scope for impairment.

Hedge Accounting

The expected changes in accounting policies for costs of hedging and hedges of non-financial asset has an immaterial impact on the Trust's financial statements.

Disclosures

Due to the impact on hedge accounting and impairment being assessed as low, the additional disclosures related to these sections would not be expected to have a significant impact.

NZ IFRS 15 Revenue from Contracts with Customers

Effective for annual reporting periods beginning on or after 1 January 2018. The new standard will replace all existing guidance for revenue recognition, including IAS 18 - Revenue. The new standard provides revenue recognition criteria in relation to the nature, amount and timing of revenue associated with contracts with customer. For contracts which extend over time or have multiple elements, the Standard could result in some changes to the amount or timing of revenue recognition. The Standard will have little effect on the amount and timing of revenue recognition for most straightforward contracts, when compared to current accounting practice. The Trust does not propose to early adopt at this time and the new standard is not expected to have a significant impact on the Trust's financial statements.

NZ IFRS 16 Leases

Effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted, however the Trust does not propose to early adopt at this time. The new standard eliminates the distinction between operating and finance leases for lessees and will result in lessees bringing most leases onto their balance sheet, with the exception of certain short-term leases and leases of low-value assets. There are minimal changes from the current NZ IAS17 requirements for lessors. The new standard is not expected to have a significant impact on the Trust's financial statements.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

2 Revenue	2017 \$000	2016 \$000
<i>Total Revenue Comprises</i>		
Property Rentals	13,430	11,624
Interest Revenue	2,476	3,306
Dividend Revenue	6,368	3,785
	22,274	18,715

3 Operating Expenditure	2017 \$000	2016 \$000
<i>Included in operating expenditure are the following expenses:</i>		
Audit Fees	23	22
Depreciation:		
Buildings	412	408
Equipment	49	33

4 Capital Gains/(Losses)	2017 \$000	2016 \$000
<i>Capital Gains Comprise:</i>		
Realised Gains on Investment Property	-	2,653
Realised Gains on Forward Foreign Currency Contract Maturities	-	433
Realised Gains on Investments	78	1,372
Unrealised Gains on Investment Property	9,167	18,386
Unrealised Gains on Investments	13,723	3,277
Unrealised Foreign Exchange (Losses)/Gains on Investments	4,833	(717)
	27,801	25,404

5 Trade and Other Receivables	2017 \$000	2016 \$000
<i>Trade Receivables Comprise:</i>		
Rent Receivable	110	80
Interest Receivable	217	196
Sundry Receivables	328	493
	655	769

There were no significant overdue balances as at 31 December 2016.

6 Cash and Cash Equivalents	2017 \$000	2016 \$000
Bank	1,955	1,647
Short Term Deposits	-	2,300
	1,955	3,947

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

7 Loans and Advances

Loans and advances repayable on demand
 Loans and advances over 1 year maturity

2017 \$000	2016 \$000
200	200
9,219	8,683

The Trust has made secured advances to the Te Aute Trust Board. The loan is repayable on demand. The Trust may, at any time after 27 May 2024, give a minimum of one year's written notice to the Borrower specifying the date on which the loan is to be repaid. The interest rate is 0%. During the year there have been no repayments or interest charged.

The loan has been discounted to fair value and a total fair value adjustment of \$534,114 has been charged to the Statement of Comprehensive Income.

In 2015, the Trust made a secured advance to Te Hui Amorangi Ki Te Taiarāwhiti Trust Board of \$200,000. The loan is repayable on demand and no later than 14 August 2020. Interest is payable quarterly at the official cash rate plus 2%.

8 Property, Plant & Equipment

Net Book Value

31/12/2017

	Carrying Value as at 01/01/17	Additions	Disposals	*Depreciation	Carrying Value As at 31/12/17
Freehold Land	27,434	-	-	-	27,434
Buildings	17,276	421	-	(412)	17,285
Equipment	102	166	-	(49)	219
Total	44,812	587	-	(461)	44,938

31/12/2016

	Carrying Value as at 01/01/16	Additions	Disposals	*Depreciation	Carrying Value As at 31/12/16
Freehold Land	27,434	-	-	-	27,434
Buildings	17,525	159	-	(408)	17,276
Equipment	146	8	(19)	(33)	102
Total	45,105	167	(19)	(441)	44,812

***Analysis of Accumulated Depreciation**

31/12/2017

Accumulated Depreciation	Value as at 01/01/17	Depreciation Expense	Value as at 31/12/17
Buildings	(3,717)	(412)	(4,129)
Equipment	(427)	(49)	(476)
Total	(4,144)	(461)	(4,605)

31/12/2016

Accumulated Depreciation	Value as at 01/01/16	Depreciation Expense	Value as at 31/12/16
Buildings	(3,309)	(408)	(3,717)
Equipment	(394)	(33)	(427)
Total	(3,703)	(441)	(4,144)

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

9 Investments

	2017 \$000	2016 \$000
<i>Investments Comprise:</i>		
Investment in New Zealand Bonds	16,380	17,550
Investment in Private Equity Investments	14,822	11,534
Investment in International Equities Unit Trusts	88,685	73,071
Investments in International Bonds	27,316	28,718
Investment in Other Investment Funds	34,574	28,562
	181,777	159,435

10 Investment Property

All properties were valued at 31 December 2017 at fair value by the following Independent valuers:

Valuer	2017 \$000	2016 \$000
CB Richard Ellis Ltd:		
C Stewart (ANZIV, SPINZ)		
J Williams (BBS (VPM), ANZIL, SPINZ)		
T Arnott (BCOM(VPM), MPINZ)	39,100	36,800
Savills		
S Dunlop (ANZIV, SPINZ)	84,750	89,450
Jones Lang LaSalle		
W Roberts (SPINZ, ANZIV, MRICS)	49,980	37,710
L Rooney (BProp, MPINZ)	-	12,000
D Winfield (BCom (VPM), MPINZ, MRICS)	12,250	-
Colliers International Ltd		
LM Parlane (BBS (VPM), ANZIV, SPINZ)	14,990	14,045
A Long (BPA, ANZIV, SPINZ)	1,460	1,560
R Clark (BCOM(VPM), MPINZ)	20,200	19,400
	222,730	210,965
Total Investment Property	222,730	210,965

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

10 Investment Property (Continued)

Reconciliation of Movements In Property Values	2017 \$000	2016 \$000
Opening Value	210,965	154,470
Additions	2,227	37,635
Disposals	-	-
Lease Inducements	371	474
Fair Value Changes	9,167	18,386
Closing Value	222,730	210,965

The following table provides an analysis of investment property that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	2017			2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment Property	-	-	222,730	-	-	210,965

There were no transfers between the levels in 2017 and in 2016.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

11 Joint Operations

15 Home Place, Albany

St John's College Trust has entered into a joint operation with the Melanesian Mission Trust in relation to the property at 15 Home Place, Albany. The joint operation is a 50/50 split with all assets, liabilities and revenue and expenses being recognised on this basis. The two owners share joint control over the property.

St John's College Trust invoices the tenant for the 50% share of the rental income. All development expenditure is also invoiced to each joint operation partner directly. No transactions have occurred between the joint operation partners separately. The 50% share of the Asset value is \$11,550,000 (2016: \$10,250,000), there were no liabilities at year end (2016: Nil). Rental income received amounted to \$665,700 (2016: \$650,568). Net property expenses amounted to \$25,187 (2016: \$4,814).

1-15 The Avenue, Lynfield

St John's College Trust has entered into a joint operation with the Trust Investments Property Fund in relation to the property at 1-15 The Avenue, Lynfield. The joint operation is a 50/50 split with all assets, liabilities and revenue and expenses being recognised on this basis. The two owners share joint control over the property.

St John's College Trust invoices the tenant for the 50% share of the rental income. All development expenditure is also invoiced to each joint operation partner directly. No transactions have occurred between the joint operation partners separately. The 50% share of the Asset value is \$12,250,000 (2016: \$12,000,000), there were no liabilities at year end (2016: Nil). Rental income received amounted to \$782,890 (2016: \$774,614). Net property expenses amounted to \$31,512 (2016: \$40,892).

421/433 and 439 East Tamaki Road, East Tamaki

St John's College Trust has entered into a joint operation with the Trust Investments Property Fund in relation to the property at 421/433 and 439 East Tamaki Drive, East Tamaki. The joint operation is a 50/50 split with all assets, liabilities and revenue and expenses being recognised on this basis. The two owners share joint control over the property.

St John's College Trust invoices the tenant for the 50% share of the rental income. All development expenditure is also invoiced to each joint operation partner directly. No transactions have occurred between the joint operation partners separately. The 50% share of the Asset value is \$13,975,000 (2016: \$13,250,000), there were no liabilities owing at year end (2016: nil). Rental income received amounted to \$899,856 (2016: \$1,099,085). Net property expenses amounted to \$213,842 (2016: \$62,113).

441 East Tamaki Road, East Tamaki

St John's College Trust has entered into a joint operation with the Trust Investments Property Fund in relation to the property at 441 East Tamaki Drive, East Tamaki. The joint operation is a 50/50 split with all assets, liabilities and revenue and expenses being recognised on this basis. The two owners share joint control over the property.

St John's College Trust invoices the tenant for the 50% share of the rental income. All development expenditure is also invoiced to each joint operation partner directly. No transactions have occurred between the joint operation partners separately. The 50% share of the Asset value is \$1,015,000 (2016: \$795,000), there were no liabilities owing at year end (2016: nil). Rental income received amounted to \$34,547 (2016: 14,164). Net property expenses amounted to \$7,687 (2016: \$10,135).

12 Trade Payables

	2017 \$000	2016 \$000
Trade Creditors	876	811
Sundry Creditors and Accruals	118	264
	994	1,075

The average credit period on purchase of goods and services is 30 days. The Trust's has credit management policies in place to ensure that all payables are paid within the credit timeframe.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

13 Reserves

	2017 \$000	2016 \$000
Realised/Unrealised Investments Gains/(Losses) Reserve		
Balance at 1 January	353,132	327,728
Capital Gains Transfer from Accumulated Income	27,801	25,404
Balance at 31 December	380,933	353,132
Accumulated Income-Not Available for Distribution *		
Balance at 1 January	43,722	43,722
Balance at 31 December	43,722	43,722
Total Non Distributable Reserves	424,655	396,854
Income Equalisation Reserve		
Balance at 1 January	14,165	14,165
Balance at 31 December	14,165	14,165
Special Reserve		
Balance at 1 January		-
Transfer from/(to) Accumulated Income	3,000	-
Balance at 31 December	3,000	-
Accumulated Income **		
Balance at 1 January	20,217	19,612
Total comprehensive Income for the year	44,659	38,292
Transfer Capital (Gains) (to)/ from Accumulated Income	(27,801)	(25,404)
Transfer (to)/ from Special Reserve	(3,000)	-
Distributions to Beneficiaries	(13,815)	(12,282)
Balance at 31 December	20,260	20,217
Total Distributable Reserves	37,425	34,382
Total Reserves	462,080	431,236

*Accumulated Income-Not Available for Distribution, represents the portion of net income relating to the College land, buildings & freehold residential properties held for the use of the Trust's beneficiary or for administrative purposes.

**Accumulated Income represents the portion of net income from operations that have been retained.

14 Reconciliation of Total Comprehensive Income for the Year with Cash Inflow from Operating Activities

	2017 \$000	2016 \$000
Total Comprehensive Income for the Year	44,659	38,292
Add/(Less) Non-Cash Items:		
Capital (Gains)	(28,335)	(25,073)
Lease Inducements	(371)	136
Amortisation on New Zealand Bonds	51	92
Depreciation	461	441
Reinvested Investment Income	(6,006)	(2,638)
	(34,200)	(27,042)
Movement in Working Capital:		
(Increase)/Decrease In Trade and Other Receivables	112	868
Increase/(Decrease) in Property Settlement Debtors		(621)
(Decrease)/Increase In Trade Payable	(82)	464
Net Cash Inflow from Operating activities	10,489	11,961

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

15 Financial Instruments

Categories of Financial Instruments

	2017				
	Held for Trading	Designated at Fair Value through profit and loss	Loans and Receivables	Held at Amortised Cost	Total
Cash and Cash Equivalents	-	-	1,955	-	1,955
Term Deposits	-	-	1,600	-	1,600
Loan	-	-	200	-	200
Term Loan	-	-	9,219	-	9,219
Trade and Other Receivables	-	-	655	-	655
Foreign Exchange Contracts	-	-	-	-	-
Total Financial Assets		181,777	13,629	-	195,406
Other Financial Liabilities *	-	-	-	-	-
Total Financial Liabilities	-	-	-	994	994

	2016				
	Held for Trading	Designated at Fair Value through profit and loss	Loans and Receivables	Held at Amortised Cost	Total
Cash and Cash Equivalents	-	-	3,947	-	3,947
Term Deposits	-	-	3,500	-	3,500
Loan	-	-	200	-	200
Term Loan	-	-	8,683	-	8,683
Trade and Other Receivables	-	-	769	-	769
Foreign Exchange Contracts	-	-	-	-	-
Total Financial Assets		159,435	17,099	-	176,534
Other Financial Liabilities *	-	-	-	-	-
Total Financial Liabilities	-	-	-	1,075	1,075

* Excluding GST Payable at year end.

Fair Value

The fair value of financial assets and liabilities are equivalent to their carrying values as reflected in the Statement of Financial Position.

ST JOHN'S COLLEGE TRUST BOARD

Notes to the Financial Statements

For the year ended 31 December 2017

15 Financial Instruments (Continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	2017		
	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial Assets: Fair Value Through Profit and Loss			
New Zealand Bonds	16,380	-	-
International Bonds	-	27,316	-
International Equities	-	88,685	-
Australasian Equities	-	34,574	-
Private Equity	-	-	14,822
	2016		
	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial Assets: Fair Value Through Profit and Loss			
New Zealand Bonds	17,550	-	-
International Bonds	-	28,718	-
International Equities	-	73,071	-
Australasian Equities	-	28,563	-
Private Equity	-	-	11,534

There were no transfers between levels 1 & 2 in 2017 and 2016.

Reconciliation of level 3 fair value measurement of financial assets:	2017 \$000	2016 \$000
Opening Value	11,534	12,797
Purchases	3,838	1,401
Return of Equity	(847)	(3,169)
Fair Value Changes	297	505
Closing Value	14,822	11,534

Credit Risk

Financial instruments that potentially subject the Trust to credit risk principally consist of cash and cash equivalents, short term deposits, debt instruments and trade receivables. The Trust performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk as at balance date are:

	2017 \$000	2016 \$000
Cash & Cash Equivalents	1,955	3,947
Term Deposits	1,600	3,500
Loans and Advances	9,419	8,883
Trade Receivables	110	80
Interest Receivable	217	196
Other Trade Receivables	328	493
New Zealand Bonds	16,380	17,550

Accounts receivable with respect to tenants are due on the date of invoice pursuant to lease agreements. Other receivables are due within 30 days from the date of invoice. No debtors are considered doubtful.

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

15 Financial Instruments (Continued)

Credit Risk Management

The Trusts exposure and the credit ratings of counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed regularly. On going credit evaluation is performed on the financial condition of trade receivables. The credit risk on liquid fund and derivative financial instruments is limited because the counterparties are banks currently with high credit ratings assigned by international credit rating agencies.

Debt Instruments Standard and Poors Long Term Ratings	2017 \$000	2016 \$000
AAA	6,483	8,589
AA+, AA, AA-	7,934	8,446
A+, A, A-	726	-
BBB+	1,237	515
	16,380	17,550

Capital Management

The total equity of the Trust is considered the Trust's capital.

A summary of the objective of capital management and processes in place to achieve that objective for the Trust is detailed below:

Objective	Process
That the value of the investment capital of the Trusts be preserved in real terms so that the monetary value will grow at not less than New Zealand's underlying rate of inflation over any five year period.	Regular monitoring and review of the Trust's asset allocation with consideration to the beneficiaries income requirements.

Liquidity Risk

The Trust is exposed to liquidity risk, because its investments in Investment Property and Private Equity are not considered readily realisable.

Liquidity Risk Management

The liquidity risk is managed by the Trust maintaining sufficient liquid assets to meet any expenditure and distribution requirements. Further, Trustees are able to determine the level and timing of any distributions to beneficiaries.

Currency Risk

The Trust's investment in International Bonds is not exposed to currency risk as investment is denominated in New Zealand dollars, and the underlying fund enters into forward contracts to cover its currency risk.

The Trust's investment in Vanguard Emerging Markets Shares Index Fund and Small Companies Index Fund is exposed to currency risk as the investment is denominated in Australian dollars and there are no forward foreign currency contracts in place to cover this risk.



ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

15 Financial Instruments (Continued)

Interest Rate Risk

The Trust's exposure to interest rate risk arises from its investments in the Trust Investments International Bond Fund & directs investments into New Zealand Bonds. The Trust's exposure to this risk is managed by maintaining a diverse investment portfolio which includes a number of investments not materially affected by the interest rates.

	2017 \$000	2016 \$000
Debt Instruments		
Less than one year		1,883
One to three years	9,533	8,059
Three to five years	2,191	4,269
Greater than five years	4,656	3,339
Total	16,380	17,550

	2017 %	2016 %
Weighted average rate at balance date		
Debt Instruments	4.58%	5.02%



ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

15 Financial Instruments (Continued)

Sensitivity Analysis

Interest Rate Risk

The below table shows the effect at reporting date, if interest rates had been 50 basis points, 100 basis points and 150 basis points higher or lower. A range from 50 to 150 basis points has been used as trustees believe this is a likely range for possible changes in interest rates, in any given year.

Change in Interest Rates 2017

	1.5% (\$000)	1.0% (\$000)	0.5% (\$000)	-0.5% (\$000)	-1.0% (\$000)	-1.5% (\$000)
New Zealand Bonds						
Effect on Total Comprehensive Income for the Year	(771)	(514)	(257)	257	514	771
Effect on Total Equity	(771)	(514)	(257)	257	514	771

Change in Interest Rates 2016

	1.5% (\$000)	1.0% (\$000)	0.5% (\$000)	-0.5% (\$000)	-1.0% (\$000)	-1.5% (\$000)
New Zealand Bonds						
Effect on Total Comprehensive Income for the Year	(877)	(584)	(292)	292	584	877
Effect on Total Equity	(877)	(584)	(292)	292	584	877

The International Bond Investment has exposure to interest rate risk, however, because the Trust invests in a Unit Trust, insufficient information is available to perform a sensitivity analysis on the effects of changes in interest rates, in the various countries where the Unit Trust invests. A sensitivity analysis has been performed under the "market risk" category to show impacts in changes in unit price.

Market Risk

The below table shows the effect at reporting date, if market values had been 5 percent, 10 percent and 15 percent higher or lower. A range from 5 to 15 percent has been used as management believe this is a likely range for possible changes in market values, in any given year.

Change in Market Value of Investments 2017

	15%	10%	5%	-5%	-10%	-15%
Effect on Total Comprehensive Income for the Year						
International Shares	13,303	8,869	4,434	(4,434)	(8,869)	(13,303)
International Bonds	4,097	2,732	1,366	(1,366)	(2,732)	(4,097)
New Zealand and Australasian Equities	7,409	4,939	2,470	(2,470)	(4,939)	(7,409)
Effect on Total Equity						
International Shares	13,303	8,869	4,434	(4,434)	(8,869)	(13,303)
International Bonds	4,097	2,732	1,366	(1,366)	(2,732)	(4,097)
New Zealand and Australasian Equities	7,409	4,939	2,470	(2,470)	(4,939)	(7,409)



ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

15 Financial Instruments (Continued)

Sensitivity Analysis (Continued)

Market Risk (Continued)

Change in Market Value of Investments 2016

Effect on Total Comprehensive Income for the Year	15%	10%	5%	-5%	-10%	-15%
International Shares	10,961	7,307	3,654	(3,654)	(7,307)	(10,961)
International Bonds	4,308	2,872	1,436	(1,436)	(2,872)	(4,308)
New Zealand Equities	6,015	4,010	2,005	(2,005)	(4,010)	(6,015)

Effect on Total Equity	15%	10%	5%	-5%	-10%	-15%
International Shares	10,961	7,307	3,654	(3,654)	(7,307)	(10,961)
International Bonds	4,308	2,872	1,436	(1,436)	(2,872)	(4,308)
Investment Property	33,410	22,273	11,137	(11,137)	(22,273)	(33,410)
New Zealand Equities	6,015	4,010	2,005	(2,005)	(4,010)	(6,015)

Currency Risk

The Trust's investments in International Equities has exposure to currency risk, however, because the Trust invests in a Unit Trust, insufficient information is available to perform a sensitivity analysis on the effects of changes in foreign exchange rates, in the various countries where the Unit Trust invests. A sensitivity analysis has been performed under the "market risk" category to show impacts in changes in unit price.

16 Contingent Liabilities and Commitments

The Trust has committed to investments of \$28,330,000 into the following Private Equity Funds (2016: \$23,330,000):

	Commitment 2017 \$000	Called 2017 \$000
Direct Capital IV	4,830	3,486
Direct Capital V	5,000	1,900
Maui Capital Indigo	6,000	3,930
Continuity	5,000	3,000
Waterman Fund 2	4,000	2,942
Waterman Fund 3	1,500	716
Maui Capital Aqua Fund	2,000	1,540
	28,330	17,514

	Commitment 2016 \$000	Called 2016 \$000
Direct Capital IV	4,830	3,463
Maui Capital Indigo	6,000	4,665
Continuity	5,000	1,750
Waterman Fund 2	4,000	2,932
Waterman Fund 3	1,500	318
Maui Capital Aqua Fund	2,000	1,300
	23,330	14,428

ST JOHN'S COLLEGE TRUST BOARD
Notes to the Financial Statements
For the year ended 31 December 2017

17 Operating Lease Arrangements

Leasing Arrangements - St John's College Trust Board as Lessor.

Operating leases relate to investment property owned by the Trust with lease terms of between 0.5 - 17 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

The property rental income earned from investment property during the period amounted to \$13,282,864 (2016: \$11,364,812). Direct operating expenses arising on investment property in the period amounted \$3,567,521 (2016: \$3,300,525).

The table below shows the rental receivable from non-cancellable operating leases, over the remainder of the lease period.

<u>Non-cancellable operating lease receivables</u>	2017 \$000	2016 \$000
Not longer than 1 year	13,992	11,924
Longer than 1 year and not longer than 5 years	37,610	38,616
Longer than 5 years.	30,860	30,631
	82,462	81,171

18 Subsequent Events

There have been no material post balance sheet events which would require disclosure or adjustment to the December 2017 Financial Statements.

19 Related parties

Trust Investment Management Limited

Trustees have determined that Trust Investments Management Limited (TIML) is the key management personnel for the Trust. TIML provides professional services and investment management in accordance with a mandate approved by the Board.

During the year, the Trust engaged the professional services of TIML as the primary service provider to the Trust. Total remuneration to TIML was to the value of \$2,314,217 (2016: \$1,960,719), and includes management expenses.

At balance date \$66,387 was outstanding to TIML (2016: \$232,604). Outstanding amounts are due and payable within 30 days from the date of invoice. No amounts have been written off during the year.

Te Aute Trust Board

On the 3rd December 2013, all Trustees of the St John's College Trust Board were appointed Trustees of the Te Aute Trust Board. During 2014, the Trust agreed the terms of a loan to the Te Aute Trust Board (refer to Note 7). As at 31 December 2017 Maui Tangohau and Archbishop Philip Richardson remained Trustees of the Te Aute Trust Board.



Independent Auditor's Report

To the trustees of Saint John's College Trust Board

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Saint John's College Trust Board (the trust) on pages 3 to 27:

- i. present fairly in all material respects the trust's financial position as at 31 December 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). 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 trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the trust.



Use of this Independent Auditor's Report

This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in the Independent 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, this report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards);
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Independent 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 NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

This description forms part of our Independent Auditor's Report.



KPMG
18 April 2018