

ROTORUA TRUST

Consolidated financial statements

For the period from 22 July 2015 to 30 June 2016

ROTORUA TRUST

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For and on behalf of Trustees



GISELLE OCAMPO
DIRECTOR



REY TAYLOR
DIRECTOR



ROTORUA TRUST

Statements of profit or loss and other comprehensive income
For the period from 22 July 2015 to 30 June 2016

	Group 2016 US\$	Trust 2016 US\$
Administrative expenses		
Legal and professional	1,485	950
Formation expenses	2,800	2,800
	<u>(4,285)</u>	<u>(3,750)</u>
Loss before taxation	<u>(4,285)</u>	<u>(3,750)</u>
Taxation	-	-
Loss for the period	<u>(4,285)</u>	<u>(3,750)</u>
Total comprehensive income	<u>(4,285)</u>	<u>(3,750)</u>

The notes on pages 4 to 7 form an integral part of these financial statements.



ROTORUA TRUST

Statements of financial position
At 30 June 2016

	Notes	Group 2016 US\$	Trust 2016 US\$
ASSETS			
Non-current assets			
Investment in subsidiaries	5	-	100
Current assets			
Trade and other receivables	6	950	950
Total assets		950	1,050
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated losses		(4,285)	(3,750)
Deficiency		(4,285)	(3,750)
Non-current liabilities			
Long-term borrowings	8	5,235	4,800
Total liabilities		5,235	4,800
Total equity and liabilities		950	1,050

Orion Trust New Zealand

Date: _____

Orion Trust New Zealand

Date: _____

The notes on pages 4 to 7 form an integral part of these financial statements.



ROTORUA TRUST

Statements of changes in equity
For the period from 22 July 2015 to 30 June 2016

Group

	Accumulated losses US\$	Total US\$
Loss for the period	(4,285)	(4,285)
Other comprehensive income	-	-
At 30 June 2016	(4,285)	(4,285)

Trust

	Accumulated losses US\$	Total US\$
Loss for the period	(3,750)	(3,750)
Other comprehensive income	-	-
At 30 June 2016	(3,750)	(3,750)

The notes on pages 4 to 7 form an integral part of these financial statements.



ROTORUA TRUST

Notes to the financial statements
For the period from 22 July 2015 to 30 June 2016

1 General information

Rotorua Trust is a trust set up in New Zealand and registered with the New Zealand Tax Department on 12 November 2015. The entity is intended solely as a family trust. Its registered office is at c/o Bentley Chartered Accountants, 13th Floor, DLA Piper Tower, 205, Queen Street, Auckland 1010, New Zealand. These financial statements cover the period from inception date of 22 July 2015 to 30 June 2016.

2 Accounting policies

Accounting convention and basis of preparation

These consolidated financial statements are presented using the United States Dollar, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the group and the trust. These special purpose financial statements are prepared in accordance with the accounting policies set out below, which have been applied consistently to all periods presented in these consolidated financial statements.

Trusts in New Zealand are not required to have an audit. However, the settlor has requested the trustees to prepare these special purpose financial statements and subsequently have them audited.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and the trust's accounting policies (see note 3 - Critical accounting estimates and judgements).

Basis of consolidation

These financial statements include the results and the activity of the parent entity; Rotorua Trust, and of its fully-owned subsidiary; Hearnville Inc. There have been no trading activities undertaken during the period and to date of signing of the audit report.

Control is presumed to exist where more than one half of the subsidiary's voting power is controlled by the parent entity, or the parent entity is able to govern the financial and operating policies of the subsidiary, or control the removal or appointment of a majority of the subsidiary's board of directors. Intra group balances and transactions are eliminated on consolidation.

The results of subsidiary undertakings acquired or sold during the period are included in the consolidated statement of profit or loss and comprehensive income from or to the effective date of acquisition or disposal. The acquisition of subsidiaries is accounted for by applying the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets less liabilities incurred and equity instruments issued by the group in exchange for control plus any costs directly attributable to the business combination.



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Notes to the financial statements
For the period from 22 July 2015 to 30 June 2016

2 Accounting policies (continued)

Basis of consolidation (continued)

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition is recognised as goodwill. Goodwill is initially recognised at cost and is subsequently measured at cost less any impairment losses. Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, after reassessment, is recognised immediately in the statement of profit or loss and comprehensive income.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. After initial recognition, minority interest in the net assets consists of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Financial assets

Investment in subsidiaries is stated at cost less impairment losses. The investment in Hearnville Inc has been recorded at cost. There have been no trading activities undertaken by Hearnville Inc during the period.

Financial liabilities

The group and trust's financial liabilities include borrowings, which are measured at amortised cost using the effective interest rate method. Financial liabilities are recognised when the group or trust becomes a party to the contractual agreements of the instrument. Any changes in fair value are reported in the statement of profit or loss and other comprehensive income.

Interest-related charges are recognised as an expense in the period in which they are incurred.

Impairment

The carrying amounts of the group and trust's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.



ROTORUA TRUST

Notes to the financial statements
For the period from 22 July 2015 to 30 June 2016

2 Accounting policies (continued)

Basis of consolidation (continued)

Foreign currencies

The financial statements are presented in United States Dollar, being the group and trust's functional and presentation currency. Transactions denominated in foreign currencies are translated into United States Dollar at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into United States Dollar at the rates of exchange prevailing at the date of the statement of financial position. Translation differences are dealt with through the statement of profit or loss and other comprehensive income in the period in which they arise.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the trustees, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical.

4. Going concern

As shown in the accompanying financial statements, as at 30 June 2016, the group and trust's liabilities exceeded its assets by US\$ 4,285 and US\$ 3,750 respectively. This factor indicates that the group and trust may be unable to continue as a going concern, unless with the continued support of its settlor.

5. Non-current financial assets

Company

The investment in subsidiaries relates to ownership of a wholly-owned subsidiary; Hearnville Inc. There have not been any transactions undertaken by the company during the period and to date of signing of the audit report.

6. Trade and other receivables

	Group 2016 US\$	Trust 2016 US\$
Prepayments	950	950



ROTORUA TRUST

Notes to the financial statements
For the period from 22 July 2015 to 30 June 2016

7. Cash and bank balances

During the period under review, the trust as well as Hearnville Inc held no bank accounts.

8. Borrowings

	Group 2016 US\$	Trust 2016 US\$
Amounts owed to related party - settlor	(5,235)	(4,800)

9. Risk management objectives and policies

The group is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from its operating and investing activities. The group's risk management is co-ordinated by the trustees and focuses on actively securing the group and the trust's short to medium term cash flows by minimizing the exposure to financial risk.

The most significant financial risks to which the group and the trust are exposed to are described below.

Credit risk

None of the group and trust's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

The group and trust's exposure to liquidity risk arises from their obligations to meet financial liabilities, which comprise borrowings. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the group and trust's obligations when they become due.

At 30 June 2016, there were no contractual maturities on the financial liabilities of the group and the trust. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the statements of financial position.

Foreign currency risk

Most of the group and trust's transactions are carried out in United States Dollar. Exposure to currency exchange rates arises from the group and trust's transactions in foreign currencies.

Interest rate risk

The group's exposure to interest rate risk is limited as it does not have any borrowings bearing variable interest rates.



INDEPENDENT AUDITOR'S REPORT

To the Corporate Trustee of Rotorua Trust

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rotorua Trust on pages 1 to 7, which comprise the statements of financial position as at 30 June 2016, the statements of profit or loss and other comprehensive income and the statements of changes in equity for the period then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely for the Corporate Trustee and our audit has been undertaken so that we might state to the trustee those matters we are required to state to the trustee in our 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 Trustee, for our audit work, for this report, or for the opinion we have formed.

Corporate Trustee's Responsibility for the Financial Statements

The corporate trustee is responsible on behalf of the entity for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting policies as disclosed in the notes of the financial statements, and for such internal control as the trustee determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the consolidated financial statements on pages 1 to 7 present fairly, in all material respects, the financial position of the group and Rotorua Trust as at 30 June 2016 and their financial performance for the period then ended in accordance with the stated accounting policies set out in the attached notes to the financial statements.



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Basis of Accounting and Restriction of Distribution

Without modifying our opinion, we draw attention to the stated accounting policies in the notes of the financial statements, which describes the basis of accounting.

We also draw your attention that this report is made solely for the Corporate Trustee and our audit has been undertaken so that we might state to the Trustee those matters we are required to state to the trustee in our 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 trustee, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath

Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
21 September 2016