

## Report from the Chair:

Reflecting its principal business of funding projects that foster and enhance sustainable management of the ecological resources, the Waikato Catchment Ecological Enhancement Trust considered 34 applications in the 2016 funding round. Of these, 23 were approved with a total investment of \$662 410. Trustees also reported on partially completed projects from previous years, and 13 were noted as completed. Almost all projects funded involve multi-year cycles and are often the “plants and planting” components of larger projects and aligns well with Trust objectives to support projects with strong biodiversity outcomes.

Trust business in 2015/16 has largely proceeded as usual, apart from two administrative changes made to our processes. The first of these was to change the dates for the funding round such that applications closed on 31<sup>st</sup> March 2016. This was done to get better alignment between Trust processes and those of other funding agencies such as Waikato River Authority, to expedite work load for applicants approaching multiple funders for a project.

The second administrative change has been that the Trust’s annual reports have been prepared using the new format required of Tier 3 Public Benefit Entities. This change means that components of our Annual Report, on matters of Trust purpose and objective, as well as those tables of projects completed and applications approved are transferred into the Annual Performance Report alongside the financial information as was documented previously. Associated therefore, the annual chairperson’s report has been reduced and re-formatted into an abbreviated version to accompany the other papers, rather than to reiterate its contents.

The Trust’s investment fund continues to maintain its value and provide income for investment into projects in the coming years. While returns in the NZX would have outstripped what the Trust has received from its investments, the finance committee remains conservative in its decisions to protect and ensure ongoing growth of the fund.

I would like to thank all Trustees for their diligence during the year in support of the Trust and its work. Particular thanks go to Larnie Chrystall for the great administrative support that she provides, and especially this particular year as the changes to the reporting framework has created an additional burden. On behalf of the Trust, thanks are also due to Helen Walker and Bernard Lamusse from BDO who have provided accounting services, and to Steve Laurie of Craigs Investments for his assistance with investment analysis. And finally I would like to thank Mercury, especially for the seamless constancy of their support as they have transitioned from Mighty River Power and their contributions to the Trust’s administration.



CHAIRPERSON



# Performance Report

The Waikato Catchment Ecological Enhancement Charitable  
Trust

For the year ended 30 June 2016

Prepared by BDO Waikato Limited

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# Compilation Report

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

Compilation Report to the Trustees of Waikato Catchment Ecological Enhancement Charitable Trust.

### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Waikato Catchment Ecological Enhancement Charitable Trust for the year ended 30 June 2016.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

### Responsibilities

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

### Independence

We have no involvement with Waikato Catchment Ecological Enhancement Charitable Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### Disclaimer

We have compiled these financial statements based on information provided. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

Director

BDO Waikato Ltd

1026 Victoria Street, Hamilton

# Entity Information

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

### Legal Name of Entity

The Waikato Catchment Ecological Enhancement Charitable Trust

### Entity Type and Legal Basis

Charitable Trust and Registered Charity

### Registration Number

CC25746

### Purpose or Mission

The Waikato Catchment Ecological Enhancement Trust (WCEET) assists organisations, agencies and individuals with projects that foster and enhance the sustainable management of ecological resources in the Lake Taupo and Waikato River catchment. We do this by considering applications from parties wishing to undertake appropriate projects within the Waikato River catchment, providing funding grants where projects meet the Trust's criteria, and monitoring and reporting on such projects.

### Trust Structure

Our trust deed states that we must have between seven and twelve Trustees. Currently the Trust has eight Trustees that constitute our governance board which includes a Chairperson. The eight trustees nominated, two are from Department of Conservation, Fish and Game, and Mercury Limited and one each by ACRE (Advisory Committee for Regional Environment) and Royal Forest and Bird Protection Society Incorporated. Waikato Regional Council nominates an Observer without voting rights.

### Main Sources of the Entity's Cash and Resources

The entity's activities are funded by earnings from the Trust's investment portfolio and the annual payment from Mercury Limited (formerly Mighty River Power Limited), as well as any interest earned through bank accounts.

### Main Methods Used by Entity to Raise Funds

Investment Capital

### Entity's Reliance on Volunteers and Donated Goods or Services

Mercury Limited supports costs associated with the administration of the Trust's functions e.g. secretarial services, accountancy, website and all administration costs. Trustees are not paid any honorarium, and effectively donate their time for meetings and to action their responsibilities to liaise with projects undertaken. The Trustees are in paid employment and their employer effectively donates their time.



## Additional Information

The Waikato Catchment Ecological Enhancement Trust was formed with the execution of the Trust Deed on 13 June 2003. The Trust originated from the resource consent process for Mighty River Power's continued operation of the Waikato Hydro System. Mighty River Power, the owner and operator of the Waikato Hydro Scheme applied under the Resource Management Act (RMA) to replace the expiring resource consents that authorise the operation of the Hydro Scheme.

The organisations that are party to the Trust worked together to develop an appropriate response, in RMA terms, to the consent applications. They recognised that a variety of ecological changes were occurring in Lake Taupo, the Waikato River and the hydro lake environments resulting from a combination of natural processes, other activities in the catchment and the operation of the Hydro Scheme.

The contributing organisations sought to develop practical means to achieve:

- an acceptable response to the ongoing ecological changes occurring throughout the Lake Taupo and Waikato River catchments;
- an acceptable response to changes associated with the operation of the Waikato Hydro System; and,
- wider ecological benefits in the Lake Taupo and Waikato River catchments.

A Memorandum of Understanding was developed between the interested parties which included establishment of a fund from Mighty River Power, and formation of the Trust with representation allocated to all interested parties, to invest that fund in projects that meet the Trust's criteria.

A fund was established to address issues of concern due to effects of system operation on riparian areas and the ecological resources they could sustain. At its inauguration, the Trust was paid 50% of the total agreed amount which was placed into an investment fund. The balance of the agreed amount is received as an annual increment, adjusted annually for changes in the CPI.

## Contact Details

### Physical Address

17 Grantham Street, Hamilton

### Postal Address

PO Box 445, Waikato Mail Centre

### Email

[enquiries@wceet.org.nz](mailto:enquiries@wceet.org.nz)

### Website

[www.wceet.org.nz](http://www.wceet.org.nz)





# Statement of Service Performance

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

### Description of Entity's Outcomes

The outcomes of The Waikato Catchment Ecological Enhancement Charitable Trust includes:

1. To foster and enhance the sustainable management of the ecological resources in the Lake Taupo and Waikato River catchments;
2. To mitigate adverse effects of the operation of the Waikato Hydro Scheme on the ecological environments in the Lake Taupo and Waikato River catchments;
3. To maintain and enhance:
  1. Indigenous biodiversity; and
  2. Sports fishery and game bird populations, in the Lake Taupo and Waikato River catchments through appropriate and sustainable species and habitat management by:
    1. Identifying important habitats and/or species;
    2. Identifying risks and threats to those identified habitats and/or species;
    3. Identifying the most practicable means to ameliorate or resolve risks and threats to habitats and species in the catchment;
    4. Identifying practical means to enhance important habitats and/or species;
    5. Establishing an enduring and beneficial working partnership between Mighty River Power and the Trust

2016 2015

### Description and Quantification of the Entity's Outputs

Projects Completed - Total Paid	560,156	305,407
Projects Considered at Annual Funding Round/Grants Awarded	662,410	510,371

### Description and Quantification of the Entity's Outputs

#### Projects Completed in the 2016 Financial Year

Application Number	Applicant	Project
2015/12	Mangakotukutuku Streamcare Group	Mangakotukutuku Stream Restoration at Resthills Park
2014/36	Maniapoto Maori Trust Board	Mangatea Stream and Te Awa Koura Restoration Project
2014/31	Kurt Water and Katharina Bucher	Totara Downs Environment at Protection Mission
2014/16	Fish & Game Auckland/Waikato Region	Stuart Eyre Wetland Restoration
2014/09	Pirongia Te Aroaro o Kahu Restoration Society Inc	Mangakaraa Project
2014/02	Doug McCauley	Glenim Family Farm Lower Wetland Restoration
2013/10	Waikato RiverCare	Hakarimata Extension A
2013/07	Lower Mangapiko Streamcare Group Inc	Montefiore reserve





2012/05	Howick Tramping Club	Northern Pureora Kokako Recovery Project (Mangatutu: 1500ha. Cowan Wildlife Refuge/Tunawaea)
2011/18	Pukawa Wildlife Management Trust (PWMT)	Pukawa Wildlife Management Project
2011/16	Advocates for the Tongariro River Societ	Tongariro River Restoration
2010/05	Department of Conservation - Rotorua Lakes Area Office	Lake Ngahewa Recreation Reserve
2008/04	Eastern Region Fish and Game BOP	Ohakki Wetland

### List of Applications Approved during 2016 Funding Round

Application Number	Project	2016	2017	2018	2019	2020	Total
2016/01	Tunaek Station			\$20,000	\$20,000	\$20,000	\$60,000
2016/03	Karapiro Stream	\$20,000	\$10,000				\$30,000
2016/06	Waikato River	\$20,000	\$20,000	\$20,000			\$60,000
2016/09	Northern Pureora Kokaka Recovery Project	\$8,664	\$11,262	\$9,080			\$29,006
2016/10	Lake Ohinewai Project	\$7,300	\$78,335	\$6,200			\$91,835
2016/11	Mangawara Catchment	\$24,654	\$3,000	\$3,000	\$3,000		\$33,654
2016/12	Continuation of Lake Waahi Planting Project – Shaw Wetland	\$14,625	\$2,340				\$16,965
2016/14	Te Rautehuia Wetland	\$5,002	\$5,002	\$3,277			\$13,282
2016/16	Hardcastle's & Mihi Bridge Wetlands	\$6,813					\$6,814
2016/17	Waituhi Kuratau	\$17,687	\$22,098	\$29,095			\$68,880
2016/19	Kainui Mammalian Pest Control 2016	\$11,885					\$11,885
2016/20	Mangakowhiriwhiri Stream Wetland Restoration		\$10,000	\$13,803	\$18,700		\$42,503
2016/21	Totara Downs Environment at Protection Mission	\$8,190	\$12,824				\$21,015
2016/22	Whakaipo Bay Replanting	\$2,500	\$16,001	\$12,372	\$4,242		\$35,115
2016/23	Wetland Protection Project	\$6,011	\$4,731	\$1,814			\$12,558



2016/25	Mangaotama Wetland Restoration and Stream Enhancement Project	\$5,000	\$5,000	\$2,500		\$12,500
2016/27	Lake Maratoto Manuka Wetland Enhancement Project	\$4,700	\$40,000			\$44,700
2016/28	Lake Hotoanaga Planting Project - Chris Jew's Wetland	\$8,783	\$1,405			\$10,188
2016/29	Karapiro Stream Riparian and Wetland Restoration	\$9,200	\$1,472			\$10,672
2016/30	DOC200 Trap Network Upgrade	\$2,415	\$2,587	\$2,691		\$7,694
2016/31	Pukerangi	\$13,440	\$17,640			\$31,080
2016/33	Riparian Planting Hardcastles Lagoon	\$10,683				\$10,684
2016/34	Predator Trapping Waikare West	\$1,380				\$1,380
Total						\$662,410



# Statement of Financial Performance

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

	NOTES	2016	2015
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	206,891	205,606
Interest, dividends and other investment revenue	1	207,097	316,757
Other revenue	1	6,220	116,300
<b>Total Revenue</b>		<b>420,209</b>	<b>638,663</b>
<b>Expenses</b>			
Costs related to providing goods or services	2	564	93
Grants and donations made	2	599,709	442,834
Other expenses	2	5,106	4,368
<b>Total Expenses</b>		<b>605,379</b>	<b>447,295</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(185,170)</b>	<b>191,368</b>



These financial statements should be read in conjunction with the notes to the financial statements.

# Statement of Financial Position

## The Waikato Catchment Ecological Enhancement Charitable Trust

As at 30 June 2016

	NOTES	30 JUN 2016	30 JUN 2015
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	310,758	70,913
Debtors and prepayments	3	207,598	186,559
<b>Total Current Assets</b>		<b>518,355</b>	<b>257,472</b>
<b>Non-Current Assets</b>			
Investments	3	3,667,555	3,874,675
<b>Total Non-Current Assets</b>		<b>3,667,555</b>	<b>3,874,675</b>
<b>Total Assets</b>		<b>4,185,910</b>	<b>4,132,147</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	1,666,347	1,427,414
<b>Total Current Liabilities</b>		<b>1,666,347</b>	<b>1,427,414</b>
<b>Total Liabilities</b>		<b>1,666,347</b>	<b>1,427,414</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>2,519,563</b>	<b>2,704,734</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	5	2,519,563	2,704,734
<b>Total Accumulated Funds</b>		<b>2,519,563</b>	<b>2,704,734</b>

For and on behalf of the Board

Chairperson: 

Date: 02/12/16

Trustee: 

Date: 2/12/16



These financial statements should be read in conjunction with the notes to the financial statements.

# Statement of Cash Flows

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

	NOTES	2016	2015
<b>Statement of Cash Flows</b>			
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Donations, fundraising and other similar receipts		206,891	408,123
Interest, dividends and other investment receipts		205,709	196,404
Net GST		14,734	(7,255)
<b>Cash was applied to:</b>			
Payments to suppliers & employees		5,574	4,440
Donations or grants paid		390,416	339,811
<b>Net Cash Flows from Operating Activities</b>		<b>31,344</b>	<b>253,021</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<b>Cash was received from:</b>			
Receipts from sale of investments		208,501	-
<b>Cash was applied to:</b>			
Payments to purchase investments		-	371,789
<b>Net Cash Flows from Investing and Financing Activities</b>		<b>208,501</b>	<b>(371,789)</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>239,845</b>	<b>(118,768)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>		<b>70,913</b>	<b>189,681</b>
<b>Cash and Cash Equivalents at End of Period</b>		<b>310,758</b>	<b>70,913</b>
<b>This is represented by:</b>			
Bank Accounts and Cash	3	310,758	70,913



These financial statements should be read in conjunction with the notes to the financial statements.

# Statement of Accounting Policies

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

### Basis of Preparation

The Waikato Catchment Ecological Enhancement Charitable Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for debtors and creditors which are stated inclusive of GST.

### Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to The Waikato Catchment Ecological Enhancement Charitable Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

### Donations, Fundraising and Other Similar Revenue

Donations are recognised as revenue upon receipt.

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been compiled with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to income as the conditions are fulfilled.

### Interest Income

Interest income is recognised on an accruals basis.

### Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

### Grants Made

Grants expenses consists of grants approved during the year.

### Income Tax

The Waikato Catchment Ecological Enhancement Charitable Trust is registered as a charitable entity under the Charities Act 2005 and is exempt from income tax under the income tax legislation

### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturity dates of 90 days or less.





## Investments

Investments are valued at market value.

## Creditors and Accrued Expenses

Creditors represent liabilities for grants approved but unpaid at balance date. Creditors are recorded at the amount of cash required to settle the liability.

## Debtors

Debtors are recorded at expected realisable value.

## Tier 2 PBE Accounting Standards Applied

The entity has not adopted any Tier 2 PBE Accounting Standards in the preparation of these accounts.

## Changes in Accounting Policies

There have been no changes in accounting policies. However, it should be noted that the basis of preparation has changed from adopting NZ GAAP (Diff Rep) for a not-for-profit Public Benefit Entity to Tier 3 Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) guidance issued by the External Reporting Board.



# Notes to the Performance Report

## The Waikato Catchment Ecological Enhancement Charitable Trust For the year ended 30 June 2016

	2016	2015
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Mercury Limited	206,891	205,606
<b>Total Donations, fundraising and other similar revenue</b>	<b>206,891</b>	<b>205,606</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Received	192,887	201,051
Realised Gain/(Loss) on Sale of Investments	-	698
Unrealised Gain/(Loss) on Investments	14,210	115,008
<b>Total Interest, dividends and other investment revenue</b>	<b>207,097</b>	<b>316,757</b>
<b>Other revenue</b>		
Grants Written Back	6,220	116,300
<b>Total Other revenue</b>	<b>6,220</b>	<b>116,300</b>
	2016	2015

## 2. Analysis of Expenses

<b>Costs related to providing goods or services</b>		
Administrative Fees	564	93
<b>Total Costs related to providing goods or services</b>	<b>564</b>	<b>93</b>
<b>Grants and donations made</b>		
2014/31 Kurt Water & Katharina Bucher	1,304	-
2014/36 Maniapoto Maori Trust Board	1,304	-
2014/37 Maniapoto Maori Trust Board	3,913	-
2014/38 Waikato Rivercare	2,609	-
2014/39 Te Awa River Ride	9,783	-
2015/01 Waikato RiverCare	-	50,263
2015/02 Waikato District Council	-	8,000
2015/03 Greening Taupo	-	86,957
2015/07 Fish & Game NZ, Eastern Region	-	22,034
2015/08 Robyn Gedye	-	15,000
2015/09 Bike Taupo Advocacy Group	-	38,031
2015/11 South Waikato Royal Forest & Bird	-	80,000
2015/12 Mangakotutuku Streamcare Group	-	10,540
2015/13 Waikato Regional Council	-	110,270
2015/14 Waikato Regional Council	-	21,739
2016/01 Whaingaroa Harbour Care	52,174	-
2016/03 Ngati Haua Mahi Trust	26,087	-
2016/06 Waikato River Trails	52,174	-
2016/09 Howick Tramping Club	29,006	-
2016/10 Waikato RiverCare	79,856	-
2016/11 Waikato RiverCare	29,264	-



	BDO WAIKATO	
2016/12 Waikato Regional Council	14,752	-
2016/14 Coulter Family Trust	11,550	-
2016/16 Fish & Game, Eastern Region	5,925	-
2016/17 Waituhi Kuratau Trust	59,896	-
2016/19 Waikato District Council	10,335	-
2016/20 Mighty River Power	36,959	-
2016/21 Kurt & Katharina Bucher	18,274	-
2016/22 Greening Taupo	30,535	-
2016/23 Puketapu Downs	10,920	-
2016/25 Waikato Regional Council	10,870	-
2016/27 Waikato Regional Council	38,870	-
2016/28 Waikato Regional Council	8,860	-
2016/29 Waikato Regional Council	9,280	-
2016/30 The Pukawa Wildlife Management Group	7,693	-
2016/31 Beebox Limited	27,026	-
2016/33 Ngati Tahu Ngati Whaoa	9,290	-
2016/34 Fish & Game Auckland/Waikato Region	1,200	-
<b>Total Grants and donations made</b>	<b>599,709</b>	<b>442,834</b>

**Other expenses**

Interest - IRD	96	21
Management Fee - Craigs	5,010	4,348
<b>Total Other expenses</b>	<b>5,106</b>	<b>4,368</b>

2016 2015

**3. Analysis of Assets****Bank accounts and cash**

Craigs Cash Management Account	269,469	30,526
SBS Bank	41,289	40,387
<b>Total Bank accounts and cash</b>	<b>310,758</b>	<b>70,913</b>

**Debtors and prepayments**

G S T	207,598	186,559
<b>Total Debtors and prepayments</b>	<b>207,598</b>	<b>186,559</b>

**Investments**

BNZ Term Deposit	-	661,150
Craigs Investments	3,667,555	3,213,525
<b>Total Investments</b>	<b>3,667,555</b>	<b>3,874,675</b>

2016 2015

**4. Analysis of Liabilities****Creditors and accrued expenses**

Grants Approved & Unpaid	1,666,347	1,427,414
<b>Total Creditors and accrued expenses</b>	<b>1,666,347</b>	<b>1,427,414</b>

**Grants Approved and Unpaid**

Grants for future years are all classified as current liabilities as the payment dates may change.



## 5. Accumulated Funds

<b>Accumulated Funds</b>		
Opening Balance	2,704,734	2,513,366
Accumulated surpluses or (deficits)	(185,170)	191,368
<b>Total Accumulated Funds</b>	<b>2,519,563</b>	<b>2,704,734</b>
<b>Total Accumulated Funds</b>	<b>2,519,563</b>	<b>2,704,734</b>

## 6. Commitments

The Waikato Catchment Ecological Enhancement Charitable Trust has no commitments at 30 June 2016 (2015 - nil).

## 7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2016 (2015 - nil).

## 8. Goods or Services Provided to the Entity in Kind

Secretarial Services are provided by Mercury Limited at no cost.

## 9. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2015 - nil).

	2016	2015
<b>10. Related Parties</b>		
<b>Sales</b>		
Mercury Annual Contribution - Administration	206,891	205,606
<b>Total Sales</b>	<b>206,891</b>	<b>205,606</b>

## Interpretation of Related Parties

For the purposes of this report, the Trust has, under advice, interpreted the term Related Parties in its broadest sense. Inherent in the Trust's establishment (refer to Page 5), was the recognition that the organisations that are party to the Trust are engaged in projects and activities that align with Trust objectives.

The Trust has a clear policy to manage any conflict of interest which may arise due to these organisational alignments (e.g. when a funding application is received from an organisation that a Trustee represents). Conflicts are required to be declared and recorded, and any conflicted Trustee must stand down from voting. If the application is approved, then a Trustee other than those that are conflicted are appointed to oversee the project and any subsequent approvals for payments.

These organisational alignments have been laid out in the table below, which describes grants made to the organisations that are party to the Trust.



## BDO WAIKATO

Description of Related Party Relationship	Description of the Transaction	2016 Value of Transactions Approved during the year	2016 Amount Outstanding	2015 Value of Transactions Approved during the year	2015 Amount Outstanding
Trustees	Trustees regularly provide their time and skills to the oversight and operation of the trust at no charge				
Judith Van Rossem is a trustee and also the project manager for bio-diversity at the Waikato Regional Council	The Trust provided funding for the below Waikato Regional Council projects:				
	2016/29 Karapiro Stream Riparian and Wetland Restoration	\$10,672	\$10,672		
	2016/28 Lake Hotoanaga Planting Project – Chris Jew's Wetland	\$10,188	\$10,188		
	2016/27 Lake Maratoto Manuka Wetland Enhancement Project	\$44,700	\$44,700		
	2016/25 Mangaotama Wetland Restoration and Stream Enhancement Project	\$12,500	\$12,500		
	2016/12 Continuation of Lake Waahi Planting Project – Shaw Wetland	\$16,965	\$16,965		
	2015/14 Lake Puketi & Lake Rotoiti Dune Lake Restoration			\$25,000	
	2015/13 Mangaotama Wetland Restoration and Stream Enhancement Project		\$114,013	\$126,810	\$126,810
	2014/03 Continuation of Restoration of the Lake Mangahia Wetland		\$11,153		\$11,153
Matthew McDougall is a trustee and also a senior officer at Fish and Game NZ - Eastern Region	The Trust provided funding for the below Fish and Game NZ Eastern - Region projects:				
	2016/16 Hardcastle's & Mihi Bridge Wetlands	\$6,814	\$6,814		
	2015/07 Simpson's Ruatawiri Wetland Project		\$12,609		\$22,034
	2008/04 Ohaaki Wetland Project - Closed in 2016				\$8,927
	2007/01 Kapenga Wetland		\$22,278		\$22,278





BDO WAIKATO					
Douglas Emmett is a trustee and also an advisor at Fish and Game Auckland/Waikato	The Trust provided funding for the below Fish and Game Auckland/Waikato projects:				
	2016/34 Predator Trapping Waikare West	\$1,380	\$1,380		
	2014/30 Simon Saxton Wetland Creation		\$2,334		\$10,600
	2014/29 Brett Parker Wetland Creation		\$670		\$8,400
	2014/28 Patrick Heaghan Wetland Restoration		\$7,900		\$7,900
	2014/26 David Saxton Wetland Restoration		\$19,950		\$19,950
	2014/23 Brad Marsh Wetland Restoration		\$586		\$5,600
	2014/21 Jeff Tucker Wetland Restoration		\$7,899		\$18,750
	2014/20 Brian Lees Wetland Creation		\$7,792		\$17,792
	2014/18 Colin Sherrard Wetland Development		\$9,503		\$18,750
	2014/16 Stuart Eyre Wetland Restoration				\$4,865
Andrew Styche is a trustee and also a senior range at the Department of Conservation. Dave Lumley is a trustee and also the operations manager central plateau at the Department of Conservation	The Trust provided funding for the below Department of Conservation projects:				
	2010/05 Lake Ngahewa Recreation Reserve				\$11,526
Donald Scarlet is a trustee and also a key relationships manager at Mercury Limited. Larnie Chrystall is a trustee and also a commercial advisor at Mercury Limited	The Trust provided funding for the below Mercury Limited projects:				
	2016/20 Mangakowhiriwhiri Stream Wetland Restoration	\$42,503	\$42,503		





BDO WAIKATO					
Larnie Chrystall is a trustee and also the deputy chair at Waikato RiverCare	The Trust provided funding for the below Waikato RiverCare projects:				
	2016/10 Lake Ohinewai Project	\$91,835	\$91,835		
	2016/11 Mangawara Catchment	\$33,654	\$33,654		
	2015/01 Taupiri Ki Weanganui		\$48,297	\$57,802	\$57,802
	2014/38 Aid in the delivery of priority restoration projects on the lower - Waikato River and Catchments - Closed in 2015			\$3,000	
	2013/10 Hakarimata Extension A				\$22,670

#### Terms and conditions of transactions with related parties:

Funding for operations to date has been received from Mercury Limited (formerly Mighty River Power Limited) under the terms provided for in the Memorandum of Understanding (MoU) of 15 October 2002 between Mercury Limited and The Waikato Catchment Ecological Enhancement Charitable Trust. As part of the MoU, Mercury Limited has agreed to provide administrative support including the payment of administrative and audit expenses. Some grants are paid to organisations represented by current trustees. Sales to and purchases from related parties are recorded on normal commercial terms.

#### 11. Comparative Disclosure

The classification of some comparative figures has been changed to ensure compliance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) which is now compulsory. These changes do not materially alter the performance report.



# Independent Auditor's Report

The Waikato Catchment Ecological Enhancement Charitable Trust  
For the year ended 30 June 2016

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Waikato Catchment Ecological Enhancement Charitable Trust

### Report on the Performance Report

We have audited the accompanying performance report of The Waikato Catchment Ecological Enhancement Charitable Trust on pages 4 to 19 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2016, the statement of financial position as at 30 June 2016, and the statement of accounting policies and other explanatory information.

#### *The Responsibility of the trustees for the Performance Report*

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For Profit)  
issued in New Zealand by the New Zealand Accounting Standards Board, and

- (c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the performance report based on our audit. We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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

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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 performance report.

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 Waikato Catchment Ecological Enhancement Charitable Trust.

#### *Opinion*

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
  - b) the performance report on pages 4 to 19 presents fairly, in all material respects:
    - the entity information for the year then ended;
    - the service performance for the year then ended; and
    - the financial position of The Waikato Catchment Ecological Enhancement Charitable Trust as at 30 June 2016, and its financial performance, and cash flows for the year then ended
- in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit)



R K Owen  
Owen McLeod & Co  
2 December 2016  
Hamilton

3 November 2016

The Chairperson  
The Waikato Catchment Ecological Enhancement Charitable Trust  
PO BOX 445  
Waikato Mail Centre  
Hamilton 3240

Dear Sir/Madam

**Audit Management Letter For The Year Ended 30 June 2016**

**1. Introduction**

We have completed the audit of The Waikato Catchment Ecological Enhancement Charitable Trust for the year ended 30 June 2016 and enclose the performance report with the audit report attached.

This letter provides a summary of:

- the audit scope
- the audit opinion
- the issues arising from the audit

You will appreciate that while our audit is carried out in accordance with generally accepted auditing standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency.

The responsibility for the implementation and monitoring of internal and management controls rests with management and the Trustees.

**2. Audit Scope**

The audit aimed to:

- provide an audit opinion on whether the performance report fairly reflect the Trust's reported financial results and financial position and the Statement of Service Performance.
- assess and report on aspects of the Trust's financial management and controls.

**3. Audit Opinion**

We have issued an **unmodified (Clear)** audit opinion on the financial statements for the year ended 30 June 2016.

**4. Issues Arising From the Audit**

**New Public Benefit Entity Standard**

This is the first year the new Public Benefit Entities reporting standards applied. We reviewed the performance report for compliance and are satisfied the Report complies with the standards.



## 5. Reporting Requirements

Under the NZ International Standards on Auditing (NZ ISAs), we are required to advise you of the following:

We have had no disagreements with management during our audit nor have we had any serious difficulties in dealing with management.

We have not noted any significant risk or exposures that are required to be separately disclosed in the performance report.

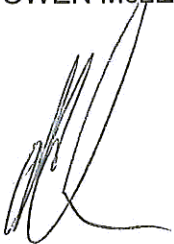
We have not identified any instances of fraud involving senior management or any other frauds that have caused a material misstatement in the performance report.

We reaffirm we are independent of your organisation, and that we have no relationship with your organisation that impairs our independence.

## 6. Conclusion

We wish to acknowledge the friendly assistance provided by your staff during the audit. If there is any further information you require, please do not hesitate to contact me.

Yours faithfully  
OWEN McLEOD & CO

A handwritten signature in black ink, appearing to read 'Richard Owen', with a stylized flourish at the end.

**Richard Owen**