



AUCKLAND AIRPORT
COMMUNITY
TRUST



ANNUAL REPORT

2012

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The \$2.4 million of community grants distributed by the Auckland Airport Community Trust has benefitted important local charities like Speld Manukau.

Chairman's Report



It's always a joy to present the Annual Report on behalf of the Auckland Airport Community Trust because there's such a positive story to tell. This is a report on a Trust that functions efficiently to support projects that are well-conceived and delivered with that wonderful mix of passion and professionalism in a geographical area in which there is much need.

The Trust was established in 2003 "for the mitigation of the adverse effects associated with aircraft operations" as well as "to ensure positive effects on the external environment to offset any negative effects". [See page 15.] This report outlines the decisions Trustees have made to achieve these objectives.

Community Grants

Last year, the Trust announced grants to thirteen projects totaling funding of more than \$200,000. The projects, all aimed at improving literacy or life skills, ranged from supporting babies through, pre-school, Primary and Secondary schools into adulthood. Some were small projects whilst others were far more ambitious with individual grants ranging from \$2,500 to nearly \$40,000. These projects are all currently being implemented.

This year, the funding round was very competitive reflecting both the high level of need in the 'Area of Benefit' and the commitment of the Trust and its administrators to make charitable providers aware of the funding opportunity. As a result, sixty-seven applications (more than double last year's number) were received for requests totalling in excess of \$2.5million, a sum far exceeding this year's grant pool, and an increase of some 480% over the previous year.

Obviously, this meant that some applicants were disappointed as the Trust had to be very selective in its decision-making. Some of the fifteen successful applicants have been recipients in the past, including Storytime Foundation, [See page 5.] Parents Inc (Attitude Division), Papatoetoe Kindergarten, Age Concern Counties Manukau and Great Potentials whose HIPPY Programme has been supported by the Trust for a number of years.

Grants were also made to support new and highly successful programmes such as the Youthline Centre and new initiatives such as that offered by the Whakamana Nga Rangatahi Trust.

The new Youthline Centre in Papatoetoe is an exciting example of integrating youth services and programmes to support young people with issues relating to self-esteem, confidence, body image, leadership or identity. The centre provides a community café where young people can meet and gain valuable employment skills, a community radio station and access to technology that will help support youth with a range of life skills. The Trust is helping Youthline with staffing costs to ensure the centre can be a 'one-stop-shop' for local youth.

Whakamana Nga Rangatahi Trust's 'Whaia Te Rangatiratanga' Youth Development Programme takes a holistic approach to working with the most at-risk youth. Through a 'kaupapa-Maori' approach, the project assists young offenders with a history of

truancy to re-engage with education. The programme focuses on strengthening the family unit so that the whanau are able to make better decisions to effect positive change for the young person. The Trust has funded a Youth Mentor to support some of the area's most vulnerable youth.

Strategic Project

For the last few years, the Trust has been accumulating reserves in an Endowment Fund with the purpose of being able to support a special project. During this time, the Trust has been searching to identify such a project in the local area that could build upon its previous work in a highly effective and coordinated way.

We are delighted to announce that an exciting new initiative called Youth Connections has been identified as such a project. [See page 7.] This initiative draws on the positive experience of the Mayors' Taskforce for Jobs in Otorohanga. The programme provides a series of local initiatives that give school leavers the tools they need to move into further education, employment or training. It includes comprehensive career planning, monitoring of each student's progress and an employment brokerage service.

The Trust is excited to be involved in such an ambitious project and to have the opportunity of working alongside Auckland Council and The Tindall Foundation. The Trust is specifically supporting the Otara-Papatoetoe Local Board which takes responsibility for the Trust's Area of Benefit.

Together, the funding of the Community Grants and the Strategic Project marks this year as a record in the Trust's history with a total commitment of \$467,287.

Hardship Grants

Under the charitable purposes in the Trust Deed, [See page 15.] Trustees have the opportunity to make grants 'in cases of significant hardship, to assist property owners in the Area of Benefit to meet their share of any costs of acoustic treatment measures or enhancements' offered by Auckland International Airport Limited. No such grants have been made this year.

Financial Performance

The most significant financial event this year has been the decision to invest the funds that have been accumulating in the Endowment Fund, which was set up to hold any surplus from operations and grant making each year for a special project. The majority of this fund has been set aside for the Youth Connections project.

The money from which the grants are made in the local community comes as an annual payment from Auckland International Airport Limited. Set at \$250,000 in 2003 and adjusted each year by the compounded value of the CPI, the amount received this financial year was \$316,647. With interest received, the Trust's total income was \$344,679.

The Trust is pleased to report that once again it has attained its goal of maintaining operating expenses within the level of interest earned. Operating expenses were \$17,981 while interest earned was \$28,032.

The balance sheet shows unpaid distributions of \$513,685 [See page 4 of the Financial Statements]. This reflects the timing of announcing successful grants at the end of the financial year. A full list of these grants and those paid previously appears on pages 9-10.

The Trust ended the year with a balance of \$76,382, of which \$70,000 has been kept in the Hardship Grant Reserve against any future demands on our funds for this grant programme, whilst the remaining \$6,382 begins a new Endowment Fund.

Governance

The publication of this Annual Report, including full disclosure of the Trust's Annual Financial Statements, remains an integral part of the Trust's commitment to good governance.

During the 12 months under review the Trust has met ten times. Full minutes have been kept of those meetings and have been included amongst the documents submitted to our auditors for review.

During the year under review there have been two changes in the Board's composition. Julie Wade has joined the Trust as the representative for the Aircraft Noise Consultative Group and Richard Llewellyn replaced founding trustee John McShane as a representative for Auckland Airport.

Appreciation

After nine years as a Trustee, John McShane has ended his close association with the Trust. John, one of the original Trustees, made a significant contribution to the Trust especially in the early days as he was more familiar than any other Trustee with the community's expectations of the Trust through his representation in the Manukau District Plan process for the Northern Runway. He was a champion for setting up processes that ensure that the Trust is diligent and transparent in the application of its responsibilities. Once the first grants were made, he took a great interest in many of the projects, which was appreciated by the organisations to which he showed support. The Trust records its gratitude to John for his tremendous contribution.

My final term has also been completed and, as I am ineligible to stand again, this will be my last Chairman's Report to you. I look back over my nine years with enormous satisfaction, especially the first year when strong foundations were laid that set the tone, strategy and procedures for the subsequent years. This last year has also been hugely fulfilling as we embarked on our special project, Youth Connections, working collaboratively with partners of such high standing as the Tindall Foundation and Auckland Council. Their confidence in working with us reflects the reputation that the Trust has developed over the last nine years. But more than anything else, I take great pleasure in the knowledge that the Trust has, over the nine years, made grants to invest \$2.4million into a wide range of superb programmes that help to improve the quality of life for those who live in the Trust's Area of Benefit.

I would like to record my thanks to the current Trustees who have worked conscientiously to ensure that the Trust serves our community and stakeholders effectively and efficiently. They unfailingly approach their work with dedication, professionalism and compassion.

Special mention also needs to be made of the strong support and ideas that have been generated by the team at Auckland Communities Foundation, the Trust's Administrator. Their extensive knowledge of community development and their wide networks have helped us attract an excellent range of high quality applications this year.

I thank former Trustee Margaret Peacocke for her assistance on the design and production of this Annual Report and the running of the Annual Public Meeting.

Last, but probably most important, thanks to our Appointers, our community stakeholders and those of you who support those who live and work in our Area of Benefit. It has been a privilege to serve you.

Roger Baldwin
Chairman



In attendance at the launch of the Youth Connections Project

From left: AACT trustee, Richard Llewellyn; Stephen Tindall; Auckland Councillor & Deputy Mayor, Penny Hulse; AACT trustee, Martin Fryer and David Richards from The Tindall Foundation.

Storytime Foundation

For many of us our love of reading and learning started even earlier than our earliest memories. They were special moments when someone sat us on their knee and read us a story.



The Storytime Foundation exists purely because it recognises the value and long-term benefits of this simple activity. It exists to ensure that families of babies have got books in the home for someone – Mum, Dad, Nana, Uncle, sister, brother, neighbour or family friend – to cuddle up with the newborn and spend time together.

The Auckland Airport Community Trust (AACT) has been supporting this programme since 2006 when it was run as a joint venture between the City of Manukau Education Trust (COMET) and Manukau Libraries. At that time, each family with a newborn was given a book by the local Plunket Nurse to read to their baby and any other young children in the home. They were also provided with information as to how they could borrow more books from their local library.

This programme, designed to improve bonding between the new born and their family has continued to be supported by AACT and has grown to the point where families are now given five books as well as information about child development.

“The early years of life have a unique and formative impact on child health, development and relationships throughout life. Secure mother-infant attachment is an important predictor of resilience in later life including higher self-esteem, reduced anxiety and reduced hormonal responses to stress.”

Taken from a report by the Prime Minister’s Chief Science Advisor, Gluckman, P. et al . May 2011

There is a significant body of evidence, including that espoused by Professor Peter Gluckman, clearly stating that early childhood is a critical period during which children learn skills and behaviours that will be reflected in how they develop as adolescents and into adulthood. It is critically important then, that as much as possible can be done as early as possible to give children the opportunity to thrive, belong and achieve.

Nearly 5,500 newborn babies and their families living in AACT's Area of Benefit have received books and support since 2006.

During this last year, funding from AACT has resulted in the delivery of 9,000 books to families of babies in the Manukau area that it supports. In addition, it has participated in a programme that improves literacy and child development by teaching the caregivers not only how to read to their baby but also the tremendous benefits of this activity to the baby and the entire family.

Although the programme was already established elsewhere in Auckland when AACT began its support, it has been such a success that it has already expanded into Northland, Waikato and the Bay of Plenty with aspirations for becoming a service nationwide. As Storytime Foundation's Chief Executive, Tony Culliney has said, "This programme is designed to encourage families to bond with their newborn children through books. Real moments of magic occur when cuddling and playing with a young child. Reading is a great way to help build a loving, caring relationship between parents and children, something that's vitally important to the child's health and development."



The United Nations recognises literacy as "a fundamental human right and the foundation for lifelong learning."

Youth Connections

When Dale Williams became mayor of Otorohanga, he knew that he wanted to do something that would help the youth in his region reach their potential without them having to leave town. So began a hugely successful programme that has provided local employers with a skilled young workforce, reduced the number of registered unemployment of people under the age of twenty-five to zero, and has also seen a drastic reduction in the rate of youth crime.

Auckland Council aspires to emulate the successes of this project and has launched its own 'Youth Connections Across Auckland'. Auckland Airport Community Trust (AACT) is supporting one of the Council's pilot programmes in conjunction with the Otago-Papatoetoe Local Board which covers the Trust's Area of Benefit.

The aim of this project is to assist school leavers in the Otago-Papatoetoe Board area to transition successfully from school to work, training or further education, helping them to unleash their full potential.

In 2005, a report by the City of Manukau Education Trust (COMET) showed that too many young people were exiting school without the skills required for employment, and yet the employment needs of numerous local industries were growing. Since then, some gains have been made, however the negative trends remain true, and the Otago-Papatoetoe Board area still has both a disproportionately high share of unfilled vacancies, and unemployed youth.

So, how is Youth Connections going to make a difference in Otago-Papatoetoe?

The local board is the champion of Youth Connections in Otago-Papatoetoe. The board members will utilise their networks and community mandate to champion the programme. With the financial support of AACT, a person will be employed to support the board's activities and to liaise with all the groups – school leavers, schools, business partners and transition providers – to join the dots between these key parties and to connect young people with local employment vacancies.

School Leavers

Working with the local schools, school leavers will be tracked and those not engaged in further education or work will be targeted for this programme. They will be engaged via the school, facebook, online forums and at hui to determine their needs (short, medium and long-term), to motivate them and to listen to their feedback. Pathways will be found for them to transition from school, through relevant training or apprenticeships to meet the skill requirements of potential employers in the area.

Opportunities will also be investigated to support entrepreneurial initiatives for youth interested in self-employment.

Business Partners

For the scheme to be successful, local business partners that may provide future employment for young people, such as, Auckland Airport, Middlemore Hospital, manufacturers or retailers, will be sought to identify key employee skills gaps that hinder their ability to find suitably qualified people to employ.

Businesses need to be motivated and maybe incentivised through award schemes to employ the local graduates from these training courses.

Transition and Training Providers

There are already a number of agencies in the area which are mandated to help youth prepare for employment. Between them they need to ensure that they are providing courses that will teach the key employee skills required by prospective employers, particularly the project's business partners. New courses may need to be established to fill shortages. One example is the need for skilled tradespeople for major future infrastructure renewals, such as regional wastewater and roading.

Employment Broker

In order to make the final link between youth and employers, it is proposed to implement an employment broker service to assist the young people into jobs that were identified during employer discussions. This will be pivotal to ensure the requirement and demand of employers, both now and in the future, are linked back to the skills and training provided to youth in the area.

Before the end of the trial, another challenge is to establish how this project can be mainstreamed into Otara-Papatoetoe Local Board's existing programme of activity at the end of AACT's funding commitment.

To be successful
young people need:

-  to feel confident, valued and supported
-  quality, relevant training
-  employment opportunities
-  positive employer reinforcement

Disbursement of Funds

| | | | |
|---|------------------|--|------------------|
| 2012 | | 2011 | |
| Age Concern Counties Manukau | 6,200 | Aorere Kindergarten | 7,325 |
| Brainwave Trust | 45,000 | De La Salle College | 5,750 |
| Chinese New Settlers Services | 3,718 | Gifted Kids Programme | 18,400 |
| English Language Partners Auckland South | 15,719 | Great Potentials Foundation | 36,000 |
| Gifted Children's Advancement Charitable Trust | 18,400 | Hindu Heritage | 12,536 |
| Great Potentials ¹ | 36,000 | Mangere College | 5,750 |
| Kadampa Buddhist Charitable Trust | 14,108 | Monte Cecilia Housing Trust | 10,360 |
| Muscular Dystrophy Northern Inc | 8,754 | Parents Inc Attitude Division | 2,500 |
| Parents Inc Attitude Division | 4,613 | Rongomai School | 23,302 |
| Papatoetoe Adolescent Christian Trust | 32,950 | Speld Manukau | 7,500 |
| Papatoetoe Kindergarten | 3,835 | Springboard Trust | 18,700 |
| Papatoetoe South School | 58,500 | Story Time Foundation | 39,988 |
| Story Time Foundation | 25,000 | St Peter Chanel Aoga Amata Pre-school | 2,508 |
| Whakamana Nga Rangatahi | 49,490 | | |
| Youthline Ak Charitable Trust | 30,000 | | |
| Youth Connections Across Auckland | 115,000 | | |
| | \$467,287 | | \$190,619 |
| 2010 | | 2009 | |
| Age Concern Counties Manukau | 9,720 | Aorere Kindergarten | 6,493 |
| ATTITUDE | 2,100 | Books for Babes Charitable Trust | 40,195 |
| Brainwave Trust | 36,400 | Brainwave | 14,250 |
| Dawson Primary School | 24,050 | COMET | 6,240 |
| Great Potentials Foundation | 119,374 | Computer Clubhouse Trust | 57,833 |
| Papatoetoe Kindergarten | 10,496 | De La Salle College | 15,937 |
| Rongomai School | 23,200 | Great Potentials Foundation | 94,714 |
| St Peter Chanel Aoga Amata Preschool | 3,300 | Papatoetoe Kindergarten | 10,496 |
| Water Safe Auckland | 42,148 | Rongomai School | 75,250 |
| | | The Gifted Kids Programme | 23,200 |
| | \$270,788 | | \$346,878 |

¹ Note that on page 10 of the Financial Statements this grant is for \$72,000. This is due to the commitment by the Trust to make a grant of the same quantum next year. This will be shown in next year's Disbursements. It also explains the discrepancy between the total amount shown for 2012 and the total shown in the Financial Statements.

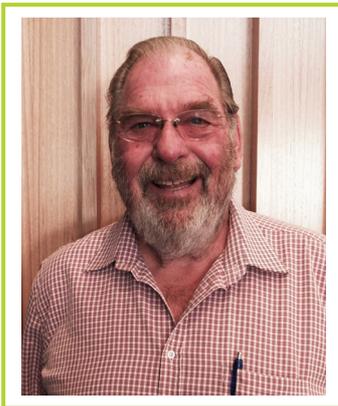
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| 2008 | | 2007 | |
| Aorere Kindergarten | 9,500 | Aorere Kindergarten | 8,339 |
| Rongomai School | 48,000 | Murdoch Park Kindergarten | 8,880 |
| Books for Babes Charitable Trust | 20,921 | Brainwave Trust | 23,950 |
| Tyndale Park Christian School | 2,100 | Great Potentials Foundation | 97,938 |
| Papatoetoe South School | 16,200 | Rongomai School | 43,540 |
| Counties Manukau Sports Foundation | 69,975 | Papatoetoe Kindergarten | 10,496 |
| Royal NZ Foundation of the Blind | 10,500 | Books for Babes Charitable Trust | 26,360 |
| Great Potentials Foundation | 66,770 | Tyndale Park Christian School | 2,720 |
| | | Tautua Aoga Amata Charitable Trust | 27,145 |
| | | TYLA Trust Otara | 23,400 |
| | \$243,966 | | \$272,768 |
| 2006 | | 2005 | |
| Dawson Primary School | 2,500 | De La Salle College | 34,300 |
| Rongomai School | 20,000 | South Auckland Adult Literacy Trust | 11,300 |
| Papatoetoe South School | 8,480 | Murdoch Park Kindergarten | 12,300 |
| Papatoetoe West School | 60,000 | Papatoetoe Kindergarten | 9,000 |
| De La Salle College | 74,973 | Tangaroa College | 67,700 |
| City of Manukau Education Trust [COMET] | 40,000 | Rongomai School | 30,500 |
| Papatoetoe Kindergarten | 6,790 | | |
| Tyndale Park Christian School | 8,055 | | |
| Dawson Primary School | 14,208 | | |
| Flatbush School | 28,262 | | |
| | \$263,268 | | \$165,100 |
| 2004 | | | |
| Chapel Downs Primary Sch. | 26,300 | | |
| Clover Park Middle School | 39,049 | | |
| Papatoetoe South School | 38,828 | | |
| Puhinui School | 35,830 | | |
| Redoubt North School | 31,849 | | |
| South Auckland Seventh Day Adventist School | 22,701 | | |
| Tyndale Park Christian School | 9,812 | | |
| | \$204,369 | | |

Trustees

The Deed of Trust specifies the appointment mechanism for Trustees - two Trustees are appointed by Auckland International Airport Limited (AIAL), two Trustees by Auckland Council and one by the Aircraft Noise Community Consultative Group (ANCCG). Trustees serve a term of three years and are eligible for re-appointment only until they have served a total of nine years.

This year the Trust has two new Trustees – Richard Llewellyn, appointed by AIAL and Julie Wade, appointed by ANCCG.

This year's Annual Meeting also marks the end of Roger Baldwin's service as Trustee having been on the Trust for nine years and ineligible to stand for re-appointment. The Trustees wish to acknowledge the significant contribution that Roger has made to the Trust, especially in his role as the inaugural Chairman, a position he has held for the entire nine years. He has presided over the setting up of the Trust and establishing strategies, policies and procedures that have formed a strong foundation for making sound decisions that have had a positive impact on the local community. We thank him and wish him well in the future.



Roger Baldwin – Chairman

Roger is an Auckland Council appointee on the Trust. He served on the Mangere Community Board from 1989 -1992 and on the Manukau City Council from 1992 -1998, with the last three years as Chairman of the Corporate Business Committee. Amongst his many other community responsibilities he was the inaugural Chairman of the Aircraft Noise Community Consultative Group. He also plays a very active role in the One Tree Hill Rotary Club, the Mangere Bridge Residents and Ratepayers Association and the Mangere Bridge Community Trust.



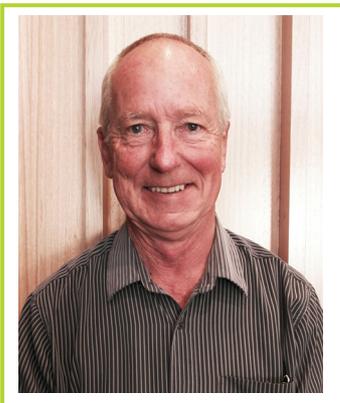
Martin Fryer

Martin initially came to the Trust as a representative of the Auckland Airport Noise Community Consultative Group in November 2005. At that time he was the Environment Manager for Air New Zealand. In September 2007 Martin was appointed into his current role as Sustainability Advisor with Auckland Airport. With that appointment, he also became the company's second representative on the Trust Board.



Richard Llewellyn

Richard became a trustee of the Auckland Airport Community Trust in 2011. He has been the Corporate Relations Manager for Auckland Airport since 2008, and has been involved in a wide range of corporate, community and government related initiatives.



Ian McGeachie J.P.

Ian is also an Auckland Council appointee having served on the Trust since 2004. As a current member of the Auckland Council representing the Otara-Papatoetoe Local Board, and a former Manukau City Councillor and member of the Papatoetoe Community Board, Ian knows the community very well. He has served on the Counties Manukau Sports Foundation, the Papatoetoe Licensing Trust and the St George Charitable Trust. Ian is also a Justice of the Peace and assists with JP duties at the Papatoetoe Citizens Advice Bureau. He is currently a trustee of the Papatoetoe Sports and Community Charitable Trust.



Julie Wade

Julie is of Waikato and Waiohua iwi descent. She is a founding member of the Auckland Airport Noise Community Consultative Group as the tangatawhenua representative and was appointed to the Trust in September 2011. Julie has an extensive background in environmental issues for her iwi and currently leads the re-establishment of her whānau papakainga at Pukaki.

Appointers' Comments

Chairman Otara-Papatoetoe Local Board John McCracken



I am delighted to have been invited to write this comment on behalf of Auckland Council because of the constructive grantmaking the Auckland Airport Community Trust has made in our geographical area over many years.

It is particularly relevant because earlier this year the Trust made a commitment to work in partnership with our Local Board in an exciting new project - Youth Connections - which was launched to facilitate the process for school leavers in our area to move into further education, employment or training.

We are particularly enthusiastic about this project, because one of the Board's aims is to help our youth to have the satisfaction of reaching their full potential and of contributing meaningfully to our community.

Many thanks to the Trustees and their grant partners for the time, energy and commitment that you invest in the local community. It is appreciated.

Acting Chief Executive, Auckland International Airport Limited Simon Robertson

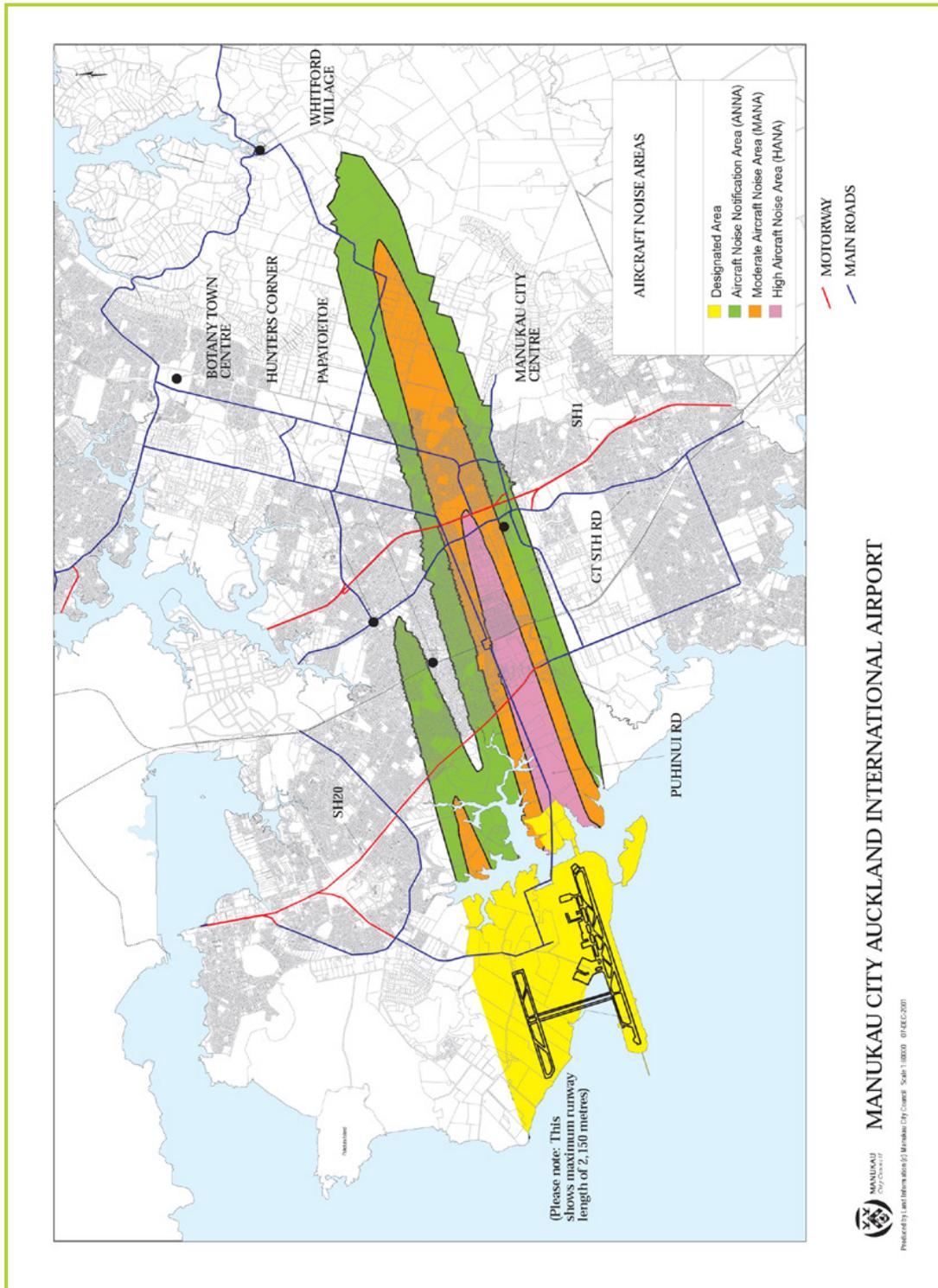


As the Acting Chief Executive of Auckland Airport it is my privilege to contribute to this year's annual report of the Auckland Airport Community Trust.

As New Zealand's largest airport and a major employer in Auckland, we operate with the support, partnership and involvement of the community around us. The Auckland Airport Community Trust is a key element in our social, environmental and economic responsibility to the wider community, and the inspiring work the Trust helps to fund is a source of great pride for the Auckland Airport team.

This year the Trust received an unprecedented number of applications, and donated over \$467,000 to worthy local community projects. Each of the projects being supported will make a genuine difference in the community and will deliver a wide range of benefits to many people. Everyone involved in, and associated with the Trust should be proud of the difference that their funding is making to communities.

Area of Benefit



Establishment of the Auckland Airport Community Trust

The Trust was formally established in October 2003. This was a direct result of the decision made in the Environment Court on 10 December 2001 that Auckland International Airport Limited would establish a trust fund as a condition of the company being granted approval to build a second runway. The court decision (A143/2001) specified the amount - \$250,000 per annum adjusted by the rate of the consumer price index each year. The charitable purposes embedded in the resulting Trust Deed have their origins in that court decision.

Charitable Purposes

The charitable purposes of the Trust are set out in its Trust Deed and are listed below. The Trust Deed also defines the Area of Benefit for the Trust. The Area of Benefit is defined by the HANA (High Aircraft Noise Area), MANA (Moderate Aircraft Noise Area) and ANNA (Aircraft Noise Notification Area) as those areas appear in the Manukau District Plan. Those areas are the most impacted by current and projected aircraft movements to and from Auckland Airport. In general terms this area covers part of the suburbs of Wiri, Mangere, Papatoetoe, Otara, East Tamaki, Flatbush and Whitford. A full map of the Area of Benefit is included on page 14.

5. CHARITABLE PURPOSES

5.1 Purposes: The Trustees shall hold and apply the Trust Fund upon trust for the following charitable purposes within Manukau City for the benefit of those living and working in the Area of Benefit and affected by noise from Aircraft Operations;

(a) for the mitigation of the adverse effects associated with noise from Aircraft Operations which are not provided for under Condition 10 of the Designation (“**the other adverse effects**”);

(b) to ensure positive effects on the external environment to offset the other adverse effects, including but not limited to the provision of opportunities and facilities as contemplated by clause 8.4(b);

(c) in cases of significant financial hardship, to assist property owners in the Area of Benefit to meet their share of any costs of acoustic treatment measures or enhancements where such a contribution by an owner is required by Condition 10 of the Designation.

8. MANAGEMENT OF THE TRUST

8.4 Payment/application of Trust Fund: For the avoidance of doubt:

(a) in determining whether and how to pay or apply the Trust Fund under clause 5.1, the Trustees shall, to the greatest extent possible, give primacy to the purposes listed in clauses 5.1(a) and 5.1(b);

(b) while the Designation provides various physical measures to address adverse effects arising from Aircraft Operations (in the form of the acoustic treatment and related ventilation measures provided in Condition 10), the purposes set out at clauses 5.1(a) and 5.1(b) are intended to ensure that adverse effects of noise from Aircraft Operations on the external environment, which cannot be mitigated by such physical means, can at least be partially offset by providing positive effects in the form of enhanced cultural, recreational and other opportunities and facilities to those living and working in the Area of Benefit, provided that (for the avoidance of doubt) such opportunities and facilities must be provided for or to achieve the charitable purposes set out in clause 5.1. Such opportunities and facilities may be provided outside the Area of Benefit, but should be readily available to residents in those areas affected by noise from Aircraft Operations;

(c) nothing in clause 5.1 shall allow the Trustees to pay or apply income or capital of the Trust Fund for the purposes of opposing or challenging Aircraft Operations in any way or for the funding of acoustic treatment in developments where the developer has the responsibility to provide acoustic treatment under rule 5.21.4 of the Operative Manukau District Plan 2002.

8.5 Means of achieving purposes: The Trustees may, in order to achieve the purposes of the Trust as set out in clause 5.1, in addition to all other powers vested in the Trustees:

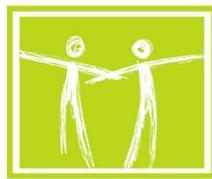
(a) provide grants, support and assistance to any person, group, project or programme where it is consistent with the Trust's charitable purposes;

(b) seek out and enter into strategic relationships with other parties in the pursuit of common goals consistent with the purposes of the Trust;

(c) make known, advertise or otherwise promote the activities and purposes of the Trust by such use of any media as the Trustees may decide;

(d) seek, accept and receive subscriptions, donations, subsidies, grants, endorsements, gifts, legacies, loans and bequests in money, in kind or partly in both;

(e) undertake such other activities and enterprises to further the charitable purposes of the Trust as the Trustees may decide.



AUCKLAND AIRPORT
COMMUNITY
TRUST

Annual Report

For the year ended 30 June 2012

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**Auckland Airport Community Trust
Trust Directory
As at 30 June 2012**

Settlor Auckland International Airport Limited

Type of Trust: Charitable Trust

Trustees: Roger Baldwin
 Martin Fryer
 Ian McGechie
 Richard Llewlllyn
 Julie Wade

Bankers: ASB Bank, Mangere Bridge

Solicitors: Hudson, Gavin, Martin - Auckland

Auditors: CST Nexia Audit, Manukau City

Accountants: CST Nexia Limited, Manukau City

**Auckland Airport Community Trust
Statement of Responsibility
For the year ended 30 June 2012**

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The independent external auditors, CST Nexia Audit, have audited the financial statements and their report appears on page 13.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all transactions are executed in accordance with authority and are correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern in the foreseeable future.

In the opinion of the Board:

- The statement of financial performance is drawn up so as to give a true and fair view of the surplus of the Trust for the financial year ended 30 June 2012.
- The statement of financial position is drawn up so as to give a true and fair view or the state of affairs of the Trust as at 30 June 2012.

There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

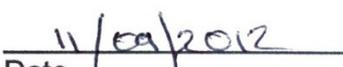
For and on behalf of the Board:



Trustee


Date



Trustee


Date

**Auckland Airport Community Trust
Statement of Financial Position
As at 30 June 2012**

| | Note | 2012 \$ | 2011 \$ |
|--|------|-----------------------|-----------------------|
| Trustee Funds | | | |
| Trustee Funds | 2 | <u>76,382</u> | <u>238,394</u> |
| | | 76,382 | 238,394 |
| Current Liabilities | | | |
| Accounts Payable | | 3,336 | 3,174 |
| Unpaid and Approved Distributions and Grants | 3 | <u>513,685</u> | <u>215,719</u> |
| | | 517,021 | 218,893 |
| Total Funds Employed | | <u><u>593,403</u></u> | <u><u>457,287</u></u> |
| Current Assets | | | |
| Current Account | | 132,201 | 15,587 |
| Term Deposits | | 452,708 | 433,652 |
| Accrued Interest | | 8,494 | 5,695 |
| Prepayments | | - | 2,353 |
| | | <u>593,403</u> | <u>457,287</u> |
| Total Assets | | <u><u>593,403</u></u> | <u><u>457,287</u></u> |

Signed on behalf of the Board of Trustees:



Trustee
11/09/2012
Date



Trustee
11/09/2012
Date

The notes and accounting policies on pages 7 to 12 form a part of and are to be read in conjunction with these financial statements.

**Auckland Airport Community Trust
Statement of Financial Performance
For the year ended 30 June 2012**

| | Note | 2012 \$ | 2011 \$ |
|--|------|------------------|------------------|
| Income | | | |
| Grant - Auckland International Airport Limited | | 316,647 | 301,024 |
| Interest Received | | 28,032 | 26,189 |
| | | <u>344,679</u> | <u>327,213</u> |
| Operating Expenses | | | |
| Administration Fees | | 7,767 | 3,882 |
| Advertising | | 2,739 | 1,945 |
| Annual Public Meeting | | 1,589 | 2,082 |
| Bank Charges | | 40 | 10 |
| Computer Expenses | | - | 46 |
| Charitable Commission Fee | | 51 | 77 |
| General Expenses | | - | 292 |
| Printing and Stationery | | 2,241 | 2,568 |
| Remuneration to CST Nexia - Audit | | 2,300 | 2,300 |
| Remuneration to CST Nexia - Other Services | | 1,254 | 1,150 |
| | | <u>17,981</u> | <u>14,352</u> |
| Surplus Before Distributions and Grants | | <u>326,698</u> | <u>312,861</u> |
| Distributions and Grants | | | |
| Less: General & Literacy Grants | 3 | 503,410 | 205,319 |
| Less: Hardship Grants | 3 | - | 7,800 |
| Plus: Grants Cancelled | 9 | 14,700 | 2,270 |
| | | <u>(488,710)</u> | <u>(210,849)</u> |
| Net Surplus/(Deficit) Transferred to Trustee Funds | | <u>(162,012)</u> | <u>102,012</u> |

The notes and accounting policies on pages 7 to 12 form a part of and are to be read in conjunction with these financial statements.

**Auckland Airport Community Trust
Statement of Movements in Trustee Funds
For the year ended 30 June 2012**

| | Note | 2012 \$ | 2011 \$ |
|---|------|----------------------|-----------------------|
| Trustee Funds at beginning of the year | | 238,394 | 136,382 |
| Net Surplus/(Deficit) for the year | | (162,012) | 102,012 |
| Transfer to Endowment Funds Reserve | | 162,012 | (102,012) |
| Increase/(Decrease) in Endowment Funds Reserve | | (162,012) | 102,012 |
| Increase in Hardship Grant Reserves | | <u>-</u> | <u>-</u> |
| Total Recognised Revenues and Expenses | | (162,012) | 102,012 |
| Trustee Funds at the end of the year | 2 | <u><u>76,382</u></u> | <u><u>238,394</u></u> |

The notes and accounting policies on pages 7 to 12 form a part of and are to be read in conjunction with these financial statements.

**Auckland Airport Community Trust
Notes to the Financial Statements
For the year ended 30 June 2012**

1 Statement of Accounting Policies

A Reporting Entity

The financial statements presented here are for the reporting entity Auckland Airport Community Trust (the Trust). The Trust is a charitable trust under the Charitable Trusts Act 1957. The Trust is reporting pursuant to the requirements of its trust deed.

B Statutory Base

The financial statements are prepared in accordance with the reporting requirements of the Financial Reporting Act 1993. The Trust is a charitable trust incorporated under the Charitable Trusts Act 1957.

C Financial Reporting Framework

These financial statements have been prepared under the existing New Zealand Financial Reporting Standards framework, which is one of the two frameworks for generally accepted accounting practice currently available to be applied in New Zealand for qualifying small entities. The other framework for generally accepted accounting practice is the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The time line and criteria applicable to small entities and incorporated societies for mandatory conversion to NZ IFRS is yet to be announced by the Accounting Standards Review Board.

D Differential Reporting

The Trust is a qualifying entity within the New Zealand Institute of Chartered Accountants' differential reporting framework. The entity qualifies for differential reporting exemptions in the absence of public accountability and the entity is not large in terms of the size criteria. The entity has taken advantage of all differential reporting concessions available to it, with the exception of FRS 19 Accounting for Goods & Services Tax, with which it has complied fully.

E Measurement Base

The measurement base adopted is that of historical cost. Reliance is placed on the Trust being a going concern.

F Charities Status

The Charities Act 2005 was passed in April 2005, establishing the Charities Commission which came into being on 1 July 2005. Changes to the Income Tax Act 2007 and Estate and Gift Duties Act 1968 mean that only charities registered with the Charities Commission will be eligible for tax exemptions.

The Trust applied for and received registration as a charity from the Charities Commission. The Trust has taken advantage of the following:

- exemption from income tax for non business income
- exemption for business income derived by or in support of charities
- exemption from gift duty for persons who make gifts to the Trust

Auckland Airport Community Trust
Notes to the Financial Statements (continued)
For the year ended 30 June 2012

G Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of financial performance and financial position of the Trust have been applied:

Grants

Grants and donations are recorded as revenue at the point their receipts are formally acknowledged by the Trust. The Trust is funded primarily by Auckland International Airport Limited.

Accounts Receivable

Accounts Receivable is stated at their estimated realisable value after providing for doubtful debts.

Goods and Services Tax

The financial statements have been prepared on a GST inclusive basis.

Trustee Funds

Trustee funds comprise of accumulated surplus over the years, Endowment Fund Reserves and Hardship Grant Reserves. Endowment Funds Reserves are funds left to build up and be used for major community projects at some future date. Hardship Grants Reserves are funds set aside for future approved hardship grant distributions.

Changes in Accounting Policies

There have been no changes in accounting policies and they have been applied on a consistent basis with those of the previous period.

**Auckland Airport Community Trust
Notes to the Financial Statements (continued)
For the year ended 30 June 2012**

2 Trustee Funds

| | 2012 | 2011 |
|--|----------------------|-----------------------|
| | \$ | \$ |
| <i>Accumulated Trustees Funds</i> | | |
| Balance at the beginning of the year | - | - |
| Surplus/(deficit) for the year | (162,012) | 102,012 |
| Transfer to Hardship Grants Reserve | - | - |
| Transfer to Endowment Funds Reserve | <u>(162,012)</u> | <u>(102,012)</u> |
| Accumulated Trustee Funds at year end | - | - |
| <i>Endowment Funds Reserves</i> | | |
| Endowment Funds Reserves at beginning of the year | 168,394 | 66,382 |
| Transfer from Accumulated Funds | <u>(162,012)</u> | <u>102,012</u> |
| Endowment Funds Reserves at end of the year | 6,382 | 168,394 |
| <i>Hardship Grant Reserves</i> | | |
| Hardship Grant Reserves at the beginning of the year | 70,000 | 70,000 |
| Transfer from Accumulated Funds | <u>-</u> | <u>-</u> |
| Hardship Grant Reserves at the end of the year | 70,000 | 70,000 |
| Total Trustee Funds | <u><u>76,382</u></u> | <u><u>238,394</u></u> |

Auckland Airport Community Trust
Notes to the Financial Statements (continued)
For the year ended 30 June 2012

3 Distributions

Unpaid and Approved Distributions and Grants

| | 2012 | 2011 |
|-------------------------|----------------|----------------|
| | \$ | \$ |
| General&Literacy Grants | 503,285 | 205,319 |
| Hardship Grants | 10,400 | 10,400 |
| | <u>513,685</u> | <u>215,719</u> |

| General&Literacy Grants 2012 | Unpaid Grants as at 30 June 2011 | Grants Approved in 2012 | Distribution Paid in 2012 | Grants Cancelled in 2012 | Unpaid Grants as at 30 June 2012 |
|---|---|--------------------------------|----------------------------------|---------------------------------|---|
| | \$ | \$ | \$ | \$ | \$ |
| Literacy Grants | | | | | |
| Aorere Kindergarten | 7,325 | - | 7,325 | - | - |
| De La Salle College | 5,750 | - | 5,750 | - | - |
| Great Potentials | 36,000 | 72,000 | 36,000 | - | 72,000 |
| Hindu Heritage | 12,536 | - | 12,536 | - | - |
| Mangere College | 5,750 | - | 5,750 | - | - |
| Monte Cecilia Housing Trust | 10,360 | - | 10,360 | - | - |
| Parents Inc Attitude Division | 2,500 | 4,612 | 2,500 | - | 4,612 |
| Rongomai School | 23,303 | - | 23,303 | - | - |
| Speld Manukau City | 7,500 | - | 7,500 | - | - |
| Springboard Trust | 33,400 | - | 18,700 | 14,700 | - |
| St Peter Chanal Preschool | 2,508 | - | 2,508 | - | - |
| Story Time Foundation | 39,988 | - | 39,988 | - | - |
| The Gifted Kids Programme | 18,400 | 18,400 | 18,400 | - | 18,400 |
| Age Concern Counties Manukau | | 6,200 | | - | 6,200 |
| Brainwave Trust | | 45,000 | | - | 45,000 |
| Chinese New Settlers Services Trust | | 3,718 | | - | 3,718 |
| English Language Partners Auckland South | | 15,719 | | - | 15,719 |
| Kadampa Buddhist Charitable Trust | | 14,108 | | - | 14,108 |
| Muscular Dystrophy Northern | | 8,753 | | - | 8,753 |
| Papatoetoe Adolescent Christian Trust | | 32,950 | | - | 32,950 |
| Papatoetoe Kindergarten | | 3,835 | | - | 3,835 |
| Papatoetoe South School | | 58,500 | | - | 58,500 |
| Story Time Foundation | | 25,000 | | - | 25,000 |
| Whakamana Nga Rangatahi Trust | | 49,490 | | - | 49,490 |
| Youth Connections | | 115,000 | | - | 115,000 |
| Youthline Auckland Charitable Trust | | 30,000 | | - | 30,000 |
| General Grants | | | | | |
| Mangere Bridge Ratepayers Association (General Grant) | - | 125 | 125 | - | - |
| Total | 205,320 | 503,410 | 190,745 | 14,700 | 503,285 |

Auckland Airport Community Trust
Notes to the Financial Statements (continued)
For the year ended 30 June 2012

3 Distributions (continued)

| Literacy Grants 2011 | Unpaid Grants as at 30 June 2010 | Grants Approved in 2011 | Distributions Paid in 2011 | Grants Cancelled In 2011 | Unpaid Grants as at 30 June 2011 |
|---|---|--------------------------------|-----------------------------------|---------------------------------|---|
| | \$ | \$ | \$ | \$ | \$ |
| Aorere Kindergarten | - | 7,325 | - | - | 7,325 |
| Books for Babes Charitable Trust | 20,195 | - | 20,195 | - | - |
| Hippy @ Rongomai Yr 2 (Great Potentials Foundation) | 176,065 | - | 176,065 | - | - |
| Papatoetoe Kindergarten | 15,496 | - | 15,496 | - | - |
| The Gifted Kids Programme | - | 18,400 | - | - | 18,400 |
| Rongomai Te Kohanga Reo | 2,270 | - | - | 2,270 | - |
| Brainwave Trust | 36,400 | - | 36,400 | - | - |
| De La Salle College | - | 5,750 | - | - | 5,750 |
| Water Safe Auckland | 42,148 | - | 42,148 | - | - |
| St Peter Chanal Preschool | 3,300 | 2,508 | 3,300 | - | 2,508 |
| Dawson Primary School | 24,050 | - | 24,050 | - | - |
| Rongomai School | 23,200 | 23,303 | 23,200 | - | 23,303 |
| ATTITUDE | 2,100 | - | 2,100 | - | - |
| Age Concern Counties Manukau | 9,720 | - | 9,720 | - | - |
| Parents Inc Attitude Division | - | 2,500 | - | - | 2,500 |
| Mangere College | - | 5,750 | - | - | 5,750 |
| Story Time Foundation | - | 39,988 | - | - | 39,988 |
| Great Potentials | - | 36,000 | - | - | 36,000 |
| Monte Cecilia Housing Trust | - | 10,360 | - | - | 10,360 |
| Speld Manukau City | - | 7,500 | - | - | 7,500 |
| Hindu Heritage | - | 12,536 | - | - | 12,536 |
| Springboard Trust | - | 33,400 | - | - | 33,400 |
| | 354,944 | 205,319 | 352,674 | 2,270 | 205,319 |

Hardship Grants

| | 2012 | 2011 |
|---|---------------|---------------|
| | \$ | \$ |
| Unpaid Hardship Grants at the beginning of the year | 10,400 | 23,400 |
| Hardship Grants paid during the year | - | (20,800) |
| Hardship Grants granted during the year | - | 7,800 |
| Unpaid Hardship Grants at the end of the year | <u>10,400</u> | <u>10,400</u> |

4 Events Occurring After Balance Date

There are no material post balance date events (30 June 2011: \$Nil).

5 Contingent Liabilities

There are no contingent liabilities at year end (30 June 2011: \$Nil).

Auckland Airport Community Trust
Notes to the Financial Statements (continued)
For the year ended 30 June 2012

6 Commitments

There are no commitments as at 30 June 2012. (30 June 2011: \$Nil)

There are no capital commitments at year end (30 June 2011: \$Nil).

7 Related Parties

The Trust made a distribution of \$115,000 to Youth Connections Papatoetoe – Otara. Ian McGechie is a trustee for Auckland Airport Community Trust and a Local Board member for Papatoetoe – Otara.

There were no related party transactions in 2011.

8 Trustees Remuneration

Trustees did not receive remuneration during the year (30 June 2011: \$Nil)

9 Grants Cancelled

A grant of \$14,700 to Springboard Trust was cancelled in 2012. In 2011, a grant of \$2,270 to Rongomai Te Kohanga Reo was cancelled.



INDEPENDENT AUDITOR'S REPORT

To the members of Auckland Airport Community Trust

Report on the Financial Statements

We have audited the financial statements of Auckland Airport Community Trust on pages 4 to 12, which comprise the statement of financial position as at 30 June 2012, and the statement of financial performance and statement of movements in trustee funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of 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 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 and fair presentation of the 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, 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.

Our firm carries out business advisory services for Auckland Airport Community Trust. Except in this regard, and other than our capacity as auditors, the firm has no other relationship with, or interest in, Auckland Airport Community Trust.

Opinion

In our opinion, the financial statements on pages 4 to 12 present fairly, in all material respects, the financial position of Auckland Airport Community Trust as at 30 June 2012, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

CST Nexia Audit

**CST Nexia Audit
Chartered Accountants
Manukau City**

11 September 2012

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Directory

Auckland Airport Community Trust

Trustees

Roger Baldwin

Martin Fryer

Richard Llewellyn

Ian McGechie

Julie Wade

Registered Office & Mailing Address

Auckland Airport Community Trust

%. Auckland Communities Foundation

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35 St George Street

Papatoetoe

Auckland Airport Community Trust

P O Box 59023

Mangere Bridge

Manukau City 2156

Email: admin@aucklandairportcommunitytrust.org.nz

Website: www.aucklandairportcommunitytrust.org.nz

Auditors

CST Nexia Audit

Solicitors

Hudson Gavin Martin

Bankers

ASB Bank