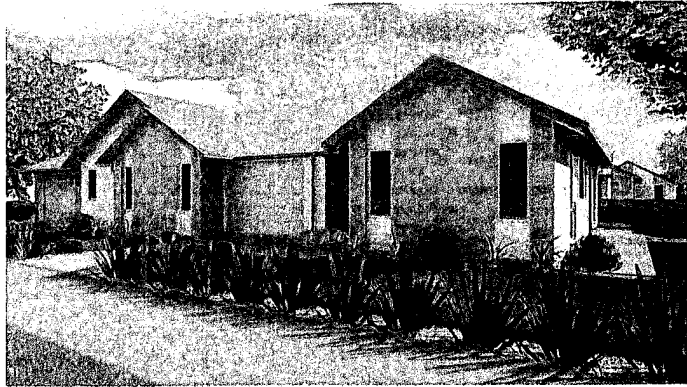


AVONSIDE HOUSE TRUST



Annual Report

2010/11

AVONSIDE HOUSE TRUST

Mission Statement

“Towards Fullness of Life”

Objectives:-

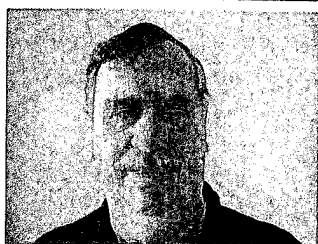
- To provide people with a mild to moderate needs a caring home-like environment based on Christian values.
- To support each individual in the development of social and living skills.
- To provide each individual the opportunity to live a life of greater independence, enjoyment and fulfilment.

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- Chairman's Report - Pages ii & iii
- Management Reports – Pages iv & v
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AVONSIDE HOUSE TRUST**DIRECTORY**

| | |
|---------------------------|--|
| PRINCIPAL ACTIVITY | Provision of accommodation and training to individuals with mild to moderate needs. |
| BUSINESS LOCATION | 20 Lychgate Close Avonside Christchurch |
| TRUSTEES | Graham Martin (Chairman) Ray Berry (Treasurer) Robin Mellish Allison Nichols-Dunsmuir Katrina Merrett John Thompson Bruce Murray |
| SECRETARY | Anthony Waters |
| TREASURER | Ray Berry |
| REGISTERED OFFICE | Miller, Gale & Winter P O Box 270 Christchurch |
| LEGAL ADVISORS | Papprills 48 Fitzgerald Avenue Christchurch 8011 |
| BANKERS | Westpac Eastgate Branch Cnr Linwood Ave & Cranley St Christchurch |
| AUDITORS | PriceWaterhouse Coopers 5 Sir Gil Simpson Drive Canterbury Technology Park Christchurch 8053 |
| ACCOUNTANTS | Miller,Gale & Winter P O Box 270 Christchurch |



Graham Martin

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

20 years own commercial business.

Secretary, Horticulture Canterbury Ltd.

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

Chairman, Autlink Foundation.

Chairman Your Studio Trust

Chairman's Report 2011

Welcome to the 16th Annual General Meeting of Avonside House Trust.

Our annual financial year ends at 31 January 2011 and at that date I can report that financially Avonside House had a net surplus for the year of \$605,934. The majority of this surplus was to be spent on our new development at Te Orewai Place.

As six months has now elapsed since our financial year it is more prudent for you if my report covers the last 18 months since my 2010 annual report as so much has happened in particular since 4th September 2011,

2011 was again a very full on year for Avonside House.

Considerable amount of time was spent by us all, The Board, Management and staff on the planning for the new complex at Te Orewai Place, and I thank everyone for their time and patience, in particular the residents as we planned the new accommodation which we were looking at accommodating those persons who were more able to live a more independent supported life.

All this changed dramatically on 22 February of this year, when the hostel building which we leased from Anglican Church Properties was so badly damaged that it could no longer be occupied and is subsequently being demolished. This necessitated the Board having to restructure our staffing to be able to support the residents on a 24 hour basis at both complexes.

Whilst the staff were coping in very trying and stressful circumstances the Ministry of Health, who fund each individual resident, stepped in and directed us to evacuate the residents to other providers in the North Island and only allowing a few hours to get the residents organised for the evacuation.

Our planning then took a new direction in trying to get water and power services connected to our existing buildings in Lychgate Close, as well as applying pressure on the Builders to get Te Orewai completed so that we could get our residents back to Christchurch as soon as possible. Those residents in Te Awamutu returned six weeks earlier than those who were based in Tokoroa. These residents arrived back in Christchurch on June 13th to be greeted by a further large tremor.

The new complex was officially opened by The Minister for Disability Issues, Tariana Turia on 30 June.

Work has continued on updating our strategic plan with emphasis being on the next 5 years as we consolidate our financial position. We do have some vacancies in both complexes and our marketing planning is towards getting additional residents whether it is short stay respite care or more permanent care. We have developed a website to allow Avonside House to promote itself.

Robin and John are required to stand down from the Board as their 3 year term expires and we hope that they will again put their names forward to continue the good work.

However Allison is standing down after 6 years contribution to Avonside House and we thank her sincerely for her wisdom and input to the board.

Joining us earlier this year was Bruce Murray. Bruce is the CEO of Halswell Residential College caring for young people with challenging behaviours. I'm sure Bruce's experience will add value to our Board.

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

Graham Martin
Chairman

23rd August 2011

Manager's Report

Well, although somewhat delayed due to unforeseeable circumstances it's that time of year again. Given the delay and the rather eventful past nine months, the AGM financial period (early February 2010 - end of January 2011) almost appears irrelevant. Obviously this is not so. This report will include the period from February 2011 to current also.

Human Resources & Residential

Staff

Prior to the 22nd February 2011 earthquake, staffing again remained stable. However, the past 6 months there have been staffing changes as a direct result of this earthquake. Two employees have acquired long service leave, after 8 years of employment. Two additional employees have since acquired this also. This is encouraging to see.

Due to the changing needs within our organisation, two new Assistant Manager positions, one of which is policy & development based and the other residential were implemented in June 2010.

Professional supervision continues to be encouraged and accessed for those requiring an outlet and further support.

This year staffing numbers have fluctuated as a direct result of the February 2011 earthquake. Mostly we have had 20 permanent staff who work either full-time or part time. We currently have 18 employees.

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

Staff training is ongoing. Four employees commenced the National Certificate in Community Support Services study. Unfortunately, due to unforeseen circumstances training has temporarily been put on hold and the number of trainees has decreased.

On 16th August 2010 a Ministry of Health Surveillance DAA Audit of all of Avonside House occurred and on 22nd August 2011 a full audit of the House occurred. It is pleasing to report that again the outcomes were successful, with only a small amount of corrective actions.

Residents

Avonside House is currently home to 23 permanent residents. Respite accessed increased from two to five individuals in 2010, but has decreased some this year. It is pleasing to see that we are in a position as one of few providers to be able to provide support.

The building of our 7 two bedroom Elderly Persons Housing (EPH) type units on Te Orewai Place/Avonside Drive has been completed, and provided much needed housing for our residents after the Hostel was badly damaged in the February earthquake. Residents and staff alike are adjusting well to two sites opposed to one.

This has been an extremely challenging year for residents and staff alike as a result of the Canterbury earthquakes. On 26th February 2011, all but two residents were evacuated by the Ministry of Health to the North Island, returning either at the end of April or mid June 2011. Avonside House employees accompanied and supported the residents up North. Given the extreme challenges and trauma experienced, the residents have coped remarkably well. This is something we all can be proud of. Additional monitoring and support from staff and professionals continues.

In 2010, residents indicated that they would like to go on an Avonside House holiday to Australia in 2011. A Fundraising Committee existing of a mixture of residents and staff was implemented, and fundraising commenced in June 2010. Due to unforeseen circumstances this has been put on hold until 2012. In the mean time a less costly trip has been scheduled for the 9th September 2011.

I would like to take this opportunity to thank all those family, staff and Board members who went out of their way to support the residents at their biggest time of need, and an extra thank you to all residents for their courage, understanding and support.

Karin Hofmans
Manager

Finance 2011

This year the focus has been on the building project at Te Orewai Place. We were very fortunate and grateful to The Canterbury Community Trust for their donation of \$500,000 towards this project. This meant that along with our own funds plus a Westpac loan we were able to complete this project. As at end of January 2011 this was approx 90% complete.

As well as the Canterbury Community Trust grant we were also fortunate enough to receive \$2,000 from the Perry Foundation for hot water cylinders and \$10,000 from The Southern Trust for heat pumps for Te Orewai Place, as well as COGS grant of \$3,450 for administration expenses. We are very grateful to these organisations.

Buildings: During the year the Unit interiors were repainted and the carpets replaced. We received a grant from The Lion Foundation of \$5000 for the carpet. Refurbishment of the Hostel Lounge continued. We received a grant from Canterbury Community Trust of \$30,000 towards this renovation. This was still a work in progress at the end of the financial year, with the new exterior door, painting and heat pump installation all having been completed.

Funding: Our income decreased slightly during the year due to a reduction in resident numbers from the previous year. We have utilized our vacant rooms to offer more respite care and as at end of January were providing respite care for 5 individuals. During the year we received an increase in funding from the Ministry of Health. WINZ also increased their subsidy during the year.

Earthquake: The September earthquake gave us all a rude awakening, luckily we sustained very minor damage to the Hostel which was repaired, and no obvious damage to the Units, unfortunately the same cannot be said for February.

We would like to acknowledge the support from the following organisations:

- *The Canterbury Community Trust*
- *Perry Foundation*
- *The Southern Trust*
- *COGS*
- *The Lion Foundation*

AVONSIDE HOUSE TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2011

AVONSIDE HOUSE TRUST

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AVONSIDE HOUSE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 JANUARY 2011

| | Note | 2011 | 2010 |
|------------------------------------|------|------------------|------------------|
| INCOME | | | |
| Ministry of Health Income | | 887,934 | 900,433 |
| WINZ Receipts | | 197,205 | 199,588 |
| Fundraising - General | | - | 401 |
| Donations | | 175 | 4,887 |
| Rent - Residential | | 10,213 | 10,259 |
| Interest Received | | 5,198 | 17,370 |
| Community Trust Grant | | 500,000 | 30,000 |
| Perry Foundation Grant | | 2,000 | - |
| The Lion Foundation Grant | | 5,000 | - |
| Southern Trust Grant | | 10,000 | - |
| COGS - Internal Affairs Grant | | 3,000 | - |
| | | <u>1,620,725</u> | <u>1,162,938</u> |
| COST OF SALES | | | |
| Communications | | 7,982 | 7,973 |
| Electricity & Gas | | 30,778 | 30,097 |
| Food | | 86,822 | 76,423 |
| Household Renewables | | 7,952 | 6,414 |
| Residents' Allowance | | 4,316 | 5,326 |
| Recreational Programmes | | 1,055 | 1,638 |
| | | <u>138,905</u> | <u>127,871</u> |
| Cost of Sales | | <u>1,481,820</u> | <u>1,035,067</u> |
| GROSS MARGIN | | | |
| INVESTMENT AND OTHER INCOME | | | |
| Plus Grants Utilised/(Unutilised) | | <u>14,825</u> | <u>(16,000)</u> |
| TOTAL INCOME | | <u>1,496,645</u> | <u>1,019,067</u> |

AVONSIDE HOUSE TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 JANUARY 2011

| | Note | 2011 | 2010 |
|---|------|------------------|------------------|
| EXPENSES | | | |
| ACC Premiums | | 7,649 | 6,932 |
| Accounting & Secretarial Fees | | 1,644 | 3,974 |
| Advertising, PR & Recruitment | | 6,472 | 394 |
| Audit Fees | | 3,885 | 3,683 |
| Audit Fees - MOH | | 1,243 | 5,409 |
| Bank Charges | | 239 | 276 |
| Computer Expenses | | 1,409 | 3,966 |
| Consultants, Architect, Engineer etc | | - | 3,258 |
| Depreciation | | 52,844 | 57,327 |
| Depreciation Adjustment on Disposal of Fixed Assets | | 742 | 277 |
| Donations | | 44 | 406 |
| Executive Expenses | | 44 | 1,719 |
| Fire Protection & Monitoring | | 5,087 | 4,691 |
| Fundraising Expenses | | 491 | 196 |
| Insurance | | 4,246 | 3,021 |
| Interest Expense - Church Property Trustees | | 7,444 | 9,345 |
| Lease - Plant & Equipment | | 1,515 | 1,325 |
| Legal Fees | | 1,546 | - |
| Motor Vehicle Expenses | | 5,220 | 4,634 |
| Motor Vehicle Insurance | | 3,155 | 3,041 |
| Motor Vehicle Lease | | 19,765 | 19,765 |
| Postage, Printing & Stationery | | 6,301 | 7,511 |
| Rates | | 813 | 564 |
| Rent | | 44,854 | 44,435 |
| Repairs & Maintenance | | 37,256 | 47,030 |
| Rubbish Removal | | 2,904 | 3,112 |
| Security Expenses | | 2,540 | 2,535 |
| Staff Expenses | | 6,349 | 5,445 |
| Subscriptions | | 844 | 608 |
| Training & Supervision | | 3,049 | 2,404 |
| Trust Board Expenses | | 970 | 1,622 |
| Valuation Expenses | | 675 | - |
| Wages | | 653,968 | 601,221 |
| Wages - Employment Agency | | 5,504 | 8,754 |
| TOTAL EXPENSES | | 890,711 | 858,880 |
| NET SURPLUS | | \$605,934 | \$160,187 |

AVONSIDE HOUSE TRUST

**STATEMENT OF MOVEMENTS IN GENERAL FUNDS
FOR THE YEAR ENDED 31 JANUARY 2011**

| | <i>Note</i> | 2011 | 2010 |
|--|-------------|---------------------------|---------------------------|
| Net Surplus for the Year | | <u>605,934</u> | <u>160,187</u> |
| <i>Total Recognised Revenue and Expenses</i> | | 605,934 | 160,187 |
| GENERAL FUNDS AT START OF YEAR | | <u>1,174,904</u> | <u>1,014,717</u> |
| GENERAL FUNDS AT END OF YEAR | | <u>\$1,780,838</u> | <u>\$1,174,904</u> |

AVONSIDE HOUSE TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2011

| | Note | 2011 | 2010 |
|---|------|--------------------|--------------------|
| GENERAL FUNDS | | | |
| Accumulated Surplus | | 1,780,838 | 1,174,904 |
| CURRENT ASSETS | | | |
| Petty Cash | | 400 | 400 |
| Westpac - Cheque Account | | 71,945 | 131,742 |
| Westpac - Imprest Account | | 5,500 | 5,500 |
| Westpac - Bonus Saver | | 47,361 | 304,590 |
| Accounts Receivable | | 87,837 | 97,680 |
| Restricted Cash | | - | 1,754 |
| Rental Bond - 190 Stanmore Road | | 1,317 | 1,317 |
| GST Refund Due | | 26,773 | - |
| Work In Progress | | <u>1,687,032</u> | <u>746,979</u> |
| | | 1,928,165 | 1,289,962 |
| NON CURRENT ASSETS | | | |
| Property, Plant and Equipment | | | |
| As per Schedule (at Book Value) | 3 | <u>689,356</u> | <u>692,186</u> |
| | | 2,617,521 | 1,982,148 |
| TOTAL ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | | 39,241 | 33,504 |
| GST Payable | | - | 8,401 |
| Accrued Holiday Pay | | 86,805 | 70,271 |
| Other Accrued Expenses | | 280 | 25,367 |
| Unspent Restricted Funds | | 15,175 | 30,000 |
| Current Portion of Term Liabilities | | <u>37,458</u> | <u>35,413</u> |
| | | 178,959 | 202,956 |
| NON CURRENT LIABILITIES | | | |
| Mortgage - CPT | 4 | 98,095 | 133,451 |
| Mortgage - Westpac | 4 | 506,250 | 506,250 |
| Mortgage - Westpac | 4 | 90,837 | - |
| | | <u>(37,458)</u> | <u>(35,413)</u> |
| Less: Current Portion of Term Liabilities | | 657,724 | 604,288 |
| | | <u>836,683</u> | <u>807,244</u> |
| TOTAL LIABILITIES | | <u>\$1,780,838</u> | <u>\$1,174,904</u> |
| NET ASSETS | | | |

Chairperson

Treasurer

Date

Date

AVONSIDE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2011

1. Statement Of Accounting Policies

Reporting Entity

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

Measurement Base

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

Differential Reporting

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

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

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

Goods And Services Tax

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

Accounts Receivable

Accounts Receivable are valued at their estimated realisable value.

Investments

Investments are valued at cost plus accumulated interest.

AVONSIDE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 JANUARY 2011

Property Plant & Equipment

Property Plant & Equipment are initially recorded at cost.

Depreciation

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

Major depreciation periods are:

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

Operating Leases

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

Taxation

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

Changes In Accounting Policies

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

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

2. Restricted Cash

The Trust receives general donations from time to time to fund its activities. That part of these donations which at 31 January 2011 has not been spent is disclosed in the Statement of Financial Position as "Restricted Cash" under the heading of "Current Assets".

| | 2011 | 2010 |
|-----------------------------------|---------------|---------------|
| General Fundraising | | |
| Opening Balance (overdrawn) | 1,754 | 1,615 |
| Plus Received | 0 | 2,352 |
| | <hr/> 1,754 | <hr/> 3,967 |
| Less Spent | <hr/> (1,754) | <hr/> (2,213) |
| | <hr/> | <hr/> |
| Total Restricted Cash (Overdrawn) | <hr/> \$0 | <hr/> \$1,754 |

AVONSIDE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS(Continued) FOR THE YEAR ENDED 31 JANUARY 2011

3. Unspent Restricted Funds

The Trust is in receipt of various grants to fund specific activities. That part of those grants which at 31 January 2011 has not been spent is disclosed in the Statement of Financial Position as "Unspent Restricted Funds" under the heading of "Current Liabilities".

| | 2011 | 2010 |
|--------------------------------|----------|----------|
| Canterbury Community Trust | | |
| Opening Balance at 1 February | 30,000 | 14,000 |
| Plus Received | 15,175 | 30,000 |
| Less Applied 2010/2011 | (30,000) | (14,000) |
| Closing Balance at 31 January | 15,175 | 30,000 |
| Total Unspent Restricted Funds | \$15,175 | \$30,000 |

4. Capital Commitments

There were no capital commitments as at 31 January 2011. (2010: nil)

5. Lease Commitments

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

| | 2011 | 2010 |
|--|----------|----------|
| Lease Commitments for less than one year | \$27,995 | \$63,958 |
| Lease Commitments between two and five years | \$9,842 | \$23,602 |
| Lease Commitments greater than five years | \$nil | \$nil |

6. Contingent Liabilities

There were no contingent liabilities as at 31 January 2011. (2010: nil)

7. Mortgage – Church Property Trustees

The Trust entered into a Mortgage agreement in 1997 with the Church Property Trustees. The security over this Mortgage is the property at 168a Stanmore Road, Christchurch. The interest rate is at 6.10%. On the current terms of repayment, the loan will be fully repaid in July 2013.

AVONSIDE HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS(Continued) FOR THE YEAR ENDED 31 JANUARY 2011

8. Mortgage – Westpac

The Trust entered into a Mortgage agreement during the year to purchase land at 56 Avonside Drive. The amount of the loan was for \$506,250, and it is secured over the land at 56 Avonside Drive. The interest rate as at balance date was 6.45%. The loan was interest only as at balance date. The interest only period will expire on 1 November 2011. The loan matures on the 30 October 2014.

9. Mortgage – Westpac

The Trust entered into a Mortgage agreement during the year to construct new buildings at 56 Avonside Drive. The limit of the loan is \$609,000, and it is secured over the land and buildings at 56-58 Avonside Drive. As at balance date \$90,837 had been drawn down. The interest rate as at balance date was 10.95%. The loan was interest only as at balance date. The interest only period will expire on 22 November 2011. The loan matures on the 22 November 2025.

10. Property, Plant And Equipment Summary

| 2011 | Cost | Accum | Book Value |
|------------------------|--------------------|------------------|-------------------|
| Land Improvements | 2,450 | - | 2,450 |
| Buildings | 548,602 | 318,591 | 230,011 |
| Leasehold Improvements | 596,259 | 179,188 | 417,071 |
| Plant & Equipment | 25,497 | 20,102 | 5,395 |
| Furniture & Fittings | 129,631 | 95,632 | 33,999 |
| Motor Vehicles | 662 | 232 | 430 |
| | <u>\$1,303,101</u> | <u>\$613,745</u> | <u>\$689,356</u> |
| 2010 | | | |
| Land Improvements | 2,450 | - | 2,450 |
| Buildings | 548,602 | 302,134 | 246,468 |
| Leasehold Improvements | 568,330 | 152,324 | 416,006 |
| Plant & Equipment | 25,493 | 22,175 | 3,318 |
| Furniture & Fittings | 114,288 | 90,856 | 23,432 |
| Motor Vehicles | 662 | 150 | 512 |
| | <u>\$1,259,825</u> | <u>\$567,639</u> | <u>\$692,186</u> |



Independent Auditors' Report to the Trustees of Avonside House Trust

Report on the Financial Statements

We have audited the financial statements of Avonside House Trust on pages 1 to 8, which comprise the statement of financial position as at 31 January 2011, and the statement of financial performance and statement of movements in general funds for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of financial statements that present fairly the matters to which they relate and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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) and International Standards on Auditing. These standards require that we comply with relevant 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 auditors' 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 auditors consider the internal controls relevant to the Trust's preparation of financial statements that present fairly the matters to which they relate, 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 Trust'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.

Other than in our capacity as auditors we have no relationship with, or interests in, Avonside House Trust.



Independent Auditors' Report

Avonside House Trust

Opinion

In our opinion, the financial statements on pages 1 to 8 present fairly, in all material effects, the financial position of the Trust as at 31 January 2011, and its financial performance for the year ended on that date.

Restriction of Distribution or Use

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Priedor Hughes'.

Chartered Accountants
23 August 2011

Christchurch