



Eighteenth Annual Report of the

ROAD SAFETY TRUST

for the year ended 30 June 2007

Presented to the House of Representatives pursuant to Section 45M of the Public Finance Act 1989

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Foreword

I am pleased to present the Annual Report and audited accounts for the Road Safety Trust for the year ended 30 June 2007.

Operational Activities

This year the Trust took time out to closely evaluate its role and relevance in the current road safety environment. The result of this evaluation was the production of a business plan that offers a clear way forward for the Trust over the coming few years.

In producing the business plan the Trust has referred to its founding document, the Trust Deed, and developed key business objectives and identified the strategies needed to achieve these objectives.

Movement towards these goals has been suspended while awaiting the results of the review of the Trust recommended in the 2004 Transport Sector Review. The outcome of this review has only recently been released and the Trust can now press forward with its plan over the coming years.

The extended review period of the Trust has resulted in slightly less grant activity than usual, with 24 grants, totalling \$723,886, being approved this year.

The Trust continued to support the Road Safety Innovation Awards. These awards recognise individuals and organisations for their outstanding efforts to increase road safety and the awards ceremony is an event that has become a highlight of the road safety calendar. Funding also continued for Students Against Driving Drunk (SADD), and grants were made for dedicated road safety research projects.

Work continued on the audit of grant reports, checking that projects were delivered in line with the conditions of the contract. The Trust was pleased to note that the majority of groups complied with the conditions and delivered the approved projects within budget. Where any anomalies were identified, appropriate action has been taken.

Financial Performance

The Trust is funded from a portion of profits received from the first-time sale of personalised motor vehicle licence plates. Personalised Plates Limited (PPL), the company contracted to market the plates, continues to perform outstandingly and the Trust has once again benefited from receiving higher than anticipated revenue. The Trust continues to maintain a strong capital base.

Board and Management

There were no membership changes during the reporting period, with Tony Knight, Yani Johanson Wayne Donnelly and myself continuing our terms of tenure.

The Trust is indebted to the behind-the-scenes work done by the Secretariat and the Trust's support committees. The Trust thanks all involved for their continued assistance.

The Future

The review of the Trust's continued operation by the Secretary for Transport, as recommended in the 2004 Transport Sector Review, has only recently been released and the Trust can now move forward with its planning.

Over the years the Trust has made a valuable contribution to road safety by supporting local communities to participate in the development and delivery of community road safety activities. It is anticipated that recent proposed changes to the allocation of Community Road Safety Programme funding have the potential to consolidate and expand the Trust's funding role in the community.

The Trust is glad to be able to continue with its activities in assisting communities to take ownership of, and address, local road safety issues and to continue to support robust road safety research. It looks forward to a more focused future role addressing road safety priorities highlighted in the Government's December 2006 Road Safety Policy Statement.



Suzanne Sinclair
Chairman

MANAGEMENT STATEMENT

1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2006 to 30 June 2007.

In 2006 New Zealand had the lowest road toll for almost 50 years. In the 12 months to the end of June 2007, 402 people were killed on our roads. This is 39 more than the 12-month toll at the end of June 2006. We clearly must continue to encourage and fund new road safety initiatives which will contribute to meeting the goals of the government's Road Safety to 2010 Strategy, by reducing road casualties to no more than 300 deaths and 4,500 hospitalisations per year by 2010.

2. Establishment and Membership

The Trust was established in August 1989. It is empowered to receive and invest its portion of the revenue received from the sale of personalised motor vehicle licence plates, and to make grants from those funds to traffic safety projects from time to time. Under the terms of the Public Finance Amendment Act 2004 the Trust's status is deemed to be that of a Crown established trust. It is required under Section 45M of the Public Finance Act 1989 to forward to the Minister of Transport an annual report, including audited financial statements, that must be laid before the House of Representatives.

The membership of the Trust comprises:

- A chairperson nominated by the Minister of Transport
- The Chief Executive of Land Transport New Zealand ("Chief Executive"), or his or her nominee
- A representative of youth nominated by the Ministry of Youth Affairs
- A representative of road users nominated by the New Zealand Automobile Association.

This membership provides a balance of consumer, government and corporate interests. The Minister of Transport appoints the four Trustees of the Road Safety Trust. The term of appointment of the Trustees, other than the Chief Executive or his or her nominee, is a period not exceeding three years. This is fixed at the time of appointment, with the provision that any Trustee may be reappointed for any further periods of up to three years.

The four Trustees are currently:

Suzanne Sinclair	Chairman
Wayne Donnelly	Chief Executive of Land Transport New Zealand
Yani Johanson	Representative of youth
Tony Knight	Representative of road users.

There were no changes to Trustees during this financial year.

Key support staff are:

Leonie Corrigan and Alan Tollemache	Administration
Graham Cooper and Willy Wilson	Accountants

3. Role & Relevance

During its planning session the Trust refined and revised its role and relevance in the current transport sector environment. The following Vision, Mission, Values and Goals were agreed, together with a set of key business objectives, strategies for achieving them, and a three year work plan to support them.

3.1 Vision

The Trust's vision is:

To fund innovative initiatives that improve road safety

3.2 Mission

The Trust Deed clearly sets out the purpose of the Trust and the Trust's mission reflects that keystone role. Its mission is:

**Encouraging the establishment and conduct of road safety projects in
New Zealand**

3.3 Values

The Trust has long adhered to a published Code of Ethics. In reviewing its operations the Trust has examined and updated these and now expresses them as values. These values are the core beliefs and principles that govern the behaviour of the Trust. In conducting its business the Trust applies the following values:

Transparency and Accountability

The Trust will undertake all its activities in a transparent and consistent manner and be accountable for all its actions.

Impartiality and Integrity

The Trust will operate independently of specific interests, and act with impartiality and integrity in everything it does.

Professional Excellence

The Trust will do its job in a professional manner and seek high standards of performance.

Ethics

The Trust will uphold a high standard of ethics in all its dealings.

Communication

The Trust will communicate openly and fairly with all parties in promoting and conducting its business.

Constant Improvement

The Trust will constantly strive to seek new and better ways of doing its work.

3.4 Goals

In working towards its vision the Trust has identified the following goals as being critical to achieving the desired outcome.

- **Safer use of the road network**
- **Greater synergy with road safety partners**
- **Effective management of the promotion, decision-making, funding and monitoring of the Trust's activities.**

3.5 Functions

The Trust Deed gives the Trust the following function:

- To provide funds for road safety projects such as:
 - community safety initiatives
 - private sector technological developments with road safety benefits, which are unable to be fully funded by government organisations or from revenue generated by sales
 - research and study awards
 - training, education and overseas travel to attend conferences or undertake study
 - specific road safety projects as referred from time to time by the Minister of Transport, and
 - any other project which the Trustees consider likely to contribute to the improvement of safety on roads.

The Trust also undertakes to ensure:

- that the Trust's monies are properly invested
- that proper financial statements are kept in respect of the Trust
- that annual financial statements are prepared promptly at the end of each financial year
- that the Auditor-General audits its annual financial statements.

4. Support

Land Transport New Zealand's Corporate Services Group provides executive services to the Trust (Leonie Corrigan and Alan Tollemache) and financial support services (Graham Cooper and Willy Wilson). Ms Lynne Heasman, Land Transport New Zealand's Manager Marketing, Education and Communications, chaired the Grants Advisory Committee, and Mr Bill Frith, the Ministry of Transport's Manager Research and Statistics (Strategic Directions) chaired the Technical Advisory Committee. These committees provide expert advice to the Trust on community projects and research, respectively.

The Trust has a formal agreement for the provision of support services by Land Transport New Zealand (currently that carried over from the Land Transport Safety Authority) by way of a Memorandum of Understanding (MOU). The MOU establishes a service-level agreement that clearly identifies and defines the expectations and responsibilities of both agencies. It will be renegotiated in the coming year now the outcome of the recently completed review is known.

5. Review of Operations (July 2006 to June 2007)

5.1 Meetings

The Trust met three times during this financial year to consider applications for funding. The meetings were held in July 2006, December 2006 and June 2007. The Trust also held a strategic business planning meeting in September 2006.

5.2 Applications

Advertising of applications for the funding of road safety projects was arranged in metropolitan and provincial daily newspapers. The Trust is listed in the Department of Internal Affairs Funding Information Service, Fundview, accessible at Community Development Group offices and libraries throughout New Zealand. Internet links are established with Personalised Plates Ltd and Community Net. Information about the Trust is also available through the Trust's own Internet site, www.roadsafety.govt.nz. The Trust has agreed priority areas and target groups, which aim to complement and support the road safety priorities expressed in the *Road Safety to 2010 Strategy*.

Of the 72 applications received, 24 totalling \$723,886 were approved for full or partial funding during the 2006/2007 financial year.

The approved grants are scheduled at Annex A (page 14).

5.3 Statement of Allocation Criteria

The Trust's statement of allocation criteria is as follows:

- Applications must be compatible with the Trust functions.
- Applications must be in accordance with the priorities set out in the *Road Safety to 2010* strategy document and be consistent with the New Zealand Transport Strategy in so far as it relates to road safety.
- There must be no known similar programme operating in largely the same sphere of influence.
- Fully completed application forms and adequate material in support of the application must be provided. For example:
 - The application is submitted together with a detailed project plan outlining intended outcomes/goals and delivery
 - The project is properly costed and a justified detailed budget is provided
 - Where third-party distribution is required written approval is to accompany the application
 - The quality of management and delivery of previously-funded initiatives will be taken into consideration
 - Those involved in the delivery of the project are suitably qualified and the qualifications and/or experience are detailed.
- The structure, legal status and longevity of the group will be a deciding factor.
- Evaluation measures for the project must be easily identified, valid and realistic. Standards must be provided as necessary.

5.4 Contracts

As from July 1995 successful applicants for grants of over \$1,000 have been required to sign a contract, clearly detailing their obligations for the project delivery and accounting of funds.

5.5 Research

Recognising the fact that, underpinning road safety programmes and administration is robust road safety research, the Trust is committed to funding research projects with a sound likelihood of being translated into reduced road crash rates.

Research projects funded by the Trust are overseen by a Technical Advisory Committee. The Committee is an expert group that considers and arranges the peer review of proposals, approves projects, and monitors their progress. Through the Committee the Trust provides the only source of dedicated road safety research funding. The Committee has to date made 54 research grants totalling \$2M.

The Trust's research grants have benefited a range of projects with multiple end-users in such areas as vision and driving, road works safety, and validation of a driving assessment tool for brain-damaged or cognitively-impaired drivers, to name a few. This research has provided a substantial contribution to our knowledge of these issues, and most of it would not have been able to be undertaken without access to funding from the Trust. The providers of this work have been university-based injury research units and private sector engineering and research organisations. A major contribution has been made to the NZ Driving Study being undertaken by Otago University and this has involved co-funding with the Health Research Council and the Accident Compensation Corporation.

5.6 Scholarships

In 1995 the Trust set up a scheme to provide funding for road safety scholarships for postgraduate students, which are tenable at any University in New Zealand. Availability of the scholarships is advertised annually in the New Zealand Vice-Chancellors' Committee *Scholarship Handbook* and on its website: www.nzvcc.ac.nz.

These scholarships provide a useful avenue for encouraging students to consider road safety as a possible future career. To date 18 scholarships or equivalent research grants have been awarded to Masters and Doctoral students in psychology, engineering and other disciplines for relevant road safety research work.

Through these scholarships the Trust has made a substantive contribution to capacity building within the road safety research arena.

5.7 Community Projects

A total of 24 applications were approved for funding in this financial year. This figure is down on recent years. The grants approved were for diverse road safety projects from a wide variety of groups within the community.

Sizeable projects funded by the Trust included its continued support for the Road Safety Innovation Awards, support for the Royal NZ Plunket Society for various child car restraint activities, and grants to the Road Safety Co-ordinators' Association for a national conference and to the Otago Museum for the road safety component of a speed exhibition. Other projects funded, along with the usual support for child restraint schemes and driver licensing assistance programmes, were several regional projects targeting various aspects of road safety, including funding to provide the Fatal Vision resource for a school in Te Puke, support for a driver fatigue stop scheme in Kapiti, and two pedestrian-targeted projects, one based in suburban Auckland and the other in Otago.

Throughout the year reports on many of the previously-funded projects were received. Not all the reports were final, and some of the projects remain on-going. Projects for which the Trust has received final reports include the North Shore City Council's Travelwise to School project, that consisted of the development of a sustainable travel programme for schools in the North Shore region, and the Drink Safe for Youth project delivered by the New Plymouth Safer Community Council, which delivered road safety messages in sports club bars in the New

Plymouth area. Also successfully completed was a project to encourage and inform cyclists on road safety matters in the Wellington region and, in the Hawke's Bay, an on-road sports eventing group was assisted to purchase road safety equipment.

Another project of note was the Road Safety Innovation Awards scheme which held its fourth successful annual awards. This scheme continues to gain increased awareness within the transport sector and communities, assisting with the growth of networks and the sharing of best practice in road safety.

As always, many other smaller projects were satisfactorily completed. The Trust funds such projects in the certainty that, while the benefits may be intangible, they aid in developing a community-based road safety culture.

5.8 Organisational Developments

A business plan has been developed to provide the Trust with a framework for focusing its activities over the next three years. This Plan defines the Trust's role and relevance and provides a platform to ensure consistency in Trust operations. It outlines the Trust's key business objectives and the strategies for achieving them.

Also developed and adopted this year is a fraud and corrupt practices policy that establishes a framework for reporting and investigating possible fraud relating to Road Safety Trust business activities.

The Trust reviewed and revised its allocation criteria and application process. It developed a reporting template to assist small organisations with the grant reporting process.

With a view to ensuring appropriate accountability for its grants, the Trust formalised a process for retrieval and recovery of any identified misapplied funds. The process covers all levels of funding and allows for legal action to be taken if necessary.

A logo usage guideline was developed and posted on the Trust website for the use of grantees required to acknowledge the Trust support for their road safety project.

6. Finance

6.1 Revenue and Expenditure

The Financial Statements contain details of revenue and expenditure from the Trust's eighteenth year of operation.

The Trust is funded from the Crown Share of the initial sale of every personalised number plate.

Personalised Plates Ltd (PPL) is contracted to market personalised motor vehicle licence plates. Its main activities are:

- routine sales of personalised plates
- auctions of high-demand plates.

PPL's marketing and sales results provide the Trust with revenue. Since 1997, when the ownership of PPL changed, the Trust has been entitled to receive the entire Crown Share of PPL's earnings. Revenue received from PPL totalled \$2,034,754 for the year, up by \$99,598 on last year.

The Trust earned a total of \$489,216 in interest.

The Trust has achieved a net surplus of \$1,787,812 for the year ended 30 June 2007. This result was higher than the expected surplus of \$2,429. The main reason for this was that fewer grants were funded than expected.

Public Equity stands at \$6.8 million, remaining well above the minimum investment level and providing a solid capital base for the Trust.

Operating costs of \$212,625 were incurred during the year. These costs were higher than the budgeted amount due to increased costs for support from Land Transport NZ, and to the Trust holding planning meetings and engaging professional services for retrieval activities and other technical advice.

6.2 Funding Policy

The more flexible funding policy adopted in 2000, with all applications for both research and community projects being considered on their merits, has continued to operate.

The Trust was pleased to be able to fund the projects it has supported during the year, and hopes to be able to engage more fully in actively seeking projects to fund now that the outcome of the review and the future of the Trust known.

6.3 Investment Policy

The Trust adopted a new investment policy at its November 2001 meeting, which essentially formalised the existing investment arrangements. Under the policy it adopted a conservative approach to exposure, agreeing that the maximum investment limit with any one institution would be no more than 33% of the Trust funds, while ensuring that procedures were in place to retain the flexibility to take advantage of the best opportunities being offered. The investment level has remained above the minimum investment level of no more than \$4.5M.

6.4 Investments

The Trust's investments stand at \$7,824,273. Note 4 to the financial statements details the investment portfolio.

The Trust's investment portfolio is spread over four separate institutions and meets the requirements of the Public Finance Act 1989.

All investments that had been placed on short-term deposit during the Review process will be reassessed.

6.5 Concluding Comments

The recently completed review of the Trust recommended that it should continue to operate and not be wound up as was proposed by the Transport Sector Review 2004. The Trust considers that this is a positive recognition of the road safety work it has carried out over the last eighteen years.

Other recommendations also made within the review have been approved by the Minister of Transport and the Minister for Transport Safety. The Trust looks forward to initiating the implementation of these as soon as practicable.

Annex A Road Safety Trust Grants Approved

Organisation	Project Description	Amount
Royal NZ Plunket Society Inc	Booster Seat Poster	\$5,649.00
Royal NZ Plunket Society Inc	Keep Kids Safe Booklet	\$14,554.00
Sport Otago	Walk to School Programme	\$10,000.00
Adult Learning Support Inc.	Licence Theory Resources	\$570.00
Otago Museum	Develop a Road Safety Component for a Speed Exhibition	\$13,000.00
North Shore City Council	Cycle Crash Reporting System & Safety Promotion	\$3,100.00
Katikati Community Resource Centre	Learner Licence Course Assistance	\$1,707.00
Te Puke High School	Fatal Vision Resource	\$1,690.00
NZ Association of Road Safety Co-ordinators	Executive Meetings	\$20,000.00
NZ Association of Road Safety Co-ordinators	Journeys Forward Conference	\$60,000.00
Road Safety Innovation Awards	2006 Awards	\$149,705.00
McDonnell Smith Projects	On the Road Kit – Additional funding	\$7,086.00
Technical Advisory Committee	Research Grants 2007	\$200,000.00
Royal NZ Plunket Society Inc	Safety Vests for Road Side Child Restraint Activities	\$10,476.00
Child Safety Foundation of New Zealand	Child Restraint Training Aids	\$8,059.00
Balclutha Parents Centre Inc	Child Restraints	\$1,200.00
Kapiti Jaycee Inc	Driver Fatigue Stops	\$300.00
Hamilton Multiple Birth Club	Child Restraints	\$520.00
Literacy & Language BOP Inc	Resources for Driver Training	\$150.00
NZ Fire Service – Western Region	Manawatu RS Education Group – Staying Alive	\$6,500.00
Balclutha Parents Centre Inc	Toddler/preschooler car seat rental scheme	\$520.00
Bike Hawke's Bay Inc	Traffic Management Training	\$4,000.00
Salt Pt Chevalier	Footpaths are for people	\$5,100.00
Technical Advisory Committee	Research 2008	\$200,000.00
Total		\$723,886.00

FINANCIAL STATEMENTS

Road Safety Trust Statement of responsibility

The Chair and trustees of the Road Safety Trust acknowledge responsibility for the preparation of the financial statements and the judgements used therein, and for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

The financial statements have been prepared in accordance with generally accepted accounting practice.

In the opinion of the Chair and trustees of the Road Safety Trust, the financial statements fairly reflect the financial position and operations of the Road Safety Trust for the year to 30 June 2007.



S Sinclair
Chairperson
31 October 2007



W Donnelly
Trustee
31 October 2007

Statement of accounting policies

Reporting entity

These are the financial statements of the Road Safety Trust (the "Trust"), which is a Crown established trust under the *Public Finance Act 1989*.

Statutory base

The financial statements of the Trust have been prepared pursuant to the requirements of section 139 of the *Crown Entities Act 2004*.

Measurement base

The measurement base adopted in the preparation of these financial statements is that of historical cost.

Accounting policies

A. Budget figures

The budget figures are those approved by the Trustees of the Trust, at the Trust's meeting in July 2006.

The budget figures have been prepared in accordance with generally accepted accounting practice, and are consistent with the accounting policies adopted by the Trust for the preparation of the financial statements.

B. Revenue

The Trust is funded from personalised plate sales and interest from investments. Such revenue is recognised when earned and is reported in the financial period to which it relates.

C. Expenses

Expenses are recognised in the period to which they relate.

D. Grants

Grants are recognised at the time they are approved by the Trust. Any grants that are rescinded are written back once the decision to rescind has been passed.

E. Financial instruments

The Trust is party to financial instruments as part of its everyday operations. These financial instruments include bank balances and investments, accounts receivable and payable. All financial instruments are reported in the statement of financial position and all revenues and expenditures in relation to financial instruments are recognised in the statement of financial performance.

F. Investments

Investments are stated at cost, adjusted for the amortisation of any premium or discounts.

G. Accounts receivable

Debtors and receivables are stated at net realisable value, and exclude GST.

H. Taxation

Income tax

Crown established trusts are exempt from Income tax under the provisions of the *Income Tax Act 2004* and therefore no charge for income tax has been provided for.

Goods and Services Tax (GST)

The financial statements are prepared on a GST-exclusive basis.

I. Public equity

This is the Crown's net investment in the Trust.

J. Statement of cash flows

Cash means cash balances on hand, held in bank accounts and deposits with trading banks.

Operating activities include cash received from all income sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets.

K. Commitments

Future expenses to be incurred on contracts that have been entered into, but not yet completed at balance date, are disclosed as commitments to the extent that there are equally unperformed obligations.

L. Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Changes in accounting policies

There were no changes to accounting policies since the date of the last audited financial statements.

ROAD SAFETY TRUST
STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2007

Actual 30-Jun-06 \$	Notes	Actual 30-Jun-07 \$	Budget 30-Jun-07 \$
INCOME			
1,935,156	Personalised plates	2,034,754	1,803,410
345,892	Interest received	489,216	414,820
2,000	Sundry revenue	0	0
2,283,048	TOTAL INCOME	2,523,970	2,218,230
EXPENDITURE			
30	Printing	980	100
20	Bank charges	244	10
2,120	Trustees' fees	6,990	6,800
3,207	Trustees' expenses	8,900	5,000
9,030	Audit fees	9,480	9,480
8,934	Advertising	8,292	14,300
80,000	Authority support	164,574	80,000
111	Miscellaneous	13,165	111
103,452	TOTAL EXPENDITURE	212,625	115,801
GRANTS			
1,144,815	Grants approved during the year	723,886	2,100,000
(467,855)	Less grants rescinded	(200,353)	0
676,960	TOTAL GRANTS	523,533	2,100,000
780,412	TOTAL EXPENDITURE INCLUDING GRANTS	736,158	2,215,801
1,502,636	NET SURPLUS/(DEFICIT)	1,787,812	2,429

The accompanying accounting policies and notes form part of these financial statements.

ROAD SAFETY TRUST
STATEMENT OF MOVEMENTS IN PUBLIC EQUITY

For the year ended 30 June 2007

Actual 30-Jun-06 \$	Notes	Actual 30-Jun-07 \$	Budget 30-Jun-07 \$
<u>3,515,864</u>	PUBLIC EQUITY AS AT 1 JULY 2006	<u>5,018,500</u>	<u>5,046,465</u>
1,502,636	Net operating surplus/(deficit)	1,787,812	2,429
<u>1,502,636</u>	TOTAL RECOGNISED REVENUES AND EXPENSES	<u>1,787,812</u>	<u>2,429</u>
<u>5,018,500</u>	PUBLIC EQUITY AS AT 30 JUNE 2007	<u>6,806,312</u>	<u>5,048,894</u>

The accompanying accounting policies and notes form part of these financial statements.

ROAD SAFETY TRUST
STATEMENT OF FINANCIAL POSITION

As at 30 June 2007

Actual 30-Jun-06 \$	Notes	Actual 30-Jun-07 \$	Budget 30-Jun-07 \$
PUBLIC EQUITY			
5,018,500	Public equity	6,806,312	5,048,894
<u>5,018,500</u>	TOTAL PUBLIC EQUITY	<u>6,806,312</u>	<u>5,048,894</u>
CURRENT ASSETS			
16,828	Bank	10,302	10,000
49,263	Interest accrued	4 153,222	47,680
137,265	Accounts receivable	5 41,859	33,333
0	GST receivable	408	20,000
5,855,417	Investments	4 7,824,273	5,667,361
<u>6,058,773</u>	TOTAL CURRENT ASSETS	<u>8,030,064</u>	<u>5,778,374</u>
CURRENT LIABILITIES			
1,028,171	Accounts payable	6 1,223,752	729,480
12,102	GST payable	0	0
<u>1,040,273</u>	TOTAL CURRENT LIABILITIES	<u>1,223,752</u>	<u>729,480</u>
<u>5,018,500</u>	NET ASSETS	<u>6,806,312</u>	<u>5,048,894</u>



S Sinclair
Chairperson



W Donnelly
Trustee

The accompanying accounting policies and notes form part of these financial statements.

ROAD SAFETY TRUST
STATEMENT OF CASH FLOWS

For the year ended 30 June 2007

Actual 30-Jun-06 \$	Notes	Actual 30-Jun-07 \$	Budget 30-Jun-07 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
1,935,156	Personalised plates	2,130,160	1,997,756
395,773	Interest	385,258	416,403
32,740	Net GST	(12,510)	(32,102)
2,000	Other Income	0	0
2,365,669		2,502,908	2,382,057
Cash was applied to:			
102,051	Payments to suppliers	156,743	103,616
5,327	Payments to Trust members	15,890	11,800
1,693,004	Grants	367,944	2,461,525
1,800,382		540,577	2,576,941
565,287	NET CASH FLOWS FROM OPERATING ACTIVITIES	1,962,331	(194,884)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
12,499,509	Investments	14,241,091	188,056
12,499,509		14,241,091	188,056
Cash was applied to:			
13,058,848	Investments	16,209,948	0
13,058,848		16,209,948	0
(559,339)	NET CASH FLOWS FROM INVESTMENT ACTIVITIES	(1,968,857)	188,056
5,948	NET INCREASE/(DECREASE) IN CASH HELD	(6,526)	(6,828)
10,880	OPENING BANK BALANCE	16,828	16,828
16,828	CLOSING BANK BALANCE	10,302	10,000

The accompanying accounting policies and notes form part of these financial statements.

**ROAD SAFETY TRUST
RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING
ACTIVITIES**

For the year ended 30 June 2007

Actual 30-Jun-06 \$	Notes	Actual 30-Jun-07 \$	Budget 30-Jun-07 \$
1,502,636	Net surplus	1,787,812	2,429
Add non-cash items			
34,579	Amortisation of investments	0	0
<u>34,579</u>	TOTAL NON-CASH ITEMS	<u>0</u>	<u>0</u>
Add/(less) movement in working capital items:			
(103,932)	(Increase)/Decrease in accounts receivable	95,406	103,932
(916,037)	Increase/(decrease) in accounts payable	195,581	(270,726)
15,302	(Increase)/decrease in interest receivable	(103,959)	1,583
32,739	(Increase)/Decrease in net GST	(12,509)	(32,102)
<u>(971,928)</u>	WORKING CAPITAL MOVEMENTS - NET	<u>174,519</u>	<u>(197,313)</u>
<u>565,287</u>	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>1,962,331</u>	<u>(194,884)</u>

**ROAD SAFETY TRUST
STATEMENT OF COMMITMENTS**

As at 30 June 2007

The Trust has no commitments at 30 June 2007 (2005/2006 nil).

**ROAD SAFETY TRUST
STATEMENT OF CONTINGENT LIABILITIES**

As at 30 June 2007

The Trust has no contingent liabilities at 30 June 2007 (2005/2006 nil).

The accompanying accounting policies and notes form part of these financial statements.

ROAD SAFETY TRUST**NOTE 1 - INTEREST RECEIVED**

	Actual 30-Jun-07	Actual 30-Jun-06
	\$	\$
Interest during the year	489,216	380,471
Less amortisation of investments	0	(34,579)
Net interest received	<u>489,216</u>	<u>345,892</u>

NOTE 2 - TRUSTEES' FEES

	Actual 30-Jun-07	Actual 30-Jun-06
	\$	\$
The Trustees earned the following fees during the year		
S Sinclair (Chair)	2,240	1,120
Y Johanson	2,000	1,000
T Knight	2,750	0
Total	<u>6,990</u>	<u>2,120</u>

NOTE 3 - GRANTS

	Actual 30-Jun-07	Actual 30-Jun-06
	\$	\$
Grants approved during the year	723,886	1,144,815
Less Grants rescinded	(358,210)	(363,923)
Grants to be rescinded (Under review with organisations)	157,857	(103,932)
Net Grants for the year	<u>523,533</u>	<u>676,960</u>

NOTE 4 - INVESTMENTS**Road Safety Trust Investments held at 30 June 2007****Current investments**

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ On-call Account	30-Jun-07	7.70%	On-call	724,273	158
ASB Term Deposit	23-Nov-06	7.74%	23-Nov-07	830,000	38,721
ANZ Term Deposit	23-Nov-06	7.74%	23-Nov-07	840,000	39,366
Westpac Term Deposit	20-Dec-06	7.95%	20-Dec-07	630,000	26,483
ASB Term Deposit	20-Dec-06	7.93%	20-Dec-07	1,000,000	41,931
Westpac Term Deposit	25-Jun-07	8.32%	24-Sep-07	1,300,000	1,778
ANZ Term Deposit	25-Jun-07	8.35%	24-Sep-07	2,500,000	4,003
Government Bond				0	0
Total investments				7,824,273	152,440

ANZ Cheque Account 782

Total interest accrued 153,222

Road Safety Trust Investments held at 30 June 2006**Current investments**

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ On-call Account	30-Jun-06	7.20%	On-call	742,343	0
ANZ Term Deposit	27-Apr-06	7.49%	27-Jul-06	600,000	8,004
Government Bond	27-May-03	8.00%	15-Nov-06	1,313,074	13,107
ASB Term Deposit	20-Jun-06	7.53%	18-Dec-06	1,000,000	2,269
ANZ Term Deposit	27-Apr-06	7.44%	27-Apr-07	1,000,000	13,249
Westpac Term Deposit	10-May-06	7.39%	10-May-07	1,200,000	12,634
Total investments				5,855,417	49,263

NOTE 5 - ACCOUNTS RECEIVABLE

	Actual 30-Jun-07	Actual 30-Jun-06
	\$	\$
Trade Debtors	160,984	194,918
Less provision for doubtful debts	<u>(119,125)</u>	<u>(57,653)</u>
Total	<u><u>41,859</u></u>	<u><u>137,265</u></u>

NOTE 6 - ACCOUNTS PAYABLE

	Actual 30-Jun-07	Actual 30-Jun-06
	\$	\$
Grants approved before 30 June 2007 but unpaid	1,154,665	999,076
Trade Creditors	<u>69,087</u>	<u>29,095</u>
Total	<u><u>1,223,752</u></u>	<u><u>1,028,171</u></u>

NOTE 7 - FINANCIAL INSTRUMENTS

The Trust is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as bank balances, accounts receivable and accounts payable.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Trust, causing the Trust to incur a loss.

The Trust has a minimal credit risk in its holdings of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.

The Trust places its investments with institutions that have a high credit rating. It also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The Trust believes that these policies reduce the risk of any loss which could arise from its investment activities. The Trust does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk.

Interest risk

The Trust is primarily a short-term investor and as such carries any interest rate risk itself.

Fair value

The fair value of corporate bond investments is based on current market interest rates for investments of similar terms of maturities.

The fair value of other financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Trust undertakes transactions with other government departments and Crown entities. These transactions are carried out on an "arms-length" basis and it is considered that they do not fall within the intended scope of the related party disclosure.

The membership of the Trust includes the Chief Executive of Land Transport New Zealand. The Trust provides funding to Land Transport New Zealand for the provision of administrative support, which totalled \$164,574 for the year ended 30 June 2007 (2005/2006 \$80,000).

A portion of the Trust's resources is used to support road safety research, which is overseen by a Technical Advisory Committee. Funding for this research is covered by a memorandum of understanding between the Trust and Land Transport New Zealand. The Trust approved funding of \$400,000 for the Technical Advisory Committee during the year ended 30 June 2007 (2005/2006 \$350,000).

The Trust agreed to support the Road Safety Trust innovation awards with a \$149,705 grant (2005/2006 \$138,710). These awards are a joint initiative involving Land Transport New Zealand, Accident Compensation Corporation and the New Zealand Police. Implementation of the awards is being project managed by Land Transport New Zealand.

NOTE 9 - POST BALANCE DATE EVENTS

There are no post balance date events.

NOTE 10 - ADOPTING INTERNATIONAL FINANCIAL REPORTING STANDARDS

For financial reporting periods commencing on or after 1 January 2007, New Zealand reporting entities will be required to apply New Zealand International Financial Reporting Standards (NZ IFRS).

The Road Safety Trust will adopt NZ IFRS in its financial statements for the year ended 30 June 2008.

In planning for the transition to NZ IFRS, an impact assessment has been undertaken. From this, no key differences in accounting policies are expected to arise on the adoption of NZ IFRS.

**AUDIT REPORT
TO THE READERS OF
THE ROAD SAFETY TRUST'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

The Auditor-General is the auditor of the Road Safety Trust (the Trust). The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf, for the year ended 30 June 2007.

Unqualified opinion

In our opinion the financial statements of the Trust on pages 17 to 27:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Trust's financial position as at 30 June 2007; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 31 October 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;

- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Trustees and the Auditor

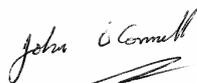
The Trustees are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Trust.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Road Safety Trust for the year ended 30 June 2007 included on the Road Safety Trust's web site. The Trustee's are responsible for the maintenance and integrity of the trust's web site. We have not been engaged to report on the integrity of the trust's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 October 2007 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.