



Nineteenth Annual Report of the

**ROAD SAFETY TRUST**

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for the year ended 30 June 2008

*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 2008.

### ***Operational activities***

As a new pro-active move, the Trust launched a national driver distraction campaign to raise awareness of this important road safety issue. Using an innovative medium of linking the messages to sporting events, the campaign is being piloted initially with two sporting codes, basketball and cricket. The key premise is to promote a message that will be clearly associated with the consequences that a couple of seconds of inattention can cause, both on the sports field and while driving. By sponsoring New Zealand Basketball at the elite and grassroots level, and Cricket New Zealand at all levels up to the national level the Trust, will reach a wide audience. This campaign is running successfully.

Taking advantage of the rise in profile the distraction campaign offered, the Trust updated its logo and website this year and will continue adding value to the site, with links to partners, more about the research funded by the Trust, and news about its current activities.

The Trust continued to support the Road Safety Innovation Awards. These 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 grants were also made for dedicated road safety research projects.

Work continued on the auditing of grant reports, ensuring that projects were delivered in line with the conditions of their contracts. The Trust was pleased to note that the majority of grant recipients complied with the conditions of approval and delivered the projects within budget. The Trust is committed to ensuring a high level of accountability from its grant recipients – where any anomalies were identified, appropriate action was taken.

### ***Financial performance***

The Trust is funded from a portion of the 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 well. However, the current economic climate has impacted on plate sales and the Trust received slightly less revenue from this source than anticipated. This minor loss has been offset against gains from higher interest received on investments and the Trust has ended the year with a net surplus of \$2,197,304. The Trust continues to maintain a strong capital base.

### ***Board and management***

There were major membership changes during this reporting period, with a complete change in Trust appointees: Tony Knight, Yani Johanson, Wayne Donnelly and Suzanne Sinclair all completed their terms of tenure. The Trust would like to extend its thanks to all these members for their work and dedication to its activities over the past years.

New Trustees appointed during the year include: myself, Yvonne Sharp as Chairman, Robin Morton, Road User Representative and the nominee of the Chief Executive Officer of Land Transport NZ, Noel Lee. The Youth Representative position is vacant at the time of writing.

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***

As a result of the review of the Trust's continued operation by the Secretary for Transport, as recommended in the 2004 *Transport sector review*, this year has seen the Trust working on developing an amended and restated deed. In line with the recommendations from the review, the amended and restated deed sees the Trust working at a broader national level and expanding its road safety promotional activities.

The Trust will continue to contribute to road safety by supporting local communities to participate in the development and delivery of community road safety activities based on innovative, well-presented proposals.

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 as identified in the government's road safety strategy.



Yvonne Sharp

Chairman

# Management statement

## 1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2007 to 30 June 2008.

In 2006, New Zealand had the lowest road toll for almost 50 years (391). In the 12 months to the end of June 2008, 419 people were killed on our roads. This is 17 more than the 12-month toll at the end of June 2007. We must clearly 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 4500 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:

Yvonne Sharp	Chairman
Noel Lee	Nominee of Chief Executive of Land Transport New Zealand
Vacant	Representative of youth
Rob Morton	Representative of road users.

There was a complete change of trustees during this reporting period. Suzanne Sinclair, the previous Chairman, completed a successful term of appointment, as did the Road User Representative, Tony Knight and the Youth Representative, Yani Johanson.

The Chief Executive of Land Transport NZ nominated Noel Lee, General Manager Corporate Services, to the Land Transport NZ position on the Trust for this financial year.

Key support staff are:

Leonie Corrigan and Alan Tollemache                      Administration

Graham Cooper and Willy Wilson                              Accountants

### **3. Role and relevance**

The Trust has the following Vision, Mission, Values and Goals, 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 this and now expresses it as a set of 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). Mr Bill Frith, Road Safety Consultant, chairs the Technical Advisory Committee. This committee provides expert advice to the Trust on research projects.

The Trust has a formal agreement for the provision of support services by Land Transport New Zealand (currently that carried over from the former 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, once the amended and restated deed is finalised, and the NZ Transport Agency that will replace Land Transport New Zealand is formally established.

## 5. Review of operations (July 2007 to June 2008)

### 5.1 Meetings

The Trust met twice during this financial year to consider applications for funding. The meetings were held in December 2007 and April 2008. The Trust also held a strategic business planning meeting in August 2007 and a further planning meeting in February 2008.

### 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 website, [www.roadsafety.govt.nz](http://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.

Considerably fewer applications were received in this financial year indicating that there is sufficient road safety funding in the community at present. The Trust took this opportunity to initiate a nationwide distraction campaign to raise public awareness that distracted drivers are dangerous. Of the 22 applications received, eight totalling \$819,807 were approved for full or partial funding during the 2007/2008 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 \$1000 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 \$2 million.

The Trust's research grants have benefited from a range of projects with multiple end-users in such areas as vision and driving, roadworks 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.

Over the years research funding has also been provided to assist with road safety conferences and seminars. This year such funding was used to sponsor workshops in Auckland, Wellington and Christchurch on Austroads road safety engineering research. This research has produced some important results that are of interest to New Zealand practitioners. All three seminars were very well attended.

## 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](http://www.nzvcc.ac.nz).

These scholarships provide a useful avenue for encouraging students to consider road safety as a possible future career. To date, 20 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 Grants

A total of eight applications were approved for funding in this financial year. The majority of the grants were for nationally focused projects as the Trust sees it can make the most road safety impact by funding initiatives at this level.

Sizeable projects funded included a major new initiative for the Trust, a driver distraction campaign. With a decrease in the number of funding applications, the Trust decided to initiate its own road safety programme. Distraction was identified in a road safety statement from the Minister's Office as an area that could usefully be promoted. A unique way to raise awareness of the driver distraction issue, by linking the serious consequences of inattention on the sports field or court with the consequences of inattention while driving was proposed, and a sponsorship deal with Basketball NZ and Cricket NZ was negotiated. The first flight of the campaign was successfully commenced this year in conjunction with the basketball season. A benchmark survey has been undertaken and a follow-up survey to measure the campaign's impact is currently under way. The Trust also continued its support for the Road Safety Innovation Awards, and for various child car restraint activities undertaken by the Royal NZ Plunket Society, together with some grants which were provided to other small regional projects.

Throughout the year reports on many of the previously-funded projects were received. Not all the reports were final, and some of the projects are continuing. Projects for which the Trust has received final reports include Migrant Support Services Inc. Fasten Your Seatbelt Project. This involved delivering four courses on the law and proper use of safety belts and child restraints to migrants and refugees. The *On the road: road safety resource for ESOL students* resource aimed to improve road safety awareness among international students and was very well received and has had a strong ongoing demand.

The Road Safety Innovation Awards scheme, which held its fifth successful annual awards, was once again supported solely by the Trust. 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, several 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**

Work on the business plan, developed to provide the Trust with a framework for focusing its activities over the next three years, was put on hold while the recommendations from the Trust review were formalised within the structure of an amended and restated deed. This deed is due to be signed off at the first meeting of the new financial year. The Business 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. It is anticipated that the plan will be reviewed and actively worked on over the coming year.

Also developed and adopted this year is an updated Fraud and Corrupt Practices Policy that establishes a framework for reporting and investigating possible fraud relating to Road Safety Trust business activities.

With a view to ensuring appropriate accountability for its grants, the Trust continued to apply its 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.

The Trust updated its brand this year with the adoption of a new logo and, in conjunction with this revised and upgraded its website. A new area of the website, containing Trust news and providing links to the Trust's national advertising campaigns, was established.

## **6. Finance**

### **6.1 Revenue and expenditure**

The Financial Statements contain details of revenue and expenditure from the Trust's nineteenth 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 \$1,930,212 for the year, down by \$104,542 on last year.

The Trust earned a total of \$728,621 in interest.

The Trust has achieved a net surplus of \$2,197,304 for the year ended 30 June 2008. This result was higher than the expected surplus of \$2,641. The main reason for this was that fewer grants were funded than expected.

Public equity stands at \$9.0 million, remaining well above the minimum investment level and providing a solid capital base for the Trust.

Operating costs of \$304,861 were incurred during the year. These costs were higher than the budgeted amount, due to increased costs for the auditing of financial statements in preparation for moving to new accounting standards, 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 support the projects it did during this financial year. A particular highlight is its support for the national multimedia campaign to raise awareness of the issue of driver distraction, which heralds a change of focus in funding for the Trust.

### **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 \$4.5 million.

## **6.4 Investments**

The Trust's investments stand at \$9,856,000. Note 4 to the financial statements details the on-call funds, and note 6 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 have been reassessed and reinvested appropriately.

## **6.5 Concluding comments**

Giving away money may look like the easiest job in the world, but in reality making sure that Trust funds are applied to the best initiatives is very hard work. The Trust goes to a great deal of effort to ensure that its funds are well spent, and it aims to achieve the best value for every road safety dollar. It is important to the Trust that the initiatives it funds will deliver value-for-money road safety outputs. To achieve its objectives the Trust will be seeking to fund good-value projects that deliver road safety messages where they will have the most impact.

The coming year will see the confirmation of an amended and restated trust deed, a result of the review completed earlier in the year, and the Trust will then re-appraise its Business Plan in line with the new deed and commence work toward its agreed goals.

## Annex A Road Safety Trust grants approved

Organisation	Project description	Amount
Royal NZ Plunket Society Inc.	Keep Kids Safe in Cars Booklet – Reprint	\$6,437.00
Royal NZ Plunket Society Inc.	Ready Set Go Multi Media Child Restraint Promotion	\$107,550.00
Road Safety Innovation Awards	2008 Road Safety Innovation Awards	\$149,400.00
Gore Parents Centre Inc.	Child Restraint Rental Scheme	\$2,000.00
Taranaki Blue Light Ventures	Cycle Safety Campaign Resources	\$3,136.00
Cycling Nelson	Traffic Management Training and Equipment	\$24,534.00
Linda Patricia Fraser	Waikato Schools Road Safety Initiative for Students	\$6,750.00
Distraction Campaign Project	Distraction Multi Media Campaign	\$520,000.00
<b>Total</b>		<b>\$819,807.00</b>



## **Financial Statements**

## Statement of Responsibility

In terms of the Crown Entities Act 2004, the Trustees are responsible for the preparation of the Road Safety Trust's financial statements, and for the judgements made in them.

The Trustees of the Road Safety Trust have the responsibility for establishing, and have established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Trustees' opinion, these financial statements fairly reflect the financial position and operations of the Road Safety Trust for the year ended 30 June 2008.

Signed on behalf of the Trustees:



Y Sharp

Chairman

31 October 2008



G Dangerfield

Trustee

31 October 2008

AUDIT REPORT TO THE READERS OF  
THE ROAD SAFETY TRUST'S  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 on his behalf. The audit covers the financial statements included in the annual report of the Road Safety Trust, for the year ended 30 June 2008.

**Unqualified opinion**

In our opinion the financial statements of the Trust on pages 17 to 33:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Trust's financial position as at 30 June 2008; and
  - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 31 October 2008, 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**

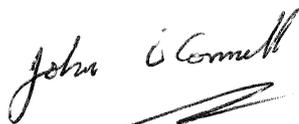
The Trustees are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from the Crown Entities Act 2004.

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 Crown Entities Act 2004.

### **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

## STATEMENT OF FINANCIAL PERFORMANCE

## FOR THE YEAR ENDED 30 JUNE 2008

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Income</b>				
Personalised plates		1,930,212	1,984,955	2,034,754
Interest received		728,621	586,652	489,216
<i>Total income</i>		2,658,833	2,571,607	2,523,970
<b>Expenditure</b>				
Operating expenses	2	304,861	238,966	212,625
Grants	3	156,668	2,330,000	523,533
<i>Total expenditure</i>		461,529	2,568,966	736,158
<b>Net surplus/(deficit)</b>		<b>2,197,304</b>	<b>2,641</b>	<b>1,787,812</b>

Explanations of significant variances against budget are detailed in note 18.

*The accompanying notes form part of these financial statements.*

## STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2008

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	4	887,023	10,000	4,534,575
Debtors and other receivables	5	391,948	196,909	195,489
Investments	6	8,980,000	7,413,439	3,300,000
<i>Total current assets</i>		10,258,971	7,620,348	8,030,064
<b>Total assets</b>		<b>10,258,971</b>	<b>7,620,348</b>	<b>8,030,064</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	7	1,255,355	806,147	1,223,752
<i>Total current liabilities</i>		1,255,355	806,147	1,223,752
<b>Total liabilities</b>		<b>1,255,355</b>	<b>806,147</b>	<b>1,223,752</b>
<b>Net Assets</b>		<b>9,003,616</b>	<b>6,814,201</b>	<b>6,806,312</b>
<b>Equity</b>				
General funds		9,003,616	6,814,201	6,806,312
<b>Total equity</b>	8	<b>9,003,616</b>	<b>6,814,201</b>	<b>6,806,312</b>

## STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2008

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Balance at 1 July</b>		6,806,312	6,811,560	5,018,500
Surplus/(deficit) for the year		2,197,304	2,641	1,787,812
<i>Total recognised income and expense</i>		2,197,304	2,641	1,787,812
<b>Balance at 30 June</b>	8	<b>9,003,616</b>	<b>6,814,201</b>	<b>6,806,312</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
<b>Cash flows from operating activities</b>				
Receipts from Personalised plates		1,930,212	1,993,481	2,130,160
Interest received		580,737	594,609	385,258
Payments to suppliers		(295,281)	(255,176)	(156,743)
Payments to trustees		(13,774)	(16,460)	(15,890)
Payments to grants		(163,743)	(2,707,998)	(367,944)
Goods & services tax (net)		(5,703)	(19,591)	(12,510)
<i>Net cash from operating activities</i>	9	2,032,448	(411,135)	1,962,331
<b>Cash flows from investing activities</b>				
Receipts from sale of investments		2,638,310	410,833	16,554,021
Acquisition of investments		(8,318,310)	0	(14,740,948)
<i>Net cash from investing activities</i>		(5,680,000)	410,833	1,813,073
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,647,552)	(302)	3,775,404
Cash and cash equivalents at the beginning of the year		4,534,575	10,302	759,171
<b>Cash and cash equivalents at the end of the year</b>	4	<b>887,023</b>	<b>10,000</b>	<b>4,534,575</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements

## 1 Statement of accounting policies for the year ended 30 June 2008

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### Reporting entity

The Road Safety Trust is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the Road Safety Trust's ultimate parent is the New Zealand Crown.

The Road Safety Trust's primary objective is to provide public services to the NZ public, as opposed to that of making a financial return.

Accordingly, the Road Safety Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for the Road Safety Trust are for the year ended 30 June 2008, and were approved by the Trustees on 22 August 2008.

### Basis of preparation

#### *Statement of compliance*

The financial statements of the Road Safety Trust have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

#### *First year of preparation under NZ IFRS*

This is the first set of financial statements prepared using NZ IFRS, and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 19.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

#### *Measurement base*

The financial statements have been prepared on a historical cost basis.

#### *Functional and presentation currency*

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Road Safety Trust is New Zealand dollars.

### **Standards, amendments and interpretations issued that are not yet effective and have not been early adopted**

The Road Safety Trust has not applied any standards, amendments and interpretations that have been issued but are not yet effective.

### **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

#### *Revenue from personalised plates*

The Road Safety Trust is primarily funded from the Crown's share of the initial sale of personalised number plates, which is restricted in its use to making grants from these funds to traffic safety projects. Personalised Plates Ltd is contracted to market personalised motor vehicle number plates.

Revenue from Personalised Plates Ltd is recognised as revenue when earned and is reported in the financial period to which it relates.

#### *Interest*

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

### **Grant expenditure**

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Road Safety Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the grants approval committee and the approval has been communicated to the applicant.

Any grants that are rescinded are written back once the decision to rescind has been passed.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks both domestic and international, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Road Safety Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance.

When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

### **Investments**

At each balance sheet date the Road Safety Trust assesses whether there is any objective evidence that an investment is impaired.

#### *Bank deposits*

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

For bank deposits, impairment is established when there is objective evidence that the Road Safety Trust will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

### **Accounting for foreign currency transactions**

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Good and Service Tax (GST)**

All items in the financial statements are presented exclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The Road Safety Trust is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

### **Budget figures**

The budget figures are as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Road Safety Trust for the preparation of the financial statements.

### Critical accounting estimates and assumptions

In preparing these financial statements the Road Safety Trust has made no estimates and assumptions concerning the future.

### Critical judgements in applying the Road Safety Trust's accounting policies

Management has exercised the following critical judgements in applying the Road Safety Trust's accounting policies for the period ended 30 June 2008:

#### *Non-government grants*

The Road Safety Trust must exercise judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

## 2 Operating expenses

	Actual 2008 \$	Budget 2008 \$	Actual 2007 \$
Fees to auditors: Audit fees for financial statement audit	9,480	9,480	9,480
Fees to auditors: Audit fees for NZ IFRS transition	6,000	0	0
Trustees' fees	7,371	8,960	6,990
Trustees' expenses	6,403	7,500	8,900
Bank charges	90	150	244
Printing	712	1,000	980
Advertising	14,194	9,000	8,292
Authority support	192,765	192,765	164,574
Miscellaneous	67,846	10,111	13,165
<b>Total operating expenses</b>	<b>304,861</b>	<b>238,966</b>	<b>212,625</b>

## 3 Grants

	Actual 2008 \$	Actual 2007 \$
Grants approved during the year	819,807	723,886
Less grants rescinded	(620,266)	(358,210)
Less grants to be rescinded (under review with organisations)	(25,873)	96,385
Impairment of receivables (note 5)	(17,000)	61,472
<b>Total grants</b>	<b>156,668</b>	<b>523,533</b>

#### 4 Cash and cash equivalents

	Note	Actual 2008 \$	Actual 2007 \$
Cash on hand and at bank		11,023	10,302
Cash equivalents - on-call account	a	876,000	724,273
Cash equivalents - term deposits	a	0	3,800,000
<b>Total cash and cash equivalents</b>		<b>887,023</b>	<b>4,534,575</b>

- a) The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value. The weighted average effective interest rate for term deposits is 8.25% (2007 8.2%)

#### 5 Debtors and other receivables

	Actual 2008 \$	Actual 2007 \$
Debtors	186,856	160,984
Interest accrued	301,106	153,222
GST receivable	6,111	408
Less : provision for impairment	(102,125)	(119,125)
<b>Total debtors and other receivables</b>	<b>391,948</b>	<b>195,489</b>

The carrying value of receivables approximates their fair value.

The carrying amount of receivables that would otherwise be past due, but not impaired, whose terms have been renegotiated is nil (2007 nil).

As at 30 June 2008 and 2007, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2008			2007		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	347,061	0	347,061	186,963	0	186,963
Past due 1-30 days	9,037	0	9,037	40,718	(40,718)	0
Past due 31-60 days	0	0	0	0	0	0
Past due 61-90 days	22,180	0	22,180	6,396	0	6,396
Past due >91 days	115,795	(102,125)	13,670	80,537	(78,407)	2,130
<b>Total</b>	<b>494,073</b>	<b>(102,125)</b>	<b>391,948</b>	<b>314,614</b>	<b>(119,125)</b>	<b>195,489</b>

The provision for impairment has been calculated based on expected losses for the Road Safety Trust's pool of debtors.

Expected losses have been determined based on an analysis of Road Safety Trust's losses in previous periods, and review of specific debtors.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2008 the Road Safety Trust has identified no debtor (2007 nil) totalling nil (2007 nil) that is insolvent.

Movements in the provision for impairment of receivables are as follows:

	Actual 2008 \$	Actual 2007 \$
Balance at 1 July	119,125	57,653
Additional provisions made during the year (note 3)	(17,000)	61,472
<b>Balance at 30 June</b>	<b>102,125</b>	<b>119,125</b>

## 6 Investments

	Actual 2008 \$	Actual 2007 \$
<b>Current investments are represented by:</b>		
Term deposits	8,980,000	3,300,000
<b>Total investments</b>	<b>8,980,000</b>	<b>3,300,000</b>

There were no impairment provisions for investments.

Maturity analysis and effective interest rates of term deposits

The maturity dates and weighted average effective interest rates for term deposits are as follows:

	Actual 2008 \$	Actual 2007 \$
Term deposits with maturities of 4-6 months (average maturity 181 days) <i>weighted average effective interest rate</i>	3,000,000 8.6%	3,300,000 8.2%
Term deposits with maturities of 6-12 months (average maturity 366 days) <i>weighted average effective interest rate</i>	5,980,000 8.8%	0 0.0%

The carrying amounts of term deposits with maturities less than 12 months approximate their fair value.

Short-term deposits are invested at fixed rates ranging from 8.57% – 8.84%. As these deposits are at a fixed interest rate and measured at amortised cost, an increase or decrease in interest rates during the period would not impact on the measurement of the investments and hence there would be no impact on the surplus/deficit or equity.

The term deposits which make up the investments are detailed below:

	Date invested	Date matured	Interest rate	Current investments \$
ANZ term deposit	23-May-08	21-Nov-08	8.68%	1,000,000
ASB term deposit	23-May-08	19-Nov-08	8.57%	1,000,000
Kiwibank term deposit	23-May-08	19-Nov-08	8.66%	1,000,000
ANZ term deposit	24-Sep-07	23-Sep-08	8.81%	1,000,000
Kiwibank term deposit	25-Sep-07	24-Sep-08	8.78%	1,980,000
ASB term deposit	26-Mar-08	27-Mar-09	8.83%	1,000,000
Westpac term deposit	26-Mar-08	27-Mar-09	8.84%	2,000,000
<b>Total investments</b>				<b>8,980,000</b>

## 7 Creditors and other payables

	Actual 2008 \$	Actual 2007 \$
Creditors	64,893	69,087
Grants approved before 30 June 2008 but unpaid	1,190,462	1,154,665
<b>Total creditors and other payables</b>	<b>1,255,355</b>	<b>1,223,752</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

## 8 Equity

	Actual 2008 \$	Actual 2007 \$
<b>General funds</b>		
Balance at 1 July	6,806,312	5,018,500
Surplus/(deficit)	2,197,304	1,787,812
<b>Total equity at 30 June</b>	<b>9,003,616</b>	<b>6,806,312</b>

## 9 Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual 2008 \$	Actual 2007 \$
<b>Net surplus/(deficit) after tax</b>	2,197,304	1,787,812
<b>Add/(less) movements in working capital items:</b>		
(Increase)/decrease in debtors and other receivables	(196,459)	(21,062)
Increase/(decrease) in creditors and other payables	31,603	195,581
<i>Net movements in working capital items</i>	(164,856)	174,519
<b>Net cash from operating activities</b>	<b>2,032,448</b>	<b>1,962,331</b>

## 10 Commitments and operating leases

### Commitments

The Road Safety Trust has no commitments (2007 nil).

### Operating leases as lessee

The Road Safety Trust has no operating leases (2007 nil).

## 11 Contingencies

### Contingent liabilities

The Road Safety Trust has no contingent liabilities (2007 nil).

### Contingent assets

The Road Safety Trust has no contingent assets (2007 nil).

## 12 Related party transactions and key management personnel

### Related party transactions

The Road Safety Trust is a wholly owned entity of the Crown. The government significantly influences the role of the Road Safety Trust.

The Road Safety Trust enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which is reasonable to expect the Road Safety Trust would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

The following transactions were carried out with related parties other than those described above.

All related party transactions have been entered into on an arms length basis.

The membership of the Trust includes the Chief Executive of Land Transport New Zealand (now the NZ Transport Agency). The Trust provides funding to Land Transport New Zealand (now NZTA) for the provision of administrative support, which totalled \$192,765 for the year ended 30 June 2008 (2007 \$164,574).

A portion of the Road Safety 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 Road Safety Trust and Land Transport New Zealand (now NZTA). No funding was approved by the Trust for the Technical Advisory Committee during the year ended 30 June 2008 (2007 \$400,000).

The Road Safety Trust agreed to support the Road Safety Trust innovation awards with a \$149,400 grant (2007 \$149,705). These awards are a joint initiative involving Land Transport New Zealand (now NZTA), Accident Compensation Corporation and the New Zealand Police. Implementation of the awards is project managed by Land Transport New Zealand (now NZTA).

No provision has been required, nor any expense recognised for impairment of receivables from related parties (2007 nil).

Transaction	Transaction value		Balance outstanding	
	year ended 30 June		year ended 30 June	
	2008	2007	2008	2007
Land Transport NZ - Administrative support	192,765	164,574	48,191	53,546
Land Transport NZ - Technical advisory committee	0	400,000	491,053	637,889
Land Transport NZ - Road Safety Trust innovation awards	149,400	149,705	135,414	41,907

### Key management personnel compensation

	Actual 2008	Actual 2007
	\$	\$
Salaries and other short-term employee benefits	7,371	6,990
<b>Total key management personnel compensation</b>	<b>7,371</b>	<b>6,990</b>

Key management personnel include all trustees.

### 13 Trustee remuneration

The total value of remuneration paid or payable to each trustee during the year was:

	Actual 2008	Actual 2007
	\$	\$
Y Sharp (Chair)	2,871	0
T Knight	3,160	2,750
S Sinclair	840	2,240
Y Johanson	500	2,000
<b>Total trustee remuneration</b>	<b>7,371</b>	<b>6,990</b>

There have been no payments made to committee members appointed by the Trustees who are not Trustees during the financial year.

### 14 Events after the balance sheet date

There were no significant events after the balance sheet date.

## 15 Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2008 \$	Actual 2007 \$
<i>Loans and receivables</i>		
Cash and cash equivalents	887,023	4,534,575
Debtors and other receivables	391,948	195,489
Investments - term deposits	8,980,000	3,300,000
<b>Total loans and receivables</b>	<b>10,258,971</b>	<b>8,030,064</b>
<i>Financial liabilities measured at amortised cost</i>		
Creditors and other payables	1,255,355	1,223,752
<b>Total financial liabilities measured at amortised cost</b>	<b>1,255,355</b>	<b>1,223,752</b>

## 16 Financial instrument risks

The Road Safety Trust's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Road Safety Trust has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

The interest rates on the Road Safety Trust's investments are disclosed in note 6.

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Road Safety Trust's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose the Road Safety Trust to cash flow interest rate risk.

The Road Safety Trust's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Road Safety Trust currently has no variable interest rate investments.

#### *Currency risk*

A currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Road Safety Trust purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies.

### Credit risk

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

Due to the timing of its cash inflows and outflows, the Road Safety Trust invests surplus cash with registered banks. The Road Safety Trust's investment policy limits the amount of credit exposure to any one institution.

The Road Safety Trust has processes in place to review the credit quality of customers prior to the granting of credit.

The Road Safety Trust's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 4), net debtors (note 5), and term deposits (note 6).

There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Road Safety Trust has no significant concentrations of credit risk, as it has a small number of credit customers and only invests funds with registered banks with specified Standard and Poor's credit ratings.

### Liquidity risk

Liquidity risk is the risk that the Road Safety Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

In meeting its liquidity requirements, the Road Safety Trust maintains a target level of investments that must mature within specified timeframes.

The table below analyses the Road Safety Trust's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years
	\$	\$	\$
<b>2007</b>			
Creditors and other payables (note 7)	278,707	304,935	640,110
<b>2008</b>			
Creditors and other payables (note 7)	480,929	267,498	506,929

## 17 Capital management

The Road Safety Trust's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets

The Road Safety Trust is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Road Safety Trust manages its equity as a by-product of prudent managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Road Safety Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

## 18 Explanation of significant variances against budget

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Explanations for significant variations from the Road Safety Trust's budgeted figures are as follows:

### **Statement of financial performance**

#### *Total income*

Total income is up on budget. The current economic climate has impacted on plate sales, which means the Trust has received slightly less revenue from Personalised Plates than anticipated. This has been offset against gains from higher interest received on investments.

#### *Operating expenses*

Operating expenses are up on budget. Higher fees for auditing the financial statements in preparation for the transition to NZ IFRS, legal advice received in recovering funds from grantees, and technical advice for the Technical Advisory Committee have contributed to the increased costs.

#### *Grants*

Fewer grants were funded than expected. Organisations who have not accounted for the funding they received have also been actively pursued by the Road Safety Trust.

### **Statement of financial position**

#### *Cash and cash equivalents*

The change in cash and cash equivalents reflects the new classification of deposits with maturity dates of three months or less under NZ IFRS.

#### *Debtors and other receivables*

Accrued interest is up on budget resulting from higher investment levels.

#### *Investments*

Investments are higher than budgeted. Fewer grants has left more retained funds invested in term deposits.

#### *Creditors and other payables*

Grants approved before 30 June 2008 but unpaid is higher than what was anticipated.

#### *Equity*

Equity levels reflect the surplus for the year, which was greater than budgeted due to the variances explained in the statement of financial performance above.

### **Statement of cash flows**

#### *Cash flows from operating activities*

Operating cash flows is higher than budgeted mainly due to less payments to grants.

#### *Cash flows from investing activities*

Investing cash flows is less than budgeted mainly due to the acquisition of funds into term deposits.

## 19 Explanation of transition to NZ IFRS

### Transition to NZ IFRS

As stated in note 1, these are the Road Safety Trust's first financial statements to be prepared in accordance with NZ IFRS. The Road Safety Trust's transition date is 1 July 2006 and the opening NZ IFRS balance sheet has been prepared as at that date. The Road Safety Trust's NZ IFRS adoption date is 1 July 2007.

### Exemptions from full retrospective application elected by the Road Safety Trust

In preparing these financial statements in accordance with NZ IFRS 1, the Road Safety Trust has not applied any optional exemptions to full retrospective application of NZ IFRS.

The only mandatory exception from retrospective application that applies to the Road Safety Trust is the requirement for estimates under NZ IFRS at 1 July 2006 and 30 June 2007 to be consistent with estimates made for the same date under previous NZ GAAP.

### Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007.

	Note	Previous NZ GAAP \$	1 July 2006 Effect on transition NZ IFRS \$	NZ IFRS \$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	a	16,828	1,342,343	1,359,171
Debtor and other receivables		186,528	0	186,528
Investments		5,855,417	(1,342,343)	4,513,074
<i>Total current assets</i>		6,058,773	0	6,058,773
<b>Total assets</b>		<b>6,058,773</b>	<b>0</b>	<b>6,058,773</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables		1,040,273	0	1,040,273
<i>Total current liabilities</i>		1,040,273	0	1,040,273
<b>Total liabilities</b>		<b>1,040,273</b>	<b>0</b>	<b>1,040,273</b>
<b>Net Assets</b>		<b>5,018,500</b>	<b>0</b>	<b>5,018,500</b>
<b>Equity</b>				
General funds		5,018,500	0	5,018,500
<b>Total equity</b>		<b>5,018,500</b>	<b>0</b>	<b>5,018,500</b>

	Note	Previous NZ GAAP	1 July 2006 Effect on transition NZ IFRS	NZ IFRS
		\$	\$	\$
<b>Cash flows from operating activities</b>				
Receipts from Personalised plates		1,935,156	0	1,935,156
Receipts from other income		2,000	0	2,000
Interest received		395,773	0	395,773
Payments to suppliers		(102,051)	0	(102,051)
Payments to trustees		(5,327)	0	(5,327)
Payments to grants		(1,693,004)	0	(1,693,004)
Goods & services tax (net)		32,740	0	32,740
<i>Net cash from operating activities</i>		565,287	0	565,287
<b>Cash flows from investing activities</b>				
Receipts from sale of investments		12,499,509	5,418,589	17,918,098
Acquisition of investments		(13,058,848)	(4,761,000)	(17,819,848)
<i>Net cash from investing activities</i>		(559,339)	657,589	98,250
<b>Net (decrease)/increase in cash and cash equivalents</b>		5,948	657,589	663,537
Cash and cash equivalents at the beginning of the year		10,880	684,754	695,634
<b>Cash and cash equivalents at the end of the year</b>	a	<b>16,828</b>	<b>1,342,343</b>	<b>1,359,171</b>

	Previous NZ GAAP	30 June 2007 Effect on transition NZ IFRS	NZ IFRS
	\$	\$	\$
<b>Income</b>			
Personalised Plates	2,034,754	0	2,034,754
Interest received	489,216	0	489,216
<i>Total income</i>	2,523,970	0	2,523,970
<b>Expenditure</b>			
Operating expenses	212,625	0	212,625
Grants	523,533	0	523,533
<i>Total expenditure</i>	736,158	0	736,158
<b>Net surplus/(deficit)</b>	<b>1,787,812</b>	<b>0</b>	<b>1,787,812</b>

	Note	Previous NZ GAAP	30 June 2007 Effect on transition NZ IFRS	NZ IFRS
		\$	\$	\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	a	10,302	4,524,273	4,534,575
Debtor and other receivables		195,489	0	195,489
Investments		7,824,273	(4,524,273)	3,300,000
<i>Total current assets</i>		8,030,064	0	8,030,064
<b>Total assets</b>		<b>8,030,064</b>	<b>0</b>	<b>8,030,064</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables		1,223,752	0	1,223,752
<i>Total current liabilities</i>		1,223,752	0	1,223,752
<b>Total liabilities</b>		<b>1,223,752</b>	<b>0</b>	<b>1,223,752</b>
<b>Net Assets</b>		<b>6,806,312</b>	<b>0</b>	<b>6,806,312</b>
<b>Equity</b>				
General funds		6,806,312	0	6,806,312
<b>Total equity</b>		<b>6,806,312</b>	<b>0</b>	<b>6,806,312</b>

	Note	Previous NZ GAAP	30 June 2007 Effect on transition NZ IFRS	NZ IFRS
		\$	\$	\$
<b>Cash flows from operating activities</b>				
Receipts from Personalised plates		2,130,160	0	2,130,160
Interest received		385,258	0	385,258
Payments to suppliers		(156,743)	0	(156,743)
Payments to trustees		(15,890)	0	(15,890)
Payments to grants		(367,944)	0	(367,944)
Goods & services tax (net)		(12,510)	0	(12,510)
<i>Net cash from operating activities</i>		1,962,331	0	1,962,331
<b>Cash flows from investing activities</b>				
Receipts from sale of investments		14,241,091	2,312,930	16,554,021
Acquisition of investments		(16,209,948)	1,469,000	(14,740,948)
<i>Net cash from investing activities</i>		(1,968,857)	3,781,930	1,813,073
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,526)</b>	<b>3,781,930</b>	<b>3,775,404</b>
Cash and cash equivalents at the beginning of the year		16,828	742,343	759,171
<b>Cash and cash equivalents at the end of the year</b>	a	<b>10,302</b>	<b>4,524,273</b>	<b>4,534,575</b>

### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements of the Road Safety Trust (the Trust) for the year ended 30 June 2008 included on the Trust's website. The Trust's Board of Trustees is responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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 or from the 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 2008 to confirm the information included in the audited financial statements presented on this website.

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