



Twelfth Annual Report of the
Road Safety Trust

for the year ended 30 June 2001

Presented to the House of Representatives
pursuant to Section 44A of the
Public Finance Act 1989

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FOREWORD

It is a pleasure to present the Road Safety Trust's Annual Report for the year ended 30 June 2001.

Achievements

A total of \$1,129,591 was granted to 56 projects in this financial year. The decision to exceed our budgeted expenditure for grants up to this level was not taken lightly. However, on receipt of a request to provide long-term funding, and with it much needed stability and financial security, to a worthy, well-respected, road safety initiative targeting youth, namely Students Against Driving Drunk (SADD), we were delighted to give it our full support. SADD will benefit from the Trust grant for three financial years.

Another significant project funded this year brought together both Auckland and Canterbury Universities to jointly develop a degree course leading to a Masters of Transport Engineering. This initiative will fill a widely-acknowledged gap in road safety training and education at this level. The personal efforts of previous Trustee, Reg Barrett, in encouraging this joint venture are gratefully acknowledged.

A highlight for the Trust this year was witnessing the launch of a report on the national household travel survey, a landmark research project funded in previous financial years.

During the year the Trust signed a Memorandum of Understanding with the Land Transport Safety Authority (LTSA) formalising the long-standing working relationship between the two organisations.

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, has performed exceptionally for the second year in a row, reaching sales targets for first-time plate sales of over \$4M, resulting, once again, in higher than anticipated revenue generated from this source for the Trust. This impressive sales performance, and higher than anticipated investment levels, have ensured that the Trust remains in a sound financial position.

Board and Management

The membership of the Trust has had several major changes throughout this financial year: Margot Mains, Chairman, resigned in November 2000 due to

other pressing work commitments, and Mr Reg Barrett's term as Director of Land Transport Safety ceased in January 2001, ending his long and dedicated association with the Trust. I would like to join the other Trustees in thanking both Margot and Reg for their work with the Trust. It was with great pleasure that I took up where Margot left off after her able leadership of the Trust. My grateful thanks are also offered to the representative of Road Users on the Trust, Rob Lester, who attended his last meeting with us in April 2001 after serving a fruitful two-term tenure. His presence around the table will also be greatly missed. Rebecca Gilroy, the representative for youth, remains as the only long-standing member and I gratefully acknowledge her contribution of time and dedication to Trust business during this year, and look forward to working with her for the remainder of her time with us.

The work of the Trust could not be undertaken without the commitment and hard work of the Secretariat and the Trust's support committees. This team, headed by the Director of Land Transport Safety, David Wright, includes: Leonie Corrigan, the Trust Executive Officer; Graham Cooper, the Trust's Accountant; William McCook, who chairs the Grants Advisory Committee; and Bill Frith, who chairs the Technical Advisory Committee. I would like also to thank Alan Woodside, who was until very recently the Chair of the Grants Advisory Committee to the Trust, for his past service in providing us with consistently thorough and reliable advice.

The Future

The Trust is monitoring with interest the work on the Road Safety Strategy to 2010, and looks forward to contributing to the road safety targets and goals that the Government will set in this notable document that will lay the foundation for all road safety initiatives over the next decade, and beyond.

As foreshadowed in the Trust's last Annual Report significant increase in the Government's community funding for this financial year has affected the number of quality applications presented to the Trust for funding. The Trust has therefore decided to pro-actively seek out "landmark" road safety projects to fund in the coming year. I look forward to the challenge of identifying and funding projects that will make a significant contribution to reducing the trauma on New Zealand's roads.



Suzanne Sinclair
Chairman

MANAGEMENT STATEMENT

1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2000 to 30 June 2001.

The year 2000 saw New Zealand record its lowest annual road toll in 36 years. A whole range of measures have played their part in achieving this result, and not least among them is the on-going work done by community road safety groups across the country. The Trust is gratified to have made a significant contribution to this work.

The Trust acknowledges that investment in community road safety is now being augmented from many sources, most significantly the increase in government funding announced in last year's Budget. An opportunity therefore exists for the Trust to consider funding road safety initiatives outside its traditional community focus.

The crusade to reduce deaths and injuries on New Zealand roads is underway at many levels and the Trust is pleased to see the significant progress made on the Government's proposed Road Safety Strategy 2010. It looks forward to meeting the challenge of the final safety targets set by the Government and to playing its part by supporting innovative and meaningful road safety initiatives.

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. As a Crown Entity, the Trust is required under Section 44 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 Director of Land Transport Safety ("Director"), 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 Director 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 period of up to three years.

The four Trustees are currently:

Mrs Suzanne Sinclair	Chairman
Mr David Wright	Director of Land Transport Safety
Ms Rebecca Gilroy	Representative of youth
Mr Rob Lester	Representative of road users

Changes of Trustees during this financial year included the appointment of a new Chairman, following the resignation of Margot Mains and the cessation of the appointment of Reg Barrett, the previous Director of Land Transport Safety with the termination of his contract with the LTSA. Rob Lester's full two-term tenure ceased on 30 June.

Key support staff are:

Leonie Corrigan	Senior Executive Officer
Graham Cooper	Accountant

3. Functions

The Trust has the following functions:

- 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
- To ensure that the Trust's monies are properly invested

- To ensure that proper financial statements are kept in respect of the Trust
- To ensure that annual financial statements are prepared promptly at the end of each financial year
- To ensure the Audit Office audits its annual financial statements

4. Support

The LTSA's Strategy Division provides executive services to the Trust (Leonie Corrigan) and the Corporate Services Division provides financial support services (Graham Cooper). Mr William McCook, the LTSA's General Manager Operations, chairs the Grants Advisory Committee, and Mr Bill Frith, the LTSA's Manager Research and Statistics (Strategy Division) chairs the Technical Advisory Committee. These committees provide expert advice to the Trust on community projects and research, respectively. The Trust also receives support from the LTSA's Regional Offices with the evaluation of grants and accounting for funds allocated against agreed performance targets (refer 5.6).

At its November meeting the Trust entered into a formal agreement for the provision of support services by the LTSA with the signing of a Memorandum of Understanding (MOU). The MOU formalised the already existing relationship between the LTSA and the Trust, and established a service level agreement that clearly identifies and defines the expectations and responsibilities of both agencies.

5. Review of Operation (July 2000 to June 2001)

5.1 Meetings

Meetings to consider applications for funding were held on 18 August 2000, 17 November 2000 and 20 April 2001.

5.2 Applications

Advertising of applications for the funding of road safety projects was arranged in metropolitan and provincial daily newspapers. Advice of meeting dates and close-off dates for applications was also reported in the LTSA's Road Safety New Zealand magazine where editorial deadlines permitted. The Trust is listed in the Department of Internal Affairs Community Funding Database, accessible at Community Development Group offices throughout New Zealand. Information about the Trust is also available through its Internet site. The Trust has agreed priority areas and target groups which aim to complement and support the road safety priorities expressed in the National Road Safety Plan.

Of the 90 applications received, 56 totalling \$1,129,591 were approved for full or partial funding during the 2000/2001 financial year.

The approved grants are scheduled at Annex A (page 15).

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 National Road Safety Plan and be consistent with the LTSAs Safety Directions document
- 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
- Evaluation measures for the project must be easily identified, valid and realistic. Standards must be provided as necessary
- Applicants must be able to assure the Trust that the project will be efficiently and responsibly managed

5.4 Mission & Management Principles

The Trust is committed to the following Mission and Management Principles.

Mission Statement

To administer funds for the benefit of improved road safety in New Zealand.

Management Principles

- To encourage communities, organisations and individuals to identify and work at road safety initiatives
- To assist people to gain access to resources that will empower and enable them to achieve road safety objectives
- To support justice and equity in the management of the Trust
- To encourage Tangata Whenua and cultural minority groups to become more involved in road safety work
- To respect the culture and heritage of other peoples and to foster co-operative road safety partnerships

Management Principles (Continued)

- To ensure that the products and services receiving Trust support are relevant to the Trust's objectives
- To be accountable to the public
- To provide on-going resources for New Zealand road safety needs
- To support research in the road safety field

5.5 Code of Ethics

Ethics:

- Trust members should conduct themselves in a manner consistent with custodial responsibilities. Any trustee exercising power of investment should exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

Integrity:

- Trust members should be prudent, honest and sincere in their approach to their work.

Objectivity:

- Trust members should be fair, open and impartial, and not allow prejudice or bias to override their objectivity. Trustees and staff should disclose their involvement, if any, in grant applications.

Standards:

- Trust members should maintain a high degree of competence and exercise due care.

Confidentiality:

- The information acquired from applicants should be treated as provided for under the Privacy Act 1993, which emphasises the rights of privacy of individuals. No information should be disclosed without specific authority or a duty of disclosure under the Act.
- Trust members are not obliged to divulge to other members, matters concerning their own organisation, procedures or systems.

Accountability:

- An appropriately qualified professional person should prepare the Trust accounts.
- Audit of accounts is to be done.
- The list of successful applicants should be published as general information.

Obligations:

- Trust members should be aware of their statutory obligations and conduct their affairs in accordance with the provisions of all appropriate legislation.

5.6 Contracts

As from July 1995 successful applicants have been required to sign a contract clearly detailing their obligations for the accounting of funds allocated against agreed performance targets.

5.7 Research

The Trust has always been conscious that, underpinning road safety programmes and administration, is robust road safety research. It therefore remains committed to funding research projects with a sound likelihood of being translated into reduced road crash rates.

A considerable proportion of the Trust's resource is used in the support of road safety research. Research projects funded by the Trust are overseen by a Technical Advisory Committee. The Committee is an expert group that considers and arranges peer review of proposals, approves projects, and monitors their progress. Some projects overseen by the Committee during this financial year are: Risky Traffic Behaviour Among Young Adults, Required Performance Levels of Delineation, Driving Phobia: typology and the role of driving skills, a National Pedestrian Profile and a major project on Fatigue and Fitness for Duty of NZ Truck Drivers.

The national household travel survey, a landmark research project funded by the Trust over three financial years from 1997 to 1999, was published and launched in early August 2000. A range of agencies are making extensive use of the results.

For example, the data have been used by the OECD expert group on the safety and mobility of older people. They have also been invaluable in developing the proposed Road Safety Strategy 2010.

In 1999 the Trust was presented with the opportunity to fund an educational project that aimed to ensure road safety education would be delivered in our country's primary schools at a level that reflected the world's best practice. A primary education programme, developed from the findings of this study, is being considered for inclusion in the Road Safety Strategy to 2010. If included, this will assist New Zealand school teachers by providing them with appropriate tools to assist our children to develop attitudes that further enhance our road safety culture.

Research funding was also provided to assist with visits and seminars from several overseas experts. Funding was granted to assist a joint Australian - New Zealand Technical Expert Group considering options for a Regulatory Approach to Fatigue in Heavy Vehicle Drivers in both Australia and New Zealand. A notable seminar funded by the Trust was the presentation to road safety practitioners by Professor Timo Ernvall from the University of Oulu, Finland on the Finnish Vehicle Crashworthiness ratings.

This research activity was funded by an earlier grant of \$200,000. No additional funding was allocated to research by the Trust in the financial year under review.

5.8 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. In maintaining this scholarship scheme the Trust wishes to encourage students to consider road safety as a worthy field of research. Over time it is hoped that the number of researchers with road safety interest and expertise will measurably increase.

One full Doctoral scholarship was awarded this year, bringing the number of scholarships awarded since the scheme's inception to eight.

A further initiative to encourage academic interest in road safety was supported this year with the grant to Auckland and Canterbury Universities to enable a joint Masters in Transport Engineering degree course to be developed. It is considered that this initiative meets a recognised need within the road safety field to meet unfulfilled training requirements. The Trust is pleased to support this endeavour that is geared to a long-term improvement in the safety of New Zealand roads.

5.9 Community Projects

Significant grants were also made to the AA Driver Education Foundation to ensure that a valuable road safety initiative, Students Against Driving Drunk (SADD), could continue to operate, and to Waikato University to assist with the development of a computer-based novice driver training programme.

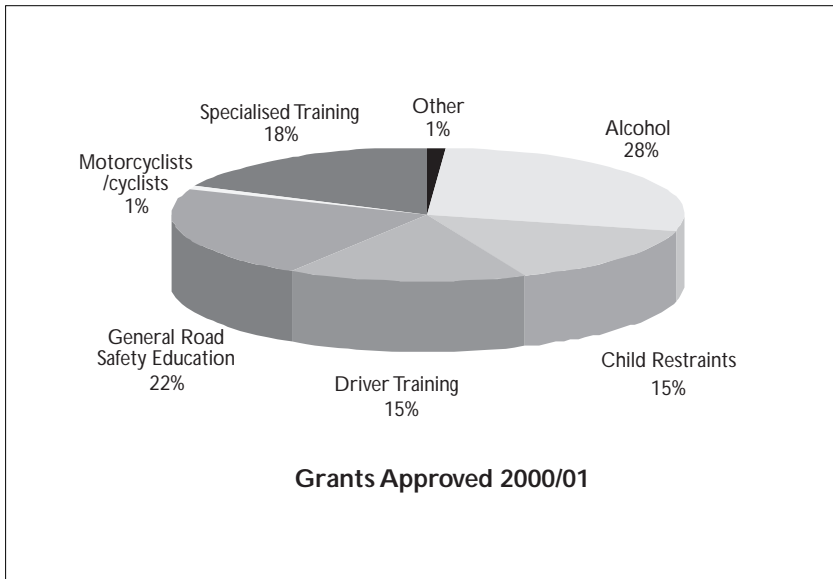
In approving the grant for SADD the Trust exceeded its grants budget. This decision was not taken lightly, but the benefits of granting funds to SADD that would guarantee funding for three years, allowing SADD the opportunity

to develop and implement long-term strategies, were considered to be worth the additional financial commitment required.

Other projects funded were made to a broad mix of community groups and involved a diverse range of road safety initiatives. Along with the usual support for child restraint schemes and driver licensing assistance programmes, many of which were Marae based, the Trust also supported a project providing cycle helmets to a green bike scheme in Nelson, the development of a resource for the safer use of mobility scooters, and partial funding for a television documentary. For the fourth year running the Trust supported the Driver Education Awareness Conference.

Reports both interim and final were received from most of the previously-funded projects still in progress. The National Pedestrian Project funded by the Trust concluded this year with a report that has since been presented to the LTSA, the Ministry of Transport and the Minister. Its findings will be considered within the Road Safety Strategy 2010 and future land transport strategy work. A project to update modules of the Drive Plan Programme was also completed, as was revision and relaunching of the Dare to Drive to Survive teaching resource.

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.



6. Finance

6.1 Revenue and Expenditure

The Financial Statements contain details of revenue and expenditure from the Trust's twelfth 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. The Trust is pleased to report that PPL, for the second year in a row, passed the \$4 million first-time sales threshold. As a result, the Trust received revenue from PPL totalling \$833,601.

A higher than forecast investment level resulted in the Trust earning a total of \$417,956 in interest.

The Trust has achieved a net surplus of \$3,612 for the year ended 30 June 2001. This result was lower than the expected surplus of \$270,922. The main reason for this was that a higher level of grants was approved during the year than was projected.

This year's surplus increases Public Equity to \$5.020 million.

The Trust incurred operating costs of \$138,027 during the year. The cost of Authority Support increased to \$80,000, reflecting the higher level of support provided by the Land Transport Safety Authority.

6.2 Funding Policy

The more flexible funding policy adopted last year, with all applications for both research and community projects being considered on merit, has continued to operate.

The Trust will continue to actively seek projects to fund from any surplus over and above the amount needed to sustain its agreed capital base. Priority will be given to projects for which the investment in road safety gains is most effective.

6.3 Investment Policy

The investment policy remained unchanged during this financial year with the Trust retaining its investments at no less than \$4.5M. Throughout the year investments have remained consistently above this level.

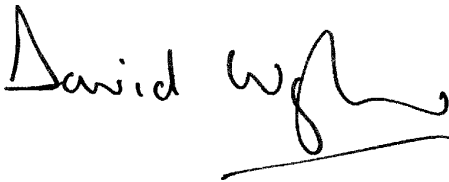
6.4 Investments

The Trust's investments have increased by \$536,142 to \$5.842 million. Note 1 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.

6.5 Concluding Comments

The Trust looks forward to funding more road safety projects that will make a real contribution to the further reduction of trauma on New Zealand roads.

A handwritten signature in black ink that reads "David Wright". The signature is written in a cursive style and is positioned above a horizontal line.

David Wright
Director of Land Transport Safety

Annex A: Road Safety Trust Grants Approved

Organisation Name	Project Description	Approved amount
Taranaki Young People's Trust	Driver Licence Training	\$5,300.00
Colenso High School	Driver Education Resources	\$2,018.00
Literacy Aotearoa (Wanganui) Inc	Driver Licence Theory Training	\$5,504.00
Tauranga Joint Community Restraint Group	Child Restraint Promotion	\$4,500.00
Hutt City Driver Awareness Programme Working Group	Recidivist Offender Driver Training Programme	\$2,700.00
Royal NZ Plunket Society Inc	Maori Language Child Restraint Promotion Resources	\$10,960.00
Environment Waikato	Produce Road Safety Workbook	\$11,000.00
Kokiri Pukeatua Charitable Trust	Develop a Marae Based Car Seat Rental Scheme	\$5,170.00
Peer Health Development Trust	Intensive Peer Road Safety Programme	\$12,800.00
Ora Toa Health Unit	Establish a Car Seat Rental Scheme	\$3,420.00
Southland Adult Learning Programme	Driver Licence Theory Training	\$1,652.00
Ngaruawahia Driver Education Programme	Unlicenced Driver Education Programme Review	\$4,000.00
Wairarapa Health	Child Restraint Rental Scheme	\$5,518.00
Kapiti Jaycee Inc	Driver Reviver Project	\$3,220.00
Te Ha O Te Whanau Trust	Combined Community Driver Education Programme	\$7,784.00
Waitakere City Council - Public Affairs Div	Community Road Safety Awareness Promotion	\$6,000.00
Mal Kernot	International Conference Assistance	\$5,500.00
Tearaway Press Ltd	Cruising Series	\$38,656.00
Te Hunga Manaaki O Te Puke	Iwi Based Road Safety Education	\$18,000.00
Specific Films	TV Documentary	\$50,000.00
Eastbay Rural Education Activities Programme Inc	Maori Driver Educator Training	\$16,034.00

Organisation Name	Project Description	Approved amount
Royal NZ Plunket Society Inc Mangere Branch	Child Restraints	\$15,615.00
Royal NZ Pluket Society Rahoitu	To Attend National Conference Car Seat Workshops	\$569.00
Wellington Activity Centre	Driver Training Resources	\$500.00
Hutt City Council	Safe With Age	\$1,800.00
Royal NZ Plunket Society Central King Country	Car Seat Rental Scheme	\$10,940.00
Cycle Action Tauranga Inc	Cyclist Visibility Promotion	\$2,000.00
Kokiri Marae Keriana Olsen Trust	Whanau Car Seat Rental Scheme	\$25,704.00
Ora Toa Health Unit	Child Car Seat Rental Scheme	\$11,920.00
Orongomai Marae Health Clinic	Child Car Seat Rental Scheme	\$13,920.00
Kokiri Pukeatua Charitable Trust	Child Car Seat Rental Scheme	\$11,500.00
Traffic & Road Safety Research Group	Computer Based Novice Driver Training CD	\$125,000.00
Royal NZ Plunket Society Hamilton	Child Car Seat Rental Scheme	\$9,020.00
Arohanui Trust	Unlicenced Driver Training	\$1,000.00
Road Safety Southland	Safe Cycling Book	\$3,600.00
Tauranga Moana Road Safety Sub Committee	Road Safety Awareness Programmes	\$8,000.00
Raukawa Development Trust	Driver Licence Theory Training	\$1,000.00
University of Auckland	Masters Degree In Transport Engineering	\$100,000.00
University of Canterbury	Masters Degree in Transport Engineering	\$100,000.00
AA Driver Education Foundation	SADD	\$300,000.00
Te Runanaga O Raukawa Inc	Child Restraints	\$4,000.00
Taranaki Adult Literacy & English Language Tuition Service Inc.	Disadvantaged Driver Course Resources	\$400.00
SafeKids	Kidsafe 2001 - Child Restraint Checking Clinics	\$17,800.00
Transit NZ	Safe Traffic Management at Roadwork Sites Training Package	\$40,000.00

Organisation Name	Project Description	Approved amount
AA Driver Education Foundation	2001 Driver Education Conference	\$20,000.00
Kahurangi Employment Trust	Cycle Helmets for Green Bike Scheme	\$900.00
Paul O'Flaherty	Overseas Conference Attendance	\$5,900.00
Whanau Family Support Services	Driver Licence Theory Training	\$5,250.00
Royal NZ Plunket Society Hamilton	Child Restraint Rental Scheme	\$9,561.00
Wairarapa Road Safety Council	Safe Cycle Trailer	\$1,150.00
New Zealand CCS Manawatu-Horowhenua Inc	Mobility Scooter Workshop	\$5,100.00
Te Aranui Trust	Learner Licence Programme	\$2,799.00
Pacific Island Evaluation Inc	P I Road Safety Pilot Programme	\$9,880.00
Hora Te Pai Health Services	Child Restraints	\$3,676.00
Tearaway Press Ltd	Magazine Cruising Series	\$38,764.00
Invercargill Parents Centre	Child Restraints	\$2,587.00
Total		\$1,129,591.00

FINANCIAL STATEMENTS



STATEMENT OF RESPONSIBILITY


In accordance with Section 42 of the Public Finance Act 1989, the Trustees have responsibility for the preparation of these financial statements and the judgements used herein.

An internal management control system has been put in place to provide reasonable assurance as to the integrity and reliability of the financial reports.

The financial statements fairly reflect the financial position and operations of the Trust for the year ended 30 June 2001.



S Sinclair
Chairperson
31 August 2001



G J Cooper
Accountant
31 August 2001

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of the Road Safety Trust (the “Trust”), which is a Crown Entity under the Public Finance Act 1989.

Statutory Base

The financial statements of the Trust have been prepared pursuant to section 41 of the Public Finance Act 1989.

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 August 2000.

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 and have also been agreed by the recipient. 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 balance 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.

E. Investments

Investments are stated at the lower of cost, adjusted for the amortisation of any premium or discounts or net realisable value. Any decreases in net realisable value are recognised in the statement of financial performance.

G. Accounts Receivable

Debtors and receivables are stated at net realisable value.

H. Taxation**Income Tax**

Crown Entities are exempt from Income tax under the provisions of the Income Tax Act 1994 and therefore no charge for income tax has been provided for.

Goods and Services Tax

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 and grants 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 in accounting policies during the period.

ROAD SAFETY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2001

Actual 30-Jun-00 \$		Notes	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$
INCOME				
783,823	Personalised Plates		833,601	800,000
339,942	Interest Received	2	417,956	368,441
0	Sundry Revenue		6,190	0
<u>1,123,765</u>	TOTAL INCOME		<u>1,257,747</u>	<u>1,168,441</u>
EXPENDITURE				
2,134	Printing		1,482	2,200
9	Bank Charges		5	9
5,410	Trustees' Fees		4,310	6,480
1,586	Trustees' Expenses		807	520
3,605	Audit Fees		3,713	3,500
4,651	Advertising		13,301	4,700
50,000	Authority Support		80,000	80,000
122	Miscellaneous		111	110
0	Unrealised Loss on Investment		34,298	0
<u>67,517</u>	TOTAL EXPENDITURE		<u>138,027</u>	<u>97,519</u>
494,069	GRANTS	3	1,116,108	800,000
<u>561,586</u>	TOTAL EXPENDITURE INCLUDING GRANTS		<u>1,254,135</u>	<u>897,519</u>
<u>562,179</u>	NET SURPLUS/(DEFICIT)		<u>3,612</u>	<u>270,922</u>

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 2001

Actual 30-Jun-00 \$	Notes	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$
<u>4,454,554</u>	PUBLIC EQUITY AS AT 1 JULY 2000	<u>5,016,733</u>	<u>5,016,733</u>
562,179	Net Operating Surplus/(Deficit)	3,612	270,922
<u>562,179</u>	TOTAL RECOGNISED REVENUES AND EXPENSES	<u>3,612</u>	<u>270,922</u>
<u>5,016,733</u>	PUBLIC EQUITY AS AT 30 JUNE 2001	<u>5,020,345</u>	<u>5,287,655</u>

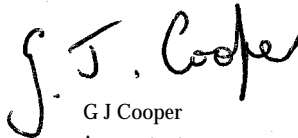
The accompanying accounting policies and notes form part of these financial statements.

ROAD SAFETY TRUST
STATEMENT OF FINANCIAL POSITION
As At 30 JUNE 2001

Actual 30-Jun-00 \$		Notes	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$
PUBLIC EQUITY				
5,016,733	Public Equity		5,020,345	5,287,655
<u>5,016,733</u>	TOTAL PUBLIC EQUITY		<u>5,020,345</u>	<u>5,287,655</u>
CURRENT ASSETS				
(18,428)	Bank		15,303	25,000
83,361	Interest Accrued	1	123,161	80,000
33,333	Accounts Receivable		33,333	33,000
13,481	GST Receivable		(2,185)	20,000
2,779,088	Investments	1	2,585,728	800,000
<u>2,890,835</u>	TOTAL CURRENT ASSETS		<u>2,755,340</u>	<u>958,000</u>
NON-CURRENT ASSETS				
2,526,909	Long Term Investments	1	3,256,411	4,395,655
<u>5,417,744</u>	TOTAL ASSETS		<u>6,011,751</u>	<u>5,353,655</u>
CURRENT LIABILITIES				
401,011	Accounts Payable	4	991,406	66,000
<u>401,011</u>	TOTAL CURRENT LIABILITIES		<u>991,406</u>	<u>66,000</u>
<u>5,016,733</u>	NET ASSETS		<u>5,020,345</u>	<u>5,287,655</u>



S Sinclair
 Chairperson



G J Cooper
 Accountant

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 2001

Actual 30-Jun-00 \$	Notes	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH WAS PROVIDED FROM:			
783,823	Personalised Plates	833,601	800,333
439,447	Interest	462,216	371,802
13,455	Net GST	15,666	(6,519)
0	Other Income	6,190	0
<u>1,236,725</u>		<u>1,317,673</u>	<u>1,165,616</u>
CASH WAS APPLIED TO:			
84,704	Payments to Suppliers	91,004	90,624
6,996	Payments to Trust Members	5,117	7,000
808,765	Grants	533,321	1,134,906
<u>900,465</u>		<u>629,442</u>	<u>1,232,530</u>
<u>336,260</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>688,231</u>	<u>(66,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH WAS PROVIDED FROM:			
6,929,797	Investments	4,607,549	110,342
<u>6,929,797</u>		<u>4,607,549</u>	<u>110,342</u>
CASH WAS APPLIED TO:			
7,284,556	Investments	5,262,049	0
<u>7,284,556</u>		<u>5,262,049</u>	<u>0</u>
<u>(354,759)</u>	NET CASH FLOWS FROM INVESTMENT ACTIVITIES	<u>(654,500)</u>	<u>110,342</u>
<u>(18,499)</u>	NET INCREASE/(DECREASE) IN CASH HELD	<u>33,731</u>	<u>43,428</u>
71	OPENING BANK BALANCE	(18,428)	(18,428)
<u>(18,428)</u>	CLOSING BANK BALANCE	<u>15,303</u>	<u>25,000</u>

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 2001

Actual 30-Jun-00 \$	Notes	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$
562,179	Net Surplus/(deficit)	3,612	270,922
Add Non-Cash Items			
63,939	Amortisation of Investments	84,060	0
0	Unrealised Loss on Investment	34,298	0
63,939	Total non-cash items	118,358	0
Add/(Less) movement in working capital items:			
0	(Increase)/Decrease in Accounts Receivable	0	333
(338,879)	Increase/(Decrease) in Accounts Payable	590,395	(335,011)
35,566	(Increase)/Decrease in Interest Receivable	(39,800)	3,361
13,455	(Increase)/Decrease in net GST	15,666	(6,519)
(289,858)	Working capital movements - net	566,261	(337,836)
336,260	NET CASH INFLOW FROM OPERATING ACTIVITIES	688,231	(66,914)

ROAD SAFETY TRUST
STATEMENT OF COMMITMENTS
AS AT 30 JUNE 2001

The Trust has no commitments at 30 June 2001 (1999/2000 nil).

ROAD SAFETY TRUST
STATEMENT OF CONTINGENT LIABILITIES
AS AT 30 JUNE 2001

The Trust has no contingent liabilities at 30 June 2001 (1999/2000 nil).

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

ROAD SAFETY TRUST NOTES

NOTE 1 - INVESTMENTS

Road Safety Trust Investments held at 30 June 2000

Current Investments

Type of Investment	Date Invst'd	Interest Rate	Current Investments \$	Interest Accrued \$
ANZ Term Deposit	29-Jun-00	6.80%	475,000	88
ANZ Term Deposit	29-Jun-00	7.08%	80,000	16
ANZ Term Deposit	29-Jun-00	7.12%	195,000	38
ANZ On-call Account	29-Jun-00	6.50%	53,831	2,910
NZ Government Stock	17-Sep-96	8.00%	974,657	29,088
ASB On-call Account	30-Jun-00	6.50%	1,000,600	0
Total			2,779,088	32,140

Long Term Investments

Type of Investment	Date Invst'd	Coupon Rate	Current Investments \$	Interest Accrued \$
NZ Government Stock	08-Oct-96	10.00%	1,516,555	41,605
ANZ Bond	22-Feb-00	7.52%	1,010,354	9,616
Total			2,526,909	51,221
Total Investments			5,305,997	83,361

Road Safety Trust Investments held at 30 June 2001

Current Investments

Type of Investment	Date Invst'd	Interest Rate	Current Investments \$	Interest Accrued \$
ANZ Term Deposit	21-Jun-01	5.81%	900,000	1,290
ANZ On-call Account	29-Jun-00	5.75%	245,639	11,523
NZ Government Stock ⁽¹⁾	08-Oct-96	10.00%	1,440,089	41,605
Total			2,585,728	54,418

Long Term Investments

Type of Investment	Date Invst'd	Coupon Rate	Current Investments \$	Interest Accrued \$
ANZ Bond ⁽²⁾	22-Feb-00	7.63%	1,009,618	9,616
ASB RCD ⁽³⁾	03-Jul-00	7.45%	1,000,451	36,332
BNZ Bond ⁽⁴⁾	22-Feb-01	6.48%	1,246,342	22,795
Total			3,256,411	68,743
Total Investments			5,842,139	123,161

The market values of our publicly traded investments as at 30 June 2001 are:

	Principal	Market rate	Market value
Note ⁽¹⁾	\$1,420,000	5.70%	\$1,502,676.23
Note ⁽²⁾	\$1,000,000	6.65%	\$1,014,661.97
Note ⁽³⁾	\$1,000,000	6.86%	\$1,015,566.20
Note ⁽⁴⁾	\$1,200,000	7.10%	\$1,246,341.85

NOTE 2 - INTEREST RECEIVED

	Actual 30-Jun-01	Actual 30-Jun-00
	\$	\$
Interest during the year	502,016	403,881
Less amortisation of investments	(84,060)	(63,939)
Net interest received	<u>417,956</u>	<u>339,942</u>

NOTE 3 - GRANTS

	Actual 30-Jun-01	Actual 30-Jun-00
	\$	\$
Grants approved during the year	1,129,591	503,680
Less Grants rescinded	(13,483)	(9,611)
Net Grants for the year	<u>1,116,108</u>	<u>494,069</u>

NOTE 4 - ACCOUNTS PAYABLE

	Actual 30-Jun-01	Actual 30-Jun-00
	\$	\$
RST Grants approved before 30 June 2001 but unpaid	967,693	384,906
Trade Creditors	23,713	16,105
Total	<u>991,406</u>	<u>401,011</u>

NOTE 5 - 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, New Zealand government stock, 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 financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

NOTE 6 - 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 Mr David Wright, Director of Land Transport Safety. The Trust provides funding to the Land Transport Safety Authority for the provision of administrative support, which totalled \$80,000 for the year ended 30 June 2001.



Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE ROAD SAFETY TRUST FOR THE YEAR ENDED 30 JUNE 2001

We have audited the financial statements on pages 20 to 29. The financial statements provide information about the past financial and service performance of the Road Safety Trust and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on pages 20 to 21.

Responsibilities of the Trustees

The Public Finance Act 1989 requires the Trustees to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Road Safety Trust as at 30 June 2001, the results of its operations and cash flows for the year ended 30 June 2001.

Auditor's responsibilities

Section 43(l) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Trust. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed H C Lim of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Road Safety Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of

Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

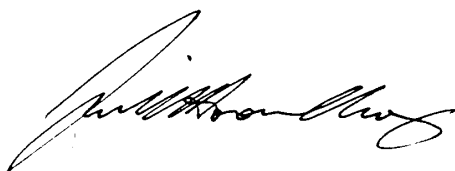
Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Road Safety Trust.

Unqualified opinion

We have obtained all the information and explanations we have required. In our opinion the financial statements of the Road Safety Trust on pages 20 to 29.

- comply with generally accepted accounting practice;
- and fairly reflect:
 - the financial position as at 30 June 2001; and
 - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 31 August 2001 and our unqualified opinion is expressed as at that date.



H C Lim
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand

