



Fourteenth Annual Report of the

ROAD SAFETY TRUST

for the year ended 30 June 2003

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

Contents

Foreword	2
Management statement.....	4
1. Introduction	4
2. Establishment and membership	4
3. Functions	5
4. Support	6
5. Review of Operations (July 2002 to June 2003)	6
5.1 Meetings	6
5.2 Applications.....	6
5.3 Statement of Allocation criteria	7
5.4 Mission and Management Principles.....	7
5.5 Code of Ethics.....	8
5.6 Contracts.....	8
5.7 Research.....	9
5.8 Scholarships	9
5.9 Community projects	10
6. Finance	10
6.1 Revenue and expenditure	10
6.2 Funding policy.....	11
6.3 Investment policy	11
6.4 Investments.....	11
6.5 Concluding comments.....	12
Annex A Road Safety Trust Grants approved.....	13
Financial Statements.....	15

Foreword

It is with great pleasure that I present the Annual Report and audited accounts for the Road Safety Trust for the year ended 30 June 2003.

Achievements

A total of \$1,286,258 was granted to 62 projects in this financial year. As indicated in last year's Annual Report the Trust cast its net widely to identify landmark road safety projects to fund. It was fortunate to have presented to it a first-class research proposal that focused on improving the driver licence-testing regime for older drivers. The project has now been completed and the research findings will be used to influence the policy development for improving the older driver-testing regime in New Zealand.

The Trust was also presented with an opportunity to support the establishment of an innovative road safety award scheme. The scheme has established the Road Safety Innovation Awards, with categories for such areas as school, community and corporate road safety, which were launched on 15 July 2003. I look forward to participating in this event in the coming year.

Other significant projects funded this year include a travelwise to school programme in the North Shore, the Nix crew road safety programme, and a child restraint replacement programme.

A personal highlight for me this year was attending the national Road Safety Co-ordinators' Conference. I valued the opportunity to meet with the co-ordinators and to hear about the diverse range of community road safety projects being undertaken throughout the country. I have also taken a keen interest in the Community Road Safety Programme Review undertaken by the Land Transport Safety Authority (LTSA), and will keep a watching brief on the implementation phase to ensure the Trust continues to play an integrated support role within the wider road safety community.

Financial performance

The Trust is funded from a portion of profits received from the first-time sale of personalised motor vehicle licence plates. I am pleased to report that Personalised Plates Limited (PPL), the company contracted to market the plates, has for the fourth year running continued to perform exceptionally, reporting a 14 percent improvement in sales compared to the previous year. As a result of this excellent sales effort the Trust has benefited from receiving higher than anticipated revenue, and continues to maintain a sound and robust financial position.

Board and management

A new youth representative was appointed to the Trust during this financial year and the Trust was pleased to welcome Ginny Wilson to this position. Our sincere thanks are given to the previous youth representative Rebecca Gilroy for her valuable contribution to the Trust over her time associated with it. There were no other membership changes, with Tony Knight and David Wright both continuing their terms of tenure. It has been a delight to work with them all over the last year.

The Trust is indebted to the behind-the-scenes work done by 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 and Willie Wilson, the Trust's accounting team; Liz Taylor-Read, who chairs the Grants Advisory Committee; and Bill Frith, who chairs the Technical Advisory Committee. Technical advice is also provided to the Trust by the Land Transport Safety Authority's education team and its regional offices. The Trust thanks all involved for their continued support and commitment.

The future

The Trust noted with interest the recent release of the New Zealand Transport Strategy (NZTS). It has agreed that, while its core focus must remain on benefits to road safety, projects meeting this safety criterion but also delivering on the NZTS's goals, such as enhancing access, mobility and social equity, will be given duly-weighted consideration. The Trust looks forward to the forthcoming release of the *Road Safety to 2010* strategy, and to contributing to the road safety targets and goals that the Government will set in this important document that will lay the foundation for all road safety initiatives over the next decade, and beyond.

I foresee the Trust's role in funding road safety projects that contribute to reducing trauma and death on New Zealand's roads continuing to be consolidated over the years to come, and I value the opportunity to be involved in this process.



Suzanne Sinclair
Chairman

Management statement

1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2002 to 30 June 2003.

New Zealand achieved a record low annual road toll in 2002, for the fourth consecutive year. Community-level road safety initiatives continue to play an important role in the mix of measures employed in achieving these rewarding results. By continuing to support community groups targeting key road safety priorities, the Trust sees itself as making a positive contribution to this achievement.

The Trust is aware that, despite the encouraging reduction in the road toll, road trauma is still a major cause of premature death and the second biggest cause of death in young adults. It is committed to funding projects with the potential to deliver road safety benefits targeted to areas where the largest gains can be made. With this aim in mind, the Trust eagerly awaits the release of the government's *Road Safety to 2010* strategy to assist it to identify the areas of greatest risk.

In making contributions to road safety research funding, continuing with the funding of community-level projects, and looking at wider national initiatives that have the potential to influence positive change in road safety behaviour, the Trust's role within the national road safety framework continues to enhance its value.

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:

Suzanne Sinclair	Chairman
David Wright	Director of Land Transport Safety
Ginny Wilson	Representative of youth
Tony Knight	Representative of road users

The appointment of Ginny Wilson as a member was the only change to Trustees during this financial year.

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
 - 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 and Willie Wilson). Ms Liz Taylor-Read, the LTSA's General Manager Communications, 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).

The Trust has a formal agreement for the provision of support services by the LTSA by way of a Memorandum of Understanding (MOU). The MOU formalises the already existing relationship between the LTSA and the Trust, and establishes a service-level agreement that clearly identifies and defines the expectations and responsibilities of both agencies. It is regularly reviewed.

5. Review of Operations (July 2002 to June 2003)

5.1 Meetings

Meetings to consider applications for funding were held on 16 August 2002, 13 December 2002 and 2 May 2003. The May meeting was held in Christchurch, and the Trustees took the opportunity to meet with some of the local road safety co-ordinators and to view some of the projects it had previously funded in the area.

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 Community Funding Database, accessible at Community Development Group offices throughout New Zealand. Information about the Trust is also available through the Trust's own Internet site, www.roadsafety.govt.nz. The Trust has agreed priority areas and target groups which aim to complement and support the road safety priorities expressed in the *National Road Safety Plan*.

Of the 95 applications received, 62 totalling \$1,286,258 were approved for full or partial funding during the 2002/2003 financial year.

The approved grants are scheduled at Annex A (page 13).

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 LTSA's *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 and 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.
- 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

This is the Trust's 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 for grants of over \$1,000 have been required to sign a contract, clearly detailing their obligations for the accounting of funds allocated against agreed performance targets.

5.7 Research

Recognising 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.

Funding representing 16 percent of all funds granted was directed to road safety research during this financial year. 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. Some projects overseen by the Committee during this financial year are: performance of New Zealand road markings, fatigue levels in taxi and local-route truck drivers, underrun protection on heavy vehicles, missing cyclists, visibility of roadside barriers and kerbs, and on how important fatigue is in truck crashes.

The Trust jointly funded with Austroads a major research project on driver licence testing for older drivers. The funding was granted for data capture and analysis in an extended phase of an already existing older driver screening test study. The study explores an alternative regime for older drivers, moving away from the current age-based system towards a targeted referral system making use of off-road screening tests. The Trust received the report on the project at its May meeting.

Research funding was also provided to assist with visits and seminars from several overseas experts. Such funding was granted for seminars on travel blending by Liz Ampt of Steer Davies Gleave and on the usability of crossing points for pedestrians by Dr Sandy Robertson of the University of London Centre for Transport Studies.

This research activity was funded by an earlier grant of \$200,000. Additional funding of \$200,000 was allocated to research by the Trust in the financial year under review to be expended on future projects. This research grant, together with the \$250,000 granted in the previous year for the above-noted older driver screening test project, represents a significant contribution by the Trust to road safety research in this financial year.

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 a road safety interest and expertise will measurably increase.

One full Doctoral and one partial Masters scholarship were awarded this year, bringing the number of scholarships awarded since the scheme's inception to eleven.

5.9 Community projects

Significant grants were also made to the AA Driver Education Foundation to support the national driver education conference, and to the Royal NZ Plunket Society Inc to purchase replacement child restraints.

Other projects funded involved a broad mix of community groups and a diverse range of road safety initiatives. Along with the usual support for child restraint schemes and driver licensing assistance programmes, the Trust also supported a travelwise to school project in the North Shore, the Nix crew road safety programme, and provided additional funding for the road safety innovation award scheme.

Throughout the year reports on many of the previously funded projects were received. Not all the reports were final, and many of the projects remain ongoing – one such project for which the Trust has received several interim reports was a grant to develop a computer-based novice driver training CD. This project is being undertaken by the Traffic and Road Safety Research Group from Waikato University and funding was first approved in November 2000. The project is due for completion in the coming year.

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 fourteenth 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 a significant improvement from PPL this year that has seen them pass the \$8 million first-time sales threshold. Revenue received from PPL totalled \$1,462,497 for the year.

Higher-than-projected investment levels resulted in the Trust earning a total of \$424,519 in interest.

The Trust has achieved a net surplus of \$742,752 for the year ended 30 June 2003. This result was higher than the expected surplus of \$210,679. The main reasons for this were the higher income received from Personalised Plates Ltd and lower expenditure on grants than anticipated.

This year's surplus increases public equity to \$6.281 million.

The Trust incurred operating costs of \$112,049 during the year. This represents a similar level to that expended in the previous reporting period and is in line with the Trust's strong view that its role is to conserve the maximum amount of funds for expenditure on grants.

6.2 Funding policy

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

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

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 the Trust adopted a conservative approach to exposure, agreeing that the maximum investment limit with any one institution will be no more than 33 percent of the Trust funds. It also ensured that procedures were in place to retain the flexibility to take advantage of the best opportunities being offered. The Trust retained its goal of an investment level of 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 \$753,020 to \$6.991 million. Note 1 to the financial statements details the investment portfolio.

The Trust's investment portfolio is spread over five 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 with a horizontal line underneath the name.

David Wright
Director of Land Transport Safety

Annex A Road Safety Trust Grants approved

Organisation name	Project description	Amount
AA Driver Education Foundation	2003 National Driver Education Conference	\$30,000.00
AA Driver Education Foundation	SADD Evaluation	\$39,830.00
Auckland Migrant Centre Inc	Road Safety Supplement	\$7,500.00
Balclutha Parents Centre Inc	Purchase Child Restraints	\$984.00
Boulcott School	Walking Bus Resources	\$775.00
Deaf Association of NZ (Manawatu)	Driver Licence Course	\$2,000.00
Disha Ethnic Women's Support Group	Driver Licence Project	\$28,400.00
Drivewise Tairāwhiti	Portable Road Safety Display	\$3,000.00
Far North Safer Community Council	Project Wheels	\$45,000.00
Hamilton Age Concern	Safe with Age	\$3,000.00
Hutt City Council	Child Car Seat Rental Scheme	\$8,761.00
Jeanette Arnold	Walking Bus	\$1,500.00
John W Robinson	Road Trauma in Canterbury: A photographic study	\$4,780.00
Kahungunu Maori Executive	Child Car Seat Rental Scheme	\$15,277.00
Kaikoura District Road Safety Subcommittee	Driver Fatigue Project	\$3,000.00
Kaikoura District Road Safety Subcommittee	Speed Reduction Campaign	\$4,000.00
Kapiti Jaycee Inc	Driver Reviver Project	\$3,675.00
Land Transport Safety Authority	Research Projects 2003	\$200,000.00
Literacy and Language	Road Codes	\$250.00
Literacy Aotearoa (Dunedin) Inc	Driver Licence Theory Training	\$1,250.00
Longbush Rural Kindergarten	Road Safety Teaching Aids	\$465.00
Malcam Charitable Trust	Driver Licence Training	\$30,000.00
Manawatu Striders	Traffic Warning Signs and Equipment	\$3,000.00
Mangakino Community Agency	Child Restraints Promotion	\$1,500.00
Mangere People's Centre	Child Car Seat Rental Scheme	\$6,987.00
Manukau Youth Resource Service	Learner Driver Licence Programme	\$15,000.00
Maori Women's Welfare League - Otautahi Branch	Car seat rental scheme	\$18,650.00
Matariki Te Mekameka O Te Mareva Trust	Road Safety Radio Programmes	\$9,000.00
New Zealand Local Authority Traffic Institute	Too Much Punch For Judy	\$100,000.00
Nga Kete Matauranga Pounamu Charitable Trust	Car Restraint Programmes	\$13,098.00
Nga Kete Matauranga Pounamu Charitable Trust	Learner Driver Licence Programme	\$10,622.00
Nga Kete Matauranga Pounamu Charitable Trust	First time offenders programme	\$11,000.00

Road Safety Trust

Nix Crew	Road Safety Programme	\$34,500.00
North Shore City Council	Travelwise to School	\$180,000.00
Otumoetai Primary School	School Walking Bus Group	\$2,000.00
Pacific Island Evaluation Inc	Community Road Safety Programmes	\$3,200.00
Palmerston North City Council	Safe Cycling Initiatives	\$6,000.00
Papamoa Primary School	Walking Bus	\$1,330.00
Prisoners' Aid and Rehabilitation Society of Waikato Inc	Driver Licence Assistance	\$3,375.00
Ranui Action Project	Driver Licence Theory Training	\$10,000.00
Raukura Haoura o Tainui	Child Restraint promotion & provision	\$14,000.00
Regional Restraints Group - Bay of Plenty	Regionwide Restraints Promotion	\$10,300.00
Road Safe Central	Road Safety Co-ordinators Conference 2003	\$12,700.00
Road Safe Southern	Speed Junkies	\$35,000.00
Royal NZ Plunket Society Hamilton	Car Seat Rental Scheme Resources	\$1,249.00
Royal NZ Plunket Society Inc	Restraints Replacement	\$94,130.00
RST Innovation Awards	Award Scheme	\$83,275.00
Safe Waitakere Alcohol Project	Photovoice Project	\$5,000.00
Safe Waitakere Injury Prevention	Kidsafe Safety Warrior Promotion	\$29,000.00
Selwyn/Banks Peninsula Road Safety Trust	Windscreen Ice Scraper	\$2,000.00
Southland Adult Learning Programme	Adult Learner Licence Programme	\$1,576.00
St James Church – Nukuhau	Marae Based Road Safety Programme	\$9,300.00
Tairāwhiti REAP Inc	Restricted Driver Licence Course	\$3,385.00
Taranaki Adult Literacy & English Language Tuition Service Inc.	Driver Licence Course Resources	\$653.00
Te Aranui Trust	Learner Licence Programme	\$2,800.00
Te Runanga O Nga Maata Waka	Pre-school and primary school teaching aids	\$8,300.00
Tearaway Press Ltd	Magazine Cruising Series	\$45,000.00
Tokoroa High School Old Boys Rugby Football and Sports Club	Keeping Whanau Safe	\$3,699.00
Waitakere City Council – Public Affairs Div	School Safety Zone Gateways	\$39,179.00
Wellington City Council	Car Seat Rental Scheme	\$5,000.00
YMCA Palmerston North	Street Talk	\$3,003.00
Zeng Consultants Ltd	Driver Licence Theory Training	\$15,000.00
TOTAL		\$1,286,258.00

Financial Statements

Road Safety Trust 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 2003.



S Sinclair
Chairperson

10 September 2003



G J Cooper
Accountant

10 September 2003

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 2002.

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 balances and investments, accounts receivable and payable. All financial instruments are reported in the statement of financial position and all revenues and expenditures in relation to financial instruments are recognised in the statement of financial performance.

F. Investments

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

G. Accounts receivable

Debtors and receivables are stated at net realisable value.

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

L. Contingent liabilities

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

Changes in accounting policies

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

Road Safety Trust**Statement of Financial Performance**

For the year ended 30 June 2003

Actual 30 June 02 \$		Notes	Actual 30 Jun 03 \$	Budget 30 Jun 03 \$
INCOME				
1,181,499	Personalised plates		1,462,497	1,418,000
432,968	Interest received	2	424,519	401,568
<u>1,614,467</u>	TOTAL INCOME		<u>1,887,016</u>	<u>1,819,568</u>
EXPENDITURE				
1,972	Printing		1,913	1,980
5	Bank charges		5	5
5,960	Trustees' fees	7	6,740	6,180
2,510	Trustees' expenses		3,800	2,500
3,713	Audit fees		3,713	3,713
14,391	Advertising		14,484	14,400
80,000	Authority support		80,000	80,000
111	Miscellaneous		1,394	111
<u>108,662</u>	TOTAL EXPENDITURE		<u>112,049</u>	<u>108,889</u>
987,623	GRANTS	3	1,032,215	1,500,000
<u>1,096,285</u>	TOTAL EXPENDITURE INCLUDING GRANTS		<u>1,144,264</u>	<u>1,608,889</u>
<u><u>518,182</u></u>	NET SURPLUS		<u><u>742,752</u></u>	<u><u>210,679</u></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 2003

Actual 30 June 02 \$	Notes	Actual 30 Jun 03 \$	Budget 30 Jun 03 \$
<u>5,020,345</u>	PUBLIC EQUITY AS AT 1 JULY 2002	<u>5,538,527</u>	<u>5,538,527</u>
518,182	Net operating surplus	742,752	210,679
<u>518,182</u>	TOTAL RECOGNISED REVENUES AND EXPENSES	<u>742,752</u>	<u>210,679</u>
<u><u>5,538,527</u></u>	PUBLIC EQUITY AS AT 30 JUNE 2003	<u><u>6,281,279</u></u>	<u><u>5,749,206</u></u>

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

Road Safety Trust**Statement of Financial Position**

As at 30 June 2003

Actual 30 Jun 02 \$	Notes	Actual 30 Jun 03 \$	Budget 30 Jun 03 \$
PUBLIC EQUITY			
5,538,527	Public equity	6,281,279	5,749,206
<u>5,538,527</u>	TOTAL PUBLIC EQUITY	<u>6,281,279</u>	<u>5,749,206</u>
CURRENT ASSETS			
10,461	Bank	56,401	10,000
91,313	Interest accrued	1 70,025	91,767
33,333	Accounts receivable	33,333	33,333
26,980	GST receivable	8,672	20,000
2,403,828	Investments	1 2,752,149	1,523,713
<u>2,565,915</u>	TOTAL CURRENT ASSETS	<u>2,920,580</u>	<u>1,678,813</u>
NON-CURRENT ASSETS			
3,834,300	Long term investments	1 4,238,999	4,594,106
<u>6,400,215</u>	TOTAL ASSETS	<u>7,159,579</u>	<u>6,272,919</u>
CURRENT LIABILITIES			
861,688	Accounts payable	4 878,300	523,713
<u>861,688</u>	TOTAL CURRENT LIABILITIES	<u>878,300</u>	<u>523,713</u>
<u>5,538,527</u>	NET ASSETS	<u>6,281,279</u>	<u>5,749,206</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 2003

Actual 30 Jun 02 \$	Notes	Actual 30 Jun 03 \$	Budget 30 Jun 03 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
1,181,499	Personalised plates	1,462,497	1,418,000
487,375	Interest	465,569	401,114
(29,165)	Net GST	18,308	6,980
<u>1,639,709</u>		<u>1,946,374</u>	<u>1,826,094</u>
Cash was applied to:			
97,608	Payments to suppliers	105,554	105,303
5,960	Payments to Trust members	6,740	8,680
1,122,435	Grants	1,015,358	1,832,881
<u>1,226,003</u>		<u>1,127,652</u>	<u>1,946,864</u>
<u>413,706</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>818,722</u>	<u>(120,770)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
9,359,577	Investments	6,425,771	120,309
<u>9,359,577</u>		<u>6,425,771</u>	<u>120,309</u>
Cash was applied to:			
9,778,125	Investments	7,198,553	0
<u>9,778,125</u>		<u>7,198,553</u>	<u>0</u>
<u>(418,548)</u>	NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(772,782)</u>	<u>120,309</u>
<u>(4,842)</u>	NET INCREASE/(DECREASE) IN CASH HELD	<u>45,940</u>	<u>(461)</u>
15,303	OPENING BANK BALANCE	10,461	10,461
<u>10,461</u>	CLOSING BANK BALANCE	<u>56,401</u>	<u>10,000</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 2003

Actual 30 Jun 02 \$	Notes	Actual 30 Jun 03 \$	Budget 30 Jun 03 \$
518,182	Net surplus	742,752	210,679
Add non-cash items			
22,558	Amortisation of investments	19,762	0
22,558	TOTAL NON-CASH ITEMS	19,762	210,679
Add/(less) movement in working capital items:			
(129,718)	Increase/(decrease) in accounts payable	16,612	(337,975)
31,849	(Increase)/decrease in interest receivable	21,288	(454)
(29,165)	(Increase)/decrease in net GST	18,308	6,980
(127,034)	WORKING CAPITAL MOVEMENTS – NET	56,208	(331,449)
413,706	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	818,722	(120,770)

Road Safety Trust

Statement of Commitments

As at 30 June 2003

The Trust has no commitments at 30 June 2003 (2001/2002 nil).

Statement of Contingent Liabilities

As at 30 June 2003

The Trust has no contingent liabilities at 30 June 2003 (2001/2002 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 2002

Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ term deposit	28 Jun 02	5.99%	20 Sep 02	1,190,000	586
ANZ on-call account	30 Jun 02	5.00%	On call	209,342	0
ANZ bond	22 Feb 00	7.50%	15 May 03	1,004,486	9,616
Total				2,403,828	10,202

Long-term investments

Type of investment	Date invested	Coupon rate	Date matured	Current investments \$	Interest accrued \$
ASB RCD	03 Jul 00	7.45%	30 Jun 04	1,000,300	36,332
BNZ bond	22 Feb 01	7.50%	15 Sep 05	1,261,502	22,795
National Bank bond	28 Mar 02	6.87%	18 Apr 11	1,572,498	21,984
Total				3,834,300	81,111

Total investments	6,238,128	91,313
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Road Safety Trust Investments held at 30 June 2003

Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ Term Deposit	26 May 03	5.27%	25 Aug 03	1,645,000	8,550
ANZ On call Account	30 Jun 03	5.00%	On call	106,998	0
ASB RCD ⁽¹⁾	03 Jul 00	7.45%	30 Jun 04	1,000,151	0
Total				2,752,149	8,550

Long-term investments

Type of investment	Date invested	Coupon rate	Date matured	Current investments \$	Interest accrued \$
BNZ Bond ⁽²⁾	22 Feb 01	7.50%	15 Sep 05	1,242,365	26,384
National Bank Bond ⁽³⁾	28 Mar 02	6.87%	18 Apr 11	1,579,730	21,984
Government Bond ⁽⁴⁾	27 May 03	8.00%	15 Nov 06	1,416,904	13,107
Total				4,238,999	61,475

Total Investments	6,991,148	70,025
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The market values of our publicly traded investments as at 30 June 2003 are:

	Face value	Market rate	Market value
Note ⁽¹⁾	\$1,000,000	5.05%	\$1,023,120.67
Note ⁽²⁾	\$1,200,000	5.28%	\$1,280,896.97
Note ⁽³⁾	\$1,600,000	5.62%	\$1,672,906.33
Note ⁽⁴⁾	\$1,300,000	4.93%	\$1,435,584.01

NOTE 2 – INTEREST RECEIVED

	Actual 30 Jun 03 \$	Actual 30 Jun 02 \$
Interest during the year	444,281	455,526
Less amortisation of investments	(19,762)	(22,558)
Net interest received	424,519	432,968

NOTE 3 – GRANTS

	Actual 30 Jun 03 \$	Actual 30 Jun 02 \$
Grants approved during the year	1,286,258	1,005,988
Less Grants rescinded	(254,043)	(18,365)
Net Grants for the year	1,032,215	987,623

NOTE 4 – ACCOUNTS PAYABLE

	Actual 30 Jun 03 \$	Actual 30 Jun 02 \$
Grants approved before 30 June 2003 but unpaid	849,738	832,881
Trade Creditors	28,562	28,807
Total	878,300	861,688

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, and accounts receivable.

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

There is no significant concentration of credit risk.

Interest risk

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

Fair value

The fair value of corporate bond investments is based on current market interest rates for investments of similar terms of maturities. These are disclosed under Note 1.

The fair value of other 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 2003.

A portion of the Trust's resources is used to support road safety research, which is overseen by a Technical Advisory Committee chaired by a Land Transport Safety Authority Manager. Funding for this research is covered by a memorandum of understanding between the Trust and the Land Transport Safety Authority. The Trust approved funding of \$200,000 for the Technical Advisory Committee during the year ended 30 June 2003.

The Trust agreed to support the Road Safety Trust innovation awards with a \$83,275 grant. These awards are a joint initiative involving the Land Transport Safety Authority, Accident Compensation Corporation and the New Zealand Police. Implementation of the awards is being project managed by the Land Transport Safety Authority.

Mr David Wright is also a member of the AA Driver Education Foundation, and Mr Tony Knight was a member of the Foundation until 2002. During the year, the AA Driver Education Foundation received funding from the Trust of \$39,830 to evaluate the effectiveness of the Students Against Driving Drunk (SADD) programme, and \$30,000 to support the National Driver Education Conference.

NOTE 7 – TRUSTEES' FEES

	Actual 30-Jun-03	Actual 30-Jun-02
	\$	\$
The Trustees earned the following fees during the year		
S Sinclair (Chair)	2,240	1,960
R Gilroy	500	1,000
T Knight	1,500	1,500
G Wilson	1,000	0
D Wright	1,500	1,500
Total	6,740	5,960



**REPORT OF THE AUDITOR-GENERAL
TO THE READERS OF THE FINANCIAL STATEMENTS OF
THE ROAD SAFETY TRUST
FOR THE YEAR ENDED 30 JUNE 2003**

We have audited the financial statements on pages 17 to 26. The financial statements provide information about the past financial performance of the Road Safety Trust and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 17 to 18.

Responsibilities of the Trustees

The Public Finance Act 1989 requires the Trustees to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Road Safety Trust as at 30 June 2003 and the results of its operations and cash flows for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Trustees. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Ajay Sharma, 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 the Auditing Standards published by the Auditor-General, which incorporate 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 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 17 to 26:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Road Safety Trust's financial position as at 30 June 2003; and
 - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 10 September 2003 and our unqualified opinion is expressed as at that date.



Ajay Sharma
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Road Safety Trust for the year ended 30 June 2003 included on the Road Safety Trust's website. The Director of Land Transport Safety is responsible for the maintenance and integrity of the Road Safety Trust's website. We have not been engaged to report on the integrity of the Road Safety 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.

We have not been engaged to report on any other electronic versions of the Road Safety Trust's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 10 September 2003 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 statements may differ from legislation in other jurisdictions.