

LIBERTY TRUST

Financial Statements for the Year Ended 31 March 2007

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AUDITOR'S REPORT.

To the Trustees of the Liberty Trust

I have audited the Financial Reports on pages 4 - 7. The Financial Report provides information about the past performance of the Liberty Trust and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies set out on page 2.

Trustees Responsibilities. The Trustees are responsible for the preparation of the financial statements which reflect the financial position of the Liberty Trust as at 31 March 2007 and the results of the operations for the year ended on that date.

Auditor's Responsibility. It is my responsibility to express an independent opinion on the financial statements presented by the Trustees and to report my opinion to you.

Basis of Opinion.

As an audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements, it also includes assessing: (1) the significant estimates and judgments made by the Trustees in the preparation of the financial statements and (2) whether the accounting policies are appropriate to the Liberty Trust.

I conducted my audit in accordance with generally accepted auditing standards. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary. This was in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

I have prepared the financial statements based on source documentation maintained by the Trustees. The Trustees have taken responsibility for the financial statements. Other than in my capacity as Auditor, I have no relationship with or interest in the Liberty Trust.

Unqualified Opinion.

I have obtained all the information and explanations I have required. In my opinion proper accounting records have been kept by the Trustees and the Financial Reports on Pages 4 - 7, give a true and fair view and fairly reflects the financial position of The Liberty Trust as at the 31 March 2007 and the results of its operations for the year ended at that date.

My audit was completed on 15 June 2007 and my unqualified opinion is expressed on that date

Peter A. Reid B.Com. C.A.
Chartered Accountant,
Whakatane.



LIBERTY TRUST

Incorporated under the Charitable Trusts Act 1957

Notes to and Forming Part of the Financial Statements For the Year Ended 31 March 2007

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

LIBERTY TRUST (the entity) is a Charitable Trust registered under the Charitable Trusts Act 1957.

DIFFERENTIAL REPORTING

The entity qualifies for differential reporting exemptions as it is not publicly accountable as defined in the Framework of Differential Reporting, and the operation is not considered large when applying the tests contained within the Framework for Differential Reporting.

The entity has taken advantage of all differential reporting exemptions.

MEASUREMENT BASE

Unless otherwise specified, the measurement base adopted is that of historical cost.

SPECIFIC ACCOUNTING POLICIES

The following accounting policies have been employed in the preparation of these financial statements:

Goods and Services Tax

This entity is registered for GST in August 2005 and all expenses are shown exclusive of GST paid, if any, since that date.

Valuation of Assets

- * Cash on Hand and Bank Accounts are shown at the holding value.
- * Accounts Receivable have been valued at expected realisable value.
- * Advances to Ark Resources Ltd are shown at cost, and are secured by a debenture over the assets of that company.
- * Loans to members are shown at expected realisable value. No provision has been made for doubtful debts.
- * Fixed Assets are valued at cost less depreciation.

Depreciation

Depreciation is provided on all fixed assets, as detailed on the attached Schedule of Fixed Assets and Depreciation.

Liabilities

Liabilities are recognised when the goods and services to which they relate are received. Liabilities are carried at the amount of cash which is required to settle those liabilities.

LIBERTY TRUST

Incorporated under the Charitable Trusts Act 1957

Notes to and Forming Part of the Financial Statements For the Year Ended 31 March 2007

CHANGES IN ACCOUNTING POLICY

These accounts are the twelve month period ended 31 March 2007. The 2006 comparative balances are for the nine month period ended 31 March 2006. Apart from this there have been no material changes in Accounting Policy since the previous Financial Statements.

2. RELATED PARTY TRANSACTIONS

The Entity has not undertaken any material transactions with related parties. No related party debts have been written off or forgiven during the year.

3. CAPITAL COMMITMENTS

Nil. (2006 = Nil)

4. CONTINGENT LIABILITIES

The Trust has not granted any securities nor given any guarantees in respect of liabilities payable by it or by any other party. (2006 = Nil)

LIBERTY TRUST

Incorporated under the Charitable Trusts Act 1957

Statement of Financial Performance For the Year Ended 31 March 2007

<u>9 Mnths 31/03/2006</u>		<u>YE 31 Mar 2007</u>
	INCOME	
124,817.32	Donations from Contributors	218,995.35
6,241.74	Interest Rec'd - Ark Resources	6,953.76
1,966.25	Interest Received – Call A/c	1,914.85
-	Book Sales	2,036.73
17.78	Other Income	52.96
<u>133,043.09</u>	Total Income	<u>229,953.65</u>
	Less EXPENSES	
-	Book Expenses	1,621.67
659.59	Postage & Stationery	6,899.60
1,817.69	Printing & Photocopying	1,662.53
1,022.28	Travel & Accommodation	1,521.38
138.09	General Expenses	62.22
50.00	Gifts	99.99
6,717.50	Donations	7,950.00
635.00	Depreciation	1,311.00
173.87	Tolls	1,585.98
6,687.84	Marketing & Advertising	14,402.93
-	Storage	22.82
5.98	Bank Fees & Interest	43.25
274.38	Training, Seminars & Subscript	269.25
-	Ministry Gift	4,567.44
78.59	Bank Connect Fees	163.57
8,460.00	Administration Wages	14,930.67
300.00	Auditing	300.00
460.00	Legal Fees	525.00
<u>27,480.81</u>	Total Expenses	<u>57,939.30</u>
<u>\$105,562.28</u>	NET PROFIT	<u>\$172,014.35</u>

Note: This Statement must be read in conjunction with the accompanying Notes and Audit Report.

LIBERTY TRUST

Incorporated under the Charitable Trusts Act 1957

Statement of Movements in Equity For the Year Ended 31 March 2007

<u>9 Mnths 31/03/2006</u>		<u>YE 31/3/07</u>
3,001,496.89	OPENING MEMBERS EQUITY	3,107,059.17
	PLUS	
105,562.28	Net Revenue less Expenses	172,014.35
<hr/>		<hr/>
105,562.28		172,014.35
<hr/>		<hr/>
<u>\$3,107,059.17</u>	TOTAL MEMBERS' EQUITY	<u>\$3,279,073.52</u>

Note: This Statement must be read in conjunction with the accompanying Notes and Audit Report.

LIBERTY TRUST

Incorporated under the Charitable Trusts Act 1957

Statement of Financial Position

As at 31 March 2007

<u>31/03/2006</u>		<u>31/03/2007</u>
	CURRENT ASSETS	
939.85	Westpac - Main Account	2,483.13
47,832.76	Call Account	10,286.76
32,190.01	Ark Resources Ltd - Current	76,031.01
223.96	GST Receivable	225.03
<u>81,186.58</u>	Total Current Assets	<u>89,025.93</u>
	CURRENT LIABILITIES	
<u>15,860.00</u>	Interest Free Loans Received	<u>6,760.00</u>
<u>15,860.00</u>	Total Current Liabilities	<u>6,760.00</u>
<u>65,326.58</u>	Net Working Capital	<u>82,265.93</u>
	NON-CURRENT ASSETS	
2,730.43	Plant & Equipment	1,419.43
7,017.44	Charitable Lending	4,950.00
3,269,931.64	Debenture - Ark Resources	3,619,231.64
<u>3,279,679.51</u>	Total Non-Current Assets	<u>3,625,601.07</u>
	TERM LIABILITIES	
<u>237,946.92</u>	Provision for Rebates	<u>428,793.48</u>
<u>237,946.92</u>	Total Term Liabilities	<u>428,793.48</u>
<u>\$3,107,059.17</u>	TOTAL ASSETS	<u>\$3,279,073.52</u>
	This is Represented by:	
	MEMBER'S EQUITY	
3,001,496.89	Balance at 01/04/2006	3,107,059.17
105,562.28	Net Revenue	172,014.35
<u>\$3,107,059.17</u>	TOTAL CAPITAL	<u>\$3,279,073.52</u>

NOTE: This Statement is to be read in conjunction with the accompanying Notes and Audit Report.

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Schedule of Fixed Assets and Depreciation
As at 31 March 2007

Asset	Cost Price	Book Value 01/04/2006	Additions Disposals	Gain/Loss on Disposal	Capital Profit	---- Depreciation ----			Accum Deprec 31/03/2007	Book Value 31/03/2007
						Mth	Rate	\$		
<u>PLANT & EQUIPMENT</u>										
Laser 1220 Printer	1,620	76				12	48.0% DV	36	1,580	40
Admin Computer Replacement	625	368				12	48.0% DV	177	434	191
Laptop & Accessories	1,071	814				12	48.0% DV	391	648	423
Toshiba Projector	1,600	1,472				12	48.0% DV	707	835	765
TOTAL FIXED ASSETS	4,916	2,730						1,311	3,497	1,419

Note: This Statement must be read in conjunction with the accompanying Notes and Audit Report.