

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

Annual Report

For the year ended 30 June, 2020

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

TABLE OF CONTENTS

	Page No.
Entity Information	3
Statement of Financial Performance	4
Statement of Financial Position	5
Statement of Cash Flows	6
Statement of Accounting Policies	7 - 8
Notes to the Financial Statements	9 - 12
Statement of Intent Performance	13
Audit Report	14

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

ENTITY INFORMATION

Legal name

The Invercargill City Charitable Trust Board (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is a Council Controlled Organisation of the Invercargill City Council as defined in section 6 (1) of the Local Government Act 2002.

Charities Services registration number

CC32606

The Trust's purpose or mission

The primary objective of the Trust is to fund both capital and income for charitable purposes within the Invercargill district.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of three Trustees who oversee the governance of the Trust. The Trustee positions are held by the Mayor, Deputy Mayor and Chief Executive of the Invercargill City Council. Day-to-day operations of the Trust and reporting to the Board is administered by staff provided by Invercargill City Council.

Trustees

T R Shadbolt (ICC Mayor)	
T Biddle (ICC Deputy Mayor)	<i>appointed October 2019</i>
C V Hadley (ICC CEO)	
R Amundsen (ICC Councillor)	<i>removed October 2019</i>
G Lewis (ICC Councillor)	<i>removed October 2019</i>

Main sources of the Trust's cash and resources

Operating grants and donations received from Invercargill City Council and other community funders are the primary sources of funding for the Trust.

Outputs

The main outputs of the Trust are for costs incurred in the management, staging and promotion of the Southland Buskers Festival, and costs relating to the ownership and maintenance of Rugby Park Stadium.

Registered office

C/- Invercargill City Council
101 Esk Street
Invercargill

Bankers

Bank of New Zealand
84 Esk Street, Invercargill

Postal address

Private Bag 90-104
Invercargill
Phone (03) 2111 777
Fax (03) 2111 692

Solicitors

Preston Russell Law
45 Yarrow Street, Invercargill

Auditor

Audit New Zealand
on behalf of the Auditor - General

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June, 2020

	<i>Note</i>	2020 \$	2019 \$
Revenue			
Council funding	1	137,232	157,628
Grants and donations		35,000	86,500
Interest income		3,092	5,091
Other revenue		240	-
TOTAL REVENUE		175,564	249,219
Expenses			
Audit fees	2	13,297	13,632
Buskers festival		53,679	57,261
Depreciation	8	481,945	429,135
Grants and subsidies		22,699	50,000
Interest expense		1,268	1,267
Other expenses		10,689	17,327
TOTAL EXPENSES		583,577	568,622
NET SURPLUS/(DEFICIT)		(408,013)	(319,403)
Other comprehensive revenue and expense			
Revaluation reserve impairment gain/(loss)	8	(1,289,900)	-
Asset revaluation gain/(loss)		-	2,030,404
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		(1,289,900)	2,030,404
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(1,697,913)	1,711,001


The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with these financial statements.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

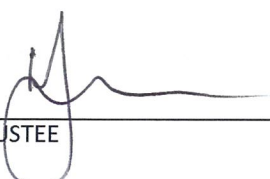
STATEMENT OF FINANCIAL POSITION

As at 30 June, 2020

	<i>Note</i>	2020 \$	2019 \$
Assets			
Current assets			
Bank accounts and cash	3	349,905	303,769
Debtors		17,152	-
Accrued revenue	4	112,949	128,327
		480,006	432,096
TOTAL CURRENT ASSETS		480,006	432,096
Non-current assets			
Property, plant and equipment	8	15,716,155	17,488,000
TOTAL NON-CURRENT ASSETS		15,716,155	17,488,000
TOTAL ASSETS		16,196,161	17,920,096
Liabilities			
Current liabilities			
Creditors and accrued expenses	5	16,288	19,740
GST payable		2,077	5,147
Borrowings	6	-	19,500
TOTAL CURRENT LIABILITIES		18,365	44,387
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		18,365	44,387
TOTAL ASSETS less TOTAL LIABILITIES		16,177,796	17,875,709
Equity			
Accumulated funds	7	15,437,292	15,845,305
Asset revaluation reserve	7	740,504	2,030,404
TOTAL TRUST EQUITY		16,177,796	17,875,709



 TRUSTEE



 TRUSTEE

30 November 2020

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF CASH FLOWS

For the year ended 30 June, 2020

	<i>Note</i>	2020 \$	2019 \$
<i>Cash flows from operating activities</i>			
Receipts of council funding		124,000	56,073
Receipts of subsidies, grants and donations		35,000	86,500
Receipts of other income		10,240	-
Interest receipts		3,092	5,091
Payments to suppliers		(104,583)	(134,964)
GST (net)		(2,113)	1,765
Net cash flow from / to operating activities		65,636	14,465
<i>Cash Flows from investing and financing activities</i>			
Purchase of property, plant, and equipment		-	-
Repayment of borrowings		(19,500)	-
Net cash flow from / to investing and financing activities		(19,500)	-
Net increase/ (decrease) in cash		46,136	14,465
Opening cash balance		303,769	289,304
CLOSING CASH BALANCE		349,905	303,769

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with these financial statements.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2020

ACCOUNTING POLICIES APPLIED

GENERAL INFORMATION

The financial statements presented here are for the Invercargill City Charitable Trust Board ("the Trust"), which is a Trust incorporated and domiciled in New Zealand on 16 October 1984.

The financial statements of the Trust are for the year ending 30 June 2020.

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Board of Trustees do not have the power to amend the financial statements once they have been issued.

SIGNIFICANT ACCOUNTING POLICIES

SUBSIDIES AND GRANTS REVENUE

Subsidies and grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the subsidy or grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

When grants are receivable as compensation for expenses already incurred, these are recognised as income in the period in which they are receivable.

EXPENDITURE

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred.

GRANTS PAID

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

Discretionary grants are those grants where the Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Trust's decision.

BANK ACCOUNTS AND CASH

Bank accounts and cash comprise cash on hand, cheque or savings accounts, deposits held at call with banks, and other short-term highly liquid investments with original maturities of less than three months.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2020

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at fair value, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Revaluation

Property, plant and equipment are revalued with sufficient regularity (at least every three years) to ensure that the carrying amount does not differ materially from the fair value.

Revaluation movements are accounted for on an asset class basis.

The net revaluation results are credited or debited to other comprehensive revenue, and are accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue, but is instead recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

TAXATION

The Trust is a charitable organisation registered with Charities Services and is therefore exempt from taxation.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the reporting period.

TIER 2 PBE ACCOUNTING STANDARDS APPLIED

The Trust has elected to apply PBE IPSAS 17 Property, Plant and Equipment in measuring the fair value of Rugby Park Stadium, and has completed an impairment assessment in accordance with the standard, PBE IPSAS 26 - Impairment of Cash Generating Assets.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June, 2020

	2020	2019
	\$	\$
1 Council funding		
Grants	124,000	124,000
Recoveries	13,232	33,628
Total council funding	137,232	157,628
2 Audit fees		
Audit fees	13,297	13,632
Total audit fees	13,297	13,632
Audit fees accrued for the 2020 year are \$11,949 (2019: \$13,632). Audit fees are recovered from the Invercargill City Council, and recognised as receivable at balance date.		
3 Bank accounts and cash		
Cash at bank	349,905	303,769
Total bank accounts and cash	349,905	303,769
4 Accrued revenue		
Audit fee and disbursements recovery	12,949	16,827
Grant - Rugby Park Stadium upkeep	100,000	100,000
Rent - Rugby Park Stadium	-	11,500
Total accrued revenue	112,949	128,327
5 Creditors and accrued expenses		
Audit fee and disbursements	12,949	14,632
Administration fee	3,339	3,840
SAST loan interest	-	1,268
Total creditors and accrued expenses	16,288	19,740
6 Borrowings		
Southland Amateur Sports Trust (SAST)	-	19,500
Total borrowings	-	19,500

The loan from Southland Amateur Sports Trust (SAST) was voluntarily repaid in full (and all interest owing) on 21 February 2020.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2020

7 Equity	2020 \$	2019 \$
Accumulated funds		
Balance at 1 July	15,845,305	16,164,708
Surplus/(deficit) for the year	(408,013)	(319,403)
Balance at 30 June	15,437,292	15,845,305
Asset revaluation reserve		
Balance at 1 July	2,030,404	-
Asset revaluation gains	-	2,030,404
Asset impairment losses	(1,289,900)	
Balance at 30 June	740,504	2,030,404
TOTAL EQUITY at 30 June	16,177,796	17,875,709

Asset revaluation reserves for each class of asset consist of:

Land	515,000	515,000
Buildings	46,228	1,336,128
Property improvements	179,276	179,276
Total	740,504	2,030,404

8 Property, plant & equipment

	Land \$	Buildings \$	Property Improvements \$	Total \$
Cost				
Carrying amount at 1 July 2019	1,500,000	14,187,000	1,801,000	17,488,000
Additions	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation expense	-	(341,205)	(140,740)	(481,945)
Impairment Loss	-	(1,289,900)	-	(1,289,900)
Carrying amount at 30 June 2020	1,500,000	12,555,895	1,660,260	15,716,155
Carrying amount at 1 July 2018	985,000	13,159,363	1,742,367	15,886,730
Additions	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation expense	-	(308,491)	(120,644)	(429,135)
Revaluation adjustment	515,000	1,336,128	179,276	2,030,404
Carrying amount at 30 June 2019	1,500,000	14,187,000	1,801,000	17,488,000

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2020

8 Property, plant & equipment continued

Property, plant and equipment was valued by Quotable Value Ltd at 30 June 2019 as \$17,488,000, with fair value being determined on the basis of depreciated replacement cost.

An impairment assessment of the group of assets referred to as Rugby Park Stadium has been performed in accordance with the standard, PBE IPSAS 26 - Impairment of Cash Generating Assets. A section of the west-end stand has been identified as being unsafe for use in the current year, the estimated cost of structural repairs and seismic strengthening is \$1,064,900. Also identified is 75% of the seats in this section of the stadium have suffered UV light deterioration and require immediate replacement. The estimated cost of replacement is \$225,000. Therefore a total impairment of \$1,289,900 (2019: nil) has been recognised.

A loss on impairment has been recognised in line with the standard, allocating the value of the impairment against the revaluation reserve as part of comprehensive revenue and expenses (in line with the standard PBE IPSAS 17 - Property, Plant and Equipment).

9 Related Parties

The Trust has transactions with the entities the Trustee's represent as detailed below.

Invercargill City Council paid a grant of \$100,000 (2019: \$100,000) for the upkeep of Rugby Park Stadium. There is a balance owing at 30 June 2020 of \$100,000 (2019: \$100,000).

Invercargill City Council paid a grant of \$24,000 (2019: \$24,000) toward the operating costs of the Buskers Festival, an event operated and managed by the Trust. There is no balance owing at 30 June 2020 (2019: nil).

The Trust pays a reimbursement of \$3,339 GST exclusive (2019: \$3,339 GST exclusive) to Invercargill City Council for services provided by ICC staff acting as the administrator of the Trust. There is a balance owing at 30 June 2020 of \$3,339 GST exclusive (2019: \$3,840 GST inclusive).

The Trust paid a reimbursement of \$22,699 GST exclusive (2019: nil) to Invercargill City Council for the cost of relocating Rugby Southland to alternative office space. There is no balance owing at 30 June 2020 (2019: nil).

The Trust paid a grant of \$nil (2019: \$50,000) to the Invercargill City Council for the purpose of establishing a fund to aid owners of heritage buildings affected by earthquake strengthening requirements.

The Trust received from Invercargill Venue & Events Management Limited, a subsidiary of Invercargill City Council, nil received in rent and recoveries relating to Rugby Park Stadium in the current year (2019: \$15,373 GST exclusive). Balance owing at 30 June 2020 is nil (2019: \$11,500 GST inclusive).

The Trust paid nil to Invercargill Venue & Events Management Limited, a subsidiary of Invercargill City Council, for building maintenance of Rugby Park Stadium in the current year (2019: \$6,317 GST exclusive). Balance owing at 30 June 2020 is nil (2019: nil).

10 Contingencies

There are no known contingent liabilities (or assets) at 30 June 2020 (2019: nil).

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2020

11 Commitments

ICCT have an obligation to provide office space for Rugby Southland Incorporated under an existing lease agreement. As at 30 June 2020 ICCT have paid \$22,699 (2019: nil) for the relocation and rental of alternate offices at the Invercargill Netball Centre and since June 2020 are committed to paying \$1,200 per month until the toxic mould issues at the Stadium have been resolved and the administration offices there are safe to reinhabit (2019: nil).

12 The effects of COVID-19 on the Trust

On 11 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak a pandemic and the New Zealand Government declared a National State of Emergency two weeks later. New Zealand was put into Alert Level 4 lockdown from the 26 March 2020 to 27 April 2020, and remained in lockdown at Alert Level 3 until 13 May 2020.

The overall impact on the operations of the Trust has been minimal. The Trust's income is derived from funding provided by external funders. The Trust's main event, the Buskers Festival, was held in February 2020 therefore unaffected by COVID-19. This year was also the last year this festival is being held, therefore there will be no effect as a result of COVID-19 in future years.

The Trust also receives a grant from ICC for the upkeep of Rugby Park Stadium. The impact on the Stadium as a result of COVID-19 is limited as structural issues and toxic mould were identified in 2019 rendering a portion of the Stadium unusable, therefore the Stadium's capacity for use was already impacted prior to COVID-19.

Ongoing future impact from COVID-19 isn't expected to be an issue as plans are in progress for Rugby Park Stadium to be sold to ICC, therefore ICCTB will no longer own anything that will be impacted by COVID-19.

13 Events after balance sheet date

Subsequent to year end a recommendation was put forward to the Invercargill City Council's Infrastructural Services Committee at a meeting on the 25th August 2020 that the asset, Rugby Park Stadium, currently owned by Invercargill City Charitable Trust Board be sold to Invercargill City Council.

Invercargill City Council has had an independent market valuation of Rugby Park Stadium completed by Telfer Young Property Valuers & Advisors. As per the market valuation report dated 7 August 2020, the property has been valued on a Market Value - Vacant Possession basis. The property has been valued using best alternative use of residential/suburban commercial development site due to the limited to non-existent market for stadium/sporting ground infrastructure on the open market. A Comparable Transactions Method of a \$/m² basis has been calculated based on recent sales of vacant land taking into consideration zoning and location. The current market valuation (taking into consideration demolition costs) is \$1,000,000.

A resolution was passed that the report be accepted by the Infrastructure Committee and a report and draft terms of sale be drawn up and presented to Council. As per the report, ICCTB has the responsibility to remedy the toxic mould issue prior to sale of the Stadium to ICC. The toxic mould has subsequently been remedied, therefore ICCTB has fulfilled all its measures for sale of the property.

Subsequent to year end ICCTB Trustee Toni Biddle announced her resignation as a Councillor for ICC. Her resignation will be effective from 19th November 2020. As a result, Toni Biddle will no longer be a Trustee on the ICCT Board. Councillor Nobby Clark will take over as Trustee on the ICCT Board.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF INTENT PERFORMANCE For the year ended 30 June, 2020

Statement of intent performance

Listed below are the Trust's forecasted performance targets as per the 2020 Statement of Intent compared with actual

	Actual \$	Forecast \$
Operating revenue (excluding finance income and donations)	172,472	175,000
Finance income and donations	3,092	-
	175,564	175,000
Operating expenses (excluding interest and depreciation)	100,364	175,000
Depreciation	438,740	430,000
Interest	1,268	-
	540,372	605,000
Operating surplus/(deficit)	(364,808)	(430,000)

Operating revenue received is in line with the forecasted revenue as per the Statement of Intent.

Actual operating expenses paid are below forecast by \$64,628. This is due to the \$100,000 grant for the upkeep of Rugby Park not being spent. This is partially offset by other payments made during the year which were not forecasted for, including \$22,699 reimbursement to ICC for relocation costs relating to Rugby Southland, and the SAST loan for \$19,500 was repaid in full this year.

Independent Auditor's Report

To the readers of Invercargill City Charitable Trust's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Invercargill City Charitable Trust (the Trust). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 4 to 12, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust contained on page 13.

In our opinion:

- the financial statements of the Trust on pages 4 to 12:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Accounting Standard; and
- the performance information of the Trust contained on page 13 presents fairly, in all material respects the Trust's performance for the year ended 30 June 2020 as compared with forecasts included in the Statement of Intent for the financial year.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Trust. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Trust, as set out in note 12 to the financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements and performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002 and the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on page 3, but does not include the financial statements and performance information, and our auditor's report thereon.

Our opinion on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Andy Burns
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand