

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

Annual Report

For the year ended 30 June 2023

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

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THE INVERCARGILL CITY CHARITABLE TRUST BOARD

For the year ended 30 June 2023

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 for the provision of public amenities, libraries, reading rooms, lectures and classes for instruction, as well as development of athletic sports, wholesome recreations, rewards for acts for courage and self sacrifice, for the general benefit of the people within the Invercargill district.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of five 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 as at 30 June 2023

Mayor N Clark (ICC Mayor)	<i>appointed November 2022</i>
T Campbell (ICC Deputy Mayor)	<i>appointed October 2022</i>
M E Day (ICC CEO)	<i>appointed March 2023</i>
L Soper (ICC Councillor)	<i>appointed April 2022</i>
B Stewart (ICC Councillor)	<i>Appointed December 2022</i>
Sir T R Shadbolt	<i>finished October 2022</i>
C V Hadley	<i>finished March 2023</i>
A Arnold	<i>finished October 2022</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 relate to passing on any funding obtained 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 2023

		2023	2023 Budget	2022
	Note	\$		\$
Revenue				
Council funding	1	300,182	25,000	12,680
Recoveries	1	20,172	-	-
Grants and donations	1	20,022	20,000	-
Interest income		15,656	-	3,360
Reversal of Revaluation Loss	8	696,353	-	1,890,792
TOTAL REVENUE		1,052,385	45,000	1,906,832
Expenses				
Audit fees	3	20,172	-	12,680
Depreciation	8	936,446	450,000	854,926
Other expenses	2	71,852	70,000	42,208
Valuation fees		-		5,571
TOTAL EXPENSES		1,028,470	520,000	915,384
NET SURPLUS/(DEFICIT)		23,915	(475,000)	991,448
Other comprehensive revenue and expense				
Revaluation reserve gain/(loss)	8	-	-	-
Asset revaluation gain/(loss)	8	-	-	572,634
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		-	-	572,634
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		23,915	(475,000)	1,564,082

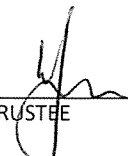
The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with these financial statements.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

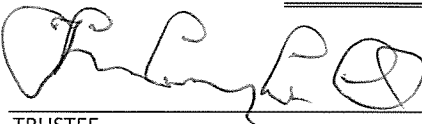
STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Assets			
<i>Current assets</i>			
Bank accounts and cash	4	353,266	388,074
Debtors and accrued revenue	5	147,369	24,988
GST Receivable		5,520	193
		506,155	413,255
TOTAL CURRENT ASSETS		506,155	413,255
<i>Non-current assets</i>			
Property, plant and equipment	8	14,100,489	14,040,400
TOTAL NON-CURRENT ASSETS		14,100,489	14,040,400
TOTAL ASSETS		14,606,644	14,453,655
Liabilities			
<i>Current liabilities</i>			
Creditors and accrued expenses	6	147,369	18,295
GST payable		-	-
TOTAL CURRENT LIABILITIES		147,369	18,295
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		147,369	18,295
TOTAL ASSETS less TOTAL LIABILITIES		14,459,275	14,435,360
Equity			
Accumulated funds	7	12,614,283	12,590,370
Asset revaluation reserve	7	1,844,990	1,844,990
TOTAL TRUST EQUITY		14,459,275	14,435,360



 27/9/23
 TRUSTEE



 27/9/23
 TRUSTEE

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 CASH FLOWS

For the year ended 30 June 2023

	<i>Note</i>	2023	2022
		\$	\$
<i>Cash flows from operating activities</i>			
Receipts of subsidies, grants and donations		234,586	-
Interest receipts		15,656	3,360
Payments to suppliers		(90,147)	(62,642)
GST (net)		(5,327)	9,369
		<hr/>	<hr/>
Net cash flow from / to operating activities		154,768	(49,913)
<i>Cash Flows from investing and financing activities</i>			
Purchase of property, plant, and equipment		(189,576)	-
		<hr/>	<hr/>
Net cash flow from / to investing and financing activities		(189,576)	-
Net increase/ (decrease) in cash		(34,808)	(49,913)
Opening cash balance		388,074	437,987
		<hr/>	<hr/>
CLOSING CASH BALANCE		353,266	388,074

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 2023

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 2023

BASIS OF PREPARATION

The Board has elected to apply Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Accounting Standard for Tier 3 Public Sector Entities 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 2023**

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.

Capital expenditure for Rugby Park is retained within the Council as part of Council's Work in Progress. Only completed work is brought in to the Trust as asset addition.

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.

Building depreciation rates range from SL 3-7%

Property improvement depreciation rates range from SL 3-5%

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 2023

	2023	2022
	\$	\$
1 Grants and Council funding		
Grants from ICC	300,182	-
Grants - Others	20,022	-
Recoveries	20,172	12,680
Total grants and council funding	340,376	12,680

Grants from the Council represents capital expenditure works for Rugby Park. These capital expenses are recognised as asset additions for 2023.

	\$	\$
2 Other expenses		
Rates	8,078	6,463
Rental Payments - Rugby Southland	35,700	35,700
Other Expenses	28,074	44
Total other expenses	71,852	42,208

Other expenses relates to the Christmas at the Park event, ICCT received grant from ILT and Community Trust of Southland amounting to \$20,022 to partly cover these costs.

Goods and Services in kind provided to the Trust

The Council provides all accounting services, ground maintenance, seismic assessments and minor building repairs for Rugby Park in kind to the Trust during the financial year.

	\$	\$
3 Audit fees		
Audit fees	20,172	12,680
Total audit fees	20,172	12,680

Audit fees accrued for the 2023 year are \$20,172 (2022: \$12,680).

Audit fees are recovered from the Invercargill City Council, and recognised as receivable at balance date.

	\$	\$
4 Bank accounts and cash		
Cash at bank	353,266	388,074
Total bank accounts and cash	353,266	388,074

5 *Debtors and accrued revenue*

Audit fee and disbursements recovery 20/21
Audit fee and disbursements recovery 21/22
Audit fee and disbursements recovery 22/23
Grant from ICC
Prepayment

Total accrued revenue

	\$	\$
	-	12,308
	-	12,680
	20,172	-
	127,197	-
	-	-
	147,369	24,988

6 *Creditors and accrued expenses*

Audit fee
QV Valuation
Annual Return
Trade Creditors - ICC

Total creditors and accrued expenses

	\$	\$
	20,172	12,680
	-	5,571
	-	44
	127,197	-
	147,369	18,295

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

7 Equity	2023	2022		
	\$	\$		
Accumulated funds				
Balance at 1 July	12,590,368	11,598,922		
Surplus/(deficit) for the year	23,915	1,564,082		
Transfer to revaluation reserve	-	(572,634)		
Balance at 30 June	12,614,283	12,590,370		
Asset revaluation reserve				
Balance at 1 July	1,844,990	1,272,356		
Asset revaluation gains	-	572,634		
Balance at 30 June	1,844,990	1,844,990		
TOTAL EQUITY at 30 June	14,459,273	14,435,360		
Asset revaluation reserves for each class of asset consist of:				
Land	915,000	915,000		
Buildings	-	-		
Property improvements	929,990	929,990		
Total	1,844,990	1,844,990		
8 Property, plant & equipment				
	Land	Buildings	Property Improvements	Total
	\$	\$	\$	\$
Carrying amount as at 1 July 2022	1,900,000	10,029,800	2,110,600	14,040,400
Additions	-	300,182	-	300,182
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation expense	-	(745,097)	(191,349)	(936,446)
Revaluation Adjustment	-	696,353	-	696,353
Carrying amount as at 30 June 2023	1,900,000	10,281,238	1,919,251	14,100,489
Carrying amount as at 1 July 2021	1,700,000	8,834,300	1,897,600	12,431,900
Additions	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation expense	-	(695,292)	(159,634)	(854,926)
Revaluation Adjustment	200,000	1,890,792	372,634	2,463,426
Carrying amount as at 30 June 2022	1,900,000	10,029,800	2,110,600	14,040,400

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

8 Property, plant & equipment continued

Management has undertaken a fair value assessment of asset values at 30 June 2023. Management considered that the current book value of all assets was reflective of fair value except buildings. An indexation of building asset class has been completed at 30 June 2023. The Property, plant and equipment was previously valued by Quotable Value Ltd at 30 June 2022 as \$14,040,400 with fair value being determined on the basis of depreciated replacement cost.

The 2022 valuation of property, plant and equipment was performed by an independent registered valuer, A Ronald of QV Asset & Advisory. The Trust has elected to apply PBE IPSAS 17 Property, Plant and Equipment in measuring the value of Rugby Park Stadium.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Buildings

The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. Optimisation is 75% due to the overcapacity of the current stadium.

Media box is no longer earthquake prone due to the remedial works done this year. The Main and West Stand remains earthquake-prone buildings. In addition, the west stand suffers from weather tightness issues. The weather tightness issues have been highlighted in recent building condition reports undertaken for the Council.

The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings. The useful life of the stadium is 65 years. QV used adjusted adopted lives of the components to reflect the impact of the structural issues with the main stand and the media tower. As structures near the end of their theoretical lives, minimum residual lives are adopted to reflect the remaining base value still existing prior to any renovation or upgrading. The economic lives have been reduced of the component parts of the affected building rather than adjusted the effective year built.

9 Related Parties

Invercargill City pays a grant Invercargill City Charitable Trust to offset the cost of the audit fees incurred.

The Council also funds all the operational maintenance of the Rugby Park which includes accounting services, ground maintenance, seismic assessments and minor building repairs at no charge to the Trust.

10 Contingencies

There are no known contingent liabilities (or assets) at 30 June 2023 (2022: nil).

11 Commitments

ICCT have an obligation to provide office space for Rugby Southland Incorporated under an existing lease agreement. ICCT have subsequently agreed to cover a three year lease between Rugby Southland and the owner of alternative premises to the value of \$107,100 excl of GST over three years (\$35,700 excl GST per annum) which started 1 July 2021. As at 30 June 2023 ICCT have paid two instalments of \$35,700 of the new alternative premises lease (2023: \$35,700) and (2022: \$35,700) for rental of alternate offices at 120A Leet Street Invercargill.

At 30 June 2023 the Trust have a capital commitment of \$19,329 (incl GST) for the drink station.

12 Events after balance sheet date

There are no events after balance date.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2023

Statement of intent performance

Listed below are the Trust's forecasted performance targets as per the 2023 Statement of Intent compared with actual results.

	Actual \$	Forecast \$
Council Funding	300,182	-
Operating revenue (excluding finance income and donations)	20,172	20,000
Grants and donations	20,022	25,000
Interest Income	15,656	-
Reversal of Revaluation Loss	696,353	-
	1,052,385	45,000
Operating expenses (excluding interest and depreciation)	92,024	70,000
Depreciation	936,446	450,000
	1,028,470	520,000
Operating surplus/(deficit)	23,915	(475,000)

Actual operating revenue received is above forecast due to the funding received from Invercargill City Council for the capital expenditure of Rugby Park and the gain on market value assessment this year reversing 2021 revaluation loss. ICCT also received funding from ILT and Community Trust amounting to \$20,022 for the Christmas at the Park event. Actual operating expenses paid are above forecast due to the depreciation rates and carrying values determined 2022 revaluation set by QV.

Service Performance

Outputs	Strategies to achieve Outputs	Target	Outcomes
Determining the future of Rugby Park Stadium	Consult with Council with regard the sale/transfer of Rugby Park Stadium to ICC	Clear strategy with regard sale/transfer of Rugby Park Stadium	Not achieved. This remains a key strategic focus with resolution anticipated within the 2023/24 year.
Apply for funding for events within the Invercargill City and District	Apply for funding on behalf of people/entities for events within the Invercargill City/District	Apply for funding for new events	Achieved

13 Explanation of Major Variances Against Budget

Variance against the budget is due to the increase in depreciation. Budget was set against the depreciation balance in 2021 however with the revaluation in 2022 asset cost and depreciation rates has increased. The Trust also received funding from the Council of \$300,182 for the capital expenditure of Rugby Park.

14 Forecast Financial Information

The forecast financial statements included in the Statement of intent are limited to the Statement of Comprehensive Income and do not include full forecast financial information.

Independent Auditor's Report

To the readers of Invercargill City Charitable Trust's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Invercargill City Charitable Trust (the Trust). The Auditor-General has appointed me, Yvonne Yang, 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 15, that comprise the entity information, statement of financial position as at 30 June 2023, 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 15.

In our opinion:

- the financial statements of the Trust on pages 4 to 15:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; 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.
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 27 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the fact that a comparison of forecast financial statements to historical financial statements is not presented for all financial statements. In addition, we outline the responsibilities of the Trustees and our responsibilities

relating to the financial statements and performance information, we comment on other information, and we explain our independence.

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.

Other matter - Comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to the fact that the Trust included forecast financial information in its 2023 statement of intent which did not comply in full with the requirements of the Local Government Act 2002. As a result, the forecast financial information presented with the historical financial statements was limited to the statement of financial performance.

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, Charities Act 2005 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.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

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 the performance information, and our auditor's report thereon.


Our opinion on the financial statements and the 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 the 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 the 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.



Yvonne Yang
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand