

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

# Annual Report

For the year ended 30 June 2024

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**TABLE OF CONTENTS**

---

	<b>Page No.</b>
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	9-11
Statement of Service Performance	12

## **THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**For the year ended 30 June 2024**

### **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, Chief Executive of the Invercargill City Council and two Councillors. 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 December 2022**

Mayor N Clark (ICC Mayor)	<i>appointed November 2020</i>
Tom 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>

#### **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

#### **Postal address**

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

#### **Bankers**

Bank of New Zealand  
84 Esk Street, Invercargill

#### **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 2024**



	<i>Note</i>	<b>2024</b> \$	<b>2024 Budget</b>	<b>2023</b> \$
<b>Revenue</b>				
Council funding		-		300,182
Recoveries	1	21,728		20,172
Grants and donations	1	24,332	25,000	20,022
Interest income		18,066		15,656
Reversal of Revaluation Loss	8	226,859		696,353
<b>TOTAL REVENUE</b>		<b>290,985</b>	<b>25,000</b>	<b>1,052,385</b>
<b>Expenses</b>				
Audit Fees	3	21,728	-	20,172
Depreciation	8	937,707	-	936,446
Other expenses	2	72,771	34,000	71,852
<b>TOTAL EXPENSES</b>		<b>1,032,206</b>	<b>34,000</b>	<b>1,028,470</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(741,221)</b>	<b>(9,000)</b>	<b>23,915</b>
<b>Other comprehensive revenue and expense</b>				
Asset revaluation gain/(loss)	7	620,597		-
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>620,597</b>		<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(120,623)</b>	<b>(9,000)</b>	<b>23,915</b>

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 2024**

	<i>Note</i>	<b>2024</b> \$	<b>2023</b> \$
<b>Assets</b>			
<b>Current assets</b>			
Bank accounts and cash	4	306,225	353,266
Accrued revenue	5	21,728	147,369
GST Receivable		5,383	5,520
Property, plant and equipment	8	14,027,045	-
<b>TOTAL CURRENT ASSETS</b>		<b>14,360,380</b>	<b>506,155</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	-	14,100,489
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>14,100,489</b>
<b>TOTAL ASSETS</b>		<b>14,360,380</b>	<b>14,606,644</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors and accrued expenses	6	21,728	147,369
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,728</b>	<b>147,369</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>21,728</b>	<b>147,369</b>
<b>NET ASSETS</b>		<b>14,338,652</b>	<b>14,459,275</b>
<b>Equity</b>			
Accumulated funds	7	11,873,062	12,614,283
Asset revaluation reserve	7	2,465,587	1,844,990
<b>TOTAL TRUST EQUITY</b>		<b>14,338,652</b>	<b>14,459,275</b>
			
TRUSTEE			
			
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 2024**

	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b><i>Cash flows from operating activities</i></b>			
Receipts of council funding		130,951	-
Receipts of subsidies, grants and donations		24,332	234,586
Interest receipts		18,066	15,656
Payments to suppliers		(203,721)	(90,147)
GST (net)		138	(5,327)
		<hr/>	<hr/>
<b>Net cash flow from / to operating activities</b>		<b>(30,235)</b>	<b>154,768</b>
<b><i>Cash Flows from investing and financing activities</i></b>			
Purchase of property, plant, and equipment		(16,805)	(189,576)
		<hr/>	<hr/>
<b>Net cash flow from / to investing and financing activities</b>		<b>(16,805)</b>	<b>(189,576)</b>
Net increase/ (decrease) in cash		(47,040)	(34,808)
Opening cash balance		353,266	388,074
<b>CLOSING CASH BALANCE</b>		<b>306,225</b>	<b>353,266</b>
		<hr/> <hr/>	<hr/> <hr/>

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 2024**

---

#### **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 ended 30 June 2024.

##### **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 \$5 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.

##### **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 the Council's Work in Progress. Only completed work is brought in to the Trust as asset addition.

## **THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

### **STATEMENT OF ACCOUNTING POLICIES**

**For the year ended 30 June 2024**

---

#### *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 1-4%

Property improvement depreciation rates range from SL 2-4%

#### **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 will apply the Tier 3 (PS) standard in the 2024/2025 financial year. The anticipated change will have an effect on the Trust revenue recognition on its grants accounting based on use or return condition to accounting based on documented expectation over use.

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2024

	2024	2023
	\$	\$
<b>1 Grants and donations</b>		
Grants from ICC	-	300,182
Grants - Others	24,332	20,022
Recoveries from ICC	21,728	20,172
	<b>46,060</b>	<b>340,376</b>
<b>2 Other expenses</b>		
Rates	7,548	8,078
Rental Payments - Rugby Southland	35,700	35,700
Other Expenses	29,523	28,074
	<b>72,771</b>	<b>71,852</b>
Other expenses relates to the Christmas at the Park event which was partly covered by the grants received from ILT, ILT Foundation and Community Trust Southland amounting to \$24,332 to partly cover these costs.		
<b>Goods and Services in kind provided to the Trust</b>		
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.		
<b>3 Audit Fees</b>		
Audit Fees	21,728	20,172
	<b>21,728</b>	<b>20,172</b>
Audit fees accrued for the 2024 year are \$21,728 (2023: \$20,172). Audit fees are recovered from the Invercargill City Council and recognised as accrued revenue at balance date.		
<b>4 Bank accounts and cash</b>		
Cash at bank	306,225	353,266
	<b>306,225</b>	<b>353,266</b>
<b>5 Debtors and Accrued revenue</b>		
Audit fee and disbursements recovery 23/24	21,728	-
Audit fee and disbursements recovery 22/23	-	20,172
Grant from ICC	-	127,197
	<b>21,728</b>	<b>147,369</b>
<b>6 Creditors and accrued expenses</b>		
Audit Fee	21,728	20,172
Trade Creditors - ICC	-	127,197
	<b>21,728</b>	<b>147,369</b>

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2024

<b>7 Equity</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulated funds</b>		
Balance at 1 July	12,614,283	12,590,370
Surplus/(deficit) for the year	(120,623)	23,915
Transfer to revaluation reserve	(620,597)	-
Transfer from revaluation reserve	-	-
<b>Balance at 30 June 2024</b>	<b>11,873,062</b>	<b>12,614,283</b>
<b>Asset revaluation reserve</b>		
Balance at 1 July	1,844,990	1,844,990
Asset revaluation gains	620,597	-
Asset revaluation losses	-	-
<b>Balance at 30 June 2024</b>	<b>2,465,587</b>	<b>1,844,990</b>
<b>TOTAL EQUITY at 30 June</b>	<b>14,338,652</b>	<b>14,459,273</b>
<b>Asset revaluation reserves for each class of asset consist of:</b>		
Land	1,115,000	915,000
Buildings	-	-
Property improvements	1,350,588	929,990
<b>Total</b>	<b>2,465,588</b>	<b>1,844,990</b>

<b>8 Property, plant &amp; equipment</b>	<b>Land</b>	<b>Buildings</b>	<b>Property Improvements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Carrying amount as at 1 July 2023</b>	1,900,000	10,281,238	1,919,251	14,100,489
Additions	-	-	16,806	16,806
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation expense	-	(745,097)	(192,609)	(937,706)
Revaluation Adjustment	200,000	226,859	420,597	847,457
<b>Carrying amount as at 30 June 2024</b>	<b>2,100,000</b>	<b>9,763,000</b>	<b>2,164,046</b>	<b>14,027,045</b>
<b>Carrying amount as at 1 July 2022</b>	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	-	696,352
<b>Carrying amount as at 30 June 2023</b>	<b>1,900,000</b>	<b>10,281,238</b>	<b>1,919,251</b>	<b>14,100,489</b>



## **THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2024**

---

#### **8 Property, plant & equipment continued**

Property, plant and equipment was valued by Quotable Value Ltd at 30 June 2024 as \$14,011,500 with fair value being determined on the basis of depreciated replacement cost.

The valuation of property, plant and equipment was performed by an independent registered valuer, A Ronald of QV Asset & Advisory. The valuation is effective as at 30 June 2024. 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.

A gain on revaluation for Land of \$200,000 and Property Improvements of \$420,597 has been recognised in the asset valuation reserve. Buildings revaluation gain of \$226,859 is included in comprehensive income, reversing last years revaluation loss.

#### **9 Related Parties**

Invercargill City pays a grant to 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 2024 (2023: nil).

#### **11 Commitments**

ICCT has an obligation to meet Rugby Southland's lease costs until 2033. No formal lease has been signed in this regard and the value of the lease obligation is not yet known. This obligation will be transferred, with the ownership of Rugby Park stadium, once the asset has been sold or transferred to Invercargill City Council. At year end, ICCT have settled all temporary lease obligations for the alternative premises leased until 30 June 2024 (2023: \$35,700).

#### **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 2024

#### Statement of intent performance

Listed below are the Trust's forecasted performance targets as per the 2024 Statement of Intent compared with actual results.

	Actual \$	Forecast \$
Operating Revenue (Excluding finance income and donations)	21,728	20,000
Grants and donations	24,332	30,000
Interest Income	18,066	-
Reversal of Revaluation Loss	226,859	-
Asset revaluation gain/(loss)	620,597	
	<b>911,582</b>	<b>50,000</b>
Operating expenses (excluding interest and depreciation)	94,499	65,000
Depreciation	937,706	960,000
	<b>1,032,205</b>	<b>1,025,000</b>
Operating Surplus/(deficit)	<b>(120,623)</b>	<b>(975,000)</b>

Actual operating revenue received is above the forecast due to the gain on revaluation this year reversing the 2021 revaluation loss. Total of \$24,332 was received from Invercargill Licensing Trust, ILT Foundation and Community Trust of Southland for the Christmas in the Park event in December. Other operating expenditure is higher than the forecast due to the increase in the depreciation as a result of the revaluation.

#### Service Performance

Outputs	Strategies to achieve Outputs	2023/24 Outcome	2023/24 Target
Determining the future of Rugby Park Stadium	• Consult with Council with regard the sale/transfer of Rugby Park Stadium to ICC	In progress. The sale of Rugby Park is underway	Clear strategy with regard sale/transfer of Rugby Park Stadium
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 and District.	Not achieved	Apply for funding for new events



## Independent Auditor's Report

### To the readers of Invercargill City Charitable Trust's financial statements and performance information for the year ended 30 June 2024

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 11, that comprise the entity information, statement of financial position as at 30 June 2024, 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 12.

In our opinion:

- the financial statements of the Trust on pages 4 to 11:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; 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 on page 12 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 2024.

Our audit was completed on 30 September 2024. 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 2024 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.

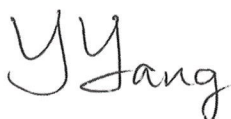
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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: *International Code of Ethics for Assurance Practitioners* (including International Independence Standards) (New Zealand) (PES 1), 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