

TARANAKI ANGLICAN TRUST BOARD

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

TARANAKI ANGLICAN TRUST BOARD

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FOR THE YEAR ENDED 31 DECEMBER 2022

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TARANAKI ANGLICAN TRUST BOARD

DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2022

BOARD OF TRUSTEES

John Eagles (Chairperson)
Elizabeth Bang
Catherine Jones
Joyce Margaret Marcon

TRUST ACTIVITY

Property Ownership and Investment Management

CHARITIES COMMISSION REGISTRATION NUMBER

CC46732

INDEPENDENT AUDITOR

BDO Auckland
Level 4, BDO Centre, 4 Graham Street,
Auckland

BANKERS

TSB Bank

TRUST OBJECTIVE

The administration of properties and specific trust funds under the terms of those specific trusts on behalf of most of the parishes of the Diocese of Waikato and Taranaki.

TARANAKI ANGLICAN TRUST BOARD

Statement of Service Performance For the Year Ended 31 December 2022

Our Mission and Purpose

The Taranaki Anglican Trust Board (TATB) is a charitable trust based in New Zealand with the charitable purposes of;

- holding trusts for religious and charitable purposes in connection with the Anglican Church. This purpose is covered by the Anglican Church Trusts Act 1981;
- holding the land and buildings of Churches of the Dioceses of Waikato and Taranaki in the Taranaki region;
- holding investments of the Taranaki parishes of the Dioceses of Waikato and Taranaki.

Our Strategic Focus

Trustees strategic focus is to hold and manage the properties and investments of the Trust in line with the following objectives:

- hold and maintain the value of the capital base over the long term.
- enhance and develop the Diocese for the best interests of the Churches especially when a decision is made for property sale and purchase.

Outcomes

The outcome that the Trust is seeking is that the capital value of the Trust is maintained.

Key Measurable Outputs

	2022 \$	2021 \$
Capital Gain/(Loss) Investments	(93,439)	39,981
Capital Gain/(Loss) Properties	12,175,383	162,972

The value of properties held by the Trust amounted \$44.6m at 31 December 2022 (note 3).

Key Judgement

Management has made judgements in relation to which outcomes and outputs best reflect the achievement of the performance for the Trust's vision.

The performance measures are designed to inform:

- our commitment to meeting the needs of the current Trusts
- our efficiency and effectiveness in maintaining the capital value of the Trust for the future distributions.

TARANAKI ANGLICAN TRUST BOARD

Statement of Comprehensive Revenue and Expense For the Year Ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue			
Giving and Donations		37,858	100,282
Grant		2,660,000	2,750,000
Investment income	2	96,964	62,585
Other Income		28,047	16,083
Gifting from Parishes	6	-	724,881
Total Revenue		2,822,869	3,653,831
Expenses			
Operating expenses		36,435	33,571
Distributions		25,542	56,781
Depreciation	3	155,689	162,972
Total Expenses		217,666	253,324
Total Operating Surplus for the year		2,605,203	3,400,507
Non Distributable Income			
Realised Investment Gain	4	2,167	5,792
Realised Property Gain/(Loss)		173,344	(320,000)
Revaluation of investments at fair value through surplus or deficit	4	(93,439)	-
Total Net Surplus for the Year		2,687,275	3,086,299
Other comprehensive revenue and expense			
Fair value movement on available for sale financial assets	4	-	45,773
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale	4	-	(5,792)
Unrealised Gain/(Loss) on Revaluation of Property		12,175,383	162,972
Other Comprehensive Revenue and Expense for the year		12,175,383	202,953
Total Comprehensive Revenue and Expense for the year		14,862,658	3,289,252

These financial statements should be read in conjunction with the notes to the financial statements.

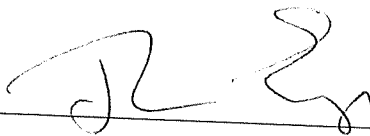
TARANAKI ANGLICAN TRUST BOARD

**Statement of Financial Position
As at 31 December 2022**

	Note	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents			
Term Deposits		1,507,844	1,477,068
Trade and other Receivables		2,226,351	3,149,949
Total Current Assets		77,517	18,402
		3,811,712	4,645,419
Non Current Assets			
Investments			
Property, Plant & Equipment	4	920,685	1,010,589
Total Non Current Assets	3	44,577,963	28,877,546
		45,498,648	29,888,135
Total Assets		49,310,360	34,533,554
Current Liabilities			
Trade and other Payables			
Related Party Payables		182,247	290,005
Provision for Distributions	6	203,107	183,049
Total Current Liabilities		26,002	24,154
		411,356	497,208
Total Liabilities		411,356	497,208
Net Assets		48,899,004	34,036,346
Capital Funds			
General Trust			
Sundry Trusts Held On Behalf Of Parishes		54	7,244
Properties Held on Behalf of the Anglican Church and Used by it in Various Parish and Ministry Unit Areas		2,275,951	1,912,323
Cathedral Remediation	5	44,578,047	28,877,630
Total Equity	5	2,044,952	3,239,149
		48,899,004	34,036,346

For and on behalf of the Board :

Date :



2-6-2023

Trustee

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

**Statement of Changes in Net Assets
For the Year Ended 31 December 2022**

	Trust Capital	Cathedral Remediation	Sundry Trusts Held	Equity from Properties Held	Total Equity
	\$	\$	\$	\$	\$
Equity at 1 January 2021	13,218	1,988,096	1,888,400	26,857,380	30,747,094
Surplus for the year	3,086,299	-	-	-	3,086,299
Other comprehensive revenue and expenses	-	-	39,981	162,972	202,953
Total comprehensive revenue and expense for the year	3,086,299	-	39,981	162,972	3,289,252
Allocation of surplus to reserves	(3,092,273)	2,866,423	11,729	214,121	-
Transfers between reserves	-	(1,615,370)	(27,787)	1,643,157	-
Total transfers	(3,092,273)	1,251,053	(16,058)	1,857,278	-
Equity at 31 December 2021	7,244	3,239,149	1,912,323	28,877,630	34,036,346
Equity at 1 January 2022	7,244	3,239,149	1,912,323	28,877,630	34,036,346
Surplus for the year	2,687,275	-	-	-	2,687,275
Transfers - disposal of revalued property, plant and equipment	-	-	52,300	(52,300)	-
Other comprehensive revenue and expenses	-	-	-	12,175,383	12,175,383
Total comprehensive revenue and expense for the year	2,687,275	-	52,300	12,123,083	14,862,658
Allocation of surplus to reserves	(2,694,465)	2,753,049	(76,239)	17,655	-
Transfers between reserves	-	(3,947,246)	387,567	3,559,679	-
Total transfers	(2,694,465)	(1,194,197)	311,328	3,577,334	-
Equity at 31 December 2022	54	2,044,952	2,275,951	44,578,047	48,899,004

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

Cash flow Statement For the year ended 31 December 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from donors	65,733	116,667
Grants and bequests	2,926,250	2,825,000
Interest and dividends received	25,499	24,212
Payments to suppliers	(7,079)	(184,941)
Net cash from operating activities	3,010,403	2,780,938
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,439,821)	(1,979,283)
Proceeds from sale of property, plant and equipment	508,394	-
Purchase of investments	(584)	(610)
Purchase/(Sale) of term deposits	954,875	(400,000)
Net cash (used in) investing activities	(2,977,136)	(2,379,893)
Cash flows from financing activities		
Movements in funds held for Parishes	(2,490)	(2,958)
Net cash (used in) financing activities	(2,490)	(2,958)
Net increase in cash and cash equivalents	30,777	398,087
Add Cash and cash equivalents at the beginning of the financial year	1,477,067	1,078,980
Cash and cash equivalents at the end of the financial year	1,507,844	1,477,067
Represented by		
Cash and Cash Equivalents	1,507,844	1,477,068
	1,507,844	1,477,068

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

1. Overview

Reporting Entity

The Taranaki Anglican Trust Board ("the Trust Board") is part of the Anglican Church of Aotearoa New Zealand & Polynesia, and is incorporated and domiciled in New Zealand. The Trust Board is a registered charity under the Charities Act 2005.

These financial statements have been approved and were authorised for issue by the Board of Trustees on page 4.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity Standards (PBE Standards RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board. For purposes of complying with the NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and it has operating expenditure of less than \$30m.

The Board of Trustees has elected to report in accordance with PBE Standards RDR and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust, with the exception that investments are stated at market value, and land & buildings are stated at rating valuation.

Functional and presentational Currency

These financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency and the Trust Board's presentation currency, rounded to the nearest dollar.

Goods and Services Tax

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Revenue and Expense are stated exclusive of GST.

Income Tax

The Trust Board has been granted exemption from income tax by the Inland Revenue Department.

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

2. Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to all periods presented

2.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

Exchange Revenue

Investment income

	2022 \$	2021 \$
Recognised in revenue		
<i>Distribution income on financial assets at fair value through surplus or deficit (2021: available for sale financial assets)</i>		
Distribution income on managed funds	22,261	26,999
<i>Interest income from financial assets at amortised cost (2021: loans and receivables)</i>		
Interest on term deposits and bank balance	74,703	35,586
	96,964	62,585

Investment income comprises interest income on financial assets at amortised cost and distribution income from financial assets at fair value. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Income from distributions is recognised when the Trust's right to receive payment is established, and the amount can be reliably measured.

Non-Exchange Revenue

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

Giving & Donations are classified as revenue from non-exchange transactions and are recognised as income when they are received unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, donations are initially recorded as received in advance, and recognised as revenue when conditions of the donations are satisfied.

Grant revenue is classified as revenue from non-exchange transactions and includes grants given by charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled use or return condition is recognised as a liability and released to revenue as the conditions are fulfilled. If there are no conditions attached to the Grant, it is recognised when the money is received.

Gifting from parishes is recognized as revenue, when the parish purchases a property, and the title interest is with the trust board.

2.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are classified as financial assets at amortised cost (2021: loans and receivables). They are initially recorded at fair value and subsequently recorded at amortised cost.

2.3 Trade and Other Receivables

Trade and Other Receivables are stated at their estimated realisable value. They are classified as financial assets at amortised cost (2021: loans and receivables), and are initially recorded at fair value and subsequently recorded at amortised cost.

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL.

Short-term receivables are written off when there is no reasonable expectation of recovery.

As at 31 December 2022 and 2021 there were no impairment allowances.

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

2. Accounting Policies (continued)

2.4 Changes in accounting policies

PBE FRS 48 Service Performance Reporting

PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022. This standard establishes principles and requirements for presenting service performance information useful for accountability and decision making purposes. The main change will be the inclusion of a Statement of Service Performance in the Performance Report for 31 December 2022, including comparative information for the 31 December 2021 period.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Trust has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

Other than changes in disclosure, the only impact of the adoption of PBE IPSAS 41, is a change in the treatment of the Trust's investments. Under PBE IPSAS 29, the Trust classified its investments as available for sale financial assets, with unrealised gains recorded through other comprehensive revenue and expense in the investment revaluation reserve. Under PBE IPSAS 41, the investments meet the definition of financial assets at fair value through surplus or deficit because they do not meet the requirements to be classified as financial assets held at amortised cost or financial assets at fair value through other comprehensive revenue and expense.

The Trust's investments are disclosed in note 5. The method of measuring the fair value of the investments did not change on reclassification. The only change was the reclassification of the unrealised gain or loss from other comprehensive revenue and expense to surplus or deficit.

In accordance with the transitional provisions in PBE IPSAS 41, the Trust has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 January 2022 (the date of initial application).

There have been no other changes in accounting policies in 2022.

2.5 Use of Estimates and Judgements

The preparation of the financial statements in conformity with PBE Standards RDR requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The significant estimates and judgements made in applying accounting policies and that affect amounts recognised in the financial statements are the following:

- Valuation of investments - see note 4
- Valuation of property, plant and equipment - see note 3
- Key Measurable Outputs - see Statement of Service Performance

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

3. Property, Plant and Equipment

Property (land and buildings) is initially recorded at cost where the Trust Board has legal title. Subsequent to initial recognition, land and buildings are re-measured to fair value based on the latest council ratings valuation every three years. Revaluation gains are recognised in other comprehensive revenue and expense. Revaluation losses are also recognised in other comprehensive revenue and expense to the extent there is a balance in the revaluation reserve, and following this are recognised in surplus or deficit. Depreciation on buildings is recorded at 2% per annum.

The Trust Board is the Trustee for Parish property held within that part of the Diocese of Waikato and Taranaki that resides within the greater Taranaki region. All of these properties are at balance date held for Ministry purposes and do not form part of the investment portfolio of the Trust Board.

2022	Land \$	Buildings \$	Work In Progress \$	Total \$
Cost or valuation				
Opening 1/1/2022	13,964,583	11,454,722	3,458,241	28,877,546
Additions	-	-	4,015,723	4,015,723
Disposals	(200,000)	(135,000)	-	(335,000)
Revaluation	11,063,017	1,112,366	-	12,175,383
Reclassification	120,000	(120,000)	-	-
Transfer on revaluation	-	(155,689)	-	(155,689)
Closing 31/12/2022	24,947,600	12,156,399	7,473,964	44,577,963
Depreciation				
Balance at 1/1/2022	-	-	-	-
Depreciation for the year	-	155,689	-	155,689
Transfer on revaluation	-	(155,689)	-	(155,689)
Closing 31/12/2022	-	-	-	-
Net Book Value				
Closing 31/12/2022	24,947,600	12,156,399	7,473,964	44,577,963

2021	Land \$	Buildings \$	Work In Progress \$	Total \$
Cost or valuation				
Opening 1/1/2021	13,638,500	11,403,796	1,815,084	26,857,380
Additions	362,083	334,926	1,643,157	2,340,166
Disposals	(36,000)	(284,000)	-	(320,000)
Revaluation	-	162,972	-	162,972
Transfer on revaluation	-	(162,972)	-	(162,972)
Closing 31/12/2021	13,964,583	11,454,722	3,458,241	28,877,546
Depreciation				
Balance at 1/1/2021	-	-	-	-
Depreciation for the year	-	162,972	-	162,972
Transfer on revaluation	-	(162,972)	-	(162,972)
Closing 31/12/2021	-	-	-	-
Net Book Value				
Closing 31/12/2021	13,964,583	11,454,722	3,458,241	28,877,546

The Taranaki Cathedral Church of St Mary closed in January 2016 and the Taranaki Anglican Trust Board has launched a significant restoration project. The costs relating to this project are being capitalised as work in progress in 2022 of \$3,947,246 (2021: \$1,615,369).

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

4. Investments

The Trust's investments are classified as financial assets at fair value through surplus or deficit because they do not meet the requirements to be classified as financial assets held at amortised cost or financial assets at fair value through other comprehensive revenue and expense. The transaction costs are recognised in surplus or deficit.

Fair value is determined based on the quoted prices of the underlying investments at balance date.

Changes in the fair value of investments are recognised in surplus or deficit (2021: other comprehensive revenue and expense, and accumulated in the investment revaluation reserve in equity).

	2022 \$	2021 \$
Managed Funds		
The total net gain/(loss) on financial assets at fair value through surplus or deficit for the year (2021: available for sale financial assets) is shown below:		
Distribution income (note 2.1)	22,261	26,999
Realised gain on sale of investments	2,167	5,792
Revaluation of investments at fair value through surplus or deficit	(93,439)	-
Total net gain/(loss) recorded in surplus or deficit	(69,011)	32,791
Fair value movement on available for sale financial assets	-	45,773
Gain or loss on available for sale financial assets transferred to surplus or deficit on sale	-	(5,792)
Total net gain/(loss) recorded in other comprehensive revenue and expense	-	39,981
Total net gain/(loss) on financial assets at fair value through surplus or deficit (2021: available for sale assets)	(69,011)	72,772

	2022 \$	2021 \$
Investments in Managed Funds	920,685	1,010,589

5. Reserves

The Trust's equity has been split between general funds and special funds. General funds are amounts available for distribution at the discretion of the Trust and are included in Retained Trust Income. Special funds have been identified by the Trust as funds with a specific purpose. The nature and purpose of the reserves that make up the Trust's special funds are set out below:

Cathedral Remediation	Funds reserved for spending on the St Mary's Taranaki Cathedral remediation project
Sundry Trusts Held	Investment held on behalf of the Diocese and Parishes which include the change in fair value of the Trust's investments
Equity from Properties Held	Properties held on behalf of the Diocese and Parishes and the change in fair value of the Trust's properties

	31/12/2022 \$	31/12/2021 \$
Taranaki Cathedral Remediation Project Reserve	2,044,952	3,239,149
Properties held for the Diocese Parishes	44,578,047	28,877,630
Sundry Trusts Held	2,275,951	1,912,323

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2022

6. Related Party

Key Management Personnel of four (4) trustees did not receive any remuneration or other benefits during the year.

The Trust Board and the Waikato Diocesan Trust Board are the legal entities for the Parishes of the Diocese of Waikato and Taranaki and the Standing Committee of the Diocese of Waikato and Taranaki.

The Trust Board has responsibility to prudently invest Funds held by the Parishes.

Anglican Action Trust Board is a charitable trust established for the provision of Anglican social services, the Trustees of which are appointed by the Standing Committee.

The Trust Board is the Trustees of various charitable trusts which are collectively defined as the "Bishopric Trusts". The Bishopric of the Diocese of Waikato and Taranaki is the Beneficiary of these trusts.

Types of transactions

Investments	Various Parishes and other entities within the Diocese of Waikato and Taranaki have money invested by the Trust Board. All money invested by the Trust is shared proportionately to the various related entities that provided the funds. The proportionate share can be in the form of income distributions or an uplift in the value of the funds held.
Investment held on behalf	An amount of \$203,107 (2021: \$183,049) relates to an investment which the Trust holds on behalf of the Diocese of Waikato and Taranaki. This is also payable to the Diocese of Waikato and Taranaki.
Payable to related party	An amount of \$203,107 (2021: \$183,049) is payable to the Diocese of Waikato and Taranaki. This relates to an investment which the Trust holds on behalf of the Diocese of Waikato and Taranaki.
Gifting	Gifting from the Parishes/ Diocese of Waikato to the Taranaki Anglican Trust Board during the year of 2022 is nil (2021: \$724,880.59 which consists of \$697,093 from St Chads Smith Estate and \$27,787 from Fitzroy Parish).

7. Commitment and Contingencies

There were no capital commitments at 31 December 2022. (2021: \$4,450,843).

The Taranaki Anglican Trust Board has no contingent liabilities at 31 December 2022 (2021: Nil).

8. Events after Balance Date

There are no subsequent events.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE TARANAKI ANGLICAN TRUST BOARD**

Qualified Opinion

We have audited the general purpose financial report of the Taranaki Anglican Trust Board (“the Trust”), which comprises the financial statements on pages 3 to 12 and the service performance information on page 2. The complete set of financial statements comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of the Trust as at 31 December 2022, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 December 2022

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

As described in Note 3 to the general purpose financial report, the Trust’s Property, Plant and Equipment includes Land and Buildings (“Property”) amounting to \$44,577,963 as at 31 December 2022, included in this amount is an unrealised gain/(loss) on revaluation of Property, Plant and Equipment amounting to \$12,175,383 that is recognised in the statement of comprehensive revenue and expense. The service performance information includes the key measures output “capital gain/(loss) properties” amounting to \$12,175,383.

Property is initially measured at cost and subsequently remeasured to fair value based on the latest council rating valuations. The council rating valuations are not market-based evidence which is indicative of the fair value of the property under PBE IPSAS 17 *Property, Plant and Equipment*. No further assessment of the fair value was performed by the Trust and therefore we were unable to obtain sufficient and appropriate audit evidence about the carrying value of the property as at 31 December 2022.

Consequently, we were unable to determine whether any adjustments to this amount or related amounts included in the service performance information and the financial statements, were necessary.

Our audit opinion was also modified for the same matter as described above for the year ended 31 December 2021.

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Trustees' Responsibilities for the Performance Report

Those charged with governance are responsible on behalf of the Trust for:

- (a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information 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 conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Trust's trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
9 August 2023