

AORANGI STADIUM TRUST

Annual Report for the year ended 30 June 2022

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Entity information: Who we are

Aorangi Stadium Trust (“the Trust”) was incorporated on 14 August 2001 under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council as a council controlled organisation as defined in section 6 of the Local Government Act 2002.

The registration number for the Trust on the Charities Register is CC22027.

Contact details

Physical address:	70 Morgans Road, Timaru 7910
Postal address:	P.O. Box 522, Timaru 7940
Phone:	(03) 687 7200
Email:	John.liddiard@timdc.govt.nz

The Trust has a Board of four Trustees who oversee governance of the Trust and Timaru District Council manage the facility and administer the Trust.

The Trustees during the year to 30 June 2022 were:

Peter Burt (Chairman)
Allan Booth
Sally Parker
Stu Piddington

The main source of resources for the Trust is grants and support from the Timaru District Council. The Trust has engaged in external fundraising in this financial year but does not use volunteers.

Trustees' Report and what we do, with statement of service performance

The purpose of the Trust is to continue development, maintenance and operation of the Timaru (or Aorangi) Stadium and adjoining areas on Aorangi Park in Timaru.

The Stadium is leased to Timaru District Council which is responsible for day to day maintenance with the Trust being responsible for the landlord elements of the property.

The Trust works with Timaru District Council to manage the Stadium in the interests of the people of Timaru and South Canterbury and the Council provides expertise to assist in this process.

Statement of service performance:

There are specifically agreed objectives for the Trust as a Council Controlled Organisation to ensure that it is being managed effectively:

Description and outcomes of agreed targets for the Trust:	Actual 2022	Actual 2021
Ratio of equity to total assets remains above 90%	Not met -50.0%	Not met 52.8%
Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis.	Met	Met
Audited annual report completed within 3 months of financial year end.	Not met	Not met
Promote ongoing development and maintenance of Aorangi Stadium on Morgans Road Recreation Reserve.	Met	Met
Undertake, with Timaru District Council, a review of the future costs and funding of maintenance and depreciation; and the options for the ownership structure of the stadium.	Partially met	Not applicable

During the year the Trust undertook a review of the compliance of the Stadium with increased earthquake building requirements and to assess the potential costs of work required for earthquake strengthening. Following this a contingent liability has been included (Note 11) and this issue will be addressed in detail during the 2023 financial year. Last year a partial provision was made for deferred maintenance. As there have been no changes to the ownership structure of the stadium the remaining estimated costs for this have now been fully provided for rather than included in the contingent liabilities. This provision recognises the costs immediately in 2022, however the projected income from all sources will not be accounted for until it is received. This results in the ratio of equity to total assets falling below the target and the budget for



the year. This ratio has been removed as a target in the Statement of Intent for the 2023 financial year.

Delays caused by consideration of provisioning requirements resulted in the objective to have a complete annual report within 3 months being not met.

The review of funding and ownership of the Stadium has commenced in the year and this will continue into 2023.



Statement of Financial Performance

for the year ended 30 June 2022

	Notes	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
<u>Revenue</u>				
Subsidies and grants	2	353,557	94,000	91,190
Finance revenue	2	4,636	1,500	773
Total Revenue		358,193	95,500	91,963
<u>Expenses</u>				
Maintenance expenses	3	(1,055,971)	(194,450)	(421,500)
Other expenses	4	(121,203)	(51,500)	(45,045)
Depreciation	8	(176,953)	(174,000)	(172,396)
Total expenses		(1,354,127)	(419,950)	(638,941)
Net surplus/(deficit) for the year		(995,934)	(324,450)	(546,978)



Statement of Financial Position

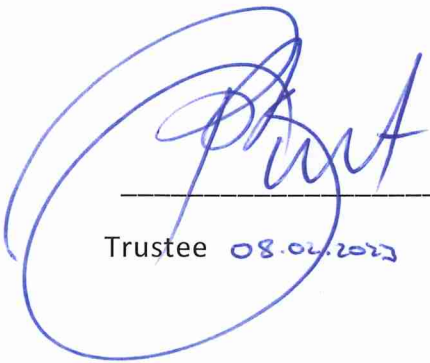
as at 30 June 2022

	Notes	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Assets				
<u>Current Assets</u>				
Cash and cash equivalents	5	711,584	189,094	312,373
Receivables	7	10,809	27,765	91,190
Prepayments	7	3,547	-	-
Total Current Assets		725,940	216,859	403,563
<u>Non-Current Assets</u>				
Property, plant and equipment	8	317,432	359,851	494,385
Total Non-Current Assets		317,432	359,851	494,385
Total Assets		1,043,372	576,710	897,948
Liabilities				
<u>Current Liabilities</u>				
Payables and deferred revenue	9	(153,782)	(5,000)	(8,054)
Provisions	10	(265,204)	-	(256,962)
Total Current Liabilities		(418,986)	(5,000)	(265,016)
<u>Non-Current Liabilities</u>				
Provisions	10	(1,146,137)	-	(158,750)
Total non-current liabilities		(1,146,137)	-	(158,750)
Total Liabilities		(1,565,123)	(5,000)	(423,766)
Net Assets (Total Assets less Total Liabilities)		(521,751)	571,710	474,182

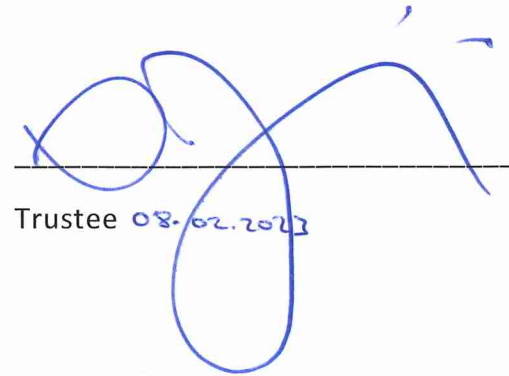


Aorangi Stadium Trust Annual Report for the year ended 30 June 2022

	Notes	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
Accumulated Funds				
Capital contributed by members	13	3,050,631	3,050,631	3,050,631
Accumulated surpluses/(deficits)	13	(3,572,382)	(2,560,954)	(2,576,449)
Reserves	13	-	82,033	-
Total Accumulated Funds		(521,751)	571,710	474,182



 Trustee 08-04-2022



 Trustee 08-02-2022



Statement of Cash Flows

for the year ended 30 June 2022

	Actual 2022 \$	Budget 2022 \$	Actual 2021 \$
<u>Cash Flows (to)/from Operating Activities</u>			
<u>Cash was received from:</u>			
Donations, fundraising and other similar receipts	444,747	94,000	59,800
Interest, dividend and other investment receipts	4,698	1,500	849
Net GST	611	-	(1,032)
<u>Cash was applied to:</u>			
Payments to suppliers	(50,845)	(245,950)	(54,519)
Net Cash Flows from Operating Activities	399,211	(150,450)	5,098
Net increase/(decrease) in cash	399,211	(150,450)	5,098
Opening Cash	312,373	339,544	307,275
Closing Cash	711,584	189,094	312,373
<u>This is represented by:</u>			
Bank current account and short-term deposits	5	711,584	189,094
			312,373



Notes to the Financial Statements

for the year ended 30 June 2022

1 Statement of Accounting Policies

REPORTING ENTITY

Aorangi Stadium Trust (the Trust) is a charitable trust incorporated on 14 August 2001 under the Charitable Trusts Act 1957 (CTA).

The Trust is controlled by Timaru District Council (the Council) as a Council Controlled Organisation (CCO) as defined in section 6 of the Local Government Act 2002 (LGA), with all Trustees being appointed by the Council.

It is fully domiciled and operated in New Zealand.

The purpose of the Trust is to continue the development, maintenance and operation of the Aorangi/Timaru Stadium and adjoining areas on Aorangi Park in Timaru. As a charity the Trust does not operate to make a financial return.

The reporting date of the Trust is 30 June.

The Trust has been designated as a Public Benefit Entity (PBE) for the purpose of complying with Generally Accepted Accounting Practice (GAAP).

The financial statements of the Trust are for the year ended 30 June 2022.

The financial statements were authorised for issue by the Trustees on 8 February 2023.

BASIS OF PREPARATION

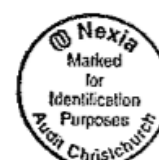
The financial statements are prepared in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) or PBE SFR-A (PS), as the Trust is deemed to be a public entity subject to public sector standards and has total annual expenses of equal to or less than \$2,000,000. All transactions are reported using the accrual basis of accounting. The Annual Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Changes in accounting policies and disclosures

There have been no changes in accounting policies during the year however some disclosures have been modified to agree with Group presentation



practices and principles. There have been no changes in the reported outcomes as a result of any presentational changes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which do not relate to a specific note are outlined below.

Goods and Services Tax

Items in the financial statements are stated exclusive of goods and services tax (GST) except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to the IRD is included as part of receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions as it is deemed a charitable trust for taxation purposes.

Budget figures

The budget figures presented in this report are those approved by the Trustees for 2021/22 unless stated otherwise. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Trust in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are:

- Estimating the provisions for deferred maintenance (Note 10)



Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

- Valuation methodology for property, plant and equipment (Note 8)

Note 2: Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Grants received

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest revenue is recognised using the effective interest method.

Note 3: Maintenance Expenses

Maintenance expenses are expensed as they are incurred except that where related to a provision an offsetting release from that provision is made.

Note 5: Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Note 6: Reconciliation of net surplus/(deficit) after tax to net cashflow from operating activities

Cashflow statement

Operating activities include cash received from all revenue sources of the Trust, and expenditure payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities, and any non-current assets.

Financing activities are those activities relating to the changes in equity, and debt structure of the Trust.



Note 8: Property, plant and equipment

Property, plant and equipment consists of operational assets including buildings and buildings improvements and furniture and equipment, which are utilised by the Trust to deliver services.

Buildings and building improvements and furniture and equipment are measured at cost less accumulate depreciation and impairment losses.

Unless specifically stated, acquisitions are initially valued at cost.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably and is greater than \$3,000, subject to individual asset assessment.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings and building improvements	1% - 30% Straight line
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Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount and the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in surplus or deficit.

Note 9: Payables and deferred revenue

Short-term creditors and other payables are measured at the amount payable.

Payables are generally non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of payables approximates their fair value.

Deferred revenue represents receipts the conditions of which have not yet been fulfilled but which are expected to be recognised as revenue within 12 months.

Note 10: Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed annually to determine their appropriateness, including the value of the provision.

Note 13: Equity/Accumulated Funds

Equity is the community's interest in the Trust and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed capital: this represents the funds initially contributed by the members of the Trust particularly from public fundraising;

Accumulated surpluses/(deficits): this represents the accumulation of all financial results since the inception of the Trust;



Reserves: this represents funds set aside relating to specific purposes or relating to funding from hypothecated sources.

Note 15: Events after balance date

Events which are deemed to actually or potentially have a material impact on the Trust, but which occur after balance date, will be disclosed including a statement regarding why they have been assessed as being of significant materiality.

2 Revenue

i. Subsidies and grants

	Actual 2022 \$	Actual 2021 \$
Grants from Timaru District Council: General funding	52,000	52,000
Grants from Timaru District Council: Insurance reimbursement	42,345	39,190
Grants from Trust Aoraki	259,212	-
Total	353,557	91,190

There are no unfulfilled conditions and other contingencies attached to recognised grants.

ii. Finance revenue

	Actual 2022 \$	Actual 2021 \$
Interest revenue:		
- term deposits	4,636	773
Total	4,636	773



3 Maintenance expense

	2022 \$	2021 \$
Maintenance costs incurred	(60,879)	(5,788)
Maintenance provision release	65,346	-
Increase in provision for maintenance costs	(1,060,438)	(415,712)
Total maintenance costs	<u>(1,055,971)</u>	<u>(421,500)</u>

4 Other expenses

	2022 \$	2021 \$
Audit fees for financial statement audit: current year	(3,900)	(3,850)
Audit fees: other	(2,000)	-
Earthquake strengthening report	(71,061)	-
Insurance	(39,014)	(39,190)
Other expenses	(5,228)	(5,855)
Total	<u>(121,203)</u>	<u>(48,895)</u>

5 Cash and cash equivalents

	2022 \$	2021 \$
Cash at bank	12,584	8,311
Short term deposits maturing 3 months or less from date of acquisition	699,000	304,062
Total	<u>711,584</u>	<u>312,373</u>



6 Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	2022 \$	2021 \$
Surplus/(deficit)	(995,934)	(546,978)
Add/(less) non-cash items:		
Depreciation and impairment charges	176,953	172,396
Movement in provisions	995,629	415,712
Other movements	(3,550)	4,166
Add/(less) movements in working capital items:		
Accounts receivable	80,381	(38,116)
Accounts payable	145,730	(2,082)
Net cash inflow/(outflow) from operating activities	399,211	5,098

7 Receivables

	2022 \$	2021 \$
Other receivables	10,809	-
Related party receivables	-	91,190
	10,809	91,190
Prepayments	3,546	-
Total	14,356	91,190

No receivables are past due as at 30 June 2022 and no impairment provisions have been made relating to them.



8 Property, plant and equipment

Asset Class	Opening Carrying Value \$	Purchases \$	Disposals \$	Depreciation/ Impairment \$	Closing Carrying Value \$
2022					
Buildings	494,385	-	-	(176,953)	317,432
Total	494,385	-	-	(176,953)	317,432
2021					
Buildings	666,783	-	-	(172,398)	494,385
Total	666,783	-	-	(172,398)	494,385

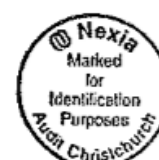
9 Payables and deferred revenue

	Actual 2022 \$	Actual 2021 \$
Trade payables and accrued expenses	72,062	8,054
Amounts due to related parties	81,720	-
Total	153,782	8,054

10 Provisions

i. Provision for deferred maintenance

	Actual 2022 \$	Actual 2021 \$
Current provision		
Opening balance	256,962	-
Additional provisions made during the year	-	256,962
Transfer from non-current provision	73,588	-
Amounts used during the year	(65,346)	-
Closing balance	265,204	256,962



	Actual 2022 \$	Actual 2021 \$
Non-current provision		
Opening balance	158,750	-
Additional provisions made during the year	1,060,438	158,750
Transfer from non-current provision	(73,588)	-
Closing balance	1,145,600	158,750

	Actual 2022 \$	Actual 2021 \$
Total provision		
Opening balance	415,712	-
Additional provisions made during the year	1,060,438	415,712
Amounts used during the year	(65,346)	-
Closing balance	1,410,804	415,712

During 2021 a report was received regarding maintenance requirements for the stadium. In 2021 projected costs until 2024 were provide for with additional projected costs noted as a contingent liability subject to a review of requirements and the funding and ownership of the stadium. No change was made to these during the year and therefore the full projected costs have now been included as a provision.

ii. Provision for asset impairment

	Actual 2022 \$	Actual 2021 \$
Non-current provision		
Additional provisions made during the year	537	-
Closing balance	537	-

A review of the accounting for assets was undertaken during the year and it was identified that some assets were being accounted for on a diminishing value basis rather than a straight line basis. Consequently insufficient depreciation has been charged on those assets and this will be adjusted for during the 2023 year, however for the current year the identified difference has been provided for as an impairment provision.



11 Contingencies

Earthquake strengthening

During the year a report was received regarding earthquake strengthening requirements for the stadium. The potential cost estimates relating to this currently range from \$3.85m to \$6.05m with an average of the range of \$4.63m.

No contingent assets have been identified.

12 Commitments

There are no capital commitments or financial guarantees at balance date (2021: Nil).

13 Accumulated funds

2022

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(2,576,449)	-	474,182
Surplus/(deficit)	-	(995,934)	-	(995,934)
Other movements	-	1	-	1
Transfer to reserves	-	-	-	-
Transfer from reserves	-	-	-	-
Closing balance	3,050,631	(3,572,382)	-	(521,751)

2021

Description	Capital contributed by owners or members	Accumulated surpluses/ (deficits)	Capital contributions reserves	Total accumulated funds
Opening balance	3,050,631	(2,225,754)	196,283	1,021,160
Surplus/(deficit)	-	(546,978)	-	(546,978)
Transfer to reserves	-	-	-	-
Transfer from reserves	-	196,283	(196,283)	-
Closing balance	3,050,631	(2,576,449)	-	474,182



14 Related party transactions

Description of related party relationship	Transaction description (cash or in-kind)	Value of transactions		Amount outstanding	
		2022	2021	2022	2021
		\$	\$	\$	\$
Services received from Timaru District Council	Cash	1,000	2,000	-	-
Capital contribution grant received from Timaru District Council	Cash	52,000	52,000	-	52,000
Grant for the reimbursement of insurance expenses by Timaru District Council	Cash	42,345	39,190	-	39,190
Site lease fee	Cash	-100	-87	-	-

15 Events after balance date

The applicability of the Trust continuing to be registered for Goods and Services Tax (GST) is being addressed by the Inland Revenue Department as part of a review of entities registered for GST which are normally claiming refunds and whether such entities are engaging in taxable activities.

16 Going concern

The Trust is considered to be a going concern as it has sufficient resources to support current planned expenditure and liabilities and Trustees believe that anticipated future income flows will be adequate for future requirements based on the information available as at the time of the preparation of this report.



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF AORANGI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**

The Auditor-General is the auditor of Aorangi Stadium Trust (the Trust). The Auditor-General has appointed me, Andrew Hastie, using the staff and resources of Nexia Audit Christchurch, 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 6 to 21, that comprise the statement of financial position as at 30 June 2022, the statement of financial performance, 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 on pages 3 to 5.

In our opinion:

- the financial statements of the Trust on pages 6 to 21:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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) framework; and
- the performance information of the Trust on pages 3 to 5 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 2022.

Our audit was completed on 8 February 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance 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.

Responsibilities of the Board of Trustees for the financial statements and the performance information

The Board of Trustees is 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 Board of Trustees is also responsible for preparing the performance information for the Trust.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it 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 the performance information, the Board of Trustees is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees's responsibilities arise from the Local Government Act 2002.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the 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 the 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.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and the 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 Board of 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 Board of 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 the 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 the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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.

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* issued by the New Zealand Auditing and Assurance Standards Board.

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



Andrew Hastie

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