

Waitaki District Health Services Trust

Financial Statements

For the year ended 30 June 2019

Waitaki District Health Services Trust

Contents

For the year ended 30 June 2019

<u>Contents</u>	<u>Page</u>
Trust Directory	3
Trustees' Report	4
Statement of Responsibility	5
Statement of Comprehensive Revenue and Expense	6
Statement of Changes in Equity	7
Statement of Financial Position	8
Statement of Cashflows	9
Notes to the Financial Statements	10
Independent Audit Report	17

Waitaki District Health Services Trust

Trust Directory

For the year ended 30 June 2019

Nature of Business

Charitable Trust

Postal Address

P O Box 94, Oamaru

Trustees

Helen M Algar
Paul W Allison
Mark F Rogers
Andrew C F Wilson

Registered Office

20 Eden Street, Oamaru

Beneficiary

Waitaki Community

Bankers

Westpac NZ

Accountants

Deloitte, Dunedin

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General

Solicitors

Berry & Co, Oamaru

Waitaki District Health Services Trust

Trustees' Report

For the year ended 30 June 2019

The Trustees are pleased to present the consolidated report for the Trust for the year ended 30 June 2019.

Principal Activities

The Waitaki District Health Services Trust was established as an independent trust fund from which grants can be made to support Oamaru Hospital and other health services and healthcare needs of Waitaki District. The Trust receives & invests donations & bequests for these purposes from individual donors and community organisations. The Trust is particularly important to being able to assist health care in areas where government funding is either not available or limited. The Trust relies on the generosity of the community to maintain and grow the trust fund and all forms of donations will be gratefully accepted and carefully administered as part of a capital endowment fund, the income from which is utilised for grants.

2019 Actual	2018 Actual
\$	\$

Results

Total Comprehensive Revenue and Expense	115,765	117,462
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Trustees

In accordance with the Trust's constitution, the Board of Trustees is constituted of the Directors holding office as Directors of Waitaki District Health Services Limited.

Audit

The Trust's audit is undertaken by Audit New Zealand on behalf of the Auditor-General. Audit remuneration for the period under review was \$4,172 (2018: \$3,590). There were no other services, apart from audit services, provided by Audit New Zealand.

Waitaki District Health Services Trust

Statement of Responsibility

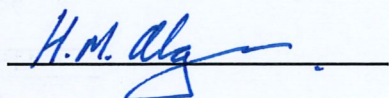
For the year ended 30 June 2019

The Trustees are responsible for the preparation of the Financial Statements and Statement of Performance and any of the judgements made in them for Waitaki District Health Services Trust.

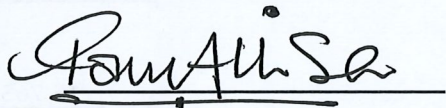
The Trustees have a responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Trustees, these Financial Statements and Statement of Performance fairly reflect the financial position and operations of Waitaki District Health Services Trust for the year ended 30 June 2019.

Helen M Algar
Trustee

A blue ink signature of Helen M Algar, consisting of stylized initials and a surname, written over a horizontal line.

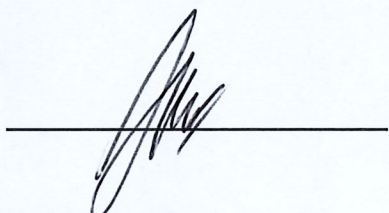
Paul W Allison
Trustee

A black ink signature of Paul W Allison, written in a cursive style over a horizontal line.

Mark F Rogers
Trustee

A blue ink signature of Mark F Rogers, consisting of stylized initials and a surname, written over a horizontal line.

Andrew C F Wilson
Trustee

A black ink signature of Andrew C F Wilson, written in a cursive style over a horizontal line.

Dated this 18th day of September 2020

Waitaki District Health Services Trust
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2019

	Note	2019 Actual \$	2018 Actual \$
Revenue			
Scanner Lease		-	63,973
Interest Revenue		42,272	40,971
Interest on Observatory Village Loan	6	153,426	144,618
Total Revenue		<u>195,698</u>	<u>249,562</u>
Expenditure			
Depreciation Expense	7	-	63,973
Other Expenses	2	79,933	68,127
Total Expenditure		<u>79,933</u>	<u>132,100</u>
Surplus		<u>115,765</u>	<u>117,462</u>
Total Comprehensive Revenue and Expense		<u>115,765</u>	<u>117,462</u>
Allocated pursuant to Deed of Trust as follows			
Transfer to Trustee Income		115,765	117,462
		<u>115,765</u>	<u>117,462</u>

Waitaki District Health Services Trust

Statement of Changes in Equity

For the year ended 30 June 2019

	2019 Actual \$	2018 Actual \$
Balance at Beginning of Period	3,765,834	3,648,372
Total Comprehensive Revenue and Expense	115,765	117,462
Balance at End of Period	<u>3,881,599</u>	<u>3,765,834</u>

Waitaki District Health Services Trust

Statement of Financial Position

As at 30 June 2019

Note	2019 Actual \$	2018 Actual \$
Current Assets		
Cash and Cash Equivalents	4 12,211	5,143
Current Term Deposits	5 1,254,314	1,224,116
Accrued Interest	15,900	21,446
Total Current Assets	<u>1,282,425</u>	<u>1,250,705</u>
Non-Current Assets		
Financial Assets	6 2,672,734	2,519,308
Property, Plant and Equipment	7 -	-
Total Non-Current Assets	<u>2,672,734</u>	<u>2,519,308</u>
Total Assets	<u>3,955,159</u>	<u>3,770,013</u>
Current Liabilities		
Trade and Other Payables	8 73,560	4,179
Total Current Liabilities	<u>73,560</u>	<u>4,179</u>
Total Liabilities	<u>73,560</u>	<u>4,179</u>
Net Assets	<u>3,881,599</u>	<u>3,765,834</u>
Equity		
Retained Profits	9 3,881,599	3,765,834
Total Equity	<u>3,881,599</u>	<u>3,765,834</u>

Represented by:

Equity

Retained Profits

Total Equity

Waitaki District Health Services Trust

Statement of Cashflows

For the year ended 30 June 2019

	Note	2019 Actual \$	2018 Actual \$
Cashflows From Operating Activities			
<i>Cash was provided from</i>			
Receipts from Services		-	63,973
Interest Received		47,818	24,450
Net GST Received		-	2,742
		<u>47,818</u>	<u>91,165</u>
<i>Cash was disbursed to</i>			
Payments to Suppliers and Employees		10,551	16,826
Donations Paid		-	87,534
		<u>10,551</u>	<u>104,360</u>
Net Cashflow From Operating Activities	13	<u>37,267</u>	<u>(13,195)</u>
Cashflows From Investing Activities			
<i>Cash was disbursed to</i>			
Payments to Term Deposits		30,198	3,116
		<u>30,198</u>	<u>3,116</u>
Net Cashflow from Investing Activities		<u>(30,198)</u>	<u>(3,116)</u>
Cashflows from Financing Activities			
Net Cashflow from Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents		7,068	(16,311)
Add Opening Cash and Cash Equivalents		5,143	21,454
Closing Cash and Cash Equivalents	4	<u>12,211</u>	<u>5,143</u>

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

1. Statement of Accounting Policies

Reporting Entity

Waitaki District Health Services Trust ("the Trust") is a Charitable Trust as defined in the Charities Act 2005.

The primary objective of the Trust is to hold and administer funds for the charitable purpose of providing health services within the Waitaki District in New Zealand. The Trustees of the Trust are the directors of Waitaki District Health Services Limited.

Accordingly, the Trust has designated itself as a public benefit entity (PBE) for reporting purposes. The Trust is exempt as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

The Financial Statements of the Trust are for the year ended 30 June 2019. The Financial Statements were authorised for issue by the Trustees on 18 September 2020.

Basis of Preparation

The Financial Statements have been prepared on an historical cost basis.

The Financial Statements are presented in New Zealand dollars, which is the functional currency of the Trust, rounded to the nearest dollar.

The Financial Statements have been prepared on a going concern basis, and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Statement of Compliance

The Financial Statements have been prepared in accordance with NZ GAAP. They comply with Tier 2 PBE (RDR) accounting standards on the basis the Trust is not considered publically accountable or large with expenditure under \$30 million per annum. The statements meet the requirements of the Local Government Act 2002.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied:

Revenue

Revenue is measured at the fair value of consideration received.

Fees and charges are recognised when invoiced.

Interest income from investments is recognised when the right to receive payment has been established.

Goods and Services Tax

The trust has deregistered its GST registration during the year. Therefore, the tax component is recognised as part of the related transaction.

Trade receivables and payables are stated inclusive of GST.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in 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.

Investments

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, these investments are measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

Property, Plant and Equipment

Property, Plant and Equipment consists of:

Plant & Equipment

Property, plant & equipment is valued at cost and are cash generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

Depreciation

Depreciation is provided on a straight line at rates which will write off the cost of the assets to their estimated residual values over their useful lives.

The applied rates are as follows:

- Plant and Equipment	10% (SL)
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Impairment of Non-financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment 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 value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated or replacement cost approach.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset and in other comprehensive income. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the surplus or deficit.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the surplus or deficit.

Provisions

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

Financial Instruments

The Trust is party to financial instrument arrangements as part of everyday operations. These financial instruments include bank overdraft facilities and draw-down facilities, current term deposits, financial assets, debtors and creditors.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The Trust has classified its financial assets as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and loan to the Observatory Village Trust) are measured at amortised cost using the effective interest method, less any impairment

Impairment of Financial Instruments

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Trust made estimates and assumptions 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 or future events that are believed to be reasonable under the circumstances. The main areas of estimate are in the useful lives of items of property, plant and equipment (see 'Depreciation' above) and impairment of financial assets. Useful lives, impairment and discount rates are reviewed annually.

The discount rate applied to loans is as follows:

- Observatory Village Loan	6.09%
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More information on the loan to the Observatory Village is presented in note 6.

Taxation

The Trust is exempt from tax as a charitable organisation.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is classified as Retained Profits.

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Trust invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Trust and records the cash payments made for the supply of goods and services.

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

Financing activities comprise the change in equity and debt capital structure of the Trust.

Change in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

2. Other Expenses

	2019 Actual	2018 Actual
	\$	\$
Audit Fees - Financial Statements	4,172	3,590
Donations	68,425	57,534
General Expenditure	7,336	7,003
	<u>79,933</u>	<u>68,127</u>

3. Income Taxes

Sections CW41 and CW42 of the Income Tax Act 2007 provide tax exempt status for the Trust.

4. Cash & Cash Equivalents

	2019 Actual	2018 Actual
	\$	\$
Diocesan Trust	1,026	1,026
Westpac NZ	11,185	4,117
Net cash and cash equivalents for purposes of the statement of cashflows	<u>12,211</u>	<u>5,143</u>

5. Current Term Deposits

	2019 Actual	2018 Actual
	\$	\$
Westpac NZ	1,254,314	1,224,116
	<u>1,254,314</u>	<u>1,224,116</u>

Current term deposits are bank term deposits held for more than three months.

6. Financial Assets

	2019 Actual	2018 Actual
	\$	\$
Opening Balance	2,519,308	2,374,690
Plus: Interest Accrued	153,426	144,618
Closing Balance	<u>2,672,734</u>	<u>2,519,308</u>
Current Year Movement through Profit and Loss	<u>153,426</u>	<u>144,618</u>

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

The loan to the Observatory Village Trust totalled \$5,600,000 at balance date. The loan is a financial asset classified as a loan and receivable.

Using a discounted cash flow model the loan was valued using a discount rate of 6.09%, consistent with the average long term mortgage rates (2018: 6.09%). The interest revenue accrued for the year was \$153,426.

The loan is expected to be repaid by the Observatory Village Trust from 1 July 2027 at \$560,000 per annum based on projections of the Retirement Village business plan. There is estimation uncertainty due to the length of the loan and reliance on the Retirement Village business plan to be met. The loan is interest free on demand until repayments begin. Security for the loan is a GSA over all assets of the Observatory Village Group.

7. Property, Plant & Equipment

	Cost	Depreciation	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property Plant & Equipment 2019				
Plant & Equipment	-	-	-	-
Balance at 30 June 2019	-	-	-	-
Property Plant & Equipment 2018				
Plant & Equipment	1,096,721	63,973	1,096,721	-
Balance at 30 June 2018	1,096,721	63,973	1,096,721	-
Carrying Amounts				
At 30 June and 1 July 2017	1,096,721	63,973	1,096,721	63,973
At 30 June 2018	1,096,721	63,973	1,096,721	-
At 30 June 2019	-	-	-	-

8. Trade and Other Payables

	2019 Actual	2018 Actual
	\$	\$
Trade Creditors	73,560	4,554
GST Payable/(Receivable)	-	(375)
Total Trade and Other Payables	73,560	4,179

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value

9. Trust Funds

	2019 Actual	2018 Actual
	\$	\$
Retained Profits		
Opening Balance	3,765,834	3,648,372
Net Operating Surplus / (Deficit)	115,765	117,462
Retained Earnings	3,881,599	3,765,834
Total Trust Funds	3,881,599	3,765,834

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

10. Contingent Assets and Liabilities

Waitaki District Health Services Trust has not granted any securities in respect of liabilities payable by any other party (2018: Nil).

Waitaki District Health Services Trust have no contingent assets or contingent liabilities (2018: Nil).

11. Related Party Transactions

Waitaki District Health Services Limited

The Waitaki District Health Services Trust is an independent trust that supports Waitaki District Health Services Limited and the wider community. The Trustees of Waitaki District Health Services Trust are also the Directors of the Company per the Trust Deed, and have discretion over the operation of the Trust.

Transactions with the Waitaki District Health Services Limited for the period were as follows:

	2019 Actual	2018 Actual
	\$	\$
- Lease payments made	-	63,973
- Donations to assist purchase of Patient Acuity Monitoring System	-	57,534
- Donations to assist purchase of LifePak 15 Defibrillator	40,250	-
- Donations to assist Data/Electrical Implementation for HDU	28,175	-
	<u>68,425</u>	<u>121,507</u>

Lease Terms

Lease payments relate to the CT scanner leased to the Company

Lease is paid monthly

Lease expiry date was January 2018.

12. Commitments

The Trust has no capital commitments or non-cancellable operating lease commitments on balance date (2018 nil).

13. Reconciliation of Net Surplus/ (Deficit) after tax with cashflows from operating activities

	2019 Actual	2018 Actual
	\$	\$
Net surplus	115,765	117,462
Add/ (less) non - cash items		
Depreciation & loss on sale	-	63,973
Interest on Observatory Village Loan	(153,426)	(144,618)
Add/ (less) movements in working capital		
(Increase)/decrease in accrued interest	5,546	(16,521)
Increase/(decrease) in GST payable	375	(2,742)
Increase/(decrease) in accounts payable	69,007	(30,749)
Net cash inflow from operating activities	<u>37,267</u>	<u>(13,195)</u>

Waitaki District Health Services Trust

Notes to the Financial Statements

For the year ended 30 June 2019

14. Financial Instruments

(a) Credit Risk

Financial instruments which potentially subject the Trust to credit risk principally consist of bank balances, short term deposits and accounts receivable. The maximum exposure to credit risk at balance date is the fair value for the financial instrument as stated in the Statement of Financial Position.

Significant concentrations of credit risk apply principally in respect of bank balances and short term deposits. The Trust reduces this risk by investing with high credit rating institutions.

(b) Fair Value

The fair value of financial instruments is equivalent to the carrying amount as stated in the Statement of Financial Position.

(c) Currency Risk

The Trust has no currency risk given that the financial instruments are transacted in New Zealand Dollars.

(d) Interest rate risk

Interest rate risk is the risk that interest rate will change, increasing or decreasing the cost of borrowing or lending. The Trust's short term deposits are at a fixed rate with maturities not exceeding one year. Consequently the Trust is not exposed to significant interest rate risk. The Trust has no debt.

15. Events After Balance Date

The Trustees have considered the impacts of Covid-19 on the operations of the Trust. There have been no material impacts recorded.

Independent Auditor's Report

To the readers of Waitaki District Health Services Trust's financial statements for the year ended 30 June 2019

The Auditor-General is the auditor of Waitaki District Health Services Trust (the Trust). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

Opinion

We have audited the financial statements of the Trust on pages 6 to 16, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity 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.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 30 June 2019; 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 Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 18 September 2020. 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 Trustees and our responsibilities relating to the financial statements and we explain our independence.

Emphasis of matter - Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Trust as set out in note 15 to the financial statements.

Basis for our opinion

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

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

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

Responsibilities of the Trustees for the financial statements

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

In preparing the financial statements, 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 relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements

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

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

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 risk of material misstatement of the financial statements, 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 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, 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, including the disclosures, and whether the financial statements 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 pages 3 to 5, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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 the 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 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read 'Dereck Ollson', with a stylized, cursive script.

Dereck Ollson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand