



MILFORD COMMUNITY TRUST

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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ENTITY INFORMATION

Legal Name:

Milford Community Charitable Trust

Type of Entity and Legal Basis:

Charitable Trust

Registration Number:

CC39881

Mission:

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

Structure of the Trust:

Date of Settlement:

May 2007

Settlor:

Southland District Council

Current Trustees:

Ebel Kremer
Tim Holland
Jason Steele
Brad Johnstone
Rosco Gaudin

Term of Office:

Councillor and Interim Chairperson
Four Years
Four Years
Three Years
Four Years

Manager:

Southland District Council

Secretary:

Southland District Council - Jenny Labruyère

Trust Capital:

100 dollars

Main Sources of Resources:

Milford Community Trust's primary source of income is via a concessionaire's fee charged to local organisations on a quarterly basis.

Chairperson's Report

The main focus of the trust since the previous annual report has been on the proposed Recreational Centre, the walkway from Deepwater Basin to Fresh water Basin and the Fire and Emergency New Zealand (FENZ) 111 service including the Milford Emergency Response Team (MERT) for emergency services at Milford.

Consultation with stakeholders for the funding model and design of the recreational facility has resulted in significant support for the project and its proposed design. A number of manageable concerns identified by some stakeholders will be implemented into any final operational functions of the facility. The alternative site for the Recreational Facility which is now adjacent to the existing bitumen tennis court is supported but requires confirmation of the ability to fit within the proposed new footprint. Resource consent, building consent, Department of Conservation concession, final funding arrangements plus infrastructure agreements need to be finalised and obtained prior to any future development.

Milford emergency services remain a concern to the Trust. The relationship with FENZ and the Milford Community plus the Trust is continually being tested and strained. Numerous meetings during the year with FENZ have resulted in minimal progress as FENZ position on provision of 111 calls only with no other medical / clinical support to the Community is disappointing. Discussions between the Trust and St John Ambulance for provision of medical / Clinical support are in early stages with a hope St John will be able to provide some additional support to the Milford Community.

On a more positive note, the walkway from Deep Water basin to Fresh Water basin has been completed within budget and time. This walkway is well used in providing safe access for residents and visitors parking between those two areas. I'd like to acknowledge Trustee Tim Holland for working with the relevant agencies and contractors to get this project completed.

Key areas of focus for the Trust over the next year will be on achieving all the necessary concepts and financial funding arrangements to allow the construction and completion of the recreational facility. Ongoing discussions with FENZ and St Johns to achieve a greater medical support to the Community and to the hundreds of thousands of visitors to Milford. It is also timely to review the Trust Deed and redefine the trust purpose and future focus plus how the trust will operate in the future.

Thank you to all the trustees for their support and assistance. Also my thanks to SDC staff Simon Moran and Jenny Labruyere for your support and guidance. I would also wish to recognise and thank DOC representative Antonia Croft for her attendance and advice.

I look forward to working alongside fellow Trustees as we meet new and challenging times. I also look forward to enhancing the Trust's relationship with relevant agencies and organisations as we work together for the benefit and improvement of the Milford Community and its visitors.

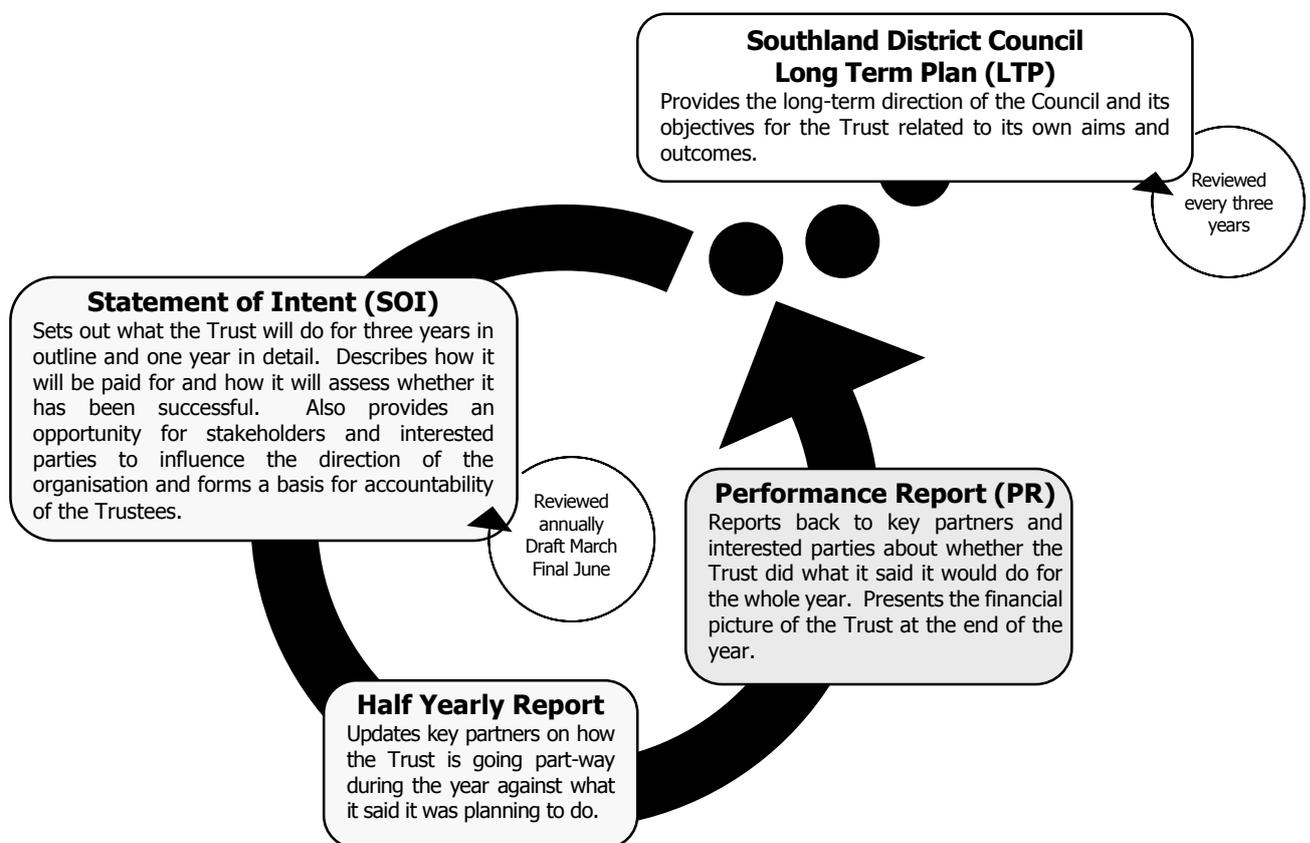


Ebel Kremer
Independent Chairperson
Milford Community Trust

What is the Performance Report?

Each year a Performance Report is produced for the Milford Community Trust which compares activities performed with those intended as set out in the Trust's Statement of Intent for the year. This information allows the operation of the Trust to be assessed by its key partners and other interested parties. This document reports in the Trust's activities during the year 1 July 2018 to 30 June 2019 which was the period of Year 1 in the Statement of Intent 2018/2021.

As a Council Controlled Organisation (CCO), the Milford Community Trust has obligations to report on its activities under the Local Government Act 2002.



Performance Information

This section reports on the Trust's performance compared against what was intended in the Statement of Intent.

Objectives

The Trust has several key objectives which guide its activities, namely:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.
- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

Reporting on the activities of the Trust as well as actual performance against planned targets provides information which can be used to evaluate progress being made towards these objectives. The Trust's Statement of Intent includes a number of performance targets and specific projects which are reported on below.

Governance Report

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford. This followed the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust is governed by a board of seven Trustees with representatives from stakeholder groups as shown in the table below. The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings.

Four meetings, which are open to the public, were held during the year. These meetings were held as follows;

28 September 2018 at Te Anau
07 December 2018 at Milford
05 April 2019 at Te Anau
14 June 2019 at Te Anau

Trustees are detailed in the table below;

The Designation	Trustee Name	Appointed	Term Expires
Te Anau Ward Councillor, ex-officio appointment and Interim Chair	Ebel Kremer	Oct 16	Oct 19
Milford Community Association elected representative	Brad Johnstone	June 17	June 20
Milford Community appointees	Rosco Gaudin	Aug 15	June 19
	Jason Steele	June 18	June 21
	Tim Holland	Aug 16	June 20

Trustee appointments

Trustee Gaudin's term expired at the end of June 2019. An appointment will be made in the 2019/20 financial year.

Performance Targets

The information below sets out how the Trust performed against the key performance indicators from the Statement of Intent chosen to reflect the level of service to be provided.

The table shows what Level of Service the Trust said it would provide, how this will be measured, the target for the 2018/2019 year and whether the targets were achieved, partially achieved or not achieved and the reason for any significant variance.

What the Trust said will provide	How the Trust said it will measure the service provided		
	Key Performance Indicator	Target	Achievement
Maintain a structure that facilitates local decision-making.	Number of Milford Community Trust meetings held annually	4	Achieved. Four meetings were held in 2018/19 in September, December, April, and June (2017/18 : Achieved)
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	1	Achieved. One forum was held on 7 December 2019. (2017/18 : Achieved)

Activity Report

The information below reports on the planned activities included in the Statement of Intent 2018/2021 as well as any unplanned for activities actually carried out during the year.

Activity Description	Date	Status
Planned Activities		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	June 2019	There have been ongoing discussions with the Department of Conservation primarily through their representatives who attend the Trust meetings.
Advocate with other organisations for public toilets and shelter at the airport and a walking track to the Lodge	June 2019	No progress has been made in relation to the public toilets/shelter at the airport. The Trust considered that at this time it is up to the Lodge to drive the walking track project and to come back to it with further information.
Assist Milford Community Association with the ongoing development of Cleddau Village recreation area to accommodate the community centre.	June 2019	A business case for the proposed recreation centre was prepared for the Trust in 2019 by Impact Consulting Limited. Initial consultation with concessionaires was positive and the Trust resolved to progress with design and the necessary consents/concessions. \$500,000 has been identified for capital expenditure in the 2019/20 financial year.
Provide funding for medical support, services and facilities for the Milford Emergency Response Team station.	June 2019	No funding was sought in relation to these items during the year.
Purchase of emergency response equipment as required.	June 2019	None required this year.
Jointly fund a walking track from the airport to Deepwater Basin Road linking with the overflow parking and Cleddau Village.	June 2019	Construction of the track has been completed in November 2018. The work was led by Milford Sound Tourism Ltd.
Advocate for the continuation of maintaining beautification and roading within the village and Deepwater basin.	June 2019	Lobbying of the Department of Conservation and Council has continued primarily through the Trust meetings where representatives are present.
Unplanned Activities		
None		
Information Requirements		
Draft Statement of Intent approved by the Trust.	30 March 2018	Not Achieved. Due to unavailability of Trustees for the scheduled meeting in March the draft SOI was received and approved by the Trust at its 5 th April 2019 meeting.
Final Statement of Intent prepared and circulated to key partners.	30 June 2019	Achieved. The final statement of intent was circulated to key partners on the 24 th May 2019.
Half yearly report prepared and circulated to key partners.	30 March 2018	Not Achieved. Due to unavailability of Trustees for the scheduled meeting in March the report was received and approved by the Trust at its 5 th April 2019 meeting.

Compensation

In the Statement of Intent, the Trust indicated that it would require funding (investment) from parties for undertaking particular activities. The Trust is required to report on compensation provided by key partners in particular. The table below details the actual compensation versus what was budgeted in the Statement of Intent.

Contribution	Activity	2018/2019 Budgeted	2018/2019 Actual	Comment
Key Partners				
Other Sources				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$136,893	\$136,893	Concessionaires have been invoiced for all Governance costs incurred during the year

Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$326,402 as at 30 June 2019. The assessment uses the value of stakeholders' funds as a guide.

Milford Community Trust
Statement of Financial Performance
For the year ended 30 June 2019

	Actual 2019	Budget 2019	Actual 2018
Revenue			
Concessionaires Income	136,893	136,893	124,449
Grant	-	-	1,000
Interest Income	6,943	-	4,399
Trustee Fees Forgiven	3,600	-	-
Total Revenue	147,436	136,893	129,849
Expenses			
Accommodation and Meals	(95)	800	326
Administration Fees	44	67	44
Advertising - Newspaper	-	600	(9)
Audit Fees	4,199	5,000	4,140
Bank Fees	79	40	41
Catering Expenses	98	500	91
Chairpersons Fees	10,000	10,000	4,751
Environment Southland - Consent Fees	-	15,000	-
Depreciation	1,549	1,613	1,597
Emergency Services Provider	-	42,000	130
General Expenses	420	500	2,326
Deepwater Basin Walkway 1.	86,934	-	-
Medical Clinic	-	26,000	-
Mileage	338	3,000	219
Project Development & Planning	-	5,000	-
Radio Tower	-	370	360
Room Hire	185	300	178
Trustees Fees	3,900	6,000	-
Insurance	2,675	2,605	2,455
Total Expenses	110,327	119,396	16,650
Surplus/(Deficit) for the Year	37,110	17,498	113,199

1. This was budgeted as a capital project (\$130,000), however the project was undertaken by Milford Sound Tourism Ltd. The Trust made a financial contribution.

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

Milford Community Trust

Statement of Financial Position

As at 30 June 2019

	Note	Actual 2019	Budget 2019	Actual 2018
Assets				
Current Assets				
Bank Accounts and Cash	2	42,802	15,000	3,671
Short Term Deposit	3	275,000	106,820	289,807
Debtors		773	100	863
Accrued Income		1,532	-	517
GST Recievable		1,388	6,892	-
Total Current Assets		321,494	128,812	294,859
Non-Current Assets				
Property, Plant and Equipment	4	50,075	49,995	51,624
Total Non-Current Assets		50,075	49,995	51,624
Total Assets		371,569	178,807	346,482
Liabilities				
Current Liabilities				
Accrued Expenses		7,859	5,000	5,973
Creditors		198	-	518
GST Payable		-	-	13,589
Total Current Liabilities		8,057	5,000	20,080
Non-Current Liabilities				
		-	-	-
Total Non-Current liabilities		-	-	-
Total Liabilities		8,057	5,000	20,080
Net Assets		363,512	173,807	326,402
Accumulated Funds				
	7			
Trust Capital		100	100	100
Accumulated surplus(deficit)		363,412	40,755	326,302
Total Accumulated Funds		363,512	40,855	326,402

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.



 Ebel Kremer
 Trustee



 Jason Steele
 Trustee

Date Signed: 26 September 2019

Milford Community Trust Statement of Cash Flows For the year ended 30 June 2019

	Actual 2019	Actual 2018
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from Concessionaires Income	136,972	149,887
Grants	-	1,000
Interest Received on Bank Accounts and Cash	5,929	5,214
Cash was applied to:		
Goods and Services Tax (Net)	(15,007)	18,468
Payment to Suppliers and Employees	(103,570)	(24,758)
Net Cash Flows from Operating Activities	24,324	149,812
Cash Flows from Investing Activities		
Cash was received from:		
Term Deposit Maturity	289,807	110,000
Cash was applied to:		
Investment In Property, Plant and Equipment	-	-
Investment In Term Deposit	(275,000)	(289,807)
Net Cash Flows from Investing Activities	14,807	(179,807)
Net Cash Flows from Financing Activities	-	-
Net Increase / (Decrease) in Cash	39,131	(29,995)
Opening Cash	3,671	33,667
Closing Cash	42,802	3,671

The above statement should be read in conjunction with the following Statement of Accounting Policies and Notes to the Financial Statements.

Statement of Accounting Policies For the year ended 30 June 2019

BASIS OF PREPARATION

Milford Community Trust has applied PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2 million.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the entity will continue to operate in the foreseeable future.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Concessionaires Fees

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits with Banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

At balance date, trustee's fees that have not been claimed are recognised as revenue.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Buildings 3% Diminishing Value

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered under the Charities Commission.

Budget Figures

The budget figures are derived from the 2018-2021 Statement of Intent as approved by the Trustees on 23 February 2018. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

Changes in Accounting Policies

There have been no changes to the accounting policies applied in the financial statements to the prior year.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Notes to the Financial Statements

For the year ended 30 June 2019

1. Post balance date events

There have been no significant subsequent events between the balance sheet date and the signing of the financial statements that require disclosure or adjustment in the financial statements.

2. Bank accounts and cash

Account	2019	2018
BNZ Cheque Account	3,756	2,976
BNZ Savings Account	39,046	695
Total	42,802	3,671

Interest rates on the BNZ Cheque and Savings accounts at 30 June 2019 are 0.1% and 0.1% per annum respectively (2018: 0.1% and 0.1%).

3. Investments

Account	2019	2018
Term Deposit(s)	275,000	289,807
Total	275,000	289,807

Four term deposits are held with BNZ at 30 June 2019.

- A \$120,000 deposit, maturing 22/07/19, at 3.08% interest.
- A \$80,000 deposit, maturing 09/03/20, at 3.12% interest.
- A \$45,000 deposit, maturing 11/12/19, at 3.30% interest.
- A \$30,000 deposit, maturing 18/07/19, at 1.64% interest.

Four term deposits were held with BNZ at 30 June 2018.

- A \$41,748 deposit, maturing 17/10/18, at 3.15% interest.
- A \$73,059 deposit, maturing 10/10/18, at 3.15% interest.
- A \$50,000 deposit, maturing 10/09/18, at 3.25% interest.
- A \$125,000 deposit, maturing 13/07/18, at 1.89% interest.

4. Property, plant and equipment

	Land Improvements	Total
Carrying Amount at 1 July 2017	53,221	53,221
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,597)	(1,597)
Carrying Amount at 30 June 2018	51,624	51,624
Carrying Amount at 1 July 2018	51,624	51,624
Additions	-	-
Disposals (net of Accumulated Depreciation)	-	-
Depreciation Expense	(1,549)	(1,549)
Carrying Amount at 30 June 2019	50,075	50,075

* Land Improvements relates to the construction of the Cleddau Village Recreational Reserve Asphalt Pad. Construction was completed in March 2017.

5. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2019 (Nil June 2018).

6. Commitments

The Trust has no commitments as at 30 June 2019 (Nil June 2018).

7. Accumulated Funds

	2019	2018
Contributed Capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated Surplus		
Balance at 1 July	326,402	213,204
Surplus/(Deficit) for the year	37,110	113,199
Balance at 30 June	363,512	326,402
Accumulated funds	363,512	326,402

8. Related Parties

Department of Conservation and Southland District Council with the assistance of Environment Southland worked together setting up a Council Controlled Organisation in the form of this Trust, and therefore are the stakeholders of the Trust.

The Trust had transactions with DOC during the year of \$920 (2018 \$3,825) for current year concessionaires income.

The Trust had no transactions with Southland District Council during the year that related to 2018/19 (2018 \$5,951).

The Trust had no transactions with Environment Southland during the year (2018 Nil).

Additionally, Trustees and the Chairperson have interests in organisations within Milford Sound which contribute to the trust through payment of a concessionaire's fee. Related party disclosures have not been made for transactions with these organisations as the setting of these fees is conducted under terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

9. Explanation of major variances against budget

Explanations for major variations from the Trust's budgeted figures in the 30 June 2019 Statement of Intent are as follows:

- **Statement of Financial Performance**
 - No consent fees were spent in the 2018/2019 as Department of Conservation and Environment Southland are still in discussions.
 - Costs in relation to the Emergency Services Provider were met by Fire & Emergency New Zealand so the Trust did not need to provide this funding.

- The walkway was constructed in the 2018/2019 year and came in \$53,000 under budget. Although originally shown in the 2018-2021 Statement of Intent as a \$130,000 capital project the asset is not owned by the Trust and therefore a grant of \$77,640 was made to Milford Sound Tourism which undertook the project and will be responsible for the ongoing maintenance of the walkway.
- **Statement of Financial Position**
 - Term Deposits are higher than budgeted primarily due to work on the Cleddau Village Recreation Building not commencing and other variances as noted above. All surplus funds have been invested in term deposits.

Independent Auditor's Report

To the readers of Milford Community Trust's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of Milford Community 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 and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 17, that comprise the statement of financial position as at 30 June 2019, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 6 to 9.

In our opinion:

- the financial statements of the Trust on pages 10 to 17:
 - 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 Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 6 to 9 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 2019.

Our audit was completed on 26 September 2019. 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 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 for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

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

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

The Board's responsibilities arise from the Local Government Act 2002 and the Milford Community Trust Deed.

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.

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

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): 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.



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