



**Te Ahu Charitable Trust**

**2023 Performance Report**

# Te Ahu Charitable Trust

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For the Year Ended 30 June 2023

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# Te Ahu Charitable Trust

## For the Year Ended 30 June 2023

### APPROVAL REPORT TO THE TRUSTEES

#### Reporting Scope

The Board of Trustees of the Te Ahu Charitable Trust are responsible for preparing this report and financial statements.

In our view this Annual Report fairly reflects the financial position and operating results of the Trust for the year ended 30 June 2023.

#### Responsibilities

The Board of Trustees of the Te Ahu Charitable Trust accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Board of Trustees of the Te Ahu Charitable Trust accept 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 Board of Trustees of the Te Ahu Charitable Trust, the annual financial statements for the year ended 30 June 2023 fairly reflect the financial position and operations of the Te Ahu Charitable Trust.

Signed by:  
  
Signed: CC&A875318B1C80B

CHAIR - TE AHU CHARITABLE TRUST

Date: 25/02/2024

Signed by:  
  
Signed: AFAC378AA3525841

TRUSTEE - TE AHU CHARITABLE TRUST

Date: 25/02/2024

## Te Ahu Charitable Trust

### Entity Information

As at 30 June 2023

Te Ahu Charitable Trust is a Discretionary Trust registered under the Charities Act 2005.

<b>Entity's Purpose or Mission</b>	The Te Ahu Charitable Trust's VISION is to:  "Create a landmark meeting place for our people and visitors that nurtures and shares the stories and culture of our community"
<b>Nature of Business</b>	Community Trust
<b>Address</b>	Cnr Matthews Ave & State Highway 10 KAITAIA
<b>Entity Structure</b>	The trust comprises a Board of 7 to 9 trustees who oversee the Governance of the Trust.  Three of these trustees are appointed, one by Far North District Council, one by Te Rarawa and one by the Museum Trust, with all other trustees appointed or removed by the board of trustees.  They also employ a General Manager to oversee the day-to-day running of the trust's affairs.
<b>Main Sources of Cash and Resources</b>	The main sources of income were lease income and income from operating the Cinema, Venues for Hire and Cafe. Other income includes event income and ticket sales, other grants and interest.
<b>Main Methods Used to Raise Funds</b>	The main methods to raise funds were operating a Cinema, Cafe, Venues for hire and events, along with providing spaces for lease to tenants and obtaining grant funding.
<b>Entity's Reliance on Volunteers and Donated Goods or Services</b>	The Trust relies on its trustees who volunteer their time to oversee the organisation.
<b>Trustees:</b>	Mike Mitcalfe David Collard, resigned as Council Trustee 15/12/2022 Abraham Witana (Te Rarawa Trustee) Adele Gardner Sheryl Bainbridge Mark Tan, resigned 8/03/2023 Keri Hokai Rachel Baucke Bartlett Felicity Foy (Council Trustee)
<b>Accountants</b>	Harrison Gillespie Chartered Accountants 5 Puckey Avenue Kaitaia
<b>Bankers</b>	ASB Bank, Kaitaia
<b>IRD Number</b>	094-870-534
<b>Registered Charity Number</b>	CC11072

## Te Ahu Charitable Trust

### Statement of Service Performance

For the Year Ended 30 June 2023

#### Description of the Trust's Outcomes

The Te Ahu Charitable Trust provided and managed the facilities and infrastructure to be accessed and enjoyed by local and visiting people.

#### Description of the Entity's Outputs

	Actual 2023	Actual 2022
<b>The Te Ahu Charitable Trust has achieved the following during the year:</b>		
Operated a Cafe that is open to the public	5 days per week	5 days per week
Operated a cinema that is open to the public	15,437 admissions	10,363 admissions
Housed the Far North Regional Museum and opened to the public	5 days per week	5 days per week
Hired out spaces and venues to the public and other organisations	29,479 attendees	13,898 attendees
Rented space to the Far North District Council	\$370,620	\$397,879
Provided an electric vehicle charging station to the public	Available 24/7	Available 24/7

These financial statements are to be read in conjunction with the accompanying Notes.

## Te Ahu Charitable Trust

### Statement of Financial Performance

For the Year Ended 30 June 2023

	Note	Actual 2023 \$	Actual 2022 \$
<b>Revenue</b>			
Donations, fundraising and other similar revenue	2	-	50,000
Revenue from providing goods or services	3	806,160	741,412
Interest, dividends and other investment revenue	4	20,049	1,999
<b>Total Revenue</b>		<b>826,210</b>	<b>793,411</b>
<b>Less Expenses</b>			
Volunteer and employee related costs	5	297,844	252,746
Costs related to providing goods or services	6	320,419	219,704
Other Expenses	7	160,290	148,584
Depreciation	8	335,347	435,338
<b>Total Expenses</b>		<b>1,113,900</b>	<b>1,056,372</b>
<b>Deficit For The Year</b>		<b>(287,690)</b>	<b>(262,961)</b>

These financial statements are to be read in conjunction with the accompanying Notes.

# Te Ahu Charitable Trust

## Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
Cash & Bank Balances	9	534,209	504,433
Trade Receivables	10	66,354	56,120
<b>Total Current Assets</b>		<b>600,563</b>	<b>560,552</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	8,219,010	8,547,578
<b>Total Assets</b>		<b>8,819,572</b>	<b>9,108,130</b>
<b>Current Liabilities</b>			
Creditors - Accounts Payable		7,830	29,339
Payroll Liability		3,242	3,309
Accrued Expenses		34,020	11,500
GST Payable		2,696	4,509
<b>Total Liabilities</b>		<b>47,789</b>	<b>48,656</b>
<b>Net Assets</b>		<b>8,771,784</b>	<b>9,059,474</b>
<b>Accumulated Funds</b>			
Trust Capital	12	8,771,784	9,059,474
<b>Total Accumulated Funds</b>		<b>8,771,784</b>	<b>9,059,474</b>

The Performance Report has been approved by the Trustees, for and on behalf of the Te Ahu Charitable Trust:

Signed by:  
*Sheryl Bainbridge*

AFAC378AA3525841

Trustee

Trustee

Date 25/02/2024

Signed by:  
*Mike Mitcalfe*

CC6A875318B1C80B

Trustee

Trustee

Date 25/02/2024

These financial statements are to be read in conjunction with the accompanying Notes.

## Te Ahu Charitable Trust

### Statement of Cash Flows

For the Year Ended 30 June 2023

Note	2023	2022
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Cash was received from:		
Receipts from interest	20,042	1,999
Receipts from donations	-	50,000
Receipts from providing goods and services	796,466	728,387
	<b>816,508</b>	<b>780,386</b>
Net GST	(2,826)	(7,704)
Cash was applied to:		
Payments of suppliers and employees	777,127	619,456
	<b>777,127</b>	<b>619,456</b>
<b>Net Cash Flows from Operating Activities</b>	<b>36,555</b>	<b>153,226</b>
<b>Cash Flows from Investing Activities</b>		
Cash was applied to:		
Payments for property, plant & equipment	6,779	57,106
	<b>6,779</b>	<b>57,106</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(6,779)</b>	<b>(57,106)</b>
Net Increase in Cash Held	29,776	96,120
Cash at the Beginning of the Year	504,432	408,312
<b>Cash at the End of the Year</b>	<b>534,208</b>	<b>504,432</b>
<b>This is represented by:</b>		
Cash & Bank Balances	534,208	504,432

These financial statements are to be read in conjunction with the accompanying Notes.



## 1 Statement of Accounting Policies

### Reporting Entity

The Te Ahu Charitable Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 2005 and is domiciled in New Zealand.

### Statement of Compliance and Basis of Preparation

Te Ahu Charitable Trust is eligible to apply Tier 3 PBE Accounting Standards : 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 \$2,000,000. The trust has elected to report in accordance with PBE SFR-A (PS). All transactions in the Financial Statements are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

### Going Concern

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

### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

#### (a) Revenue Recognition

##### SALE OF GOODS AND SERVICES

Revenue from the sale of goods is recognised in the Statement of Financial Performance when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of services is recognised in the Statement of Financial Performance in line with the delivery of services.

##### GRANTS, BEQUESTS AND DONATIONS

Grants and bequests are recognised as revenue when control over the assets is obtained or when all conditions have been met. If the conditions of a grant received have not been met the grant is held as revenue received in advance and recognised as revenue when the conditions are met. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue when control over the asset is obtained.

##### THIRD PARTY/AGENCY INCOME

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

##### INTEREST

Interest income is recognised as it is earned.

##### RENT REVENUE

Rent Revenue is recognised as income on a straight line basis over the term of the lease.

For the Year Ended 30 June 2023

(b) Property, Plant & Equipment and Investment Property

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

Property, plant and equipment consists of operational assets. These include buildings, improvements, heritage assets and plant and equipment.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to the Te Ahu Charitable Trust and the cost of the item can be measured reliably.

Additions are recorded at cost.

DISPOSALS

Gains and losses are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance.

DEPRECIATION

Depreciation is provided for on a straight-line and diminishing value basis on all property, plant and equipment, other than land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

Land is not depreciated.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

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

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.

The following estimated depreciation rates/useful lives have been used:

Buildings	2.00% to 16.00% SL
Fixtures & Fittings	5.00% to 14.29% SL and 10.00% to 67% DV
Site Works	5.00% SL
Heritage Assets	Non Depreciating
Plant & Equipment	16.00 to 50.00% DV

(c) Income Tax

Te Ahu Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(d) Provisions

The Trust recognises for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## Te Ahu Charitable Trust

### Notes to and forming part of the Performance Report (continued)

#### For the Year Ended 30 June 2023

(e) Goods and Services Taxation (GST)

The Trust is registered for GST. All items in the financial statements are stated exclusive of GST, with the exception of Debtors and Creditors. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part or receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

(f) Equity

Equity is the community's interest in the Trust, and is measured by the difference between total assets and liabilities.

(g) Debtors and prepayments

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

(h) Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

(i) Bank accounts and cash

Bank accounts and cash includes cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(j) Advertising, marketing, administration, overheads and fund raising costs

These are expensed when the related service has been received.

(k) Lease expense

Lease payments are recognised as an expense on a straight line basis over the term of the lease.

(l) Changes 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 Donations, fundraising and other similar revenue

Council Grant

**Total Donations, fundraising and other similar revenue**

	2023	2022
	\$	\$
	-	50,000
	-	<b>50,000</b>

These financial statements are to be read in conjunction with the accompanying Notes.

## Te Ahu Charitable Trust

### Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2023

	2023	2022
<b>3 Revenue from providing goods or services</b>	<b>\$</b>	<b>\$</b>
Council Rent	223,797	223,797
Event & Ticket Sales	2,460	0
Cafe Sales	69,593	50,660
Cinema Sales	272,798	153,768
Cafe Catering Sales	11,836	10,282
Cinema Screen Advertising	2,175	1,300
Facility Hire	69,633	37,704
Cinema - Vodafone Rewards	86	48
MSD Wage Subsidy - Covid-19	1,200	60,118
Resurgence Support Payments	-	29,652
Occupancy Recoveries	146,823	174,082
MSD Flexi Wage Support	5,760	-
<b>Total Revenue from providing goods or services</b>	<b>806,160</b>	<b>741,412</b>
<b>4 Interest, dividends and other investment revenue</b>	<b>\$</b>	<b>\$</b>
Interest Received	20,049	1,999
<b>Total Interest, dividends and other investment revenue</b>	<b>20,049</b>	<b>1,999</b>
<b>5 Volunteer and employee related costs</b>	<b>\$</b>	<b>\$</b>
ACC Levies	956	732
General Management	52,500	52,500
Human Resources	-	1,006
Kiwisaver Employer Contributions	4,923	4,507
Uniforms	70	-
Wages & Salaries	239,395	194,000
<b>Total Volunteer and employee related costs</b>	<b>297,844</b>	<b>252,746</b>

These financial statements are to be read in conjunction with the accompanying Notes.

## Te Ahu Charitable Trust

### Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2023

6	Costs related to providing goods or services	2023	2022
		\$	\$
	Cafe Stock Purchases	44,616	32,464
	Cinema Stock Purchases	39,407	25,209
	Film Hire	71,443	38,517
	Art Purchases	795	-
	Advertising	3,792	3,520
	Cleaning	13,463	23,347
	Computer Expenses	979	-
	EFTPOS Fees	912	761
	Event Expenses	1,304	-
	Freight & Courier	-	188
	General Expenses	458	1,400
	Licences & Fees	1,531	532
	Pest Control	2,177	885
	Plant & Machinery	710	195
	Power & Light	16,808	19,584
	Printing & Stationery	3,492	2,489
	Repairs & Maintenance	97,674	58,940
	Security Expenses	10,890	2,174
	Subscriptions	125	-
	Venue Booking System	3,251	3,218
	Waste & Recycling	6,132	5,608
	Website	460	675
	<b>Total Costs related to providing goods or services</b>	<b>320,419</b>	<b>219,704</b>
7	Other Expenses	2023	2022
		\$	\$
	Accountancy Fees	14,515	11,277
	Audit Fee	10,035	11,866
	Bank Fees & Charges	832	540
	Insurance	47,265	37,612
	Interest - Bank Overdraft	4	-
	Land Lease Te Rarawa	14,750	14,750
	Land Lease FNDC	48,060	48,060
	Rates	21,444	20,801
	Telephone & Internet	3,384	3,679
	<b>Total Other Expenses</b>	<b>160,290</b>	<b>148,584</b>
8	Depreciation	2023	2022
		\$	\$
	Depreciation	335,347	435,338
	<b>Total Depreciation</b>	<b>335,347</b>	<b>435,338</b>

These financial statements are to be read in conjunction with the accompanying Notes.

For the Year Ended 30 June 2023

9 Cash & Bank Balances

Bank Account Balances

Cash at Bank - ASB Cheque Account  
 Cash at Bank - ASB Cinema Account  
 Cash at Bank - ASB Cafe Account  
 Cash at Bank - ASB Operations Account

**Total Cash & Bank Balances**

2023	2022
\$	\$
244,142	234,319
132,681	101,706
2,388	4,390
154,997	164,017
<b>534,209</b>	<b>504,433</b>

10 Trade Receivable

Trade Debtors - Accounts Receivable

**Total Trade Receivable**

2023	2022
\$	\$
66,354	56,120
<b>66,354</b>	<b>56,120</b>

All amounts are short-term and have been reviewed for indicators of impairment. The carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Property, Plant & Equipment

**Property, Plant & Equipment 2023**

Buildings  
 Fixtures & Fittings  
 Site Works  
 Heritage Assets  
 Plant & Equipment

**Total Property, Plant & Equipment**

Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
\$	\$	\$	\$
6,876,378	-	237,421	6,638,957
803,188	4,084	94,726	712,546
6,158	-	1,636	4,522
858,633	-	-	858,633
3,222	2,695	1,564	4,352
<b>8,547,578</b>	<b>6,779</b>	<b>335,347</b>	<b>8,219,010</b>

**Property, Plant & Equipment 2022**

Buildings  
 Fixtures & Fittings  
 Site Works  
 Heritage Assets  
 Plant & Equipment

**Total Property, Plant & Equipment**

Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
\$	\$	\$	\$
7,113,799	-	237,421	6,876,378
954,324	44,221	195,357	803,188
7,794	-	1,636	6,158
858,633	-	-	858,633
4,146	-	924	3,222
<b>8,938,695</b>	<b>44,221</b>	<b>435,338</b>	<b>8,547,578</b>

These financial statements are to be read in conjunction with the accompanying Notes.

## Te Ahu Charitable Trust

### Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2023

	2023	2022
<b>12 Trust Capital</b>		
Opening Balance	\$ 9,059,474	\$ 9,322,435
Less:		
Net Deficit	287,690	262,961
<b>Total Trust Capital</b>	<b>8,771,784</b>	<b>9,059,474</b>

In terms of accounting standards, the Far North District Council is the parent of the Trust.

### 14 Related Party Note

The Far North District Council and Te Rununga o Te Rarawa are both considered related parties of Te Ahu Charitable Trust, due to having representation from trustees, who are members on the board.

During the year, Te Ahu Charitable Trust made lease payments to both The Far North District Council and Te Rununga o Te Rarawa. Refer to the below commitments note.

	2023	2022
<b>15 Commitments</b>		
	\$	\$
<b>Te Rununga o Te Rarawa Lease</b>		
This represents the lease of land from Te Rununga o Te Rarawa for a period of 12 years. (2022: 13 years) The annual lease payment is \$14,750 (2022 \$14,750)	191,750	191,750
<b>Far North District Council</b>		
This represents the lease of land from Far North District Council for a period of 26 years. (2022: 27 years) The annual lease payment is \$48,060 (2022 \$48,060).	1,297,620	1,297,620

### 16 Contingent Liabilities and Guarantees

The trust has no contingent liabilities and no guarantees as at 30 June 2023 (2022: Contingent Liabilities Nil, Guarantees Nil).

### 17 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report (2022: Nil).

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF TE AHU CHARITABLE TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Te Ahu Charitable Trust (the Trust). The Auditor-General has appointed me, Angela Edwards, using the staff and resources of BDO Northland, 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 5 to 14, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, 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; and
- the performance information of the Trust on page 4.

In our opinion:

- the financial statements of the Trust on pages 5 to 14
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; 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 Standard - Accrual (Public Sector)* and;

- the performance information of the Trust on page 4 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 2023.

Our audit was completed on 14 February 2024. 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.

KERIKERI PARTNERS: Solomon Dalton Angela Edwards Joanne Roberts Robyn Terlesk

WHANGAREI PARTNERS: Greg Atkins Scott Kennedy Adelle Wilson



### **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 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 Trustees intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### **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.

- 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 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 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.

Signed by:  
  
24A3CAE99AC12393

Angela Edwards  
BDO Northland  
On behalf of the Auditor-General  
Kerikeri, New Zealand