



TAUPO RSA TRUST BOARD

ANNUAL REPORT

2017

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TAUPO RSA TRUST INCORPORATED
FINANCIAL REPORTS
for the Year Ended 31 December 2017

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TAUPO RSA TRUST BOARD

DIRECTORY / ENTITY INFORMATION

as at 31 December 2017

Nature of Business	Charitable Trust	
Registered Office	67 Horomatangi Street, Taupo	
Postal Address	PO Box 2358, Taupo 3351	
Contact Details	(07) 378-7476 (021) 275-4280 admin@tauporsa.co.nz www.tauporsatrust.co.nz	Taupo RSA Office Secretary / Treasurer email website
Entity's Purpose or Mission	<p>The Trust's purpose is to pursue the objectives of its Deed of Trust:</p> <ul style="list-style-type: none"> (a) To assist indigent, aged, sick or infirm Ex-Returned Servicemen and Ex-Servicemen and their wives, widows and dependants. (b) To assist aged or infirm or disabled indigent persons in special circumstances. (c) To assist any public charity or any organisation dispensing charity or relieving or caring for the aged or sick or infirm in special circumstances. (d) To contribute to the benefit of NZ military cadet units. (e) To contribute to any medical research fund or to any school fund or to the education of any person or persons. (f) Any other charitable purpose as defined in Section 61(A) of the Charitable Trusts Act 1997 or in any statutory modification thereof in special circumstances 	
Entity's Structure	The Board of Trustees consist of seven members appointed for a period of three years; comprising a Chairman, Secretary/Treasurer, Property Trustee, Welfare Trustee, Education Trustee and two others.	
Main Sources of Revenue	Trust receives income from a commercial and five residential properties, interest from its share portfolio and cash donations.	
Main Methods Used to Raise Funds	Property Rentals, Interest and public donations though annual Poppy Day collections.	
Entity's Reliance on Volunteers & Donated Goods or Services	The Trust relies on volunteers for collection of Poppy Day funds. The Trust doesn't receive donated goods or services.	
Other Name of Entity	Taupo RSA Trust Inc	
Auditor	Absolute Auditing Limited, PO Box 16475, Tauranga 3147	
Bankers	ANZ Bank, 105-107 Tongariro Street, Taupo 3330	
Trustees	Graeme Williams Garry Lough	Chairman Secretary / Treasurer

TAUPO RSA TRUST BOARD

DIRECTORY / ENTITY INFORMATION - Continued

Peter Bell	Property Trustee
Barry Calder	Education Trustee
John Carter	
Randy Stone	
Diane Wilson	Welfare Trustee

Accounting Year 31 December

Charities Commission Number CC 38069

Inland Revenue Number 066-276-767

TAUPO RSA TRUST BOARD

STATEMENT OF SERVICE PERFORMANCE

for the Year Ended 31 December 2017

Description of the Entity's Outcomes The Trust's key outcome in terms of its operations is the provision welfare support and administration to its beneficiaries; being, former returned and service personnel, their widows/widowers and dependants.

Number of Members Unknown

Grants paid from Welfare Funds \$13,889.81

Grants paid from Poppy Funds \$ 6,463.16

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TAUPO RSA TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE - GENERAL FUND For The Year Ended 31 December 2017

	Notes	2017	2016
GROSS OPERATING			
PROPERTY			
RSA Club			
Revenue			
Lease	8	6,250	13,160
		6,250	13,160
Expenses			
Maintenance & Development		1,383	3,576
Depreciation	1b	0	12,607
		1,383	16,183
Total RSA Club		4,867	(3,023)
Flats			
Revenue			
Rentals		27,970	27,820
		27,970	27,820
Expenses			
Rates		8,449	8,601
Repairs & Maintenance		2,326	2,409
Insurance		3,384	2,418
Depreciation	1b	0	13,693
		14,158	27,121
Total Flats		13,812	699
Property Income (Expenditure)		18,679	(2,324)
BENEFICIARIES			
Education			
Revenue			
Interest Received		3,789	4,470
		3,789	4,470
Expenses			
Bursaries	7	5,000	5,000
Essays	7	800	800
		5,800	5,800
Education Income (Expenditure)_		(2,011)	(1,330)
Returned & Service			
Revenue			
Interest Received		6,263	4,184
		6,263	4,184
Expenses			
Grants	7	2,355	2,916
Taupo Cadet Unit	7	1,300	1,300
Widows / Widowers Christmas Parcels	7	2,435	2,530
		6,090	6,746
Returned & Services Income (Expenditure)		173	(2,562)

TAUPO RSA TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE - GENERAL FUND Continued

	Notes	2017	2016
Community			
Revenue			
Interest Received		0	0
		0	0
Expenses			
Grants		0	0
		0	0
Community Income (Expenditure)		0	0
Beneficiaries Income (Expenditure)		(1,838)	(3,892)
GROSS OPERATING INCOME (EXPENDITURE)		16,841	(6,217)
OVERHEADS			
Revenue			
Interest Received - ANZ & ASB		1,792	2,478
Interest Received - RSA Loans		2,993	1,573
		4,785	4,051
Expenses			
Advertising, Marketing & Communications		552	720
Audit & Accountancy	11	2,217	2,230
Bank Fees		188	54
Communications		745	
Depreciation	1b	0	2,328
Insurance		780	780
Legal		275	2,618
Miscellaneous		880	0
Postal, Stationery, Printing		361	267
Subscriptions		44	0
Valuations		2,706	0
		8,748	8,997
Overheads Income over (Expenditure)		(3,963)	(4,946)
NET INCOME (EXPENDITURE)		12,878	(11,163)

The accompanying notes form part of the financial statements.

These financial statements should be read in conjunction with the attached Audit Report



TAUPO RSA TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE - POPPY FUND For The Year Ended 31 December 2017

	Notes 15	2017	2016
INCOME			
Donations			
Poppy Day		16,599	0
General		182	0
		<u>16,781</u>	<u>0</u>
Interest			
ANZ - Current Account		50	0
Investments		0	0
		<u>50</u>	<u>0</u>
Total Income		<u>16,831</u>	<u>0</u>
EXPENDITURE			
Grants			
Welfare		6,473	0
Hospital & Travel		240	0
Pensions		0	0
Equipment		0	0
		<u>6,713</u>	<u>0</u>
Administration			
Accountancy & Audit		460	0
Bank Fees		0	0
Poppy Day		307	0
Repairs & Maintenance		117	0
		<u>884</u>	<u>0</u>
Total Expenditure		<u>7,597</u>	<u>0</u>
TOTAL INCOME OVER (EXPENDITURE)		<u>9,234</u>	<u>0</u>

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TAUPO RSA TRUST BOARD

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

as at Year Ended 31 December 2017

	Notes	2017	2016
ASSETS			
Current Assets			
Current Account - Trust - ASB & ANZ		7,252	5,391
Current Account - Poppy - Westpac & ANZ		7,403	0
Savings Account - Trust - ANZ	5	142	346,072
Accounts Receivable		0	0
GST Receivable		1,569	0
Prepayments		2,973	2,789
		19,337	354,252
Term Assets			
Share Portfolio	6	61,400	61,400
Term Deposits - Trust	7	350,000	0
Term Deposits - Poppy	7	20,000	0
Term Loans - Taupo RSA Club	8	215,349	33,516
		646,748	94,916
Fixed Assets			
As per Schedule (at Book Value)	3b	2,362,590	2,359,290
Total Assets		3,028,676	2,808,458
LESS LIABILITIES			
Current Liabilities			
GST Payable		0	94
Accounts Payable		3,092	2,350
Income in Advance		180,000	0
Total Liabilities		183,092	2,444
NET ASSETS (LIABILITIES)		2,845,584	2,806,013
REPRESENTED BY:			
Trust Capital			
Retained Earning - General Funds		1,497,095	1,484,216
Retained Earning - Poppy Fund		26,693	0
EH Oliver Education Fund		90,000	90,000
Capital Reserve - Land & Buildings		1,231,797	1,231,797
TOTAL SHAREHOLDERS FUNDS (DEFICIT)		2,845,584	2,806,013

For and on behalf of the Trustees:

Trustee 

Date 11/7/2018..

Trustee 

Date 11/07/2018..

TAUPO RSA TRUST BOARD

STATEMENT OF MOVEMENT IN CAPITAL - CONSOLIDATED For The Year Ended 31 December 2017

	Notes	2017	2016
General Funds			
Equity at Start of Period		1,484,216	1,490,880
General Fund - Net Surplus (Deficit)		12,878	(11,163)
		1,497,095	1,479,717
Prior Period Adjustment		0	(1)
Share Portfolio - Revaluation		0	4,500
General Funds - Retained Earnings		1,497,095	1,484,216
Poppy Fund			
Equity at Start of Period		17,459	0
Poppy Fund - Net Surplus (Deficit)		9,234	0
Poppy Fund - Retained Earnings		26,693	0
PLUS:			
EH Olliver Education Fund		90,000	90,000
Land & Buildings		1,231,797	1,231,797
CAPITAL AT END OF PERIOD		2,845,584	2,806,013

The accompanying notes form part of the financial statements.

These financial statements should be read in conjunction with the attached Audit Report

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TAUPO RSA TRUST BOARD

SCHEDULE OF FIXED ASSETS & DEPRECIATION - CONSOLIDATED

For The Period Ended 31 December 2017

	Original Cost	Open WDV	Additions Date Cost	Disposal Date Cost	Profit / Loss	Depreciation Rate Amt	Accum Dpcn	Closing WDV
Land								
Pensioner Flats	162,000	159,000						159,000
RSA Club	1,310,000	1,380,000						1,380,000
	1,472,000	1,539,000	0	0	0	0	0	1,539,000
Property								
Pensioner Flats x 5	500,157	405,637	2/02/17 3,300				94,521	408,937
RSA Club Rooms	510,234	407,635					102,599	407,635
	1,010,391	813,272	3,300	0	0	0	197,120	816,572
Chattels								
Stoves x 4	4,130	310					3,820	310
Heatpumps x 5	9,348	4,381					4,967	4,381
	13,478	4,691	0	0	0	0	8,787	4,691
Software								
Website	4,730	2,328					2,403	2,328
	4,730	2,328	0	0	0	0	2,403	2,328
	2,500,600	2,359,290	3,300	0	0	0	208,310	2,362,590

TAUPO RSA TRUST BOARD

SCHEDULE OF TERM INVESTMENTS - CONSOLIDATED

as at The Period Ended 31 December 2017

Investments				Transactions			as at 31/12/2017		
	Qty	Price	Value 31/12/16	Purch/ Tfr	Sale	Price	Qty	Price	Value
Term Deposits									
Poppy - ANZ	1	0	0	20,000		1	20,000	1	20,000
Trust - ANZ	1	346,072	346,072	3,928		1	350,000	1	350,000
			346,072	23,928	0		370,000		370,000
Term Loans									
Taupo RSA Inc	1	33,516	33,516	181,833			215,349	1	215,349
			33,516	181,833	0		215,349		215,349
Shares									
Genesis Energy	3,108	2	6,527	0			3,108	2	6,527
Meridan Energy	12,225	3	31,785	0			12,225	3	31,785
Mighty River Power	7,800	3	23,088	0			7,800	3	23,088
			61,400	0	0		23,133		61,400
			440,987	205,761	0		608,482		646,748

TAUPO RSA TRUST BOARD

NOTES TO FINANCIAL STATEMENTS

for the Year ended 31 December 2017

1. Revenue

Total General Fund Revenue for the year amounted to \$49,057 (Last Year \$53,684), a 0.9% decline. This was due to the 'Rent Holiday' given to the Taupo RSA.

2. Statement of Accounting Policies

The Taupo RSA Trust Inc is established under the Incorporated Societies Act 1908. It is NOT a reporting entity for the purposes of the Financial Reporting Act 1993 and the accompanying financial statements and notes have been prepared as "Special Purpose Reports."

Special Purpose Reports do not necessarily comply with the Financial Reporting Act 1993 and Generally Accepted Accounting Practice.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, except for certain items for which specific accounting policies have been identified.

a. Changes in Accounting Policies

No depreciation has been charged on the fixed assets this year. With this exception all policies have been applied on bases consistent with those used in previous years.

b. Fixed Assets & Depreciation

Land is recorded at Government Valuation as at a 1 July 2010. Buildings are recorded at Government Valuation as at a 1 July 2010 less accumulated depreciation until the 31 December 2016 and then no further depreciation has been accounted for as noted above in the change of accounting policy note.

All other fixed assets are recorded at cost price less accumulated depreciation until the 31 December 2016 and then no further depreciation has been accounted for as noted above in the change of accounting policy note.

c. Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis, but included in the Accounts Receivable and Payable. The Pensioner Flats are GST exempt.

d. Income Tax

The Trust is exempt from income tax.

e. Investments

Investments are stated at Market Value as at 31 December 2015.

f. Receivables

Receivables are stated at their estimated realisable value.

g. Rents

Tenant's rentals are reviewed and adjusted annually.

TAUPO RSA TRUST BOARD

NOTES TO FINANCIAL STATEMENTS – Continued

3. Audit

The financial statements have been subject to audit; please refer to the Auditor's Report.

4. Taupo RSA Inc Loan

On 17 March 2017, the Executive Committee of the Taupo RSA Club Inc & Taupo RSA Inc placed the Association and Club into voluntary Administration and appointed a Board of Management to oversee the affairs of the Association and Club. This was done with the consultation and endorsement of the Trustees. The Secretary/Treasurer, Mr Garry Lough, of the Trust along with Mr Richard Cairns (a member of the Taupo RSA) were appointed as the Board of Management.

In addition to the loan carried forward from the prior year (made up of cash advance and rent arrears), four additional cash loans were made in 2017 to enable the Club to clear its debts with local creditors and the IRD and also to pay its annual Gaming License. In November the individual loans were consolidated into one loan and the total consolidated loan is \$215,349.

The Taupo RSA Inc, through the Board of Management, has provided the Trustees with an undertaking that the current repayment arrangement is within their long term financial capability.

5. Share Portfolio

The following shares were purchased to diversify investment and improve returns:

Company	Shares	Yield	Value
Genesis Energy	3,108	4.2%	6,527
Mighty River Power Limited / Mercury Energy	7,800	7.4%	31,785
Meridian	12,225	8.7%	23,088
			61,400

The shares are recorded at the market value as at 31 December 2015 and have not been revalued.

6. Grants & Gifts

The following grants and gifts were made during the year:

Tauhara College	3 x Bursaries	2,250
	ANZAC Essay Competition	400
Taupo Nui-a-Tia College	3 x Bursaries	2,250
	ANZAC Essay Competition	400
Taupo Cadet Unit	1 x Bursary	500
	Training & Achievement	1,300
Returned & Service Widow(er)s	Christmas Gift Parcels	2,530
Returned & Service	Welfare Assistance	<u>2,916</u>
		\$12,546

7. **Rent on Taupo RSA Property.** The Trustees, at the request of the Board of Management, agreed to a 'rent holiday' for the period April to November 2017 as part of the Taupo RSA's financial recovery plan.

TAUPO RSA TRUST BOARD

NOTES TO FINANCIAL STATEMENTS – Continued

8. Sale of 67 Horomatangi Street.

The Trustees, in consultation with the Board of Management, decided to sell the RSA Club property as it couldn't provide a realistic return on the investment. In its current layout and location, it was unsuitable as a standalone club facility and it would be too expensive to redevelop the current building due to new earthquake proofing building code.

The Trust has agreed a sale and received a deposit; the sale date is 6 December 2018.

9. Capital Valuation of Properties

The Taupo District Council triennial revaluation of District Properties revalued the Trusts properties as:

RSA Club Building / Horomatangi Street: \$2,000,000

RSA Pensioner Flats / Taharepa Road: \$ 627,000

10. Contingent Liabilities

As at balance date there were no known contingent liabilities.

11. Related Parties

Garry Lough, the Secretary/Treasurer of the Trust is a Director of Ninetyblack Ltd. Contracts have been awarded to Ninetyblack Ltd; these contracts have been let based on competitive quotes and vigorous assessment by the Trustees. Garry Lough was excused when discussion and decisions on these contracts were decided.

Garry Lough, the Secretary/Treasurer of the Trust is also a member of the Taupo RSA Inc's Board of Management. He identifies subjects that are a conflict of interest and offers advice on both sides of the subject and then doesn't participate in the decision-making process.

12. Audit Fee

In the preparation of these financial statements a provision for an audit fee to be charged in respect of these financial statements has been brought into account, as a creditor, based on the Auditor's quote.

13. Subsequent Events

The financial position of the Taupo RSA Club Inc and Taupo RSA Inc were not strong. As a result, in March 2017, a Board of Management was appointed to manage the Club to determine if its situation can be rectified or if the Club will be closed. The Trustees have oversight of the Board of Management and are receiving regular updates on their progress.

The Board of Management, in conjunction with the Executive Committee, have determined that the Taupo RSA Inc is able to trade its way out of financial insolvency. The Taupo RSA Inc has commenced negotiations with other Taupo clubs for the RSA to co-locate itself and its trading activities. Again, no provision or write off has been included in the Trusts financial statements this year as the Trustees (based on the progress to date) have received an undertaking from the Board of Management that its new loan facility can be repaid.

The Trustees have given the Taupo RSA Inc an undertaking that it is prepared to fund capital improvements to existing Taupo Club's building as a condition of co-location; on the basis that the Trust will hold ownership or lien rights over such building to protect its investment.

TAUPO RSA TRUST BOARD

NOTES TO FINANCIAL STATEMENTS – Continued

14. Poppy Fund Comparatives

In the Statement of Financial Performance – Poppy Fund, there are no comparatives amounts as the Trust only took over the management of the fund from the Taupo Returned Services Association Incorporated in the 2017 financial year.

15. Reporting Framework

The financial report is not compliant with the Charities Reporting Standards. The Trust will comply with the reporting standards for the 31 December 2018 financial year.

TAUPO RSA TRUST BOARD

CHAIRMAN'S ANNUAL REPORT

The past year has been challenging for the Trust. With little to no rent being paid by the Taupo RSA Club for the use of the Trust's land and buildings, a major income stream dried up leaving the Trust in a position where it's financial ability to fulfil its charter is limited, other than by using accumulated capital.

In March 2017, the President of the Club requested the Trust to take over the day to day running of the Club. The Trust sought legal advice to ascertain the legalities involved in taking on such a responsibility. In summary, the Trust's solicitor advised that it is more appropriate for the club to be run under the management of an independent board.

THE CLUB

A Board of Management was duly appointed. Upon taking over the affairs of the club, it became clear the Club was technically insolvent as the result of poor management. Accumulated debt was in the vicinity of \$120,000, with little to no ability to pay.

Faced with this situation, the Board (fired the governance and assumed direct management of the club), consolidated the outstanding bills – including to the IRD - and approached the Trust to loan sufficient money to clear all debts.

Simultaneously, the Club approached the Taupo Bowls Club with the objective of exploring the possibility of collocating the RSA Club on the same premises. Those discussions are ongoing.

THE TRUST

As the dire financial situation within the club developed, concurrently, two prospective buyers made separate approaches to purchase the land and buildings at 67 Horomatangi St. One offer (subsequently withdrawn) was considerably lower than our market valuation, while a second unconditional offer was in the vicinity of our current rateable and market valuations.

RESULT

By July 2017, it had become clear that the RSA Club was unlikely to be able to trade its way out of its financial situation without substantial capital investment by the Trust to upgrade the existing land and buildings.

Given the potential for the name of the RSA Club to be tarnished throughout the community, together with the prospect of colocation of the club with the Bowls Club – thereby enhancing the prospects for the Club to trade its way out of its difficulties, - the Trust agreed to consolidate existing loans and extend further financial assistance to the Club, totalling \$215,348.66 to enable all consolidated debt to be cleared.

Effectively, the Trust became the club's banker.

In October 2017, the Trust decided to accept the second, unconditional, offer and sell the land and buildings at 67 Horomatangi St. This decision was justified on the basis that the current premises were no longer a profitable option and that by accepting the higher offer, the Trust could cover the Clubs debts – albeit as a loan.

CHAIRMAN'S ANNUAL REPORT - Continued.....

THE POPPY FUND

The Board of Management found that the Poppy Fund was exposed and very likely that its funds would probably be lost to a potential liquidator, should the Taupo RSA Club Inc be placed into liquidation by a creditor. In April 2017, the Board of Management, with the Trust's agreement, transferred the Poppy Fund and its management back to the Trust. The Poppy Fund is now held under Trust and subject to all the proper legal checks and balances of a Charitable Trust.

WELFARE SUPPORT SERVICES

New welfare management procedures, between the Taupo RSA Inc and the Taupo RSA Trust Board, were established; whereby a Joint Welfare Committee now determines all requests for welfare support and then directs which welfare fund (Trust, Club or Poppy) will meet the financial commitment. These procedures, in a short period of time, proved to be a reactive, effective and successful delivery of welfare support.

CONCLUSION

2017 was a challenging year for the Trust. However, as a result of the efforts of the Board of Management and the Trustees, the Taupo RSA remains open for business, the Trust remains in a healthy financial situation and all requests for welfare assistance have been fulfilled.

I would like to thank the Board of Management for their efforts to keep the Club solvent and the Trustees for their support in assisting the welfare of eligible beneficiaries.


Graeme Williams
Chairman

sarahdillon@absoluteauditing.com
PO Box 16475, Bethlehem, Tauranga 3147
Phone (027) 430 8707

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Taupo RSA Trust Incorporated

Disclaimer of Opinion

We were engaged to audit the Performance Report of Taupo RSA Trust Incorporated, which comprise of the Statement of Financial Position as at 31 December 2017, and the Statement of Financial Performance, Statement of Movement in Capital and notes to the Performance Report, including a summary of significant accounting policies.

We do not express an opinion on the accompanying Performance Report of the Trust. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to provide a basis for an audit opinion on the Performance Report.

Basis for Disclaimer of Opinion

The new reporting standards came into effect for years ending after 31 March 2016 and the first year the Trust was required to comply with the new standards was 31 December 2016. However, due to time taken trying to resolve financial issues experienced by the Taupo RSA Club Inc for the last two financial years the Trustees elected not to comply with the new reporting requirements and prepared Special Purpose Financial Statements.

If the new accounting standards were applied, in addition to the inclusion of a Statement of Cashflow the greatest change for the Trust is a change in the accounting policy for the valuation of Shares and Land and Buildings. Currently, Investments and Land and Buildings are valued at the Market Valuation however under the new standards they are required to be valued at cost and depreciation would be required to be charged (depreciation was stopped for the 2017 financial year). If the correct accounting policies were in place this difference in policy would have a material impact on the Performance Report.

In addition, as a result of the financial trouble the Taupo RSA Club Inc faced on four occasions the Trustees were faced with the decision of whether to lend them further money to cover their debts. On each occasion the decision was made to extend the loan and as such the loan to the Club grew significantly (from \$33k to \$215k). There is significant uncertainty surrounding the collectability of the debt owing from the Taupo RSA Club Incorporated and no provision for doubtful debts has been recorded in the Performance Report.

Interest owing to the Trust at balance date totalling over \$1,000 was not accrued into the financial year resulting in the income being understated. This was again due to lack of time available to the Trustees.

The Trustees have stated that they will comply with the new reporting standards for the 31 December 2018 year end.

Trustees Responsibilities for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practical, that are relevant, reliable, comparable and understandable, to report in the Statement of Service Performance;
- b) the preparation and fair presentation of the Performance Report which comprise of:
 - The Entity Information
 - The Statement of Service Performance
 - The Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and notes to the Performance Reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not For Profit) issued in New Zealand by the New Zealand Accounting Standards Board,
- c) and for such internal control as the Trustees determine is necessary to enable the preparation of a Performance Report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Performance Report

Our responsibility is to conduct an audit of the Trust's Performance Report in accordance with International Standards on Auditing (New Zealand) and to issue an auditor's report.

However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to provide a basis for an audit opinion on the Performance Report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Sarah Dillon
Absolute Auditing Ltd
New Zealand
16 July 2018

