

MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST**Contents of Financial Statements****For the Year Ended 31 December 2019**

Contents of Financial Statements	2
Directory	3
Statement of Comprehensive Revenue and Expense	4
Statement of Movement of Trust Funds	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8-15
Auditor's Report	16

The following Trustees were Trustees in respect of the year ended 31 December 2019 unless otherwise stated.

Trustees:

Alan Brame (Chair)

Renny Hayes

Katie Noble

James Wear

Kim Conner

Shawn Rutene (resigned 21st October, 2019)

Candice Robertson (appointed 1st January, 2019)

Struan Abernethy (appointed 1st January, 2019)

Tejveer Singh Sethi (appointed 1st February, 2019 and resigned 14th April 2020)

David Tommas (resigned 31st March, 2019)

Gwen Green (appointed 1st May 2020)

Jackson Rowland (appointed 1st May 2020)

Charity Registration number: CC24625

Registered Office:

10 Eden Street, Newmarket

Auckland 1023

Principal Activities:

Make-A-Wish Foundation of New Zealand Trust was established in 1986 and formally registered as a charity in 1993. Make-A-Wish Foundation of New Zealand Trust is an affiliate of Make-A-Wish International, the largest wish granting organisation in the world. Make-A-Wish International was founded in 1993 and supports over 40 affiliates throughout the world to deliver wishes. The principal activity of Make-A-Wish Foundation of New Zealand Trust is granting wishes to children with critical illnesses. We deliver the wishes through a national volunteer network and support the cost of wishes via fundraising at events, sponsors and donors. We also work with suppliers who provide support in-kind to enable us to deliver wishes.

MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Statement of Comprehensive Revenue and Expense

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Wish Revenue			
Total Wish Revenue	4	<u>4,031,071</u>	<u>3,864,149</u>
		4,031,071	3,864,149
Wish Expense			
Wish Expenses		1,354,414	1,250,168
Supporter Engagement and Fundraising Expenses		2,116,800	2,117,482
Total Wish Expenses	5	<u>3,471,214</u>	<u>3,367,650</u>
Gross Surplus from Wish Activities		559,857	496,499
Other Income			
Other Income		14,176	12,568
Total Other Operating Income		<u>14,176</u>	<u>12,568</u>
Gross Surplus after Other Operating Income		574,033	509,067
Less Operating Expenses			
Audit Fees		13,000	13,460
Depreciation	8	22,370	6,756
Building Expenses		85,074	83,874
Legal Fees		17,613	-
Salaries		300,626	270,791
Other Administrative Expenses		209,409	179,216
Total Operating Expenses		<u>648,092</u>	<u>554,097</u>
(Deficit) for the Year before Investment Income		<u>(74,059)</u>	<u>(45,030)</u>
Add Investment Income			
Dividend Income		44,557	20,052
Investment Income/(Loss)		222,441	(71,290)
Interest Income		83,643	94,260
Total Investment Income		<u>350,641</u>	<u>43,022</u>
Other Comprehensive Revenue and Expense for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Revenue and Expense for the Year		276,582	(2,008)

These financial statements should be read in conjunction with the notes on pages 8 to 15



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Statement of Movements of Trust Funds

For the Year Ended 31 December 2019

2019	Note	Opening Balance 1 January	Surplus/ (Deficit) for the year	Transfer for the year	Closing Balance 31 December
Other Trust Funds		975,418	276,582	-	1,252,000
Reserve Fund *	3 (e)	2,200,000	-	-	2,200,000
Total Trust Funds		3,175,418	276,582	-	3,452,000
2018					
Other Trust Funds		3,177,426	(2,008)	(2,200,000)	975,418
Reserve Fund *	3 (e)	-	-	2,200,000	2,200,000
Total Trust Funds		3,177,426	(2,008)	-	3,175,418

* The Reserve Fund was established during the year ended 31 December 2018

These financial statements should be read in conjunction with the notes on pages 8 to 15



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

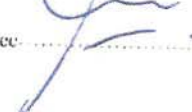
Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash & Cash Equivalents		598,808	591,021
Receivables & Prepayments under Exchange Transactions		662	13,139
Receivables & Prepayments under Non-Exchange Transactions		65,951	125,438
GST Receivable		36,399	44,773
Current Investments	6	-	82,178
		<u>701,820</u>	<u>856,549</u>
Non-Current Assets			
Property, Plant & Equipment	8	50,833	27,970
Non Current Investments	7	2,864,614	2,644,988
		<u>2,915,447</u>	<u>2,672,958</u>
Total Assets		<u>3,617,267</u>	<u>3,529,507</u>
Liabilities			
Current Liabilities			
Payables & Accruals under Exchange Transactions		112,224	160,343
Payables & Accruals under Non-Exchange Transactions	9	7,792	154,300
Employee Entitlements		45,251	39,446
Total Liabilities		<u>165,267</u>	<u>354,089</u>
Net Assets		<u>3,452,000</u>	<u>3,175,418</u>
Total Trust Funds		<u>3,452,000</u>	<u>3,175,418</u>

Approved by the Trustees, dated 25th May 2020

Trustee:  ALAN BRAME (CHAIR)

Trustee:  Struan Abernethy (Chair of Finance Committee).

These financial statements should be read in conjunction with the notes on pages 8 to 15



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
	\$	\$
Cash flows from operating activities		
Cash receipts from fundraising, grants and donations	2,532,810	2,368,958
Cash paid to suppliers	(2,707,160)	(2,272,520)
Cash used in operations	(174,350)	96,438
Other income received	14,176	12,567
Cash (used in)/ generated from operating activities	<u>(160,174)</u>	<u>109,005</u>
Cash flows from investing activities		
Payments for purchase of fixed assets	(45,233)	(1,388)
Interest received	83,643	94,260
Dividends received	24,188	20,052
Proceeds on disposal of investments	729,671	533,377
Payments for purchase of investments	(624,308)	(325,672)
Net cash from investing activities	<u>167,961</u>	<u>320,629</u>
Net increase in cash and cash equivalents	7,787	429,634
Opening Balance of Cash and cash equivalents	591,021	161,387
Closing Balance of Cash and cash equivalents	<u>598,808</u>	<u>591,021</u>

These financial statements should be read in conjunction with the notes on pages 8 to 15



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements

For the Year Ended 31 December 2019

1 Reporting Entity

Make-A-Wish Foundation of New Zealand Trust ("The Trust") is a Discretionary Trust under the Trustee Act 1956. The Trust is domiciled in NZ and registered under the Charities Act 2005. The financial statements have been prepared in accordance with the requirements of that Act. For the purposes of financial reporting, the Trust is a not for profit public benefit entity.

The Trust is involved in the business of granting the wishes of children with critical illnesses.

2 Basis of Preparation

(a) Statement of Compliance and Basis of Accounting

The Trust's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity (PBE) Accounting Standards as appropriate for Tier 2 not-for-profit public benefit entities. For purposes of complying with NZ GAAP, the Trust is a not-for-profit public benefit entity and is eligible to apply Tier 2 PBE Reduced Disclosure Regime (PBE RDR) on the basis that it does not have public accountability and it is not defined as large on the basis that total expenditure is less than \$30 million in the two preceding reporting periods.

The financial statements were authorised for issue by the Trustees on 25th May 2020.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities that have been measured at fair value as disclosed in the relevant significant accounting policies.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

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

(d) Use of estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Trust's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



For the Year Ended 31 December 2019

3 Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on the basis of historical cost are followed by the Trust, with the exception of certain assets and liabilities which are measured at fair value.

The following specific accounting policies have been applied:

(a) Receivables & Prepayments

Trade receivables are initially recognised at fair value, being the amount due and are classified as Receivables & Prepayments. Debts which are known to be uncollectable are written off.

Provision for impairment is established whenever there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

(b) Income Tax

The Trust is a not for profit charitable organisation, registered in accordance with the Charities Act 2005, and is therefore exempt from income tax under the Income Tax Act 2007.

(c) Goods and Services Taxation (GST)

The financial statements have been prepared on a GST exclusive basis with the exception of Payables and Receivables which are shown inclusive of GST.

(d) Cash and Cash Equivalents

The Trust considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents may include cash on hand or held by financial institutions.

Cash on hand and on-call deposits managed by the Trust's investment manager, JB Werc, are classified as cash and cash equivalents for statutory reporting purposes.

(e) Trust Funds

The general reserves are required by the Trust to meet its objectives of granting wishes and to provide adequate supply of working capital. This enables the Trust to complete its long-term development objectives, to protect its current activities, allow trustees to meet their responsibilities and ensure that the charity continues on a going concern basis.

The Reserve Policy requires that the Trust holds a separate reserve to cover the following year's budgeted cash expenses excluding the expenses directly related to fundraising. Access to these funds will require a special resolution of the Board i.e. 75% approval by the Board.

MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

4 Wish Revenue Recognition

	2019	2018
	\$	\$
Wish Revenue From Non-Exchange Transactions		
Fundraising	2,022,073	2,075,088
Gifts In-Kind	432,432	381,183
Donations & Bequests	1,437,691	1,325,348
Grants	138,875	82,530
Total Wish Revenue	4,031,071	3,864,149

i. Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Trust receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Trust will receive an inflow of economic benefits or service potential; and
- The fair value can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

The following are the specific recognition criteria in relation to the Trust's non-exchange transactions:

Fundraising, Gifts, and Donations & Bequests

Fundraising, gifts and donations & bequests are voluntary transfers of assets including cash or other monetary assets, goods in-kind and services in-kind that the Trust receives which are free from stipulations.

Fundraising, gifts and donations & bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations this usually is upon receipt of the gift or donation.

Fundraising, gifts and donations & bequests are recognised as revenue at their fair value at the date of recognition.



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

4 Wish Revenue Recognition (continued)**i. Revenue from Non-Exchange Transactions (continued)***Grants*

The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset.

Stipulations that are 'conditions' specifically require the Trust to return the inflow of resources received if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

The grants provided free from stipulations are recognised when it is received by the Trust.

ii. Revenue from Exchange Transactions*Interest income and Dividend income*

Interest income is recognised as it accrues, using the effective interest method. Dividend revenue is recognised when the Trust's right to receive the payment is established.

5 Wish Expense Recognition

Wish Expense consists of two categories of expenses, 'Wish Expenses' and 'Supporter Engagement and Fundraising Expenses'.

Expenses that are spent directly on, or relate directly to delivering wishes to eligible wish children, are classified as "Wish Expenses". Wish expenses include all direct and indirect costs of the wish delivery. Goods in-kind and services in-kind received and recognised in Wish Revenue are recorded and recognised in "Wish Expense" at the same dollar amount, at the time they are recognised as Wish Revenue.

Expenses covering the costs of fundraising and the costs associated with actively communicating with donors and supporters are classified as "Supporter Engagement and Fundraising Expenses".

A breakdown of Supporter Engagement & Fundraising Expenses are as follows:

	2019	2018
	\$	\$
Fundraising, Regular Giving & Event Expenses	1,177,465	1,154,529
Marketing and Supporter Engagement Costs	903,364	915,614
Other	35,971	47,339
Total Supporter Engagement and Fundraising Expenses	2,116,800	2,117,482



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

6 Current Investments at fair value through surplus or deficit

	2019	2018
	\$	\$
New Zealand Bonds	-	82,178
Total Current Investments	-	82,178

7 Non Current Investments at fair value through surplus or deficit

	2019	2018
	\$	\$
Managed Fund- New Zealand Bonds	1,437,181	1,504,238
Managed Fund- New Zealand Equities	437,623	331,473
Managed Fund- Other	989,810	809,277
Total Non Current Investments	2,864,614	2,644,988

Investments

Investments held by the Trust comprise fixed interest securities, equity instruments and units held in managed funds.

The Trust holds investments in the normal course of business, to meet the investment needs of its operations. Investments are classified as financial assets at fair value through surplus or deficit as these instruments are designated as such upon initial recognition on the basis that the Trust manages its investments and makes purchase and sale decisions based on their fair value.

Upon initial recognition, these investments are recognised initially at fair value. Directly attributable transaction costs are recognised in surplus and deficit, when incurred.

Subsequent to initial recognition, investments at fair value through surplus and deficit are measured at fair value, and changes therein are recognised in the statement of Comprehensive Revenue and Expense as investment income.

Any gain or loss on sale of investments is recognised in surplus or deficit.

Investments are measured at fair value at each reporting date based on the current quoted market price where available. Where a quoted price is not available one of the following valuation techniques are used to value the assets at reporting date: recent arm's length transaction price or other valuation techniques commonly used by market participants.



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

8 Property, Plant & Equipment

	Furniture & Fittings	Computer Hardware	Computer Software	Total
	\$	\$	\$	\$
Cost				
Opening Balance as at 1 January 2019	77,660	38,709	37,042	153,411
Additions	-	44,588	645	45,233
Disposals	(12,304)	(2,075)	-	(14,379)
Closing Balance as at 31 December 2019	<u>65,356</u>	<u>81,222</u>	<u>37,687</u>	<u>184,265</u>
Accumulated Depreciation				
Opening Balance as at 1 January 2019	52,531	35,952	36,958	125,441
Depreciation	4,097	17,908	365	22,370
Disposals	(12,304)	(2,075)	-	(14,379)
Closing Balance as at 31 December 2019	<u>44,324</u>	<u>51,785</u>	<u>37,323</u>	<u>133,432</u>
Net Book Value				
Closing Balance as at 31 December 2018	<u>25,129</u>	<u>2,757</u>	<u>84</u>	<u>27,970</u>
Closing Balance as at 31 December 2019	<u>21,032</u>	<u>29,437</u>	<u>364</u>	<u>50,833</u>

Property, Plant & Equipment

(i) Recognition and measurement

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Any gain or loss on disposal of an item of property, plant and equipment is recognised in surplus or deficit.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Trust. All other repair and maintenance costs are recognised in the Statement of Comprehensive Revenue and Expense as an expense as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the diminishing value method over their useful lives, and is recognised in surplus or deficit. Significant depreciation rates used for each class of assets are as follows:

Furniture & Fittings	8-67% DV
Computer Hardware	30-60% DV
Computer Software	50-60% DV

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

9 Payables & Accruals under Non-Exchange Transactions

Prior Year Accrual

The Trust received a bequest of \$ 483,000 on 23 Nov 18. Subsequent to the receipt, a claim was received against the bequest. There was uncertainty with regard to the amount of the claim and The Trustees estimated the potential liability as \$145,000 and recognised this as a liability, included within Payables and accruals under Non-Exchange transactions in the Statement of Financial Position as at 31 December 2018. The Trust engaged legal counsel to act on its behalf in relation to this matter. During 2019 this claim was settled and the balance of \$141,726 was taken to Wish Revenue.

10 Related Party Disclosures

- (a) The Trust is an affiliate of Make-A-Wish International (MAWI). During the year ended 31 December 2019, the Trust paid an affiliation fee to MAWI of \$142,179 (2018: \$68,134), and other admin fee and license fee of \$nil (2018: \$2,518).

As at balance date, an amount of \$20,560 was payable to MAWI (2018: \$31,788).

- (b) All Affiliates of MAWI work with each other assisting with wish children who wish to travel to their country. The expenses incurred by the hosting country affiliate are recharged to the originating country affiliate.

During the year, related party income received totalled \$72,806 (2018: \$74,886), and related party expenses incurred totalled \$46,817 (2018: \$19,084).

As at balance date total amount of \$nil (2018: \$8,398) was due from and an amount of \$5,492 (2018:\$3,509) due to Other Make-A-Wish affiliates.

No related party balances owing or owed were written off or forgiven during the period (2018: Nil).

- (c) Key management personnel compensation

Key management personnel (KMP) of the Trust includes, the Trustees and the Trust's Management team. No remuneration was paid to Trustees in respect of the year ended 31 December 2019 (2018: Nil). Flight expenses of \$nil relating to attendance of the MAWI conference was paid for a Trustee during 2019 (2018: \$2,400). Remuneration and other benefits paid during the reporting period relating to KMP was as follows:

	2019	2018
	\$	\$
KMP remuneration	472,402	494,947

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel in 2019 consistent with the 2018 financial year.

The Trust did not provide any loans to key management personnel or their close family members in 2019 consistent with the 2018 financial year.

Related Parties

The Trust regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Trustee, or vice versa.

Members of key management are regarded as related parties and comprise senior management and Trustees of the Trust.



MAKE-A-WISH FOUNDATION OF NEW ZEALAND TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 December 2019

11 Operating Lease Commitments

	2019	2018
	\$	\$
Less than one year	69,169	69,169
Between one and five years	23,056	92,225
More than five years	-	-
Total	92,225	161,394

The lease arrangement is over the office premises at 10 Eden street. The lease agreement provides for the right of renewal for another 3 year term till 9 May 2021 with the final expiry date of 9 May 2024.

Operating Leases

Operating leases are those where all the risks and benefits incidental to ownership are retained by the lessor.

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense over the lease term as an integral part of the total lease expense.

12 Subsequent Events

On the 30th January 2020, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. As this declaration was made after the reporting period, this does not constitute an "Adjusting Event" as defined in PBE IPSAS 14 Events After the Reporting Date. Post 31 December 2019, the Trust like many organisations has been impacted both operationally and financially by COVID-19. Operationally, given the risk to our wish childrens health, we stopped granting travel and "meet and greet" wishes. During this period, the Trust has continued to engage (face to face meetings have been stopped) with wish families and volunteers to provide wish children hope, encouragement and to help them consider/ plan for their one true wish. From a financial perspective, the value of the Trust's investments held at year end (refer Note 7) have been impacted by the global reduction in share prices, resulting in a 3.2% decrease, as at 30 April 2020, on 31 December Statement of Financial Position values. In addition, as at 30 April 2020, Wish Revenue is 16% lower than budget. Though the Trust has been impacted financially by COVID-19, both management and Trustees believe adequate reserves are available to support the operations of the Trust.





Independent Auditor's Report

To the beneficiaries of Make a Wish Foundation of New Zealand Trust

Report on the audit of the financial statements

Qualified opinion

In our opinion, the accompanying financial statements of Make a Wish Foundation of New Zealand Trust (the Trust) on pages 4 to 15, except for the possible effects of the matter described in the basis for qualified opinion:

- i. present fairly in all material respects the Trust's financial position as at 31 December 2019 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit).

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2019;
- the statements of comprehensive revenue and expense, movement of Trust funds, and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The Trust's recorded revenue includes fundraising income of \$264,616, gifts in kind of \$73,152, and non-corporate donations of \$577,873. Control over such revenues prior to being recorded is limited and there were no practical audit procedures that we could perform to confirm independently that this fundraising income, gifts in kind, and non-corporate donations revenue were properly recorded. Accordingly, we were not able to determine whether any adjustments might be necessary to the amounts shown in the financial statements for revenue and net profit. Our audit opinion for the year ending 31 December 2018 was also qualified in this respect.

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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Other information

The Trustees, on behalf of the Trust, are responsible for the other information included in the Trust's Directory. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.



Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the Trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit));
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG

KPMG
Auckland

28 May 2020