

The Sir Peter Blake Trust
Consolidated Performance Report
for the year ended 30 September 2019

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The Board of Trustees is pleased to present the performance report for the Sir Peter Blake Trust, for the year ended 30 September 2019.

The performance report presented on pages 2 – 13 are signed for and on behalf of the board.

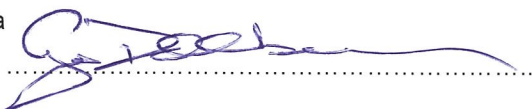
Paul Reynolds



Trustee

9 December 2019

Gina Dellabarca



Trustee

9 December 2019

Authorised for issue on 9 December 2019

TRUST DIRECTORY

Incorporation Date:

17 December 2003
(Under the Charitable Trusts Act 1975)

Principal Activities:

Charitable Trust

Patron:

Her Excellency Lt General The Right
Honourable Dame Patsy Reddy, DNZM,
Governor General of New Zealand
Pippa, Lady Blake

Trustees:

Dr Paul Reynolds (Chair)
Pippa, Lady Blake
Te Aue Addison-Te Whare (Appointed
15/05/2019)
Ngarimu Blair
Gina Dellabarca
Iona Holstead
Nicholas Humphries (Appointed 15/05/2019)
Andre Lovatt (Appointed 15/05/2019)
Nicholas Main
John Martin (Resigned 29/11/2018)
Mahina Melbourne (Alternate for Iona
Holstead, Secretary of Education from
14/08/2019)
David Proctor (Appointed 29/11/2018)
Vicky Robertson
Kevin Shoebridge
Suze Strowger (Alternate for Iona Holstead,
Secretary of Education to 14/08/2019)
Gary Wilson

Lifetime Members:

Sir Ronald Carter
Sir Christopher Mace
Don Robertson

Sir Peter Blake Charity Ltd Directors:

James Gibson
Nicholas Main (Appointed 15/05/2019)
Paul Reynolds
Gary Wilson

Solicitors:

Chapman Tripp
Level 35
ANZ Centre
23-29 Albert Street
Auckland

Bankers:

Westpac New Zealand Limited
16 Takutai Square
Auckland

Accountants:

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland

Auditors:

PricewaterhouseCoopers
Level 22
PricewaterhouseCoopers Tower
188 Quay Street
Auckland

Chief Executive

James Gibson

Contact Details:

Auckland 2000 Centre
Cnr Quay and Hobson Streets
Viaduct Harbour
Auckland

PO Box 106 955
Customs St
Auckland 1143
T: 09 307 8875
W: blakenz.org

Entity Information

for the year ended 30 September 2019

Legal Name	Sir Peter Blake Trust
Other Name of Entity:	BLAKE
Type of Entity	Charitable Trust and Registered Charity
Registration Number	CC25007 & CC23874
Entity's Purpose or Mission	Sir Peter Blake Trust aims to restart people caring for the environment through adventure, participation, education and enjoyment.
Entity Structure	<p>Sir Peter Blake Trust (the 'Trust') was incorporated on 17 December 2003 as a Charitable Trust. The Trust was established with an endowment of \$3,800,000 from the New Zealand Government. Sir Peter Blake Charity Limited (the 'Company') was incorporated on 15 August 2006 and is 100% owned by the Sir Peter Blake Trust. The Trust undertakes the investment functions, while the Company was incorporated to undertake the operating functions. Both the Trust and the Company are registered charities.</p> <p>Trustees are appointed to the Trust Board for a three year term and include representatives from the Ministry for the Environment, Ministry of Education, Westpac New Zealand Limited and Royal New Zealand Navy.</p>
Main Sources of the Entity's Cash and Resources	The Sir Peter Blake Trust fund, created by the endowment of \$3,800,000, was provided as a means for the Trust to generate income to pursue the objectives of the Trust. In the 2019 financial year, the Trust received its income from a mixture of investment revenue, grants and donations, commercial sponsorship and service contracts.
Main Methods Used by the Entity to Raise Funds	The Trust raises funds through applying to funders for support, working with commercial sponsors, generating revenue directly from participants, and through fundraising events such as the annual Great Blake Race.
Entity's Reliance on Volunteers and Donated Goods or Services	<p>Volunteers: The Trust utilised the services of 28 volunteers (2018: 100) during the year to support its programmes. These included trustees serving on the Trust Board, community leaders talking to school groups, chaperones on field trips and alumni undertaking speaking engagements on behalf of the Trust.</p> <p>Donated Goods and Services: The Trust was fortunate to receive considerable support from sponsors and donors by way of donated goods and services. This included venues for meetings, Trust Board secretarial services, accounting, financial and legal advice, auditing services, video production, access to retail distribution for red socks, a major event venue and printing services.</p> <p>Donations of services and products received in kind have not been recognised in the consolidated statement of financial performance as their fair value cannot be reliably estimated. However, the Trust recognises and extends its appreciation to the following organisations for their contributions in the 12 months to 30 September 2019: Westpac New Zealand Limited, Chapman Tripp, Ministry for the Environment, Ministry of Education, NIWA, Giltrap Trust, Royal New Zealand Navy, Fuji Xerox New Zealand Limited, KPMG, PricewaterhouseCoopers, The Visual Collective, Royal New Zealand Yacht Squadron, THL and The Warehouse.</p>

Statement of Service Performance

for the year ended 30 September 2019

Sir Peter Blake Trust's Outcomes:

The role of the Trust is to 'inspire and prepare young New Zealanders to lead a sustainable future for Aotearoa'. The Trust is aiming to achieve the following outcomes by 30 September 2021:

- Prepare at least 400 people to lead a sustainable future for New Zealand;
- Inspire at least 40,000 people to care for the environment.

Sir Peter Blake Trust's Outputs:

1. PREPARE PEOPLE TO LEAD A SUSTAINABLE FUTURE	2019	2018
• BLAKE Awards The prestigious BLAKE Leadership Awards are conferred to individuals with the determination and will to succeed and a belief in achieving extraordinary things for New Zealand.		
<ul style="list-style-type: none"> Awards conferred: 	8	7
• BLAKE Inspire (Formerly Youth EnviroLeaders Forum) A week long leadership development adventure held in Waikato in April 2019 (Taranaki 2018), targeting year 11-13 student environmental leaders.		
<ul style="list-style-type: none"> Student Delegates: 	56	56
• BLAKE Inspire (for sailors) A week long leadership development adventure held in Auckland in July 2019, targeting young sailing environmental leaders.		
<ul style="list-style-type: none"> Sailing Delegates: 	30	NA
• Young BLAKE Expedition Ocean Voyage Expedition to the Kermadecs, with the support of the Royal New Zealand Navy, targeting secondary school students identified with outstanding leadership potential for a once-in-a-lifetime expedition. (No expedition in 2019).		
<ul style="list-style-type: none"> Student voyagers: 	NA	18
<ul style="list-style-type: none"> Adult crew: 	NA	25
• BLAKE Ambassadors Environmental field work with Department of Conservation, NIWA, Antarctica NZ and the Antarctic Heritage Trust and Tara, targetting tertiary students, graduates and teachers, 18-25 years old.		
<ul style="list-style-type: none"> BLAKE Ambassadors: 	13	13
• Environmental Educator The opportunities for this years educator included the expedition to the Kermadecs and attending BLAKE Inspire. (Note this programme has been replaced by BLAKE Inspire for Teachers from Term 1 2019).		
<ul style="list-style-type: none"> Number of teachers: 	1	1
• BLAKE Inspire for Teachers A week long environmental education development opportunity for teachers held in Auckland in September (and October) 2019.		
<ul style="list-style-type: none"> Teacher delegates: 	29	NA

Statement of Service Performance

for the year ended 30 September 2019

2. INSPIRE PEOPLE TO CARE FOR THE ENVIRONMENT

2019

2018

• Dream Team

During Leadership Week, Kiwi leaders take time to visit schools and inspire Kiwi kids to achieve their dreams.

- Children reached in face to face classroom sessions (replaced with BLAKE NZ Virtual Reality Project from 2019):

NA 32,000

• Young Leader Awards

Supported by Westpac, Young Leaders from primary and intermediate schools are nominated by their school and presented with the award for all round leadership.

- Awards presented:

470 634

• BLAKE NZ Virtual Reality project

Working in partnership with NZ Geographic, 360 video footage has been collected underwater at some of New Zealand's most important marine locations, and used for environment education within schools and publicly.

- Number of sites filmed and videos created:
- Children reached in face to face class room sessions:

NA 5
15,332 NA

Additional Output Measures:

Sir Peter Blake Trust is a small organisation with limited resources. BLAKE extends its reach into the community by encouraging other groups to engage in activities which encourage leadership development and environmental awareness.

• Collaboration

Collaboration with schools, community groups and businesses is a key feature of BLAKE's programmes.

Collaborative partners involved in our programmes include Westpac New Zealand, Yachting New Zealand, Ministry for the Environment, Ministry of Education, Department of Conservation, New Zealand Geographic, Royal New Zealand Navy, NZ Sailing Trust, Emirates Team New Zealand, University of Auckland, University of Otago, Air New Zealand, NZ Maritime Museum, Genesis Energy, Villa Maria, Tourism Holdings Ltd, NIWA, Antarctica New Zealand, Tainui, Ngāti Whātua Ōrākei, Auckland Council, Auckland War Memorial Museum and New Zealand schools.

Consolidated statement of revenue and expense

for the year ended 30 September 2019

	Note	2019 \$	2018 \$
Revenue			
Donations and grants	7	329,896	319,310
Dividend income		89,978	77,346
Interest income		101,435	141,041
Sponsorships		326,757	311,138
Programme service revenue		443,284	433,511
Red socks revenue		124	6,532
Other income		39,628	47,416
Net change in fair value of investments		186,806	38,708
Total operating revenue		1,517,908	1,375,002
Expenses			
Administration and overhead costs		130,809	84,627
Lease and rental expense		52,766	54,355
Fundraising expenses		314	-
Programme costs		340,147	533,141
Employee costs		786,491	717,242
Red socks expense		713	9,164
Amortisation and depreciation	4, 5	25,782	34,030
		1,337,022	1,432,559
Net surplus/(deficit) for the year		180,887	(57,557)
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expenses		180,887	(57,557)

Consolidated statement of movements in trust funds

for the year ended 30 September 2019

	2019 \$	2018 \$
Total comprehensive revenue and expense		
Net surplus/(deficit) for the year	180,887	(57,557)
Other comprehensive revenue and expense	-	-
	180,887	(57,557)
Total trust funds at the beginning of the year	4,507,820	4,565,377
Total trust funds at the end of year	4,688,707	4,507,820

Consolidated statement of financial position

as at 30 September 2019

	Note	2019 \$	2018 \$
Trust funds	2	4,688,707	4,507,820
Current assets			
Cash at bank		347,033	1,201,169
Accounts receivable		22,526	79,938
Other receivables and prepayments		127,051	8,361
GST refund		6,733	-
Stock on hand		15,559	2,494
		518,902	1,291,962
Non-current assets			
Property, plant and equipment	5	56,127	19,436
Intangibles	4	700	9,100
Investments	3	4,597,240	3,348,020
		4,654,067	3,376,556
Total assets		5,172,969	4,668,518
Current liabilities			
Accounts payable and accruals		63,688	15,166
Unearned income		350,063	74,133
Employee benefits		70,511	60,814
GST payable		-	10,585
Total liabilities		484,262	160,698
Total net assets		4,688,707	4,507,820

The above statements are to be read in conjunction with the notes to the performance report.

Consolidated statement of cash flows

for the year ended 30 September 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Receipts from grants	592,875	312,486
Receipts from donations	11,673	31,372
Receipts from sponsorships	326,676	311,059
Receipts from service delivery	410,110	463,854
Receipts from red socks	1,248	12,705
Other receipts	14,157	49,843
Interest received	101,885	154,703
Dividends received	89,977	76,030
Payments to suppliers, employees and others	(1,278,090)	(1,407,455)
Net cash inflow from operating activities	270,511	4,597
Cash flows from investing and financing activities		
Payments for property, plant and equipment	(54,073)	(1,192)
Payments for investments	(2,864,389)	(2,186,495)
Proceeds from sale of investments	1,793,815	2,644,736
Net cash inflow/(outflow) from investing and financing activities	(1,124,647)	457,049
Net increase/(decrease) in cash and cash equivalents	(854,136)	461,646
Opening cash and cash equivalents	1,201,169	739,523
Closing cash and cash equivalents	347,033	1,201,169

This statement is to be read in conjunction with the notes to the performance report.

Notes to the consolidated performance report

1 Accounting policies

Reporting entity

The reporting entity consists of the Sir Peter Blake Trust (the 'Trust'), which was settled on 17 December 2003, and includes Sir Peter Blake Charity Limited (the 'Company'), which was incorporated on 15 August 2006. The Company is 100% owned and controlled by the Trust. Both entities are registered as charitable organisations under the Charities Act 2005 and are domiciled in New Zealand.

The consolidated performance report was authorised for issue by the Trustees on 9 December 2019.

Basis of preparation

The consolidated performance report has been prepared in accordance with Tier 3 PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that the entity does not have public accountability and has total annual expenses of equal to or less than \$2,000,000.

The consolidated performance report and the accompanying notes summarise the financial results of the activities carried out by the Trust, for the year ended 30 September 2019. All transactions in the consolidated performance report are reported using the accrual basis of accounting, with inter-entity transactions and balances being eliminated. The consolidated performance report is presented in New Zealand dollars and rounded to the nearest dollar. The consolidated statement of cash flows has been prepared using the direct method.

The consolidated performance report has been prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Taxation

The Sir Peter Blake Trust and the Sir Peter Blake Charity Limited are exempt from income tax on income derived by the trustees in trust for charitable purposes in New Zealand.

Goods and services tax (GST)

The consolidated performance report is prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are shown GST inclusive. The Company is registered for GST and the Trust is not registered for GST.

Revenue recognition

Donations and grants

Donation revenue is recognised in full on receipt. Grants received are recorded as income once all performance obligations have been met.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Dividend income

Dividend income is recognised in surplus or deficit on the date on which the Trust's right to receive payment is established.

Sponsorships

Sponsorships received are recorded as income once all performance obligations have been met.

1 Accounting policies (continued)

Revenue recognition (continued)

Programme service delivery

Programme service delivery revenue received are recorded as income once the programme has been delivered.

Red socks revenue

Revenue from the sale of red socks in the course of ordinary activities is measured at the consideration received or receivable.

Other income

Other revenue is recognised in full on receipt.

Leases

Payments made under operating leases are recognised in the consolidated statement of revenue and expense on a straight-line basis over the term of the lease.

Cash and cash equivalents

Cash in the consolidated statement of financial position comprise cash on hand, cash at bank.

Accounts receivable

Accounts receivable are stated at net realisable value.

Stock on hand

Stock on hand is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stock on hand and bringing it to its existing condition and location.

Intangibles

The website is recorded at cost, less accumulated depreciation and impairment losses. Amortisation has been calculated on a straight line basis of 40%.

Where intangibles are disposed of, the gain or loss recognised in the consolidated statement of revenue and expenses is calculated as the difference between the sale price and the carrying value of the asset.

Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation and impairment losses and depreciated as outlined below.

Where an asset is disposed of, the gain or loss recognised in the consolidated statement of revenue and expense is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation

Depreciation has been calculated on a straight line (SL) basis for the expedition equipment and VR equipment, and diminishing value (DV) basis for all other assets using the following rates:

Expedition equipment	10% - 33% SL
Motor vehicles	30% DV
Office equipment	20% - 100% DV
Furniture and fittings	13% - 19.2% DV
VR equipment	33% SL

1 Accounting policies (continued)

Investments

The investment portfolio consists of fixed interest security investments (bonds) and Australasian equities.

All listed investments held in managed funds are classified as held for trading financial assets. They are measured at fair value through surplus or deficit and any directly attributable transaction costs are recognised in the consolidated statement of revenue and expenses as incurred. Financial assets at fair value through surplus or deficit are measured at fair value and changes therein, including any interest or dividend income, and recognised in the consolidated statement of revenue and expenses.

Employee benefits

Employee benefits include employee remuneration owing at balance date and a provision for employee annual leave. The annual leave provision has been calculated on an actual accumulated entitlement basis at current rates of pay. This equates to the cash amount necessary to settle the obligation as at balance date.

Tier 2 PBE policies applied

The consolidated performance report has been prepared in accordance with the requirements in:

- PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements.
- PBE IPSAS 29 (NFP) Financial Instruments - Recognition and Measurement.

Changes in accounting policies and comparatives

The accounting policies applied during the year are consistent with those used for the year ended 30 September 2018.

2 Trust funds

	2019	2018
	\$	\$
Trust endowment		
Trust endowment	3,800,000	3,800,000
Accumulated comprehensive revenue and expense		
Balance at beginning of the year	707,820	765,377
Net surplus/(deficit) for the year	180,887	(57,557)
	888,707	707,820
Total trust funds	4,688,707	4,507,820

An initial endowment of \$3,800,000 was received from the New Zealand Government on 22 October 2003. The \$3,800,000 endowment was provided as a means for the Trust to generate income to pursue the objectives of the Trust.

The Trustees endeavour to protect the value of the endowment and this is represented by the accumulated trust funds carried forward.

3 Investments

	2019 Interest rate	2018 Interest rate	2019 \$	2018 \$
Commercial bonds	3.33%-6.20%	4.07%-6.10%	2,288,894	1,296,065
Australasian equities	-	-	2,308,346	2,051,955
			4,597,240	3,348,020

4 Intangibles

	Cost	Additions	Disposals	2019 Amortisation	Accumulated Amortisation	Carrying Value
	\$	\$	\$	\$	\$	\$
Website	71,659	-	-	8,400	70,959	700
Total	71,659	-	-	8,400	70,959	700

	Cost	Additions	Disposals	2018 Amortisation	Accumulated Amortisation	Carrying Value
	\$	\$	\$	\$	\$	\$
Website	71,659	-	-	23,598	62,559	9,100
Total	71,659	-	-	23,598	62,559	9,100

5 Property, plant and equipment

	Cost	Additions	Disposals	2019 Depreciation	Accumulated Depreciation	Carrying Value
	\$	\$	\$	\$	\$	\$
Expedition equipment	21,930	685	-	2,880	19,875	2,740
Motor vehicles	13,043	-	-	1,630	9,241	3,802
Office equipment	4,625	1,871	-	676	3,463	3,033
Furniture and fittings	14,536	-	-	1,039	8,344	6,192
VR equipment	-	51,517	-	11,157	11,157	40,360
Total	54,134	54,073	-	17,382	52,080	56,127

	Cost	Additions	Disposals	2018 Depreciation	Accumulated Depreciation	Carrying Value
	\$	\$	\$	\$	\$	\$
Expedition equipment	21,930	-	-	6,319	16,995	4,935
Motor vehicles	13,043	-	-	2,328	7,611	5,432
Office equipment	3,757	868	-	567	2,787	1,838
Furniture and fittings	14,212	324	-	1,218	7,305	7,231
Total	52,942	1,192	-	10,432	34,698	19,436

6 Operating lease commitments

	2019	2018
	\$	\$
Lease commitments under non-cancellable operating leases are as follows:		

Operating lease liability

Current	34,358	13,800
Non-current	36,194	13,610
	70,552	27,410

7 Donations and grants

Donations and grants were received by the Trust to assist with programme delivery and operational expenses.

	2019	2018
	\$	\$
Grants:		
Foundation North	88,000	275,000
Grassroots Trust Limited	115,694	-
Hugo Charitable Trust	40,000	-
Joyce Fisher Charitable Trust	20,000	-
Lottery Grants Board	157,000	-
North & South Trust Limited	-	8,138
Pub Charity Limited	38,919	-
Schmidt Family Foundation	35,461	-
Te Rapa Rotary Trust	72,800	-
The Lion Foundation	25,000	25,000
Plus Grants deferred from previous year	20,638	-
Less Grants received for the following year	(294,719)	(20,638)
Total grant income	318,793	287,500
Donations		
Donation income	11,103	31,810
Total Donations and Grants	329,896	319,310

8 Related parties

Sir Peter Blake Charity Limited is 100% owned by the Sir Peter Blake Trust. The Company was incorporated to undertake the operating functions, while the Trust undertakes the investing functions. Assets were transferred from Sir Peter Blake Trust to Sir Peter Blake Charity Limited via an inter-entity account in order for Sir Peter Blake Charity Limited to commence operation.

Westpac New Zealand Limited (Westpac) is a related entity of the trust as the Westpac GM Human Resources and Corporate Affairs is a BLAKE Trustee. In addition to corporate sponsorship as detailed below, banking facilities and investment advisory services were provided free of charge by Westpac to the Trust and Company during the year. During the year ended 30 September 2019, the Trust held no bonds issued by Westpac. In 2018, the Trust held bonds issued by Westpac representing 11.5% of the value of the total investment portfolio. The bond matured on 20 September 2018 and was held as cash at 30 September 2018.

8 Related parties (continued)

The entities, nature of relationship, and the type and amounts of transactions with which the Trust entered into related party transactions during the year are detailed below:

Name	Relationship	Type of Transaction	Transaction amounts	Transaction amounts
			2019	2018
			\$	\$
Key Management Personnel		Remuneration	210,120	219,628
National Institute of Water and Atmospheric Research (NIWA)	Common board member	Sponsorship; board fees	94,348	105,500
Westpac	Common board member	Corporate Sponsorship; sale of merchandise	167,000	164,182
Royal NZ Yacht Squadron	Common board member to 28/05/2018	Fundraising Event (Net)	-	29,239
Ministry for the Environment	Ministry for Environment representative on Trust Board	Contract for Services - BLAKE Inspire	201,000	176,000
Ministry of Education	Ministry of Education representative on Trust Board	Contract for service – Environmental Educator	105,090	126,135
Royal New Zealand Navy	Royal New Zealand Navy Representative on Trust Board	Tickets to event; sale of merchandise	2,374	515

At 30 September 2019 there were no related party balances payable (2018: nil). The following related party balances receivable were outstanding as at 30 September:

Name	Relationship	Balance Receivable	Balance Receivable
		2019	2018
		\$	\$
Ministry for the Environment	Ministry for Environment representative on Trust Board	97,750	18,400
Ministry of Education	Ministry of Education representative on Trust Board	-	42,809

9 Commitments and Contingencies

There were no capital commitments or contingencies as at 30 September 2019 (2018: Nil).

10 Events after the reporting date

There were no events that have occurred after the reporting date that would have a material impact on the consolidated performance report (2018: Nil).



Independent auditor's report

To the Trustees of The Sir Peter Blake Trust

We have audited the consolidated performance report which comprises:

- the entity information;
- the statement of service performance;
- the consolidated statement of financial position as at 30 September 2019;
- the consolidated statement of revenue and expenses for the year then ended;
- the consolidated statement of movements in trust funds
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated performance report, which include a summary of accounting policies;

Our opinion

In our opinion:

- a) the accompanying consolidated performance report of The Sir Peter Blake Trust (the "Trust"), including its wholly owned subsidiary Sir Peter Blake Charity Limited (together "the Group") on pages 2 to 13 present fairly, in all material respects, the entity information and the financial position of the Group as at 30 September 2019, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- b) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable.

Basis for opinion

We conducted our audit of the consolidated statement of financial position, the consolidated statement of revenue and expenses, the consolidated statement of movements in trust funds, the consolidated statement of cash flows, statement of accounting policies and the related notes to the consolidated performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). The audit of the entity information and the statement of service performance was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

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

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) 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.

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

Information other than the consolidated performance report and auditor's report

The Trustees are responsible for the annual report. Our opinion on the performance report does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Trustees for the consolidated performance report

The Trustees are responsible, on behalf of the Trust for identifying outcomes and outputs, and quantifying outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance.

The Trustees are also responsible, on behalf of the Trust, for the preparation and fair presentation of the consolidated performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated performance report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated performance report

Our objectives are to obtain reasonable assurance about whether the consolidated performance report, as a whole, is 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 conducted in accordance with ISAs (NZ) or ISAE (NZ) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this consolidated performance report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

As part of our audit we perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board's website at:



<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trustees of the Trust, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state in an auditors' 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 Trustees of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Freeman.

A handwritten signature in black ink, appearing to read 'Jonathan Freeman', written over a horizontal line.

For and on behalf of:

Chartered Accountants
9 December 2019

Auckland