

Performance Report

Takitimu House Te Whare o Takitimu, He Whare Manaaki
Tangata
For the year ended 31 March 2023

Prepared by Admin & Accounting Solutions Ltd

Contents

3	Entity Information
6	Approval of Financial Report
7	Statement of Service Performance
10	Statement of Financial Performance
11	Statement of Financial Position
12	Statement of Cash Flows
13	Statement of Accounting Policies
15	Notes to the Performance Report
19	Independent Auditor's Report

Entity Information

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

Legal Name of Entity

Takitimu House, Te Whare o Takitimu, He Whare Manaaki Tangata

Entity Type and Legal Basis

Registered Charitable Trust

Registration Number

CC444426

Entity's Purpose or Mission

Vision:

A safe place to sleep for those without shelter.

Our vision is to provide safe accommodation for those who are displaced - and to transform lives by doing whatever it takes to break the cycle of homelessness.

Entity Structure

The Board of Trustees is responsible for Governance as outlined in the Trust Deed. The board will have 5 to 12 members one of whom will be a consumer representative who is elected annually from the consumer base.

Chairperson - Annika Elizabeth Lane, Consultant (appointed 12/2022)

Treasurer - Jako Abrie, Master of Professional Accountancy and Finance, Master of Engineering Management

Secretary - Andrew Neas, Mental Health & Addiction Services, BOPDHB

Trustees:

Brent Gilbert-De Rios, Bay of Plenty District Health Board

Scott Raleigh, Business Owner/Manager

Vicki Scott, Barrister

Rachel Cade, Court Addictions Assessor - Adult Mental Health and Addictions Service

Michelle Crook, Consultant (appointed 12/2022)

Philip King, Consultant (appointed 09/2022)

Peri Kohu - Kaumatua (resigned 08/2022)

A full time Operations Manager responsible for day to day operations, and leading a high performing team.

A full time Social Worker responsible for assessment, planning, referrals, internal and external client services.

A full time Kaiwhakaterere navigating kaupapa Maori services, Iwi, Hapu and Marae.

A full time Support Worker responsible for initial assessments and housing support.

Two full time Kaitiki

One live in overnight supervisor.

Two casual on call staff members.

Main Sources of Entity's Cash and Resources

Contracts with:

Ministry of Housing and Urban Development

Te Whatu Ora Health New Zealand

Client bed night payments assessed at no more than 25% of income

Main Methods Used by Entity to Raise Funds

Ministry of Housing and Urban Development - Transitional Housing Contract.

Te Whatu Ora Health New Zealand - Social Work and Kaupapa Maori Services.

Weekly bednight payments assessed at 25% of benefit.

Tauranga City Council Community Grant

Acorn Foundation - Philanthropic Funding

Entity's Reliance on Volunteers and Donated Goods or Services

Volunteers:

- One full time volunteer,
- Governance group, nine members all of whom are volunteers

The Trust relies on gifts of volunteer time and expertise to undertake advisory roles which ensures smooth and safe operations.

To ensure costs are kept to a minimum the Trust is proactive in sourcing the required goods and services with minimal financial outlay. During the 2022/2023 year the Trust has benefited from expert advice, donations from local businesses and members of the public.

- KISS I.T. Limited - services and donations
- Public Donations and Sponsorship
- William Buck - discounted services

Specialist Expert Advice:

- Matthew Ward Johnson - Specialised Employment Law advice

Partners:

- Good Neighbour Foundation, food rescue, provide food for Takitimu House and pantry starter kits when our clients transition into their own homes.
- The Wise Group - full sponsorship for Recordbase, client management system for the social sector.
- Thankyou Payroll - provide a free payroll system and attend to all IRD requirements.
- Tauranga City Council - Peppercorn lease on the land.
- Tooth Fairy - Kind Smiles Initiative Specialised programs delivered on site
- Craigs Investment Partners Tauranga
- Hamner Clinic, Wakaunua Whaihouora
- Tauranga Budget Advisory Services, Financial Literacy
- Consumer Health and Disability Rights

- Smoking Cessation

Community Business and Public Supporters:

- Window Gleam, external building cleaning services.
- Members of public who provide a plate and gifts for our men on Christmas day.
- Palmers Garden World, supply seedlings for our vege garden.
- Local landlords and employers, thank you for partnering with us and providing opportunities to progress the goals of our men.

Additional Information

Takitimu House believes that homelessness is a complex issue and it takes a community responding together to address homelessness. In our experience, having the right people at the table can impact the positive outcomes achieved.

The following groups and individuals joined with us to become part of the solution:

Ministry of Housing and Urban Development

Te Whatu Ora New Zealand

Ministry of Social Development

Tauranga City Council

Acorn Foundation

Craigs Investment Partners

Matthew Ward-Johnson Barrister

William Buck - Auditors

Tooth Fairy Dental

Hamner Clinic

Nutech Security

Good Neighbour Foundation

Accessible Properties

Private Landlords

Bay Financial Mentors

Thank You Payroll

The Wise Group

KISS IT Limited

Nga Mataapuna Oranga

Ngati Kahu Hauora

Te Manu Toroa

OPSM

Hapainga - Quit Smoking

GP's and PHO

Health and Disability Advocacy

Local Employers

Members of the public

Physical Address

171 Elizabeth Street, Tauranga 3110

Contact Details

07 579 5322

annamarie@tmnt.org.nz

www.takitimuhouse.org.nz

Approval of Financial Report

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

The Trustees are pleased to present the approved financial report including the historical financial statements of Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata for year ended 31 March 2023.

APPROVED

A Lane

Annika Lane

Chairperson

Date 19.09.2023

AN

Andrew Neas

Secretary

Date 19/09/2023

Statement of Service Performance

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

Description of Entity's Outcomes

To provide the homeless people in Tauranga Moana immediate shelter and access to wrap around services designed to break the cycle of homelessness and offer hope of a better future for themselves and our community.

Outcomes:

- A commitment to the principles of Te Tiriti o Waitangi, Partnership, Participation and Protection
- Connection to whanau, iwi and hapu
- Access to a safe warm shelter with a family/whanau feel
- Access to health care
- Access to Needs Assessments (NASC) where required
- Transition / exit points secured
- Regular, flexible housing support in the client's home formally for 3 months, casually for as long as is required
- Informal and formal supports secured
- Access to income
- Employment and/or training opportunities gained
- Access to Secondary and Community Services
- Reduction in offending, support with judicial requirements
- Improved health outcomes
- Strong advocacy
- Benefit issues resolved
- Debt reduction, budgeting and financial literacy up-skilling
- Access to sustainable and affordable housing and initial housing set up
- Access rent related subsidies to facilitate housing affordability
- Registration with and access to GP care
- Access to dental care
- Smoking cessation
- Daily structure and routine
- Daily activities and / or employment to promote self-worth, independence and belonging within the community
- Promote independence not dependence (a hand up not a hand out)
- Social work and cultural services with a focus on transforming lives

The long term goals are:

- Increase in capability and resourcing to accommodate and provide services for the growing homeless population

- Dedicated service that positively impacts those men who find themselves homeless
- Quality of life for those people who are marginalised in the community
- Safer community, reduction in offending
- Homelessness is a social issue and requires a multiagency joined up approach
- Empowerment for every individual
- Individualised service delivery
- Culturally excellent practice
- Addressing the gaps in the community on a micro and macro level
- Educating around the stigma related to those people who find themselves without a home (Homelessness is NOT hopelessness)

	2023	2022
Description and Quantification of the Entity's Outputs		
Bed utilization (full capacity 7300 bednights)	6,500	6,387
Average length of stay (days)	82	101
New presentations during the period	79	29
Housing Placements	20	22
Residential / Rehabilitation facility / Rest home	-	1
Engagements and Interventions		
Judicial	8	29
Lifeskills Training	1,210	754
Drug and Alcohol Counselling and interventions	360	96
Budgeting and Financial Literacy	66	30
Psycho Social Support	633	632
Advocacy	422	75
Counselling	5	2
Employment and Training	54	35
Medical	278	126
Assessments and Follow - Ups	555	234
Housing and Housing related support	1,200	634
Numbers of clients receiving housing and psychosocial support in the community	31	32
Kaupapa Maori Engagements	196	1,411
Outbound referrals	1,303	245

Output Measures

Just as there does not appear to be any single pathway into homelessness, the way back into mainstream society varies between people. Rehousing requires different support for people with different needs and different transactions with community workers, formal and informal supports. Research shows that there are often difficulties in maintaining re-settlement for homeless people, frequently resulting in their return to street life. Along with housing affordability, decreases in tenancies are attributable to social isolation, loneliness, a lack of community integration, and a lack of public support for local rehousing initiatives, often reflected in "zero tolerance" policies.

It is evident that interventions are needed to rebuild ties with family and friends, to establish new contacts, and to address the anxieties of domiciled citizens regarding the location of services for homeless people. Such "reintegration", rather than simply "rehousing", necessitates support systems, employment, and the cultivation of social networks around homeless people.

What we have learned is that it is crucial for homeless people to reach a point in which they are willing to, and are supported in, rebuilding bridges to the domiciled world. Supports need to be tailored to the specific needs of individuals:

- Homelessness poses a serious challenge to population health;
- Homeless people are sicker and die quicker and experience a sense of dispossession, insecurity, and cultural dislocation. They are more likely to experience physical or sexual violence, commit suicide, and to be assaulted;
- It is expensive for the broader community to have people living on the streets;
- New Zealand has no planned or co-ordinated response to the considerable health and social costs of homeless.

O te hunga kainga kore, hāpori manene, ka kaha kitea, tokomaha he Māori. Na runga i enei kohikohinga, me matua whakaritea he ratonga ka hangai ki te tikanga Māori kia hikoi ngatahi ai ki nga tane Māori kia pai ai te hoki atu ki te whanau te hapu te iwi. Ko te whakakitenga ake, ko te hikoi ngatahi ai ki nga tane Māori me to ratou hono ki nga ratonga, ko te aro ki te manaakitanga me te whanaungatanga, ka whakarite hononga tahi ki te kiritaki, to ratou whanau me te hāpori whanui kia pai ai nga wheako me nga huanga ake i runga i te Mauri Ora, Waiora me Te Whanau Ora

Additional Information

As a consequence of the COVID 19 Pandemic and lockdowns, it has been increasingly challenging to transition our clients into housing. Our team continue to prepare the men for sustaining tenancy and test their eligibility for social or community housing waitlists. Access to private rentals in terms of supply and affordability has become a significant barrier.

Program facilitation and clinics delivered on site at Takitimu House temporarily ceased during lockdowns. Some of those programs were not reinstated given the increased pressure on external providers. In response to the decrease in programs and clinics our team put more emphasis on access to one on one individualised care in the community.

Client engagement listed in the breakdown evidenced the high uptake of the Kaiwhakatere service offered onsite and an increase of referrals and engagement with Kaupapa Māori services. An increasing number of clients are seeking culturally appropriate pathways therefore referrals are being made through the Takitimu House Kaupapa Māori service.

Statement of Financial Performance

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

	NOTES	2023	2022
Revenue			
Donations, fundraising and other similar revenue	1	48,115	32,750
Revenue from providing goods or services	1	629,048	627,921
Interest, dividends and other investment revenue	1	18,484	2,921
Other revenue	1	1,800	4,330
Total Revenue		697,447	667,922
Expenses			
Volunteer and employee related costs	2	499,099	416,210
Costs related to providing goods or service	2	127,608	104,108
Other expenses	2	17,022	18,549
Total Expenses		643,729	538,868
Surplus/(Deficit) for the Year		53,718	129,054

This Statement is to be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report, and Auditor's Report.

Statement of Financial Position

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata
As at 31 March 2023

	NOTES	31 MAR 2023	31 MAR 2022
Assets			
Current Assets			
Bank accounts and cash	3	215,274	592,622
Debtors and prepayments	3	23,063	36,456
Other Current Assets	3	311,393	106,659
Total Current Assets		549,730	735,737
Non-Current Assets			
Property, Plant and Equipment	5	330,646	291,451
Intangible Asset - Website		2,389	3,583
Other non-current assets	3	310,249	53,656
Total Non-Current Assets		643,284	348,691
Total Assets		1,193,014	1,084,428
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	32,141	16,814
Unused Grants with Conditions		24,742	-
Employee costs payable	4	53,887	39,088
Total Current Liabilities		110,770	55,902
Total Liabilities		110,770	55,902
Total Assets less Total Liabilities (Net Assets)		1,082,244	1,028,526
Accumulated Funds			
Accumulated surpluses or (deficits)	6	1,082,244	1,028,526
Total Accumulated Funds		1,082,244	1,028,526

This Statement is to be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report, and Auditor's Report.

Statement of Cash Flows

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata
For the year ended 31 March 2023

	2023	2022
Cash Flows		
Cash Flows from/to Operating Activities		
Donations, fundraising and other similar receipts	72,657	34,015
Receipts from providing goods or services	647,799	588,277
Interest, dividends and other investment receipts	13,416	3,010
Cash receipts from other operating activities	1,800	4,330
Net GST	100	(12,418)
Payments to suppliers and employees	(596,771)	(516,291)
Total Cash Flows from/to Operating Activities	139,001	100,923
Cash Flows from/to Investing and Financing Activities		
Payments to acquire property, plant and equipment	(55,023)	(12,599)
Payments to purchase investments	(461,326)	(2,033)
Payments to purchase intangibles	-	-
Net Cash Flows from/to Investing and Financing Activities	(516,349)	(14,632)
Net Increase/(Decrease) in Cash	(377,348)	86,291
	2023	2022
Bank accounts and Cash		
Opening cash	592,622	506,331
Net change in cash for period	(377,348)	86,291
Closing cash	215,274	592,622

Statement of Accounting Policies

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

Basis of Preparation

Takitimu House, Te Whare o Takitimu, He Whare Manaaki Tangata has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Takitimu House and revenue can be readily measured.

Revenue is derived from donations and the contracts with the Ministry of Social Development and Bay of Plenty DHB.

Income Tax

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Investments

Investments are classified as current assets if the Trust intends to realise within a year. Long-term Investments are assets the Trust intends to hold for more than a year.

Property, Plant and Equipment

Property, plant & equipment includes the following classes of assets:

- Buildings
- Motor Vehicles
- Furniture & Fixtures
- Office Equipment
- Computers (including software)

Property, plant and equipment is recognised at cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Intangible Assets

Intangible assets are non-monetary assets without physical substance such as trademarks, computer software, patented technology, or franchise agreements. Intangible assets may have finite or infinite useful life. When intangible assets are recognized initially, they are measured at cost, including in the case when the intangible asset is acquired or donated. After initial recognition, intangible assets are measured at fair value and amortized where the intangible asset has finite life until the intangible asset is fully amortized. Where the intangible asset has an infinite life, it is carried at fair value. Where an intangible asset is determined to be impaired below cost, it will be derecognized and the carrying value adjusted to reflect the fair value.

Notes to the Performance Report

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

	2023	2022
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations adhoc	10,357	15,250
Grant Income Acorn Foundation	12,500	17,500
Grant Income Tauranga City Council	25,258	-
Total Donations, fundraising and other similar revenue	48,115	32,750
Revenue from providing goods or services		
Bed Night Payments	65,790	66,542
BOP District Health Board	73,207	70,628
MHUD Transitional Housing Contract	490,051	489,475
Rental Income	-	1,275
Total Revenue from providing goods or services	629,048	627,921
Interest, dividends and other investment revenue		
Interest Income	18,484	2,921
Total Interest, dividends and other investment revenue	18,484	2,921
Other revenue		
MSD Flexiwage	1,800	4,330
Total Other revenue	1,800	4,330
	2023	2022

2. Analysis of Expenses

Volunteer and employee related costs		
Acc Levies	4,775	5,249
Entertainment	1,488	-
Salaries & Wages	479,822	407,291
Staff Expenses	5,368	918
Staff Training and Supervision	6,912	2,053
Volunteer Expenses	735	700
Total Volunteer and employee related costs	499,099	416,210
Costs related to providing goods or services	127,608	104,108
Other expenses		
Depreciation Expense	17,022	18,550
Total Other expenses	17,022	18,550

2023

2022

3. Analysis of Assets

Bank accounts and cash

Business Account	215,068	591,811
Petty Cash	206	811
Total Bank accounts and cash	215,274	592,622

Debtors and prepayments

Trade Debtors	7,067	29,994
Accrued Income	11,395	1,500
Accrued Interests	-	451
Prepayments	4,601	4,512
Total Debtors and prepayments	23,063	36,456

Other current assets

Term Deposit 1000 - (MD 20/02/2024)	54,286	53,102
Term Deposit 1001 - (MD 20/02/24)	54,785	53,557
Term Deposit 1008 - (MD -17/07/23)	202,321	-
Total Other current assets	311,393	106,659

Other non-current assets

Term Deposit 1002 - (MD 21/08/23)	53,656	53,656
Term Deposit 1003 - (MD 19/04/24)	51,253	-
Term Deposit 1004 - (MD 21/10/24)	51,253	-
Term Deposit 1005 - (MD 22/04/25)	51,349	-
Term Deposit 1006 - (MD 20/10/25)	51,349	-
Term Deposit 1007 - (MD 20/4/26)	51,388	-
Total Other non-current assets	310,249	53,656

2023

2022

4. Analysis of Liabilities

Creditors and accrued expenses

Trade Creditors	16,342	2,297
GST	7,122	7,023
Accrued Expenses	8,677	7,495
Total Creditors and accrued expenses	32,141	16,814

Unused Grants with Conditions

24,742	-
--------	---

Employee costs payable

Wages Payable - Payroll	15,951	12,175
Annual Leave Liability	37,936	26,913
Total Employee costs payable	53,887	39,088

2023 2022

5. Property, Plant and Equipment

Buildings

Building - 171 Elizabeth St	345,838	303,203
Buildings - Accum Depn	(71,035)	(63,737)
Total Buildings	274,803	239,466

Motor Vehicles

Motor Vehicles At Cost	17,330	17,330
Accum. Depr. Motor Vehicles	(7,391)	(6,287)
Total Motor Vehicles	9,939	11,043

Furniture and Fittings

Furniture and Fittings owned	80,161	67,773
Accumulated depreciation - furniture and fittings owned	(34,579)	(27,806)
Total Furniture and Fittings	45,582	39,967

Computer Equipment

Computers At Cost	11,921	11,921
Accum. Depr. Computers	(11,599)	(10,947)
Total Computer Equipment	322	974

Total Property, Plant and Equipment	330,646	291,451
--	----------------	----------------

Significant Donated Assets Recorded

No significant donated assets recorded. (2022: None).

Significant Donated Assets - Not Recorded

No significant donated assets recorded. (2022: None).

2023 2022

6. Accumulated Funds

Accumulated Funds

Opening Balance	1,028,527	899,472
Accumulated surpluses or (deficits)	53,718	129,054
Total Accumulated Funds	1,082,244	1,028,526
Total Accumulated Funds	1,082,244	1,028,526

2023 2022

7. Commitments

Commitments to lease or rent assets

10 year land lease with Tauranga City Council - 2 years remaining	1	1
Goeder Equipment (Current Portion)	-	540
Total Commitments to lease or rent assets	1	541

8. Related Parties

There were no transactions involving related parties during the financial year.

9. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

Independent Auditor's Report

Takitimu House Te Whare o Takitimu, He Whare Manaaki Tangata For the year ended 31 March 2023

Report on the Financial Statements

Opinion

We have audited the financial statements of Takitimu House, Te Whare o Takitimu, He Whare Manaaki Tangata (the entity), which comprise the statement of financial position as at 31 March 2023, statement of financial performance and statement of cash flows for the year ended 31 March 2023, and the statement of accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the entity as at 31 March 2023 and of its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ))

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustees are responsible for the other information. The other information comprises the information included in the Entity Information and Statement of Service Performance but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, 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 to be 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.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for:

- a) the preparation of financial statements on behalf of the entity that gives a true and fair view in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- b) for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the entity for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) 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 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:

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

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

The engagement director on the audit resulting in this independent auditor's report is Richard Dey.

Restriction on Distribution and Use

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

William Buck Audit (NZ) Limited
Tauranga

Date