



CYCLONE GABRIELLE APPEAL TRUST

FINAL ACCOUNTS

For the four-month period ended 31 October 2024

This report is produced by the Cyclone Gabrielle Appeal Trust secretariat with costs met by the New Zealand Government through the Department of Internal Affairs. No appeal donations were used in the production of this Report.

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TRUSTEES

The Trustees' role is to promote or advance the objects of the Cyclone Gabrielle Appeal Trust. The Trustees are appointed by the Crown.

Sir Selwyn Parata (Ngāti Porou, Ngāi Tahu) Chair (appointed 26 February 2023)

Sir Selwyn was named a Knight Companion of the New Zealand Order of Merit in June 2023 for his services to Māori. Sir Selwyn has been a trustee of Te Runanga o Ngāti Porou since 1987, and its successor Te Runanganui o Ngāti Porou since 2012, serving as deputy chair and now as Chair. He is the Chair of Pakihiroa Farms and Te Matatini, Co-chair of Rau Tipu Rau Ora Tairawhiti, and a Director of Te Ohu Kaimoana, and Ngāti Porou Forests.

Barbara Arnott QSO (appointed 16 March 2023)

Barbara served as the Mayor of Napier between 2001 and 2013. She is the Chair of the Historic Places Hawkes Bay, the Art Deco Trust and the Napier Rotary Pathway Trust. Barbara is also a Trustee of Te Matau a Maui Health Trust and the Hawke's Bay Power Consumers Trust.

Paul James Secretary for Internal Affairs (appointed 26 February 2023)

Paul commenced his appointment as Chief Executive and Secretary for Internal Affairs on 1 October 2018. His previous role was the Chief Executive for Manatū Taonga Ministry for Culture and Heritage, Before joining Manatū Taonga in 2015, Paul held a number of government management and policy roles.

REPORT FROM THE TRUSTEES

The Trustees have successfully distributed all funds donated to the Appeal, \$13.5 million, and interest earned, to support North Island communities in their recovery from the devastating impact of Cyclone Gabrielle.

The Cyclone Gabrielle Appeal Trust funds had to be used in regions and districts where a state of emergency was declared due to Cyclone Gabrielle or other extreme weather events in January and February 2023. These areas included Northland, Auckland, Waikato, Bay of Plenty, East Coast, Hawke's Bay, and the Tararua District.

A funding round opened on 20 March 2024 and closed on 29 May 2024 to receive requests for grants that were small in scale and ready to complete. The Trustees considered 1370 grant requests. They distributed \$14,137,699 as grants to 558 projects.

In early October 2024, the Trustees distributed the remaining funds to large scale projects that applied to, but were outside the parameters of the funding round, or addressed a need identified by the Trustees that was not addressed by a funding round grant request. (see website <https://www.cycloneappeal.org.nz/what-we-funded/>)

Fundraising activities ended in July 2024, and with all funds distributed, the Trust will be wound up. The Department of Internal Affairs will continue to provide grant monitoring services until all recipients have met their obligations.

The Trustees wish to thank everyone in New Zealand and overseas who contributed to the appeal, as well as those who successfully implemented the funded projects.

Selwyn Parata
Barbara Arnott
Paul James

Cyclone Gabrielle Appeal Trust

Performance Report

For the four-month period ended 31 October 2024

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Cyclone Gabrielle Appeal Trust

Entity Information

For the four-month period ended 31 October 2024

Legal Name

Cyclone Gabrielle Appeal Trust

Type of Entity and Legal Basis

The Trust was established by Deed dated 26 February 2023. It is a registered charitable trust.

Registration Number

CC61006

Administrative Entity

The Department of Internal Affairs provides secretariat, advisory and financial services to the Trustees.

Economic Entity

The reporting entity is the Cyclone Gabrielle Appeal Trust, a registered charity under the Charities Act 2005. The Cyclone Gabrielle Appeal Trust is domiciled and operates in New Zealand and is primarily involved in the provision of relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023. The Trust is a public benefit entity.

Cyclone Gabrielle Appeal Trust

Statement of Purpose

For the four-month period ended 31 October 2024

Background

The Cyclone Gabrielle Appeal Trust (Trust) was established on 26 February 2023 by Deed of Trust to provide relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023.

Purpose of the Trust Fund

The Trust purpose is to provide relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023.

The Trust was set up to address needs identified by communities in the affected areas.

Objectives of the trust

- the relief of poverty; and
- the advancement of education; and
- the advancement of religion; and
- the advancement of any other purposes beneficial to the community.

Examples of specific activities that the Trustees may decide to undertake in order to further the Objects of the trust are;

- payments and other support to individuals, families and households demonstrating hardship; and
- payments and other support for the creation or repair of community-based infrastructure and facilities, such as sports grounds or facilities for community organisations; and
- payments and other support for activities or programmes with the aim of supporting the recovery of the affected districts or regions and the rebuilding of strong, sustainable communities and community self-reliance, capacity building and stability.

Structure

Trustees

The Trustees are subject to the Trust Deed and the Trusts Act 2019. The Trustees are responsible for the allocation of Appeal funds to support Cyclone recovery initiatives. There are three Trustees; the Secretary for Internal Affairs, a position appointed as an original Trustee by the Trust Deed and two independent Trustees, one appointed as an original Trustee, and the other appointed by the Settlor, the Ministers of Finance and Internal Affairs.

Support services

The New Zealand Government lends support by covering the administration costs of the Trust. All money received by the Appeal has been put towards the Cyclone recovery effort and is audited by the Office of the Auditor-General New Zealand for transparency.

Cyclone Gabrielle Appeal Trust

Statement of Purpose (continues)

For the four-month period ended 31 October 2024

Main sources of cash and resources

The Appeal was a fundraiser for the recovery effort for all districts or regions in which a state of emergency was declared for the effects of the Cyclone or other extreme weather events in January and February 2023.

The Trust is responsible for the allocation of the money raised by the Cyclone Gabrielle Appeal to support Cyclone recovery initiatives. Income is earned on the investment of funds in accordance with the Trust Deed.

Main methods used to raise funds

The Trust income has been raised from a public appeal for donations, which included the proceeds of a special purpose Lottery.

Winding up the trust

On 8 October 2024, the Trustees resolved that as at 31 October 2024, the Trust need no longer continue and would be wound up. Clause 20 of the Trust Deed enables the Trustees to wind up the Trust if all the Trust's assets have been applied in furthering the Trust objective. In other words, the Trust has no assets and all grants have been paid. As at 31 October 2024 equity was nil, all funds were distributed, and all grants paid.

Cyclone Gabrielle Appeal Trust

Statement of Service Performance

For the four-month period ended 31 October 2024

The Cyclone Gabrielle Appeal Trust (Trust) purpose is to provide relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023.

The Trust was set up to address needs identified by communities in the affected areas.

The Trust started allocating grants in July 2024. All the funds raised by the Trust and additional revenue from interest to 31 October 2024 were allocated to projects.

Objectives

Relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023.

How does the Cyclone Gabrielle Appeal Trust achieve its objectives?

Proposals for funding are assessed against its funding policy. Grant recipients will report to the Trust on what the funding achieved.

What did the Cyclone Gabrielle Appeal Trust do during the year?

A funding round opened on 20 March 2024 and closed on 29 May 2024 to receive requests for grants that were small in scale and ready to complete.

The first grant allocation meeting was held on 5 July 2024 at which the Trustees considered 1370 grant requests. They distributed \$14,137,699 as grants to 558 projects.

At their meeting on 8 October 2024, the Trustees distributed the remaining funds. As at 31 October 2024 equity was nil, all funds were distributed, and all grants paid.

Outputs

Description and Quantification of the Trust's Outputs:	Actual 31 October 2024	Actual 30 June 2024
Grants		
Grants awarded	14,511,916	-

Cyclone Gabrielle Appeal Trust
Financial Information
Statement of Comprehensive Revenue and Expenses

For the four-month period ended 31 October 2024

	Actual 31 October 2024 \$	Actual 30 June 2024 \$
Revenue		
Donations	170	34,706
Interest	95,918	777,985
Total Revenue	96,088	812,691
Expenses		
Bank Fees	-	-
Grants awarded	14,511,916	-
Total Expenses	14,511,916	-
Total (deficit)/surplus	(14,415,828)	812,691
Total comprehensive revenue and expense	(14,415,828)	812,691

The accompanying notes are an integral part of these financial statements

Cyclone Gabrielle Appeal Trust Statement of Changes in Equity

For the four-month period ended 31 October 2024

	Actual 31 October 2024	Actual 30 June 2024
	\$	\$
Opening equity	14,415,828	13,603,137
Total comprehensive revenue and expenses for the period/ year	(14,415,828)	812,691
Closing Equity	-	14,415,828
Comprising		
Capital fund	-	-
Accumulated funds -unrestricted funds	-	14,415,828
Total Equity per Statement of Financial Position	-	14,415,828
Movements in Equity		
Closing Equity	-	14,415,828
Represented by		
Accumulated Funds		
Opening balance	14,415,828	13,603,137
Net comprehensive revenue and expense	(14,415,828)	812,691
Closing balance	-	14,415,828
Total Equity at 31 October 2024	-	14,415,828

The accompanying notes are an integral part of these financial statements.

Cyclone Gabrielle Appeal Trust Statement of Financial Position

As at 31 October 2024

	Note	Actual 31 October 2024 \$	Actual 30 June 2024 \$
Assets			
Current Assets			
Bank accounts		-	14,415,828
Total Current Assets		-	14,415,828
Non-current Assets			
		-	-
Total Assets		-	14,415,828
Liabilities			
Current Liabilities			
Grants payable		-	-
Total Current Liabilities		-	-
Total Liabilities		-	-
Total Assets less Total Liabilities (Net Assets)		-	14,415,828
Equity			
Capital contributed		-	-
Accumulated comprehensive revenue and expenses- unrestricted funds		-	14,415,828
Total Equity		-	14,415,828

The accompanying notes are an integral part of these financial statements.

Cyclone Gabrielle Appeal Trust Statement of Cash Flows

For the four-month period ended 31 October 2024

	Note	Actual 31 October 2024 \$	Actual 30 June 2024 \$
Cash Flows from Operating Activities			
Cash was Provided from:			
Donations		170	34,706
Interest		95,918	777,985
Other			326
Cash was Disbursed to:			
Grants paid		14,511,916	-
Net Cash Flows from Operating Activities		(14,415,828)	813,017
Cash flows from Investing Activities			
Cash was received from:			
Receipts from the sale or maturity of investments		-	-
Cash was applied to:			
Payments to purchase investments		-	-
Net Cash Flows from Investing Activities		-	-
Net Cash Flow from Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		(14,415,828)	813,017
Opening Cash		14,415,828	13,602,811
Closing Cash		-	14,415,828
This is represented by:			
Bank Accounts and Cash	1	-	14,415,828

The accompanying notes are an integral part of these financial statements.

Cyclone Gabrielle Appeal Trust

Statement of Accounting Policies

For the four-month period ended 31 October 2024

Statement of Accounting Policies

Reporting Entity

The reporting entity is the Cyclone Gabrielle Appeal Trust, a registered charity under the Charities Act 2005. The Trust is domiciled and operates in New Zealand and is primarily involved in the provision of relief to the communities, iwi, hapū and marae of all districts or regions in which a state of emergency was declared for the effects of Cyclone Gabrielle (Cyclone) or other extreme weather events in January and February 2023. The Trust is a Public Benefit Entity (PBE).

Reporting Period

The financial statements are for the period 1 July 2024 to 31 October 2024, the date at which the Trust Fund equity was nil. At this date the Trustees had agreed that Trust need no longer continue and would be wound.

Basis of Preparation

Non-going Concern Basis

Clause 20.1 of the Trust Deed states that the Trustees may at any time wind up the Trust if all the Trust's Property has been applied in furthering the Objects of the Trust.

On 8 October 2024, the Trustees resolved to wind up the Trust as it was expected that on 31 October 2024 all the Trust Funds will have been paid out as grants in support of the objectives of the Trust.

The financial statements of the Trust have been prepared on a disestablishment basis as the Trust was wound up on 31 October 2024. The classification and measurement of assets and liabilities has not been affected as a result of the disestablishment basis of preparation, as all the assets and liabilities are already recorded at settlement value and classified as current. All Trust funds were distributed as grants by 31 October 2024.

Statement of Compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Charities Act 2005, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Trust has elected to apply the PBE Standards RDR because its expenses are less than \$33 Million and it does not have public accountability as defined by XRB A1 Application of Accounting Standards Framework.

All transactions in the financial statements are reported using accrual basis of accounting.

Measurement Base

The financial statements have been prepared on an historical cost basis.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is also the Trusts' functional currency. All financial information presented has been rounded to the nearest dollar.

Cyclone Gabrielle Appeal Trust

Statement of Accounting Policies

For the four-month period ended 31 October 2024

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

Critical Accounting Judgements and Estimates

The preparation of the financial statements in conformity with Tier 2 PBE accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenditure.

There are no significant estimates used in the preparation of the financial statements.

Significant Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and financial position have been applied.

Revenue

The Trust derives income from public donations and interest on bank balances. Interest income is recognised when earned and is reported in the period to which it relates. Interest income is recognised in the surplus/(deficit) as it accrues, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the next carrying amount of the financial asset.

Revenue from public donations and pledges is deemed to be non-exchange revenue as per the definition in the PBE standard IPSAS 23. Donations are recognised as revenue upon receipt and include donations from the public, donations received for specific programmes or services and donated goods in-kind.

Revenue from direct investment of funds with banks is deemed to be exchange revenue as per the definition in the PBE standard IPSAS 9.

Expenditure

Grants are recognised as expenditure when approved by the Trustees.

The Crown funds the Department of Internal Affairs to provide administrative services to the Trust and there is no recorded expenses in the Trust's SOCRE as a result.

Taxation

The Trust is exempt from income tax under section CW 42(1) (a) of the Income Tax Act 2007. The Trust has been granted tax exempt status and is registered as a Charity under the Charities Act 2005.

Cyclone Gabrielle Appeal Trust

Statement of Accounting Policies

For the four-month period ended 31 October 2024

Goods and Services Tax (GST)

The Trust is not registered for GST, therefore amounts recorded in the financial statements are inclusive of GST (if any).

Receivables

Receivables are recorded at the amount due, less an allowance for credit losses. Receivables are written off when there is no reasonable expectation of recovery.

Financial Instruments

Non-derivative financial instruments comprise investments in cash and cash equivalents, trade receivables, trade and other payables and other liabilities.

Financial assets and financial liabilities are measured at fair value plus transaction costs. Any profits or losses from these financial transactions are recognised in the Statement of Comprehensive Revenue and Expense.

Cash and Cash Equivalents

The Trust treats cash and cash equivalents based on the term of the term deposit, not term to maturity from balance date. Cash and cash equivalents include cash on hand, cash in transit, deposits held on call with banks and other short-term, highly liquid investments, with original maturities of three months or less. The carrying value of these assets approximates their fair value.

Statement of Cash Flows

Operating activities include all activities other than investing activities. The cash inflows include all receipts of interest from investments and other sources of revenue that support the Trust's operating activities. Cash outflows pertain to payments made for grants.

The Trust has no investing and financing activities.

Cyclone Gabrielle Appeal Trust

Statement of Accounting Policies

For the four-month period ended 31 October 2024

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. They are impaired where there is objective evidence that the estimated future cash flows have been impacted. Objective evidence could include:

- Significant financial difficulty of the counterparty;
- Default or late payments; or
- It is becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

The recoverable amount of the Trust's receivables carried at amortised cost is calculated at the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment, being the difference between carrying amount and recoverable amount, is recognised in the Statement of Comprehensive Revenue and Expense.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument-by-instrument basis. All individual instruments that are considered significant are subject to this approach.

Financial Risk Management

All assets of the Trust are classified as loans and receivable and the carrying values are equal to the fair values. All liabilities are classified as financial liabilities at amortised cost and the carrying values are equal to their fair values.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The cash flow risk is managed by maintaining the majority of the interest-bearing instruments at fixed rates. The term deposits are made for varying periods depending on the cash requirements of the Trust and earn interest at the respective short term deposit rates. The Board does not consider that there is significant interest rate risk exposure on the Trust's investments.

Foreign Currency Risk

All grants are paid in New Zealand currency. Any donations received in a foreign currency are translated to New Zealand dollars on the date of receipt. Any currency movement would have no effect on the Trust.

Fair Value

All current financial instruments recognised in the statement of financial position are stated at carrying amounts that are also a reasonable approximation of their fair values.

Cyclone Gabrielle Appeal Trust

Statement of Accounting Policies

For the four-month period ended 31 October 2024

Credit Risk

Credit risk is the risk that a third party will default on its obligation causing a loss.

Credit risk is reduced by investing only in New Zealand registered banks under the Reserve Bank of New Zealand Act 1989.

Liquidity Risk

In meeting its liquidity requirements, the Trust maintains a target level of investments that must mature within specified timeframes to meet projected grant expenditures.

Cyclone Gabrielle Appeal Trust

Notes to the Financial Statements

For the four-month period ended 31 October 2024

Note 1: Reconciliation of Net Cash Flows from Operating Activities to Total Comprehensive Revenue and Expense

	31 October 2024	30 June 2024
	\$	\$
Opening Balance	14,415,828	13,602,811
Reported comprehensive revenue and expense	14,415,828	812,691
Adjustments for movement in working capital items:		
Decrease in receivables	-	326
	-	14,415,828

Note 2: Related Parties Transactions and Key Management Personnel

All transactions were carried out on an arm's length basis. There were no related party transactions entered into during the period to 31 October 2024 (30 June 2024: None).

The key management personnel are the Trustees. No fees have been paid to Trustees during the year.

The Trust uses services of the Department of Internal Affairs (DIA) including (but not limited to) administrative and accounting services. The Trust does not recognise these services as in-kind revenue or expenditure. The audit fee is also paid by DIA.

Note 3: Commitments

There were no commitments as at 31 October 2024 (30 June 2024: Nil).

Note 4: Contingent Assets – Pledged Donations

There were no contingent assets for pledged donations as at 31 October 2024 (30 June 2024: Nil).

Note 5: Contingent Liabilities and Guarantees

There were no contingent liabilities or guarantees as at 31 October 2024 (30 June 2024: Nil).

Cyclone Gabrielle Appeal Trust
Statement of Responsibility

For the four-month period ended 31 October 2024

The Trustees are responsible for the preparation and presentation of the Cyclone Gabrielle Appeal Trust's financial statements and the judgements made in them.

The Trustees have the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Trust's opinion, these financial statements fairly reflect the financial position and operations of the Cyclone Gabrielle Appeal Trust for the period ended 31 October 2024.

Signed on behalf of the Trust:



Sir Selwyn Parata
Chair



Paul James
Trustee

Date: 23 December 2024

Independent Auditor's Report

To the readers of Cyclone Gabrielle Appeal Trust's financial statements for the four-month period ended 31 October 2024

The Auditor-General is the auditor of Cyclone Gabrielle Appeal Trust (the Trust). The Auditor-General has appointed me, Stephen Usher using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 19, that comprise the statement of financial position as at 31 October 2024, the statement of comprehensive revenue and expenses, statement of changes in equity, statement of cash flows and statement of accounting policies for the four-month period ended on that date, and the notes to the financial statements that include other explanatory information.

In our opinion:

- The financial statements of the Trust, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - its financial position as at 31 October 2024; and
 - its financial performance and cash flows for the four-month period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Our audit was completed on 23 December 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the financial statements being prepared on a disestablishment basis. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of matter – The financial statements have been prepared on a disestablishment basis

Without modifying our opinion, we draw attention to the basis of preparation in the statement of accounting policies on page 14, which outlines that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Trust was wound up by the Trustees on 31 October 2024.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the audit section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of 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 Trust for assessing the Trust's ability to continue as a going concern. If the Trustees conclude that the going concern basis of accounting is inappropriate, the Trustees are responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

The Trustees responsibilities arise from the Charities Act 2005 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the disestablishment basis of accounting by the Trustees.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 3 to 9 and page 20 but does not include the financial statements, and our auditor's report thereon.

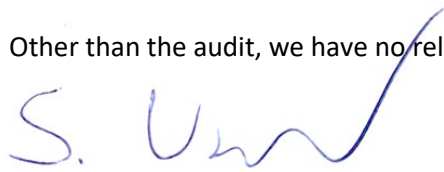
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we 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 our work, 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.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Stephen Usher

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand