



SOUTHLAND WARM HOMES TRUST

**ANNUAL PERFORMANCE REPORT
FOR THE YEAR ENDED
30 JUNE 2023**

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CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

It is with great pleasure and satisfaction on behalf of fellow Trustees Carl Findlater and Stephen Canny that I have the opportunity to report on the achievements of the Southland Warm Homes Trust (SWHT) in its fifteenth year.

The SWHT was established in June 2008 by Electricity Invercargill Limited (EIL) and the Southland Power Trust (SEPSCT) to provide an umbrella to facilitate a warm homes project after a meeting of community groups was arranged in 2006.

With the encouragement of the Energy Efficiency and Conservation Authority (EECA) and support from the respective EIL and SEPSCT board members, they decided to support energy efficiency initiatives for the benefit of Southland through the establishment of the SWHT.

The SWHT provides subsidised insulation and heating products to homes across Southland and West Otago. The vision of the SWHT is to ensure "Southlanders" have:

- a more energy efficient home
- an improved living environment
- improved well-being
- better health
- greater energy efficiency awareness

Measures Installed

In the year to 30 June 2023, 457 homes received insulation and 559 homes received a new efficient heating appliance, subsidised through funding support from the SWHT and the EECA Warmer Kiwi Homes Programme (2022: 541 homes insulated and 502 with a heating appliance). The Trust received income from EECA, Home Owner contributions and other community grants totalling \$0.37 million (2022: \$2.05 million), and \$0.61 million (2022: \$2.28 million) was utilised in delivering these services. The reduction in turnover reflected the change in the WKH contract holder status of the Trust in 2022/23.

Project Team and Community Support

The achievement of the SWHT objectives would not have been possible without the considerable investment of time and effort of the SWHT Project Team and financial support of various community funders throughout the region that include:

Community Funders	2023	2022	Project Team Representatives
The Power Company Limited	\$62,500	\$62,500	
Electricity Invercargill Limited	\$62,500	\$62,500	
Community Trust South	\$30,000	\$25,000	
Gore District Council	\$15,000	\$15,000	Bret Highsted (retired April 2023)
Southland District Council	\$35,000	\$35,000	Matt Russell
Invercargill City Council	\$30,000	\$50,000	Lesley Soper, Gemma Crawford
Environment Southland	\$50,000	\$50,000	Lucy Hicks, Anke Habgood
Southland Power Trust	kind support	kind support	Jim Hardest (retired November 2022), Carl Findlater and Stephen Canny
Primary Health South	kind support	kind support	Tom Scott and Laura Pope
Well South	kind support	Kind support	Katrina Braxton
Work and Income	kind support	kind support	



The Southland community owes a great deal to these people and the organisations that have been behind this project and made it work. Our first grant of \$2,000 was received from the Southland Energy Efficiency Trust and over the years grants have ranged up to \$250,000 from The Power Company Limited.

EECA have been incredibly supportive to the project over the last fourteen years contributing over \$18.0 million of the SWHT's total income of \$33.2 million.

Fourteen years of successful home energy efficiency programmes

Over the past thirteen years, the SWHT has offered several Government home energy efficiency initiatives to the people of Southland, with the partnership of local community funding and EECA co-ordinated programme funding:

- 2009 Warm Up New Zealand Heat Smart Package* – following the initial start-up year, a four year home energy efficient heating programme was introduced by the Government in July 2009, successfully insulating more than 241,000 across New Zealand. After five years the SWHT had insulated over 4,500 homes with EECA and community funding support.
- 2013 Warm Up New Zealand Healthy Homes Programme* – the 2013 Healthy Homes insulation scheme aimed to fund the insulation of around 46,000 low income homes nationally over three years to June 2016, targeting low income households or those with high health needs, which include families with children and the elderly. Landlords with eligible tenants were also included. The SWHT subsidised the insulation of a further 1,270 homes in this period.
- 2016 Warm Up New Zealand Healthy Homes Rental Programme* – the SWHT was awarded EECA funding to deliver 1,100 rental property retrofits from September 2016 to June 2018. EECA funded 25% of the total insulation cost, with the SWHT contribution covering a further 25% of the cost, and the Landlord contribution providing the remaining 50%. In June 2017, EECA extended the eligibility criteria to again include Home Owners on low incomes, under the same funding scenario applicable for Landlords.
- 2018 Warmer Kiwi Homes Programme* – a new EECA initiative was introduced in July 2018 as a four year \$142million programme focusing on insulation for low income homes or those located in a low social-economic area, with the addition from year two of a new heating subsidy (heat pump or wood burner installation).
- 2022* The *Warmer Kiwi Homes Programme* has been extended to 30 June 2027, due to the successful uptake in the first four years, with the eligibility criteria extended to provide greater coverage for the benefits of the programme.

Warmer Kiwi Homes Programme

The Trust was awarded a Warmer Kiwi Homes (WKH) four year Insulation Service Provider contract for the Southland region, commencing at the conclusion of the Healthy Homes Programme in June 2018. The EECA managed WKH programme provides an 80% contribution towards insulation and/or efficient heating unit installation costs for eligible low income owner-occupied homes, or those based in a low income area. In addition, the SWHT provides funding for 15% of the cost, resulting in eligible low incomes homes only required to contribute 5% of the insulation cost, helping to make the offer more affordable for those who vulnerable and are likely to benefit the most.

EECA introduced new WKH service provider contracts in 2022 directly with programme installers Awarua Synergy, Southland Home Ventilation Ltd, Hotspot Installations Ltd and Laser Electrical (Gore) in the Southland region. The Trust works closely with these service providers to provide the additional 15% funding to their eligible WKH customers for the installation of a new heat pump or wood burner.

The WKH programme makes a commitment to quality and health & safety practices, with all service providers required to achieve a health & safety qualification standard.

The current Warmer Kiwi Homes Programme eligibility is based on the following criteria:

Funding for:	Insulation Subsidy		
Residential dwelling built prior to 1 January 2008, and:			
2022/23	EECA	SWHT	Home Owner
Home Owners with a CSC card.	80%	15%	5%
Owner-occupied homes located within a low social-economic area (zone 8, 9 or 10 Deprivation Index).	80%	15%	5%

Funding for:	Heating Contribution (Heat Pump & Wood Burner installation)	
Residential dwelling built prior to 1 January 2008, and:		
2022/23	SWHT	
Home Owners with a CSC card.	15%	- EECA provide 80% of funding, up to \$3,000 (incl GST);
Owner-occupied homes located within a low social-economic area (zone 8, 9 or 10 Deprivation Index).	15%	- SWHT 15% contribution in addition to EECA funding, increases to 95% up to \$4,210 install cost (incl GST). - Home Owner cost is 5% up to \$4,210 install cost (incl GST), and 100% thereafter.

NB: The Warmer Kiwi Homes Programme **Heating Contribution** started from 1 July 2020.

General Income Subsidy

During the year the Southland Warm Homes Trust together with Awarua Synergy offered a summertime subsidy of up to \$1,500 for qualifying middle income families to undertake insulation.

Health Subsidy Initiatives

The Trust together with Awarua Synergy and Public Health South introduced a new SWHT Health subsidy during the year, to recognise those who may not qualify for the WKH programme, but have a high health need and would benefit significantly from a warmer drier home. A grant of up to \$2,500 may be available for eligible home owners based on a health referral process.

The Trust has also provided support for the introduction of the Ministry of Health Healthy Homes Initiative (HHI) expansion to the Southland area during the year. This initiative involves a hospital referral system and aims to target families with repeat health issues caused by cold, damp living environments. Funding is available for eligible families who undertake the HHI process to make the home and living environment warmer and healthier. A joint application was submitted for the Otago/Southland region in February 2022 between Public Health South, Aukaha, Awarua Synergy, and SWHT offering funding of up to \$2,500 per home intervention for those in Southland.

Financial Hardship Grant

The Trust may contribute funding in situations of significant financial hardship, where a home owner may apply to the Trust to cover the remaining 5% 'Home Owner' portion of the WKH insulation or WKH Heating Unit install cost, at the discretion of the Trustees.



Financial Performance

The SWHT recorded a net operating deficit for the year of \$291,622 (2022: surplus \$228,592). The result was \$42,121 favourable to the budgeted deficit of \$333,743. This reflects strong demand for subsidised Warmer Kiwi Homes insulation and heating units during the year, partially offset by lower than budgeted spend on new initiatives, with delays to the implementation of new health referral subsidies, and Ministry of Health Healthy Homes Initiative (HHI) expansion programme.

The 2023 financial deficit utilises funds carried forward from the previous years, in particular 2021 which was impacted by changes due to the Covid pandemic.

Operational Support

Awarua Synergy performs the installation service provider function on behalf of the SWHT and employs up to 25 staff at seasonal peak times.

PowerNet Limited provides administrative and secretarial support to the Trustees and SWHT Project Team.

The support from the staff of these organisations towards the successful delivery of the project is gratefully acknowledged.

Lesley Soper
Chairperson
Southland Warm Homes Trust



ENTITY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2023

NATURE OF BUSINESS	Charitable Trust
CORE PURPOSE	To provide energy assessments, insulation, and energy efficient heating appliances to Southland households.
VISION	The Southland Warm Homes Trust and the Project Team in conjunction with Awarua Synergy will ensure Southlanders have - a more energy efficient home, an improved living environment, improved well-being, better health, and greater energy efficiency awareness.
GOVERNANCE	The Trust is governed by a Board of Trustees comprising of four members, and supported by a Project Team representing local stakeholder organisations.
TRUSTEES	Lesley Soper (Chairperson) Carl Findlater Stephen Canny Brel Highsted (Resigned) Jim Hargest (Resigned)
BUSINESS ADDRESS	251 Racecourse Road Invercargill
POSTAL ADDRESS	c/- PO Box 1642 Invercargill 9840
FREE PHONE	0800-WARMSOUTH 0800-92-76-76
AUDITOR	Crowe New Zealand Audit Partnership 173 Spey Street Invercargill
BANK	ANZ Bank New Zealand Limited
ADMINISTERED BY	PowerNet Limited 251 Racecourse Road Invercargill
PROJECT DELIVERY BY	Awarua Synergy c/- 117 Eye Street Invercargill 03-214-2927
FUNDING PROVIDED BY	Combination of Government agency funding through EECA based on number of eligible households insulated, and community funding provided through Corporate and Local Government donations and grants.
ACKNOWLEDGEMENT	The Trust greatly appreciates the support and volunteered time of the Trustees and the Project Team members, which is vital to the ongoing success of the project.

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

Outcomes

The objectives of the Southland Warm Homes Trust for this financial year as specified in the 2022/23 Business Plan are:

- providing all Southlanders with the opportunity to have an individual assessment and receive advice on how to improve energy efficiency in their home;
- creating awareness of the benefits of home insulation and energy efficiency
- improving the living environment, well-being and health of Southland people.

Key performance targets and measures identified in the Business Plan, along with the performance achieved during the financial year, are detailed below.

Outputs

Year Ended 30 June:	2023 Achieved	2023 Target	2022 Achieved
<i>Warmer Kiwi Homes Programme: Insulation Installs</i> (No. of houses receiving subsidised insulation)			
- Low Income Households – Owned	457	515	541
 <i>Warmer Kiwi Homes Programme: Heating Contribution</i> (No. of houses receiving funding towards new heat pump or wood burner)			
- Low Income Households – Owned	559	495	502

The Southland Warm Homes Trust continues to provide subsidised insulation and heating units to households across the wider Southland and West Otago area.

Subsidised Programme Regional Breakdown:

INSULATION	Clutha	Gore	Southland	Invercargill	Total
2022/23	6	84	63	304	457
2021/22	-	82	110	349	541

HEATING	Clutha	Gore	Southland	Invercargill	Total
2022/23	2	63	84	410	559
2021/22	-	74	72	356	502

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue			
Revenue from Grants & Donations received	2	362,806	1,926,939
Revenue from providing goods or services	2	3,714	126,740
Interest received		3,576	765
Total Revenue		370,096	2,054,444
Expenses			
Costs related to providing goods or services	3	613,665	2,182,118
Other expenses	3	48,053	100,918
Total Expenses		661,718	2,283,036
(Deficit) / Surplus for the year		(291,622)	(228,592)

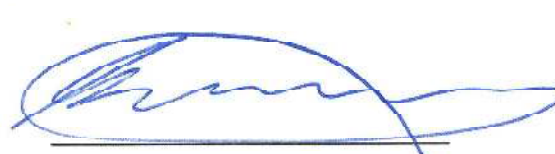
The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

STATEMENT OF FINANCIAL POSITION As At 30 JUNE 2023

	Note	2023 \$	2022 \$
<u>Assets</u>			
Current Assets			
Current Account		10,964	31,529
Call Account		160,852	467,376
Customer Deposits		-	-
Accounts Receivable		-	303,321
GST		23,803	24,056
Prepayments		2,646	2,646
Total Current Assets		198,265	828,928
Non-Current Assets			
Capital Work in Progress - Website		4,938	4,938
Total Assets		203,203	833,866
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable		37,542	376,583
Receipts in Advance		-	-
Total Current Liabilities		37,542	376,583
Total Liabilities		37,542	376,583
Net Assets		165,661	457,283
<u>Accumulated Funds</u>			
Accumulated surpluses - Net	4	165,661	457,283
Total Accumulated Funds		165,661	457,283



 Lesley Soper
 Chairperson



 Stephen Canny
 Trustee

The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Receipts from Grants & Donations	666,127	1,855,528
Receipts from providing goods or services	3,714	113,063
Interest received	3,576	765
Net GST	253	(18,908)
	673,670	1,950,448
<i>Cash was applied to:</i>		
Payments to suppliers for goods & services	1,000,759	2,180,809
	1,000,759	2,180,809
Net Cash Flows from Operating Activities	(327,089)	(230,361)
Net Cash Flows from Investing & Financing Activities	-	-
Net Increase in Cash	(327,089)	(230,361)
Opening Cash	498,905	729,266
Closing Cash	171,816	498,905
This is represented by:		
Bank Accounts and Cash		
Current Account	10,964	31,529
Call Account & Customer Deposits	160,852	467,376
	171,816	498,905
	171,816	498,905

The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Southland Warm Homes Trust is a Charitable Trust that was established by a trust deed dated 27 June 2008, and was registered with Charities Services on 23 September 2008. The Trust was established by Electricity Invercargill Limited and the Southland Electric Power Supply Consumer Trust for the purpose of providing energy assessments, insulation and energy efficient heating appliances to Southland and West Otago households.

The beneficiaries of the Trust are those persons or organisations connected to the Electricity Invercargill Limited distribution network in Invercargill and Bluff and The Power Company Limited distribution network in Southland and West Otago at a particular time.

The financial performance report was approved by the Board of Trustees on 29 November 2023.

Basis of Preparation

Southland Warm Homes trust 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 of 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.

Basis of Measurement

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

Good and Services Tax (GST)

The Southland Warm Homes Trust is registered for GST. The financial performance report has been prepared exclusive of Goods and Services Tax, with the exception of receivables and payables which are shown inclusive of Goods and Services Tax.

Income Tax

Southland Warm Homes Trust 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 at call).

Revenue

Grants and Donations

Grants and donations are recorded as revenue on receipt unless there is a 'use or return' condition attached. Grants or donations with use or return conditions are recorded as a liability until the conditions have been satisfied and are recorded as a liability until the conditions have been satisfied and are recorded as revenue.

Household Contributions

Revenue from this source is measured at the fair value of the consideration given for the sale of goods and services.

Investments

Investments are stated at cost.

Loans and Receivables

Loans and receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent the debts are not collectable.

Changes in Accounting Policies

There have been no changes to accounting policies. All accounting policies are consistent with those applied in the previous year.

2. REVENUE

	2023	2022
	\$	\$
<u>Revenue from Grants or Donations received</u>		
<i>Revenue from grants or contracts for services with government agencies:</i>		
Energy Efficiency and Conservation Authority (EECA)	77,606	1,626,739
<i>Revenue from grants or contracts for services with local government:</i>		
Environment Southland	50,000	50,000
Invercargill City Council	30,000	50,000
Southland District Council	35,000	35,000
Gore District Council	15,000	15,000
<i>Revenue from other grants or donations received:</i>		
Electricity Invercargill Limited	62,500	62,500
The Power Company Limited	62,500	62,500
Community Trust South	30,000	25,000
Sundry Donations Received	200	200
	362,806	1,926,939
<u>Revenue from providing goods or services:</u>		
Household contributions	3,714	98,461
EECA WKH Performance Incentive Received	-	28,279
	3,714	126,740

3. EXPENSES

	2023 \$	2022 \$
<u>Costs related to providing goods or services</u>		
Insulation costs	72,162	1,912,388
Insulation Contributions	256,184	-
Heating Contributions	285,319	241,451
Performance Incentive Payment	-	28,279
	613,665	2,182,118
<u>Other Costs</u>		
Administration Expenses	42,733	95,668
Audit Fees	5,320	5,250
	48,053	100,918

4. ACCUMULATED FUNDS

This Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	457,283	-	457,283
Surplus	-	(291,622)	-	(291,622)
Closing Balance	-	165,661	-	165,661

Last Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	685,875	-	685,875
Deficit	-	(228,592)	-	(228,592)
Closing Balance	-	457,283	-	457,283

5. COMMITMENTS

Operating Commitments

During the year, the Trust made a commitment to pay an incentive payment to its insulation installation service provider, Awarua Synergy, in the event the Trust receives an incentive payment from EECA, in relation to achieving the target value of funding claims made under its Warmer Kiwi Homes Programme Insulation contract.

During the 2023 period, the Trust also made a commitment to provide a \$60,000 funding contribution to support a new healthy home pilot initiative, subject to certain conditions being met. (2022: \$60,000).

6. RELATED PARTIES

The Trust received a donation during the year of \$62,500 (2022: \$62,500) from The Power Company Limited. The Power Company Limited is a 100% owned subsidiary of the Southland Power Trust, of which Carl Findlater is Chairman, and Jim Hargest, who was a past Trustee, and was appointed as SWHT Trustee in September 2022 as a representative of the Southland Power Trust. The Southland Power Trust was an original settlor of the Southland Warm Homes Trust (with Electricity Invercargill Limited)

The Trust received a donation during the year of \$62,500 (2022: \$62,500) from Electricity Invercargill Limited. Electricity Invercargill Limited was an original settlor of the Southland Warm Homes Trust (with the Southland Power Trust), and is a 100% owned subsidiary of the Invercargill City Council, of which trustee Lesley Soper is a Councillor.

The Trust received a donation during the year of \$30,000 (2022: \$50,000) from the Invercargill City Council of which trustee Lesley Soper is a Councillor.

The Trust received a donation during the year of \$15,000 (2022: \$15,000) from the Gore District Council, of which trustee Bret Highsted is a Councillor.

The Trust uses PowerNet Limited to provide administration services. Fees for administration services during the year amounted to \$30,000 excluding GST (2022: \$30,000 excluding GST) of which \$2,875 including GST (2022: \$2,875 including GST) is owing at balance date. PowerNet is owned jointly by Electricity Invercargill Limited and The Power Company Limited.

7. NON CASH DONATIONS

The Trust received non-financial in kind support from businesses offering services and time to help with the running of the Trust operations.

8. CONTINGENT LIABILITIES

There were no known contingent liabilities as at 30 June 2023.

9. COMMUNITY SUPPORT

The continuation of the Southland Warm Homes Trust is dependent upon the on-going support from its community funders listed in Note 2, Revenue.

10. WARMER KIWI HOMES CONTRACT CHANGES

On 30 June 2022 the Trust's four year Warmer Kiwi Homes Insulation Service Provider contract with EECA ended. Due to changes to the Service Provider requirements in relation to the sub-contracting of Warmer Kiwi Homes (WKH) installation work, the Trust does not directly hold a contract with EECA following 1 July 2023, however the Trust continues to provide the same third-party funding to eligible Warmer Kiwi Homes insulation customers through those who received a new Warmer Kiwi Homes insulation service provider contract in the Southland region for the 2023 to 2026 period.

The change in EECA contract status reduces the direct insulation installation expenditure with Awarua Synergy, as the WKH insulation service provider contract and associated reporting transfers to Awarua Synergy as a contract holder, however the Trust continues to provide the 15% funding contribution allocated to WKH installation work. No impact is expected on other Trust funding initiatives.

11. SUBSEQUENT EVENTS

On 17 August 2023 EECA announced changes to the Warmer Kiwi Homes programme (WKH) funding for Insulation installations. Eligible home-owners with a community services card or who live in deprivation zone 9 or 10, would receive 90% of their installation cost subsidised by EECA. Previously EECA provided 80% subsidy funding. In situations where the 90% EECA funding applies, the Trust will reduce its contribution from 15% to 5%, to maintain a 95% combined subsidy to home-owners.

Other than the item noted above, there have been no subsequent events since 30 June 2023.



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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Southland Warm Homes Trust

Opinion

We have audited the performance report of Southland Warm Homes Trust (the Trust) which comprise the financial statements on pages 9 to 16, the statement of service performance on page 8 and the entity information on page 7. The complete set of financial statements comprise the statement of financial position as at 30 June 2023, and the statement of financial performance and statement of cash flows for the year ended, and the statement of accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

- the entity information as at 30 June 2023;
- the financial position of the Trust as at 30 June 2023, and its financial performance and its cash flows for the year then ended; and
- the service performance of the Trust for the year ended 30 June 2023 in accordance with the entity's service performance criteria

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 financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. 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 are independent of the Trust 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 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.

Our firm provided advice on the GST registration and the continuance of the GST registration to the Trust, valued at \$1,500. The firm has no other relationship with, or interests in, the Trust.

Information Other Than the Performance Report and Auditor's Report

The Trustees are responsible for the other information. The other information comprises the information included in the Chairman's report on pages 3 to 6, but does not include the performance report and our auditor's report thereon.

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Our opinion on the performance report 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 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, 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.

Trustees' Responsibilities for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- (a) the preparation and fair presentation of the entity information, financial statements and statement of service performance in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as the Trustees determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the entity information, financial statements as a whole, and the statement of service performance 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) and NZ AS 1 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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity information, the financial statements and the statement of service performance, 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.



- Obtain an understanding of internal control relevant to the audit of the entity information, the financial statements and the statement of service performance 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions, events and service performance 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.

Restriction on Use

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

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Invercargill this 13th day of December 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.