

**Queenstown Lakes Community Housing Trust
Consolidated Annual Reports
For The Year Ended
31 March 2020**

Queenstown Lakes Community Housing Trust
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For The Year Ended 31 March 2020

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Queenstown Lakes Community Housing Trust
Directory of Consolidated Annual Report
For The Year Ended 31 March 2020

Settlor	Graham Morris Todd
Date Settled	15 January 2007
Date of Incorporation	12 July 2007
Trustees	A Blair J M Conroy G H A Hollyer R J Key J E Macdonald P A J Smith (appointed 1 March 2020) P B Southwick (resigned 1 March 2020)
Accountants	McCulloch + Partners Chartered Accountants P O Box 64 Queenstown 9348
Solicitors	RVG Law P O Box 1513 Queenstown 9348 Mitchell Mackersy Lawyers P O Box 2657 Queenstown 9349
Auditors	Deloitte Limited P O Box 1245 Dunedin 9054
IRD Number	097-121-805

Queenstown Lakes Community Housing Trust
Statement of Comprehensive Income and Expense
For The Year Ended 31 March 2020

	Note	Group	
		This Year \$	Last Year \$
Revenue From Exchange Transactions			
Property Sales		1,320,000	1,400,000
Lease Rentals		944,837	789,450
Sundry Income		-	5,678
Property Management Fees Received		34,085	52,208
Realised & Unrealised Gains/(Losses) on Investments		(10,722)	-
Capital Gain on Disposal of Property, Plant and Equipment		888,620	1,605,690
Total Revenue From Exchange Transactions		3,176,820	3,853,027
Revenue From Non-Exchange Transactions			
Grants Received		50,000	50,000
Stakeholders Contributions Received		769,258	70,488
Total Revenue From Non-Exchange Transactions	4	819,258	120,488
Other Income			
Interest & Dividends Received		127,740	104,334
Total Other Income		127,740	104,334
Total Income		4,123,818	4,077,849
Less Expenses			
Administration Expenses			
Administration Expenses		89,444	114,516
Cost of Goods Sold			
Cost of Goods Sold		996,101	1,661,886
Operating Expenses			
Operating Expenses		262,440	314,920
Other Expenses			
Audit Fees	5	17,000	9,500
Depreciation	6	370,687	388,724
Interest		215,906	230,337
Trustee Fees		99,330	102,877
Wages		185,125	177,228
Total Other Expenses		888,048	908,666
Total Expenses		2,236,033	2,999,987
Surplus for the Year and Total Comprehensive		1,887,785	1,077,862

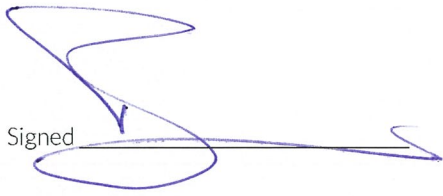
Queenstown Lakes Community Housing Trust
Statement of Changes in Equity
For The Year Ended 31 March 2020

	Group	
	This Year \$	Last Year \$
Equity As At Start Of Year	22,347,280	21,269,419
Comprehensive Revenue and Expense	1,887,785	1,077,861
Equity As At 31 March 2020	<u>24,235,065</u>	<u>22,347,280</u>

Queenstown Lakes Community Housing Trust
Statement of Financial Position
As At 31 March 2020

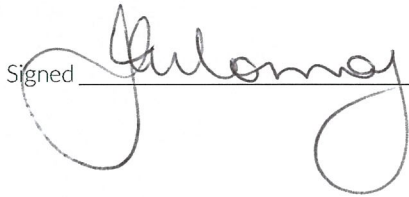
	Note	Group	
		This Year \$	Last Year \$
Equity			
Trustees' Accumulated Income Account		24,235,065	22,347,280
Total Equity		<u>24,235,065</u>	<u>22,347,280</u>
Represented by:			
Non Current Assets			
Property, Plant and Equipment	6	18,451,611	19,140,082
Total Non Current Assets		<u>18,451,611</u>	<u>19,140,082</u>
Current Assets			
ASB Bank Accounts		4,675,236	2,716,145
SBS Bank Accounts		3,673,545	1,184,395
Craigs Investment Partners		305,461	-
Accounts Receivable		20,888	1,117,123
Accrued Interest		26,173	19,233
Deposit Paid	1	2,621,843	2,621,843
Development Work in Progress	7	100,714	922,371
Prepayments		13,467	38,331
Property Held for Sale	8	-	531,660
Tax Receivable		18,524	15,982
Total Current Assets		<u>11,455,851</u>	<u>9,167,082</u>
Total Assets		<u>29,907,462</u>	<u>28,307,166</u>
Less Liabilities			
Non Current Liabilities			
Term Loans	9	1,431,745	1,469,271
Central Lakes Trust Advance	10	3,673,361	3,753,832
Housing New Zealand Corporation	9	320,134	339,733
Total Non Current Liabilities		<u>5,425,240</u>	<u>5,562,836</u>
Current Liabilities			
Current Portion Term Loans	9	37,055	35,432
Current Portion Central Lakes Trust Advance	10	80,471	77,321
Current Portion Housing New Zealand Corporation	9	19,600	19,600
Accounts Payable		51,111	101,030
Accruals		49,314	39,526
GST Payable		3,694	40,155
Income Received in Advance		-	76,000
PAYE Deductions Payable		5,912	7,984
Total Current Liabilities		<u>247,157</u>	<u>397,048</u>
Total Liabilities		<u>5,672,397</u>	<u>5,959,884</u>
Net Assets As Per Total Equity		<u>24,235,065</u>	<u>22,347,280</u>

Queenstown Lakes Community Housing Trust
Statement of Financial Position
As At 31 March 2020

Signed 

 Trustee

Date 21/07/20

Signed 

Trustee

Date 21/07/20

Queenstown Lakes Community Housing Trust
Statement of Cash Flows
As At 31 March 2020

	Note	Group This Year \$	Group Last Year \$
Cashflows from Operating Activities			
Cash Was Provided From			
Receipts from Customers		3,395,157	1,144,167
Proceeds from Mortgages Issued		-	1,390,143
Grants Received		50,000	50,000
Interest Received		110,080	88,491
Inclusionary Zoning Contributions Received		769,258	70,488
Cash Was Dispersed To			
Payments to Suppliers and Employees		784,709	2,985,264
Trustees' Fees		99,330	102,877
Interest Paid		215,991	230,576
Net Cash Inflow/(Outflow) from Operating Activities	12	<u>3,224,465</u>	<u>(575,428)</u>
Cashflows from Investing Activities			
Cash Was Provided From			
Sale of Property, Plant and Equipment		1,672,449	3,447,276
Cash Was Dispersed To			
Payments for Capital Work in Progress and Purchase of Property, Plant and Equipment		10,388	3,559,841
Net Cash Inflow/(Outflow) from Investing Activities		<u>1,662,061</u>	<u>(112,565)</u>
Cashflows from Financing Activities			
Cash Was Provided From			
Proceeds from Borrowings		-	-
Cash Was Dispersed To			
Repayment of Borrowings		132,824	128,356
Net Cash Inflow/(Outflow) from Financing Activities		<u>(132,824)</u>	<u>(128,356)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		4,753,702	(816,349)
Cash and Cash Equivalents at the Beginning of the Year		3,900,540	4,716,889
Cash and Cash Equivalents at the End of the Year		<u><u>8,654,242</u></u>	<u><u>3,900,540</u></u>
Represented by:			
ASB Bank Accounts		4,675,236	2,716,145
SBS Bank Accounts		3,673,545	1,184,395
Craigs Investment Partners		305,461	-
		<u><u>8,654,242</u></u>	<u><u>3,900,540</u></u>

Queenstown Lakes Community Housing Trust

Notes to the Financial Statements

As At 31 March 2020

Statement of Accounting Policies

Reporting Entity

Queenstown Lakes Community Housing Trust operated in accordance with its Trust Deed and is governed by the requirements of the Trustee Act 1956.

The Financial Statements of the entity have been prepared in accordance with generally accepted accounting practice in New Zealand for general purpose financial reports. They comply with Public Benefit Entity Standards Reduced Disclosure Regime, as appropriate for Tier 2 not-for-profit public benefit entities.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed in the preparation of these accounts.

Specific Accounting Policies

The following specific accounting policies have a material effect on the measurement of results and financial position:

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions:

Government grants and funding

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and:

- ▶ it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- ▶ the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Group has satisfied these conditions.

Stakeholder contributions

Stakeholder contributions are recognised as revenue when the Trust renders the services for which the contribution was levied. Stakeholder contributions that are received before the Trust is able to provide the service for which they are levied are recognised as liabilities until the Trust provides the services.

Revenue from exchange transactions:

Interest revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate.

Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of comprehensive revenue and expenses.

Rental revenue

Rental revenue arising from operating leases on properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

Property Revenue

Revenue from the sale of Development Property is recognised when the significant risks and rewards of ownership have been transferred to the home owner and revenue can be reliably measured.

Disposal of Property Plant and Equipment

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Depreciation

Depreciation has been charged on buildings at a rate of 3% DV per annum. No depreciation is charged on land.

Taxation

The Trust is exempt from paying tax under the Income Tax Act 2007.

Property Plant and Equipment

Buildings are stated at cost less accumulated depreciation, and land is stated at cost, less any impairment. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially recognised at fair value.

Work in Progress

Capital Work in Progress and Development Work in Progress are measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Accounts Receivable and Mortgages Issued

Accounts receivable and mortgages issued are stated at amortised cost using the effective interest method, less impairment.

Goods and Services Tax

The accounts have been prepared on a GST exclusive basis with the exception of Accounts Payable and Accounts Receivable which are stated GST inclusive.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term.

Employee benefits*Wages, salaries and annual leave*

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Basis of consolidation

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being Queenstown Lakes Community Housing Trust (the parent entity) and its subsidiaries over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

The Group financial statements include the information and results of each subsidiary from the date on which the Trust obtains control and until such time as the Trust ceases to control such entity.

In preparing the Groups financial statements, all intragroup balance and transactions, and unrealised profits arising within the Group are eliminated in full.

Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those used in the last year.

Notes

1 Capital Commitments

As at 31 March 2020 the Group was committed to the purchase of 50 units in the Remarkables Park Complex at a cost of \$26,093,000. A deposit of \$2,621,843 was paid in April 2018. The balance is payable on completion in February 2021.

The Trust is currently building 6 houses in the Hikuwai subdivision in Wanaka. The total project is budgeted to cost \$2,474,279 excluding land; at 31 March 2020 \$29,980 had been spent. The project is due for completion in January 2021.

2 Contingent Liabilities

As at 31 March 2020 the Trust has no contingent liabilities (2019: \$Nil).

3 Related Parties

2020 no disclosure is required (2019: \$nil).

4 Revenue From Non-Exchange Transactions

	Group This Year \$	Group Last Year \$
Stakeholders Contributions Received - Cash Contributions	769,258	-
Grants Received - Cash Contributions	50,000	70,488
Total as at 31 March 2020	819,258	70,488

5 Fees Paid To Auditors

	Group This Year \$	Group Last Year \$
Audit Services	17,000	9,500
Total as at 31 March 2020	17,000	9,500

6 Property, Plant and Equipment

2020	Group Cost	Purchases	Transfer from WIP	Sales or Disposals	Depn Charge	Accum Depn	Net Book Value
Land	6,419,275	466,048	-	233,081	-	-	6,652,242
Buildings	14,017,706	-	-	550,751	367,102	1,673,297	11,793,658
Plant & Equipment	14,084	-	-	-	3,585	8,373	5,711
Total as at 31 March	20,451,065	466,048	-	783,832	370,687	1,681,670	18,451,611

2019	Group Cost	Purchases	Transfer from WIP	Sales or Disposals	Depn Charge	Accum Depn	Net Book Value
Land	5,469,524	-	1,526,000	576,248	-	-	6,419,275
Buildings	14,620,600	2,357	743,023	1,189,338	385,849	1,465,132	12,711,511
Plant & Equipment	4,335	9,749	-	-	2,875	4,788	9,296
Total as at 31 March	20,094,459	12,106	2,269,023	1,765,586	388,724	1,469,920	19,140,082

7 Development Work in Progress

	Group This Year \$	Group Last Year \$
Opening Balance	922,371	197,045
Plus Additions	108,646	2,387,212
Less Transfer to Cost of Goods Sold	(930,303)	(1,661,886)
Total as at 31 March 2020	100,714	922,371

8 Property Held For Sale

	Group This Year \$	Group Last Year \$
Opening Balance	531,660	-
Plus 7 Stone Walls Lane	-	531,660
Less Transfer to Cost of Goods Sold	(531,660)	-
Total as at 31 March 2020	-	531,660

9 Borrowings

Housing New Zealand Corporation

Opening Balance
Less Repayments

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
359,334	378,934
(19,600)	(19,600)
<u>339,734</u>	<u>359,334</u>

Housing New Zealand Corporation

Current Portion
Non-Current Portion

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
19,600	19,600
320,134	339,734
<u>339,734</u>	<u>359,334</u>

The Housing NZ Loan was advanced from Housing New Zealand for the purposes of financing the Rent Saver Programme. This loan is interest free for 10 years from August 2012 and due for repayment August 2022.

HNZ Loan is secured through a general security agreement over the assets of the Trust and QLCHT Property Portfolio Limited and a second ranking mortgage over the properties included in the Rent Saver Programme.

ASB Term Loans

Opening Balance
Plus Drawdowns
Less Repayments

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
1,504,703	1,539,165
-	500,000
(35,903)	(534,462)
<u>1,468,800</u>	<u>1,504,703</u>

ASB Term Loans

Current Portion
Non-Current Portion

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
37,055	35,432
1,431,745	1,469,271
<u>1,468,800</u>	<u>1,504,703</u>

The ASB loans 910002 and 910003 have interest charged at a rate of 4.29%p.a. and are due to be repaid on 28 February 2046 and 30 June 2023 respectively. These loans are secured over the property at 11-21 Suffolk Street, Arrowtown.

10 Central Lakes Trust

Opening Balance
Less Repayments

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
3,831,153	3,905,446
(77,321)	(74,294)
<u>3,753,832</u>	<u>3,831,152</u>

Current Portion

Non-Current Portion

Total as at 31 March 2020

Group	
This Year	Last Year
\$	\$
80,471	77,321
3,673,361	3,753,832
<u>3,753,832</u>	<u>3,831,152</u>

The loan is due to be repaid on 21 November 2021, interest is charged at a rate of 4.00%p.a. The loan is secured over 11 properties at Shotover Country.

11 Subsidiaries

Name of Entity Subsidiary	Country of Incorporation		Balance Date	Ownership	Interest
QLCHT Shotover Country Limited	New Zealand	New Zealand	31 March	100%	100%
QLCHT Developments Limited	New Zealand	New Zealand	31 March	100%	100%
QLCHT Property Portfolio Limited	New Zealand	New Zealand	31 March	100%	100%
Queenstown Housing Bonds Limited	New Zealand	New Zealand	31 March	100%	100%

12 Reconciliation of Operating Cash Flows to Net Surplus

	Group	
	This Year \$	Last Year \$
Net Surplus/(Deficit) for the Year	1,887,784	1,077,861
<u>Add/(Deduct):</u>		
Depreciation	370,687	388,724
Depreciation Recovered	(635,407)	(158,938)
Interest Accrued	(26,173)	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	(253,209)	(1,446,753)
Provisions Made	(2,591)	10,823
<u>Adjustments for Movements In:</u>		
(Increase)/Decrease in Accounts Receivable	1,115,468	(1,119,011)
Increase/(Decrease) in Accruals	(88,922)	35,658
(Increase)/Decrease in Development Work in Progress	821,657	(725,326)
Increase/(Decrease) in Mortgages Issued	-	1,390,143
Increase/(Decrease) in Payables	35,171	(28,611)
Net Cash (Outflow)/Inflow from Operating Activities	<u>3,224,465</u>	<u>(575,428)</u>

13 Operating Leases

	Group	
	This Year \$	Last Year \$
Operating Lease as Lessee		
Less than one year	15,000	14,000
Between one and five years	-	-
Total Non-Cancellable Operating Lease Payments	<u>15,000</u>	<u>14,000</u>

The Trust has entered into an operating lease for office premises. The lease was renewed on 1 April 2019 for a further 2 years.

Operating Lease as Lessor

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are \$2,018,079 (2019: \$2,948,190).

14 Subsequent Events

The outbreak of COVID-19 and the subsequent quarantine measures and travel restriction imposed by the NZ government from March 2020 have caused disruption to business and economic activity.

At the time of signing these financial statements, New Zealand has come out of restrictive quarantine measures imposed by the Level 3 & level 4 COVID 19 restrictions. Throughout the level 3 & 4 period in NZ the Trust continued to receive rental payments (and provided variations to rental arrangements where necessary).

Upon reviewing the current situation and the cash reserves of the Trust, the Trustees are of the opinion the Trust is well positioned to remain a going concern.

Independent Auditor's Report

To the Trustees of Queenstown Lakes Community Housing Trust

Opinion

We have audited the financial statements of Queenstown Lakes Community Housing Trust (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated, statement of comprehensive income and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 4 to 13, present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2020, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and 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 Consolidated Financial Statements* section of our report.

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

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the entity or any of its subsidiaries. These services have not impaired our independence as auditor of the entity or group.

Other information

The Board of Trustees is responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

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

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Board of Trustees' responsibilities for the consolidated financial statements

The Board of Trustees are responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Trustees are responsible on behalf of the group for assessing the group'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 Board of Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 conducted in accordance with ISAs and 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

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

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Board of Trustees, as a body. Our audit has been undertaken so that we might state to the Members 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Dunedin, New Zealand
21 July 2020