



Annual Report

Redwood Trust Incorporated
As at 31 March 2020

Prepared by WK Advisors and Accountants Limited

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Entity Information

Redwood Trust Incorporated For the year ended 31 March 2020

Legal Name

Redwood Trust Incorporated

Entity Status and Legal Basis

Incorporated Society
Registration number 418159

Date of Incorporation

18 August 1988

Entity Purpose or Mission

To donate to recognised charitable or amateur sporting organisations funded from gaming machine proceeds.

Entity Structure

The Incorporated Society is governed by a Board of Trustees which meets monthly to consider funding applications and governance matters. The entity contracts directly with a tavern, through a venue agreement, to operate the entity's gaming machines.

The Board of Trustees is not less than two nor more than four persons who shall be known as the Trustees of the Society and who shall be approved as Trustees and as members of the Management Committee by the Department of Internal Affairs or any other authority responsible for the supervision of gaming machine operations.

Trustees

Bob Penington - (Chairman)
Craig Forsyth
Greg King

Contact Details

Physical Address: 2 Alfred Street, Blenheim 7201
Postal Address: PO Box 349, Blenheim 7240
Phone: 03-578-0180
Email: enquiries@redwoodtrust.org.nz
Website: www.redwoodtrust.org.nz

Main Sources of Cash and Resources

Redwood Trust Incorporated has received income from gaming machines sited at the Redwood Tavern, Cleghorn Street, Redwoodtown, Blenheim 7201, and from investments.

Main Methods Used to Raise Funds

Aside from gaming machines, the entity does not carry out fundraising.

Reliance on Volunteers and Donated Services

The entity does not rely on volunteers or donated services

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report

IRD Number

050-432-882

GST Status

Payments Basis, Two monthly returns, Coinciding with balance date

Chartered Accountants

WK Advisors and Accountants Limited
P O Box 349
Blenheim 7240
Contact - Craig Forsyth

Auditors

Crowe NZ Audit Partnership
PO Box 10
Nelson 7040

Bankers

Bank of New Zealand
92-94 Market Street
Blenheim 7201

Statement of Service Performance

Redwood Trust Incorporated For the year ended 31 March 2020

Entities Outcomes

The Redwood Trust is a charitable trust that exists for the purpose of raising funds for the community. The entity owns gaming machines installed at a tavern in Marlborough, that manages the machines on their behalf.

Profits from these machines are utilised for authorised purposes, for distribution within the community.

Quantification of Outputs

	2020	2019
Applied and distributed funds		
Donations	\$485,795	\$412,987
Applied and distributed funds as a percentage of gross proceeds	42.9%	40.4%



For more information visit www.redwoodtrust.org.nz

Statement of Financial Performance

Redwood Trust Incorporated For the year ended 31 March 2020

	NOTES	2020	2019
Revenue			
Revenue from providing Goods or Services			
Proceeds from Gaming Machines		1,129,849	1,021,403
Total Revenue from providing Goods or Services		1,129,849	1,021,403
Interest, Dividends and other Investment Revenue			
Interest Received		59	44
Total Interest, Dividends and other Investment Revenue		59	44
Other Revenue			
Depreciation - Gain on Sale		3,242	700
Total Other Revenue		3,242	700
Total Revenue		1,133,150	1,022,147
Expenses			
Grants and Donations Made			
Donations		485,795	412,987
Total Grants and Donations Made		485,795	412,987
Costs related to providing goods or services			
Advertising and Marketing		720	904
Electronic Monitoring Activity		12,157	12,307
Gaming Machine Duty		259,865	234,923
Insurance		7,582	6,996
Intralot Telecom Line Charge		618	618
Operator's Annual Fee		3,612	3,612
Operator's Licence - Amendment		-	734
Operator's Licence - Renewal		10,246	10,246
Printing, Stamps & Stationery		1,135	1,115
Problem Gambling Levy		11,861	15,270
Repairs & Maintenance - Gaming Room		715	2,394
Secretarial Services		45,000	41,625
Service Contract		16,800	16,800
Site Fees and Administration		166,356	153,526
Subscriptions		3,145	2,893
Venue Annual Fee - per Machine		13,328	12,615
Venue Licence - Amendment		338	169
Venue Licence - Renewal		170	170
Website		109	121
Total Costs related to providing goods or services		553,757	517,038
Other Expenses			
Accountancy Fees		7,500	6,500
Audit Fees		3,100	3,000



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

	NOTES	2020	2019
Bank Charges		113	118
Depreciation - Loss on Disposal		1,223	3,100
Depreciation Expense		57,120	53,286
Interest - Loans		7,106	7,229
Loan Fees		370	370
Trustees Fees		20,000	20,000
Total Other Expenses		96,532	93,603
Total Expenses		1,136,084	1,023,629
Net (Deficit) for the Year		(2,934)	(1,481)



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Statement of Financial Position

Redwood Trust Incorporated As at 31 March 2020

31 MAR 2020 31 MAR 2019

Assets

Current Assets

BNZ Current Account	49,539	61,552
Total Current Assets	49,539	61,552

Non-Current Assets

Property, Plant and Equipment	132,262	121,488
Total Non-Current Assets	132,262	121,488

Total Assets	181,801	183,040
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Liabilities

Current Liabilities

Trade and Other Payables	38,826	47,020
GST Account	15,142	15,811
Interest Accrued	221	273
Loans - Current Portion	50,817	47,467
Total Current Liabilities	105,006	110,571

Non-Current Liabilities

Loans

Heartland Bank - Loan October 2017	-	11,852
Heartland Bank - Loan October 2018	11,042	28,837
Heartland Bank - October 2019	36,906	-
Total Loans	47,948	40,689

Total Non-Current Liabilities	47,948	40,689
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Total Liabilities	152,954	151,260
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Net Assets	28,847	31,780
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Accumulated Funds

Accumulated Funds	28,847	31,780
Total Accumulated Funds	28,847	31,780

Signed by:

 Trustee

 Trustee

Date: 10-06-2020



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Statement of Cash Flows

Redwood Trust Incorporated For the year ended 31 March 2020

	2020	2019
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from gaming machines	1,129,849	1,021,403
Interest, dividends and other investment receipts	59	44
Total Cash was provided from:	1,129,908	1,021,447
Cash was applied to:		
Payments to suppliers and employees	(593,701)	(544,930)
Authorised Distributions	(485,795)	(413,987)
Interest Paid	(7,158)	(7,286)
Total Cash was applied to:	(1,086,655)	(966,203)
Total Cash Flows from Operating Activities	43,254	55,244
Cash Flows from Investing Activities		
Cash was provided from:		
Receipts from sale of property, plant and equipment	4,000	7,000
Total Cash was provided from:	4,000	7,000
Cash was applied to:		
Payments to acquire property, plant and equipment	(69,875)	(56,495)
Total Cash was applied to:	(69,875)	(56,495)
Total Cash Flows from Investing Activities	(65,875)	(49,495)
Cash Flows from Financing Activities		
Cash was provided from:		
Proceeds from loans borrowed from other parties	76,126	57,289
Total Cash was provided from:	76,126	57,289
Cash was applied to:		
Repayments of loans borrowed from other parties	(65,518)	(65,036)
Total Cash was applied to:	(65,518)	(65,036)
Total Cash Flows from Financing Activities	10,609	(7,747)
Net Increase/ (Decrease) in Cash	(12,013)	(1,998)
Cash Balances		
Cash and cash equivalents at beginning of period	61,552	63,550
Cash and cash equivalents at end of period	49,539	61,552
Net change in cash for period	(12,013)	(1,998)



These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

Schedule of Fixed Assets and Depreciation

Redwood Trust Incorporated For the year ended 31 March 2020

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Gaming Machines									
00500058 Helix Upr Plus MagicPearl	12 Oct 2017	24,995	11,998	-	-	40.00%	4,799	17,796	7,199
00500635 - Helix Plus BestBet Lightning Cash	1 Oct 2018	24,995	19,996	-	-	40.00%	7,998	12,997	11,998
00700484 Lucky Strike - Conversion	5 Nov 2014	6,000	648	-	-	40.00%	259	5,611	389
00700484 The Phantom 2c V99	31 Oct 2012	28,995	1,082	-	-	40.00%	433	28,346	649
00701149 - Conversion Pure Gold 2C V04 to High Stakes LC Lightning Cash	1 Oct 2018	6,000	4,800	-	-	40.00%	1,920	3,120	2,880
00701149 Vir W/S MidR L TB Pure Gold 2c V04	4 Nov 2015	17,000	3,060	-	-	40.00%	1,224	15,164	1,836
00868042 Game Conversion	1 Jun 2005	4,750	5	-	5	39.60%	-	-	-
01920206 Multistar Dynamic	1 Aug 2010	33,995	124	-	124	48.00%	-	-	-
01920206 Multistar Gold Fever Conversion	30 Nov 2013	3,000	194	-	194	40.00%	-	-	-
01920207 Multistar Jackpots	1 Aug 2010	33,995	124	-	-	48.00%	59	33,931	64
01920207 Multistar Megastar 3	30 Nov 2013	-	-	-	-	40.00%	-	-	-
01920657 Multistar Gold Fever 2 Conversion	30 Nov 2013	3,000	194	-	194	40.00%	-	-	-
01920657 Multistar Wishes & Dreams	30 Jun 2011	33,995	634	-	634	40.00%	-	-	-
01920658 Multistar Gold Fever 3	30 Nov 2013	3,000	194	-	194	40.00%	-	-	-
01920658 Multistar Rock N' Jaguar	30 Jun 2011	33,995	634	-	634	40.00%	-	-	-
01931034 Multistar World Champion Series/Free upgrade to Multistar Super 3G	20 Sep 2016	26,995	7,451	-	-	40.00%	2,980	22,525	4,470
01931507 - Hyper Hit Rhino Riches Conversion to Multistar Hot Diamonds 1c	1 Oct 2018	23,500	18,800	-	-	40.00%	7,520	12,220	11,280
01937100 - Cleopatra Rising Dual 1c	30 Oct 2019	26,995	-	26,995	-	40.00%	5,399	5,399	21,596
01937101 - Wheel Shot Wild Gold 1c	30 Oct 2019	26,995	-	26,995	-	40.00%	5,399	5,399	21,596
01960411 Conversion Multistar Foxy Fortune	1 Apr 2008	6,000	23	-	-	39.60%	9	5,986	14
01960411 Multistar Foxy Fortune	1 Oct 2002	18,700	5	-	-	39.60%	2	18,697	3
01970459 Multistar 10G Megastar	1 Sep 2005	24,995	27	-	-	39.60%	11	24,978	17

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
01980695 Multistar Megastar 2 w Pids	1 Apr 2008	25,995	101	-	-	39.60%	40	25,934	61
01983377 Multistar Foxy Fortune	1 Aug 2010	22,995	84	-	-	48.00%	40	22,952	43
07993772 PC4 Equinox	5 Nov 2014	25,995	2,807	-	-	40.00%	1,123	24,311	1,684
07993773 - Conversion to Locked Up Loot Locked & Loaded	30 Oct 2019	5,295	-	5,295	-	40.00%	1,059	1,059	4,236
07993773 Multideluxe Conversion from SL-V Equinox	20 Sep 2016	5,995	1,655	-	-	40.00%	662	5,002	993
07993773 SL-V Equinox	5 Nov 2014	27,495	2,969	-	-	40.00%	1,188	25,713	1,782
07994088 - Conversion to Eureka Reel Blast	30 Oct 2019	5,295	-	5,295	-	40.00%	1,059	1,059	4,236
07994088 Conversion to Ironman from Scatterstrike Blue	12 Oct 2017	2,648	1,271	-	-	40.00%	508	1,885	762
07994088 EGM Scatter Strike Blue	4 Nov 2015	23,995	4,319	-	-	40.00%	1,728	21,404	2,591
07994469 Conversion to Bright Lights from Beyond Olympus Fire Surge	12 Oct 2017	2,648	1,271	-	-	40.00%	508	1,885	762
07994469 SL-V Dualos Beyond Olympus Fire Surge	20 Sep 2016	28,995	8,003	-	-	40.00%	3,201	24,193	4,802
07994844 - Conversion to That's Bananas Cash Connection	30 Oct 2019	5,295	-	5,295	-	40.00%	1,059	1,059	4,236
07994844 Piggy Bankin Locked and Loaded	12 Oct 2017	24,745	17,816	-	-	20.00%	3,563	10,492	14,253
Display Flags x2	20 Jan 2012	1,058	493	-	-	10.00%	49	614	444
EMS - Wiring & Software	1 Mar 2007	931	-	-	-	50.00%	-	931	-
Jackpot Conversion	1 Mar 2001	950	-	-	-	39.60%	-	950	-
Jackpot System Generation One	30 Nov 2013	29,250	1,895	-	-	40.00%	758	28,113	1,137
Jackpot Sinfo Kits AU1 x3	30 Nov 2013	3,300	214	-	-	40.00%	86	3,172	128
Jackpot Sinfo Kits GU4 x2	30 Nov 2013	4,000	259	-	-	40.00%	104	3,844	156
Jackpot Sinfo Kits GU4A x2	30 Nov 2013	4,000	259	-	-	40.00%	104	3,844	156
Mystery Jackpot 1078	1 Oct 1999	8,042	-	-	-	39.60%	-	8,042	-
Notes sorter, s/no 2P105L052	13 Jan 2016	5,300	1,030	-	-	40.00%	412	4,682	618
Qcom Conversion Kits	1 Apr 2006	2,000	3	-	-	39.60%	1	1,998	2
Qcom Upgrades	1 Apr 2006	17,250	25	-	-	39.60%	10	17,235	15
Superflat Monitors x5	1 Sep 2005	6,500	7	-	-	39.60%	3	6,496	4
Total Gaming Machines		701,866	114,474	69,875	1,979		55,277	459,037	127,094

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report

Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Plant & Equipment									
Air Conditioning	1 Aug 2003	5,000	751	-	-	11.40%	86	4,334	666
Bar Stools	1 Sep 2003	3,727	85	-	-	21.60%	18	3,661	66
Bases	1 Sep 2006	10,136	1,204	-	-	15.60%	188	9,120	1,016
Bases	1 Oct 2006	1,019	123	-	-	15.60%	19	915	104
Computer System 26.01.12	26 Jan 2012	1,850	13	-	-	50.00%	6	1,844	6
EMS - Wiring	1 Oct 2006	650	-	-	-	50.00%	-	650	-
EMS - Wiring & Software	1 Oct 2006	3,940	1	-	-	50.00%	-	3,940	-
EMS - Wiring & Software Dual Loop	1 Jan 2007	898	-	-	-	50.00%	-	898	-
Gambling Machines Cash Management System	20 Sep 2016	7,667	2,116	-	-	40.00%	846	6,397	1,270
Gaming Stools x 6	1 Jul 2007	2,280	166	-	-	20.00%	33	2,147	133
Performance Optimising Monitoring System	24 Nov 2011	5,900	1,134	-	-	20.00%	227	4,993	907
Security Cameras	13 Apr 2015	5,162	669	-	-	40.00%	268	4,761	401
VIR LCD Button Upgrade Kit	5 Nov 2014	1,995	749	-	-	20.00%	150	1,396	599
Total Plant & Equipment		50,224	7,011	-	-		1,841	45,056	5,168
Total		752,090	121,485	69,875	1,979		57,118	504,093	132,262

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report

Disposal Schedule

Redwood Trust Incorporated For the year ended 31 March 2020

NAME	PURCHASED	COST	ASSET VALUE	SALE PRICE	DEP RECOVERED	LOSS	CAPITAL GAIN	DISPOSED
Gaming Machines								
00868042 Game Conversion	1 Jun 2005	4,750	5	-	-	5	-	10 Mar 2020
01920206 Multistar Dynamic	1 Aug 2010	33,995	124	2,000	1,876	-	-	31 Oct 2019
01920206 Multistar Gold Fever Conversion	30 Nov 2013	3,000	194	-	-	194	-	31 Oct 2019
01920657 Multistar Gold Fever 2 Conversion	30 Nov 2013	3,000	194	-	-	194	-	10 Mar 2020
01920657 Multistar Wishes & Dreams	30 Jun 2011	33,995	634	-	-	634	-	10 Mar 2020
01920658 Multistar Gold Fever 3	30 Nov 2013	3,000	194	-	-	194	-	31 Oct 2019
01920658 Multistar Rock N' Jaguar	30 Jun 2011	33,995	634	2,000	1,366	-	-	31 Oct 2019
EMS - Wiring & Software	1 Mar 2007	931	-	-	-	-	-	10 Mar 2020
Jackpot Conversion	1 Mar 2001	950	-	-	-	-	-	10 Mar 2020
Mystery Jackpot 1078	1 Oct 1999	8,042	-	-	-	-	-	10 Mar 2020
Total Gaming Machines		125,658	1,981	4,000	3,242	1,223	-	
Total		125,658	1,981	4,000	3,242	1,223	-	

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report

Notes to the Financial Statements

Redwood Trust Incorporated For the year ended 31 March 2020

1. Statement of Accounting Policies

Basis of Preparation

The financial statements presented here are for the entity Redwood Trust Incorporated an Incorporated Society registered under the Incorporated Societies Act 1908.

Redwood Trust Incorporated is eligible to apply Tier 3 PBE Accounting Standards : PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit), on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the financial statements are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

The financial statements are prepared under the assumption that the entity will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue shall be recorded on the occurrence of a recognition event. This is when there is a legal right to receive cash either now or sometime in the future. Revenue is measured at the fair value of the consideration received.

The following specific recognition criteria must be met before revenue is recognised:

- Interest revenue is recognised as it accrues, using the effective interest method.
- Gaming income is recognised on an accruals basis in accordance with the gaming machine electronic monitoring activity reports.

Income Tax

The Redwood Trust Incorporated is exempt from income tax under section CW48 of the Income Tax Act 2007.

Going Concern

The Trust continues to adopt the Going Concern assumption in preparing the financial statements as the Trust has, in the opinion of the Trustees, adequate resources to continue operations in the foreseeable future.



2020 2019

Property, Plant and Equipment**Gaming Machines**

Opening Balance	114,477	117,921
Purchases	69,875	54,495
Sales	(1,981)	(7,400)
Depreciation	(55,278)	(50,540)
Total Gaming Machines	127,093	114,476

Plant and Machinery

Opening Balance	7,011	9,759
Purchases	-	-
Sales	-	-
Depreciation	(1,842)	(2,748)
Total Plant and Machinery	5,169	7,011

Total Property, Plant and Equipment	132,262	121,487
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Fixed Assets

Fixed Assets have been included at cost less accumulated depreciation. Details of fixed assets are set out in the attached Schedule of Fixed Assets and Depreciation.

Depreciation

Depreciation has been charged on a diminishing value (DV) basis, at rates approved by the Inland Revenue Department. Details of rates and depreciation claims are set out in the Fixed Asset Register included herein.

Goods and Services Tax

The Statement of Financial Performance and Statement of Cashflows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

2. Audit

These financial statements have been subject to audit, please refer to the Auditor's Report.

3. Related Parties

Accountancy and secretarial services have been provided to the Trust by WK Advisors and Accountants Limited, a firm in which Trustee, C.A. Forsyth is a Director.

All related party transactions are carried out on an arms length basis on normal commercial terms. No related party debts have been written off or forgiven during the year.

4. Covid-19 Lockdown

Due to Covid-19 regulations the gaming machines have been turned off from 23 March 2020. As at balance date the gaming machines remain off.



5. Contingent Liabilities

At balance date there are no known contingent liabilities (2019: \$0). Redwood Trust Incorporated has not granted any securities in respect of liabilities payable by any other party whatsoever.

6. Capital Commitments

As at balance date there are no significant capital commitments (2019: \$0).

7. Events Subsequent to Balance Date

Due to the Covid-19 lock-down the Trustees have negotiated with Heartland Bank who have confirmed a three month holiday on hire purchase payments, from 1 April 2020. Apart from this, no events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial policies. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities (2019: \$0).



INDEPENDENT AUDITOR'S REPORT

To the Trustees of Redwood Trust Incorporated

Opinion

We have audited the performance report of Redwood Trust Incorporated (the Society) on pages 3 to 9 and 14 to 16, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2020, the statement of financial position as at 31 March 2020, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable; and
- b) the performance report on pages 3 to 9 and 14 to 16 presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2020;
 - the service performance for the year ended 31 March 2020; and
 - the financial position of the Society as at 31 March 2020, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000. Our responsibilities under these 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 Society 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 Schedule of Fixed Assets and Depreciation and Disposal Schedule on pages 10 to 13, but does not include the performance report and our auditor's report thereon.

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.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

- (c) For such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible for assessing the Society'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 Society 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 performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. 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 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Society'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 Society 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 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.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Nelson this 10th day of June 2020