



Annual Report

Redwood Trust Incorporated
For the year ended 31 March 2021

Prepared by WK Advisors and Accountants Limited

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Entity Information

Redwood Trust Incorporated For the year ended 31 March 2021

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 2021

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

Applied and distributed funds	2021	2020
Proceeds from Gaming Machines	1,044,909	1,129,849
Donations	\$378,721	\$490,688
Less Refunds	\$(31,317)	\$(4,893)
Net Donations:	\$347,404	\$485,795
Applied and distributed funds as a percentage of gross proceeds	33.25%	43.00%

The 40% distribution threshold was suspended for the 2021 financial year due to the effects on the industry of the Covid-19 pandemic. This has resulted in a decrease in the grants awarded during the year.

For more information visit www.redwoodtrust.org.nz

Statement of Financial Performance

Redwood Trust Incorporated For the year ended 31 March 2021

	NOTES	2021	2020
Revenue			
Revenue from providing Goods or Services			
Proceeds from Gaming Machines		1,044,909	1,129,849
Total Revenue from providing Goods or Services		1,044,909	1,129,849
Interest, Dividends and other Investment Revenue			
Interest Received		44	59
Total Interest, Dividends and other Investment Revenue		44	59
Other Revenue			
Depreciation - Gain on Sale		1,936	3,242
Total Other Revenue		1,936	3,242
Total Revenue		1,046,889	1,133,150
Expenses			
Grants and Donations Made			
Donations		378,721	490,688
Donations Refunded		(31,317)	(4,893)
Total Grants and Donations Made		347,404	485,795
Costs related to providing goods or services			
Advertising and Marketing		-	720
Electronic Monitoring Activity		10,354	12,157
Gaming Machine Duty		240,329	259,865
Insurance		7,568	7,582
Intralot Telecom Line Charge		618	618
Operator's Annual Fee		2,645	3,612
Operator's Licence - Renewal		10,246	10,246
Printing, Stamps & Stationery		1,157	1,135
Problem Gambling Levy		9,373	11,861
Repairs & Maintenance - Gaming Room		708	715
Secretarial Services		45,000	45,000
Service Contract		16,800	16,800
Site Fees and Administration		154,782	166,356
Subscriptions		2,949	3,145
Venue Annual Fee - per Machine		9,649	13,328
Venue Licence - Amendment		507	338
Venue Licence - Renewal		170	170
Website		124	109
Total Costs related to providing goods or services		512,977	553,755
Other Expenses			
Accountancy Fees		7,500	7,500
Audit Fees		3,285	3,100

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

	NOTES	2021	2020
Bank Charges		54	113
Depreciation - Loss on Disposal		2,236	1,223
Depreciation Expense		59,999	57,120
Interest - Loans		7,805	7,106
Loan Fees		370	370
Trustees Fees		20,000	20,000
Total Other Expenses		101,249	96,532
Total Expenses		961,630	1,136,083
Net (Deficit) for the Year		85,259	(2,932)

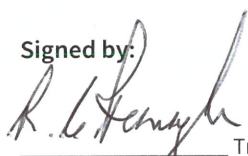
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Statement of Financial Position

Redwood Trust Incorporated As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Unbanked Gaming Proceeds		12,616	-
BNZ Current Account		150,006	49,539
Total Current Assets		162,622	49,539
Non-Current Assets			
Property, Plant and Equipment		121,953	132,262
Total Non-Current Assets		121,953	132,262
Total Assets		284,575	181,802
Liabilities			
Current Liabilities			
Trade and Other Payables		54,379	38,826
GST Account		17,275	15,142
Interest Accrued		193	221
Loans - Current Portion		54,865	50,817
Total Current Liabilities		126,712	105,005
Non-Current Liabilities			
Loans			
Heartland Bank - Loan October 2018		-	11,042
Heartland Bank - October 2019		15,769	36,906
Heartland Bank - September 2020		27,987	-
Total Loans		43,756	47,948
Total Non-Current Liabilities		43,756	47,948
Total Liabilities		170,468	152,953
Net Assets		114,108	28,849
Accumulated Funds			
Accumulated Funds		114,108	28,849
Total Accumulated Funds		114,108	28,849

Signed by:


Trustee


Trustee

Date: 1/7/2021

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 2021

	2021	2020
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from gaming machines	1,032,293	1,129,849
Interest, dividends and other investment receipts	44	59
Total Cash was provided from:	1,032,337	1,129,908
Cash was applied to:		
Payments to suppliers and employees	(526,500)	(593,701)
Authorised Distributions	(347,404)	(485,795)
Interest Paid	(5,955)	(7,158)
Total Cash was applied to:	(879,859)	(1,086,655)
Total Cash Flows from Operating Activities	152,478	43,254
Cash Flows from Investing Activities		
Cash was provided from:		
Receipts from sale of property, plant and equipment	4,000	4,000
Total Cash was provided from:	4,000	4,000
Cash was applied to:		
Payments to acquire property, plant and equipment	(53,990)	(69,875)
Total Cash was applied to:	(53,990)	(69,875)
Total Cash Flows from Investing Activities	(49,990)	(65,875)
Cash Flows from Financing Activities		
Cash was provided from:		
Proceeds from loans borrowed from other parties	57,859	76,126
Total Cash was provided from:	57,859	76,126
Cash was applied to:		
Repayments of loans borrowed from other parties	(59,880)	(65,518)
Total Cash was applied to:	(59,880)	(65,518)
Total Cash Flows from Financing Activities	(2,021)	10,609
Net Increase/ (Decrease) in Cash	100,466	(12,013)
Cash Balances		
Cash and cash equivalents at beginning of period	49,539	61,552
Cash and cash equivalents at end of period	150,006	49,539
Net change in cash for period	100,466	(12,013)

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 2021

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	7,199	-	-	40.00%	2,879	20,676	4,319
00500635 - Helix Plus BestBet Lightning Cash	1 Oct 2018	24,995	11,998	-	-	40.00%	4,799	17,796	7,199
00700484 Lucky Strike - Conversion	5 Nov 2014	6,000	389	-	-	40.00%	156	5,767	233
00700484 The Phantom 2c V99	31 Oct 2012	28,995	649	-	-	40.00%	260	28,605	390
00701149 - Conversion Pure Gold 2C V04 to High Stakes LC Lightning Cash	1 Oct 2018	6,000	2,880	-	-	40.00%	1,152	4,272	1,728
00701149 Vir W/S MidR LTB Pure Gold 2c V04	4 Nov 2015	17,000	1,836	-	-	40.00%	734	15,898	1,102
01920207 Multistar Jackpots	1 Aug 2010	33,995	64	-	64	48.00%	-	-	-
01920207 Multistar Megastar 3	30 Nov 2013	-	-	-	-	40.00%	-	-	-
01931034 Multistar World Champion Series/Free upgrade to Multistar Super 3G/Free upgrade to Fortune Charm	20 Sep 2016	26,995	4,470	-	-	40.00%	1,788	24,313	2,682
01931507 - Hyper Hit Rhino Riches Conversion to Multistar Hot Diamonds 1c	1 Oct 2018	23,500	11,280	-	-	40.00%	4,512	16,732	6,768
01937100 - Cleopatra Rising Dual 1c/converted to Fireball Moon II Express	30 Oct 2019	26,995	21,596	-	-	40.00%	8,638	14,037	12,958
01937101 - Wheel Shot Wild Gold 1c/converted to Fireball Jewel of Africa	30 Oct 2019	26,995	21,596	-	-	40.00%	8,638	14,037	12,958
01937239 - Bubble Blast Treasures of Atlantis	30 Sep 2020	26,995	-	26,995	-	40.00%	6,299	6,299	20,696
01937240 - Fireball Money Beans Express	30 Sep 2020	26,995	-	26,995	-	40.00%	6,299	6,299	20,696
01960411 Conversion Multistar Foxy Fortune	1 Apr 2008	6,000	14	-	-	39.60%	6	5,991	9
01960411 Multistar Foxy Fortune	1 Oct 2002	18,700	3	-	-	39.60%	1	18,698	2
01970459 Multistar 10G Megastar	1 Sep 2005	24,995	17	-	-	39.60%	7	24,985	10
01980695 Multistar Megastar 2 w Pids	1 Apr 2008	25,995	61	-	-	39.60%	24	25,958	37
01983377 Multistar Foxy Fortune	1 Aug 2010	22,995	43	-	-	48.00%	21	22,972	23
07993772 PC4 Equinox	5 Nov 2014	25,995	1,684	-	-	40.00%	674	24,984	1,011
07993773 - Conversion to Locked Up Loot Locked & Loaded	30 Oct 2019	5,295	4,236	-	4,236	40.00%	-	-	-

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
07993773 Multideluxe Conversion from SL-V Equinox	20 Sep 2016	5,995	993	-	-	40.00%	397	5,399	596
07993773 SL-V Equinox	5 Nov 2014	27,495	1,782	-	-	40.00%	713	26,426	1,069
07994088 - Conversion to Eureka Reel Blast	30 Oct 2019	5,295	4,236	-	-	40.00%	1,694	2,753	2,542
07994088 Conversion to Ironman from Scatterstrike Blue	12 Oct 2017	2,648	762	-	-	40.00%	305	2,190	457
07994088 EGM Scatter Strike Blue	4 Nov 2015	23,995	2,591	-	-	40.00%	1,037	22,440	1,555
07994469 Conversion to Bright Lights from Beyond Olympus Fire Surge	12 Oct 2017	2,648	762	-	-	40.00%	305	2,190	457
07994469 SL-V Dualos Beyond Olympus Fire Surge	20 Sep 2016	28,995	4,802	-	-	40.00%	1,921	26,114	2,881
07994844 - Conversion to That's Bananas Cash Connection	30 Oct 2019	5,295	4,236	-	-	40.00%	1,694	2,753	2,542
07994844 Piggy Bankin Locked and Loaded	12 Oct 2017	24,745	14,253	-	-	20.00%	2,851	13,343	11,403
Display Flags x2	20 Jan 2012	1,058	444	-	-	10.00%	44	658	400
Jackpot System Generation One - S/No XKA800211	30 Nov 2013	29,250	1,137	-	-	40.00%	455	28,568	682
Jackpot Sinfo Kits AU1 x3	30 Nov 2013	3,300	128	-	-	40.00%	51	3,223	77
Jackpot Sinfo Kits GU4 x2	30 Nov 2013	4,000	156	-	-	40.00%	62	3,907	93
Jackpot Sinfo Kits GU4A x2	30 Nov 2013	4,000	156	-	-	40.00%	62	3,907	93
Notes sorter, s/no 2P105L052	13 Jan 2016	5,300	618	-	-	40.00%	247	4,929	371
Qcom Conversion Kits	1 Apr 2006	2,000	2	-	-	39.60%	1	1,999	1
Qcom Upgrades	1 Apr 2006	17,250	15	-	-	39.60%	6	17,241	9
Superflat Monitors x5	1 Sep 2005	6,500	4	-	-	39.60%	2	6,497	3
Total Gaming Machines		630,198	127,093	53,990	4,300		58,734	472,859	118,049
Plant & Equipment									
Air Conditioning	1 Aug 2003	5,000	666	-	-	11.40%	76	4,410	590
Bar Stools	1 Sep 2003	3,727	66	-	-	21.60%	14	3,675	52
Bases	1 Sep 2006	10,136	1,016	-	-	15.60%	159	9,278	858
Bases	1 Oct 2006	1,019	104	-	-	15.60%	16	932	87
Computer System 26.01.12	26 Jan 2012	1,850	6	-	-	50.00%	3	1,847	3
EMS - Wiring	1 Oct 2006	650	-	-	-	50.00%	-	650	-
EMS - Wiring & Software	1 Oct 2006	3,940	-	-	-	50.00%	-	3,940	-

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
EMS - Wiring & Software Dual Loop	1 Jan 2007	898	-	-	-	50.00%	-	898	-
Gambling Machines Cash Management System	20 Sep 2016	7,667	1,270	-	-	40.00%	508	6,905	762
Gaming Stools x 6	1 Jul 2007	2,280	133	-	-	20.00%	27	2,173	107
Performance Optimising Monitoring System	24 Nov 2011	5,900	907	-	-	20.00%	181	5,174	726
Security Cameras	13 Apr 2015	5,162	401	-	-	40.00%	161	4,921	241
VIR LCD Button Upgrade Kit	5 Nov 2014	1,995	599	-	-	20.00%	120	1,516	479
Total Plant & Equipment		50,224	5,170	-	-		1,265	46,319	3,905
Total		680,422	132,262	53,990	4,300		59,999	519,178	121,954

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 2021

NAME	PURCHASED	COST	ASSET VALUE	SALE PRICE	DEP RECOVERED	LOSS	CAPITAL GAIN	DISPOSED
Gaming Machines								
01920207 Multistar Jackpots	1 Aug 2010	33,995	64	2,000	1,936	-	-	30 Sep 2020
07993773 - Conversion to Locked Up Loot Locked & Loaded	30 Oct 2019	5,295	4,236	2,000	-	2,236	-	30 Sep 2020
Total Gaming Machines		39,290	4,300	4,000	1,936	2,236	-	
Total		39,290	4,300	4,000	1,936	2,236	-	

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 2021

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.

2021 2020

Property, Plant and Equipment**Gaming Machines**

Opening Balance	127,093	114,477
Purchases	53,990	69,875
Sales	(4,300)	(1,981)
Depreciation	(58,734)	(55,278)
Total Gaming Machines	118,049	127,093

Plant and Machinery

Opening Balance	5,169	7,011
Purchases	-	-
Sales	-	-
Depreciation	(1,265)	(1,842)
Total Plant and Machinery	3,904	5,169

Total Property, Plant and Equipment	121,953	132,262
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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 were turned off from 23 March 2020. The machines were turned on again on 21 May 2020. As at balance date the gaming machines remain on.

5. Contingent Liabilities

At balance date there are no known contingent liabilities (2020: \$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 (2020: \$0).

7. Events Subsequent to Balance Date

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 (2020: \$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 pages 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 2021, the statement of financial position as at 31 March 2021, 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 pages 14 to 16 presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2021;
 - the service performance for the year ended 31 March 2021; and
 - the financial position of the Society as at 31 March 2021, 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 *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.

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.

Trustees' Responsibilities for the Performance Report

The Trustees are responsible on behalf of the Society 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.

Restriction on Use

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



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Nelson this 1st day of July 2021