

# Performance Report

Glenfield Community Centre Incorporated  
For the year ended 30 June 2021

Prepared by Chapmans Chartered Accountants Limited

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# Compilation Report

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

Compilation Report to the Directors of Glenfield Community Centre Incorporated.

### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Glenfield Community Centre Incorporated for the year ended 30 June 2021.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

### Responsibilities

The Governing body are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

### Independence

We have no involvement with Glenfield Community Centre Incorporated other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

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Chapmans Chartered Accountants Limited  
3a/2 Maki Street, Westgate  
Auckland 0618

Dated: 29 July 2020

# Entity Information

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

### Legal Name of Entity

Glenfield Community Centre Incorporated

### Entity Type and Legal Basis

Social (not-for) profit incorporated society with charitable status

### Registration Number

CC22509

### Entity's Purpose or Mission

To support and enhance our community by making space to bring individuals and groups together to provide services and resources that meet community needs.

### Entity Structure

Incorporated society with elected members

### Main Sources of Entity's Cash and Resources

We receive an operational grant from the Auckland City Council through the Kaipātiki Local Board. Our Early Learning Centre receives funding under the 20 Hours Early Childhood Education (ECE) allowance through the Ministry of Education. We lease and hire rooms to social (not-for) profit community groups, organisations and individuals.

### Main Methods Used by Entity to Raise Funds

We apply for grant funding for most capital expenditure

### Entity's Reliance on Volunteers and Donated Goods or Services

We provide in-house support and training for volunteers studying on placement through tertiary institutions. We receive the occasional gift or donation but do not actively solicit funds in this way at this time.

### Additional Information

The society was incorporated in 1977 and today employs 7 full-time and 2 part-time staff. We have a 9 member Governance Group elected by our membership. We own the building and lease the land from the Methodist Church of NZ alongside Auckland City Council up to 2060.

### Physical Address

Cnr Bentley Ave. & Glenfield Rd., Auckland, New Zealand, 0629

### Postal Address

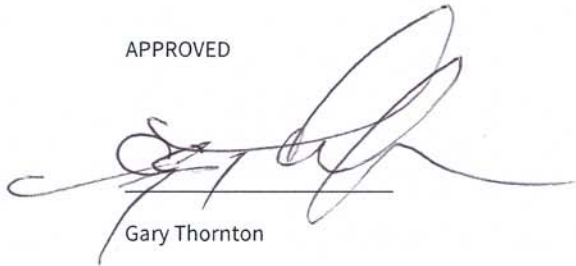
PO BOX 40112, Glenfield, Auckland, New Zealand, 0747

# Approval of Financial Report

Glenfield Community Centre Incorporated  
For the year ended 30 June 2021

The Governance Group are pleased to present the approved financial report including the historical financial statements of Glenfield Community Centre Incorporated for year ended 30 June 2020.

APPROVED




Gary Thornton

Chair

Date

2 March 2022



Frankie Godfrey-Robson

Deputy Chair

Date

02/03/2022



Craig Pettit

Treasurer

Date

2 March 2022



Frankie Godfrey-Robson

Secretary

Date

02/03/2022

# Statement of Service Performance

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

### Description of Entity's Outcomes

Mission: We are focused on recognising and responding to social, cultural, recreational and educational needs of the Glenfield/Kaipātiki community, and finding ways to meet these needs with special recognition for those who have the least opportunity to participate in decision making in the community.

Outcome: The Centre supports the Kaipātiki community through provision of space hire for educational, religious, creative arts, counselling, cultural and recreational use at a price that makes it affordable to groups that would struggle otherwise.

In addition, our Early Learning Centre allows us to provide teaching and childcare for up to 70 families allowing parents and caregivers the opportunity to work and thrive.

Finally, we collaborate with other social profit organisations, some of whom tenant our space, to provide a suite of services and community development events and opportunities; again for the benefit of our members, users, stakeholders and community.

	2021	2020
<b>Description and Quantification of the Entity's Outputs</b>		
Room Hours Booked	4,895	3,220
Users / Visitors	23,924	16,652
Number of Bookings	1,907	1,510
Families using ELC	70	70
Teaching hours per annum for children (standard)	5,660	5,660

### Description and Quantification of the Entity's Outputs

As part of an annual agreement for service with the Auckland Council, the Centre is required to collect data relating to occupancy, the number of bookings and number of hours the Centre is in use. This data is recorded daily and reported on monthly. With the impact of lockdown as a consequence of the Covid-19 coronavirus, the Centre was directly impacted in terms of the outputs we measure. The Centre was shut to the public for 7 weeks at alert level 3 and 2.5 (7 weeks); followed by a further 2 weeks at level 2 with persons cancelling programmes and courses, parents withdrawing children and the bulk of the ESOL courses not resuming until alert level 1.

### Additional Output Measures

On a daily basis we track information around the various inquiries we field at our reception. This gives a clearer picture of the number of persons we see (2,361 in 2020/2021) and for what reason: Room Hire (21%), General User Group (22%), Tenant-related (14%), Early Learning Centre (3%), referral to other agencies or services (11%) and other (29%).

### Additional Information

In July 2020, the centre moved to a new, one-year service agreement with the Auckland City Council. Due to the loss in revenue, the Council disestablished Auckland Community and Events (ACE), who we reported to and were supported by, and amalgamated it with Libraries to create a new division called Community Engagement. There was concern the quantum of funding may change, so Governance opted for a single-year, as opposed to a three-year agreement, giving it the opportunity to petition the Council for more funding as the level had not been reviewed except for annual CPI increases since before amalgamation. This and the pandemic have put significant financial pressure on the Society and the Local Board have been approached for financial assistance. The Parker and Associate leaky building class action against James Hardie Industries was heard in the Wellington High Court over eight weeks starting 17 August 2020. The judgement was deferred until June 2021 and was not found in favour of the plaintiffs (including the Centre), so an appeal was lodged at the Court of Appeal in August 2021, with a date for this hearing yet to be confirmed. We continue to work alongside our Local Board and Auckland Council's Community Engagement staff to positively resolve this issue for the benefit of the community.

# Statement of Financial Performance

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

	NOTES	2021	2020
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	15,569	17,827
Fees, subscriptions and other revenue from members	1	19,580	25,316
Revenue from providing goods or services	1	397,273	398,205
Interest, dividends and other investment revenue	1	47	958
Other revenue	1	53,971	100,286
<b>Total Revenue</b>		<b>486,439</b>	<b>542,593</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	385,764	422,035
Costs related to providing goods or service	2	169,088	168,344
Other expenses	2	37,174	38,696
<b>Total Expenses</b>		<b>592,025</b>	<b>629,075</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(105,586)</b>	<b>(86,482)</b>

# Statement of Financial Position

## Glenfield Community Centre Incorporated As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	47,636	91,409
Debtors and prepayments	3	7,794	22,366
<b>Total Current Assets</b>		<b>55,431</b>	<b>113,775</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	1,492,714	1,528,678
<b>Total Non-Current Assets</b>		<b>1,492,714</b>	<b>1,528,678</b>
<b>Total Assets</b>		<b>1,548,145</b>	<b>1,642,453</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	49,794	40,132
Other current liabilities	4	70,917	69,302
<b>Total Current Liabilities</b>		<b>120,711</b>	<b>109,433</b>
<b>Total Liabilities</b>		<b>120,711</b>	<b>109,433</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>1,427,434</b>	<b>1,533,020</b>
<b>Accumulated Funds</b>			
Accumulated Fund		2,093,471	2,093,471
Accumulated surpluses or (deficits)	7	(666,037)	(560,451)
<b>Total Accumulated Funds</b>		<b>1,427,434</b>	<b>1,533,020</b>



# Statement of Cash Flows

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

'How the entity has received and used cash'

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Donations, fundraising and other similar receipts	15,708	17,950
Fees, subscriptions and other receipts from members	23,174	28,480
Receipts from providing goods or services	346,554	381,057
Interest, dividends and other investment receipts	47	958
Cash receipts from other operating activities	153,896	169,971
GST	(46,335)	(30,682)
Payments to suppliers and employees	(570,435)	(614,325)
<b>Total Cash Flows from Operating Activities</b>	<b>(77,393)</b>	<b>(46,590)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Proceeds from loans borrowed from other parties	33,400	-
Payments to acquire property, plant and equipment	(6,348)	(3,286)
Cash flows from other investing and financing activities	6,567	43,765
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>33,619</b>	<b>40,479</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(43,773)</b>	<b>(6,111)</b>
<b>Bank Accounts and Cash</b>		
Opening cash	91,409	97,520
Closing cash	47,636	91,409
<b>Net change in cash for period</b>	<b>(43,773)</b>	<b>(6,111)</b>

# Statement of Accounting Policies

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

### Basis of Preparation

The entity 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 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.

### Going Concern

The financial statements have been prepared on a going concern basis. On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. This event has caused the Centre to close for a period with the resulting of reduction on revenue. While the disruption is currently expected to be temporary, there is a level of uncertainty around the impact. At this time, the full financial impact of the COVID-19 pandemic is notable to be determined.

The Centre was required to close for seven weeks during Alert Level 3 and so qualified for and took advantage of the Government Wage Subsidy and Small Business Loan. Additional funding was secured from Auckland Council through the Kaipātiki Local Board for the new financial period while steps are being taken to carefully manage costs and investigate additional revenue streams. Providing the Centre returns to normal operation (Alert Levels 1 and 2), it expects to be able to trade its way back to an operating surplus.

### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Income Tax

Glenfield Community Centre Incorporated 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) with original maturities of 90 days or less.

### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

### Property Plant and Equipment

Property plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property plant and equipment or investment property is recognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Building and Improvements	0 - 20% DV
Furniture and Fittings	6% DV – 40% DV
Office Equipment	30% DV - 50% DV

### **Revenue Recognition**

The grants are recorded as revenue when the entity has the rights to funding, unless there are unfulfilled conditions attached to the grants, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

The ELC Fees and hall hire income is recorded as revenue in the period it is earned.

# Notes to the Performance Report

## Glenfield Community Centre Incorporated For the year ended 30 June 2021

	2021	2020
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
ELC Donations Received	14,968	17,001
ELC Fundraising	526	809
GCC Donations and Bequests	75	17
<b>Total Donations, fundraising and other similar revenue</b>	<b>15,569</b>	<b>17,827</b>
<b>Fees, subscriptions and other revenue from members</b>		
ELC Fees	19,580	25,316
<b>Total Fees, subscriptions and other revenue from members</b>	<b>19,580</b>	<b>25,316</b>
<b>Revenue from providing goods or services</b>		
Auckland Council Contract	65,196	49,454
Community Projects Income	435	3,478
ELC Portfolios	652	1,122
ELC Rental Income	25,884	25,884
ELC Student Placement Income	206	-
Event Income	-	87
Mission Hall Rental	26,830	17,226
MOE Funding	181,934	233,622
Refund Of Overpayment	(2,243)	(240)
Room Hire	73,961	49,794
Tenancy Income	24,417	17,778
<b>Total Revenue from providing goods or services</b>	<b>397,273</b>	<b>398,205</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	47	958
<b>Total Interest, dividends and other investment revenue</b>	<b>47</b>	<b>958</b>
<b>Other revenue</b>		
Governance Training Grant	-	1,687
Grants	5,596	5,552
Ministry of Social Development Covid-19 Wage Subsidy	39,534	91,937
Covid-19 Resurgence Support Payment	5,100	-
Covid-19 Short Term Absence Payment (STAP)	1,400	-
Other Income	2,341	1,110
<b>Total Other revenue</b>	<b>53,971</b>	<b>100,286</b>
	<b>2021</b>	<b>2020</b>

## 2. Analysis of Expenses

### Volunteer and employee related costs

Holiday Pay	(14,944)	(13,868)
KiwiSaver Employer Contributions	11,143	10,526

	2021	2020
Wages and Salaries	389,565	425,376
<b>Total Volunteer and employee related costs</b>	<b>385,764</b>	<b>422,035</b>
<b>Costs related to providing goods or services</b>		
ACC	2,393	1,959
Accounting and Audit Fees	6,100	5,389
Advertising	1,490	1,763
Bank Fees	-	19
Child Consumables	285	513
Cleaning Consumables	4,518	4,544
Cleaning Contractors	27,342	25,803
Communication Expenses	2,390	4,533
Community Project Expenses	3,266	-
Computer Expenses	1,401	1,090
Educational Consumables	365	1,070
Educational Resources	294	450
EFTPOS Rental	659	532
ELC Donations Expense	-	132
ELC Fundraising Expenses	-	932
ELC Rental Expense	25,884	25,884
ELC Student Placement Expense	232	-
Events	1,381	2,144
Gifts and Meeting Expenses	933	783
Grant Expenses	7,184	-
Grounds Maintenance	1,007	669
Hall Hire Expenses	16,869	5,103
Insurance	12,798	11,321
Interest on O/D	-	30
IRD GST/PAYE Penalties	-	50
Light, Power, Heating	6,423	6,203
Maintenance Contracts	4,830	6,065
Payroll Charges	4,080	3,972
Postage	47	45
Printing & Stationery	4,842	5,361
Professional Development	1,106	806
Rates and Water Rates	2,734	7,044
Recladding Project	1,043	11,826
Repairs and Maintenance	16,095	20,185
Security	3,278	6,431
Small Equipment	957	575
Staff Amenities	584	490
Subs & Membership	2,414	957
Sundries/General	130	42
Uniforms & Immunisation	703	531

	2021	2020
Waste Disposal	3,031	3,099
<b>Total Costs related to providing goods or services</b>	<b>169,088</b>	<b>168,344</b>
<b>Other expenses</b>		
Depreciation	37,174	38,696
<b>Total Other expenses</b>	<b>37,174</b>	<b>38,696</b>
	2021	2020

### 3. Analysis of Assets

<b>Bank accounts and cash</b>		
Glenfield CC - 00	8,721	37,541
Glenfield CC - 52	38,915	53,868
Petty Cash Float	-	-
<b>Total Bank accounts and cash</b>	<b>47,636</b>	<b>91,409</b>
<b>Debtors and prepayments</b>		
Debtors	11,889	3,701
Prepaid Insurance	1,375	1,333
Ministry of Education	(5,469)	17,332
<b>Total Debtors and prepayments</b>	<b>7,794</b>	<b>22,366</b>
	2021	2020

### 4. Analysis of Liabilities

<b>Creditors and accrued expenses</b>		
GST	5,038	8,586
Back Pay Due	18,156	18,156
Other Creditors	17,244	1,424
Sundry Creditors	9,356	11,965
<b>Total Creditors and accrued expenses</b>	<b>49,794</b>	<b>40,132</b>
<b>Other current liabilities</b>		
A.C.C Accrual	495	325
Accruals	18,579	4,000
Government Wage Subsidy Grant - Unexpired Portion	-	31,589
Holiday Pay Accrual	18,443	33,387
IRD Small Business Loan	33,400	-
<b>Total Other current liabilities</b>	<b>70,917</b>	<b>69,302</b>
	2021	2020

### 5. Property, Plant and Equipment

<b>Buildings</b>		
Buildings at cost	2,212,956	2,212,956
Accumulated depreciation - buildings	(762,852)	(732,913)
<b>Total Buildings</b>	<b>1,450,104</b>	<b>1,480,043</b>

	2021	2020
<b>Furniture and Fittings</b>		
<b>Furniture and fittings owned</b>		
Appl, Furn & Fixt Cntr at Cost	176,802	176,802
ELC Outdoor at cost	29,484	29,484
ELC Indoor At Cost	12,504	12,504
Office Equipment	10,764	9,554
<b>Total Furniture and fittings owned</b>	<b>229,555</b>	<b>228,345</b>
<b>Accumulated depreciation - furniture and fittings owned</b>		
Less Accumulated Depreciation on Appl, Furn & Fixt Cntr at Cost	(145,877)	(141,913)
Less Accumulated Depreciation on ELC Outdoor	(24,243)	(22,932)
Less Accumulated Depreciation on ELC Indoor	(8,628)	(7,322)
Less Accumulated Depreciation on Office Equipment	(8,197)	(7,543)
<b>Total Accumulated depreciation - furniture and fittings owned</b>	<b>(186,944)</b>	<b>(179,710)</b>
<b>Total Furniture and Fittings</b>	<b>42,610</b>	<b>48,635</b>
<b>Total Property, Plant and Equipment</b>	<b>1,492,714</b>	<b>1,528,678</b>

## 6. Impairment of Assets

In August 2012, we identified a weather tightening issue on the building owned by the Centre. On carrying invasive and destructive testing it was found that the building envelope exceeds safe water loading in two-thirds of the tested area. There had been several quotes obtained in the early years, however after further deliberations the Centre has decided to join a class action against James Hardie Industries in 2018. The building value is stated cost and no impairment has been recorded to date as the cost of remediation is uncertain at this stage.

	2021	2020
<b>7. Accumulated Funds</b>		
<b>Accumulated Funds</b>		
Opening Balance	1,533,020	1,619,502
Accumulated surpluses or (deficits)	(105,586)	(86,482)
<b>Total Accumulated Funds</b>	<b>1,427,434</b>	<b>1,533,020</b>
<b>Total Accumulated Funds</b>	<b>1,427,434</b>	<b>1,533,020</b>

## 8. Commitments

There are no commitments as at 30 June 2020 (Last year - nil).

## 9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2021 other than the matter noted in Note 6 (Per last year).

Further to note 6, the class action against James Hardies Industries was heard over eight weeks in the Wellington High Court in December 2021. The judgement, made available in August 2021, was found in favour of the defendant (Hardies) and appeal papers have been filed with the NZ Court of Appeal with a hearing likely in the latter part of 2022.

## 10. Related Parties

There were no transactions involving relating Parties during the financial year.

## **11. Going Concern**

The entity incurred an operating loss of \$105,586 for the year ended 30 June 2021. The entity has been adversely affected by the COVID-19 pandemic, with a significant reduction in community activities and the closure of the childcare centre. The Committee have prepared a budget for a period of twelve months from the date of approval of these financial statements, indicating that the entity can continue in operation, however needs to retain and enhance its revenue flows. This should be read in conjunction with Note 6: Impairment of Assets.

## **12. Events After the Balance Date**

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).



# Glenfield Community Centre Incorporated

Independent auditor's report to the Members

## Report on the Performance Report

### Opinions

We have audited the performance report of Glenfield Community Centre Incorporated (the entity), which comprises the statement of financial position as at 30 June 2021, the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 30 June 2021, and the statement of accounting policies and other explanatory information.

#### *Qualified opinion on the financial information*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying performance report gives a true and fair view of the entity information and financial position of Glenfield Community Centre Incorporated as at 30 June 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) issued by the New Zealand Accounting Standards Board.

#### *Opinion on the statement of service performance:*

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;
- b) the accompanying performance report gives a true and fair view of the service performance of Glenfield Community Centre Incorporated as at 30 June 2021 for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

### Basis for Qualified Opinion

Notes 6 and 9 to the performance report disclose the fact that the building owned by the entity has a weather tightness issue. The entity is a party to a class action against James Hardie Industries in relation to this matter. As stated in Note 9, the case was heard during the year and found in favour of the defendant, and has now been taken to the Court of Appeal, with a hearing date not yet known. We have been unable to obtain sufficient appropriate audit evidence as to the impact of the weather tightness issue on the recoverable amount of the building, and as such we are unable to express an opinion on whether the recorded book value of the building is fairly stated.

#### **ACCOUNTANTS & ADVISORS**

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Auckland 1010, New Zealand  
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Auckland 1143, New Zealand  
Telephone: +64 9 366 5000  
**williambuck.co.nz**

William Buck Audit (NZ) Limited

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 the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

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 entity 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 entity.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 11, which discloses that the entity incurred an operating loss of \$105,586 to the year ended 30 June 2021. Note 11 also indicates that the financial statements have been prepared on a going concern basis, the validity of which depends on the ability of the entity to generate sufficient funds from activities to meet its operating costs. This condition, along with other information disclosed in Notes 11, 6 and 9 indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern should the entity be unable to generate such income. Our opinion is not modified in respect of this matter.

### **Responsibilities of the Governance Group for the Performance Report**

The Governance Group are responsible 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 of a performance report on behalf of the entity that gives a true and fair view, 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 reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Governance Group 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 Governance Group are responsible on behalf of the entity for assessing the entity'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 Governance Group either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the performance report 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 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), 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. 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 entity'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 Governance Group and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity 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 and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Governance Group 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 Distribution and Use**

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

A handwritten signature in blue ink that reads 'William Buck'.

**William Buck Audit (NZ) Limited**

Auckland  
2 March 2022