

**SPIRIT OF ADVENTURE TRUST**  
**GENERAL PURPOSE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# SPIRIT OF ADVENTURE TRUST

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# **SPIRIT OF ADVENTURE TRUST**

## **Trust Directory**

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### **BOARD OF TRUSTEES**

Stephen Fisher  
Brooke Archbold  
Jeffrey Morrison  
Jerry Norman  
Catherine Mason  
Aaron Bethune  
Chris Jewell  
Ngaira Ashmore – appointed January 2023  
Susan Blakely – resigned February 2023

### **REGISTERED OFFICE**

Spencers Chartered Accountants & Advisers Limited  
Level 6  
12 Viaduct Harbour Avenue  
Auckland 1010

### **BANKERS**

Bank of New Zealand  
Auckland

### **SOLICITORS**

Russell McVeagh  
48 Shortland Street  
Auckland 1010

### **CHARITIES COMMISSION**

Registration Number: CC22151

### **INDEPENDENT AUDITOR**

PricewaterhouseCoopers  
15 Customs Street West  
Auckland 1010

# SPIRIT OF ADVENTURE TRUST

Service Performance Information  
For the year ended 31<sup>st</sup> March 2023

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## BACKGROUND & OBJECTIVES

Spirit of Adventure Trust was set up In 1972 By Lou Fisher who had a vision to empower the Youth Of New Zealand.

The Trust has gained and maintained a reputation in New Zealand as a highly respected youth development organisation providing a unique environment for youth development, where the focus of learning is on teamwork, developing communication skills, self-leadership, self-reliance, self-discipline, self-esteem, resilience, confidence and leadership. Learning to sail a tall ship is only a small part of the programmes offered.

On board our tall ship, Spirit of New Zealand, we've taken tens of thousands of young New Zealanders on voyages of personal discovery. Although we're described as a sail training organisation, our main objective is to develop positive qualities in our young people.

Today, Spirit of New Zealand is believed to be the world's busiest youth ship, sailing around ten months of the year. Subject to stringent, ongoing maintenance surveys, refits and audits.

Our Mission is;

"TO EMPOWER YOUNG NEW ZEALANDERS TO REACH THEIR FULL POTENTIAL THROUGH THE CHALLENGE OF THE SEA"

Our Values are;

- Trainee at the Centre
- Lead with Love
- Better for it
- Be Authentic
- Embrace the Challenge

Our Yearly Goals (Youth Development)

- To run 24 – 26 x 10-day Youth Development Voyages (40 Trainees per Voyage)
- To run 8 -12 x 5-day Trophy Youth Development Voyages (40 Trainees per Voyage)
- To run 1x 5-day Inspiration Voyage for young adults with physical or intellectual disabilities (20-30 Trainees)

# SPIRIT OF ADVENTURE TRUST

## Service Performance Information For the year ended 31<sup>st</sup> March 2023

### KEY PERFORMANCE INDICATORS

YOUTH DEVELOPMENT VOYAGE	YE 31 March 2023		No. Trainees Capacity	No. Trainees Achieved	% Capacity Achieved	KPI No. Nights at Sea	No. Nights at Sea Actual
	KPI No. Voyages Approved	No. Voyages Actual					
10 Night Youth Development Voyage 16-18YO	26	23	1040	895	86%	260	233
5 Night Trophy Youth Development Voyage 14-15YO	5	12	200	428	214%	25	53
4 Night Inspiration Voyage Open	1	0	30	0	0%	0	0
<b>TOTAL</b>	<b>32</b>	<b>35</b>	<b>1270</b>	<b>1323</b>	<b>104%</b>	<b>285</b>	<b>286</b>

YOUTH DEVELOPMENT VOYAGE	YE 31 March 2022		No. Trainees Capacity	No. Trainees Achieved	% Capacity Achieved	KPI No. Nights at Sea	No. Nights at Sea Actual
	KPI No. Voyages Approved	No. Voyages Actual					
10 Night Youth Development Voyage 16-18YO	22	18	880	604	69%	220	180
5 Night Trophy Youth Development Voyage 14-15YO	9	11	360	428	119%	45	55
4 Night Inspiration Voyage Open	1	1	30	30	100%	5	5
<b>TOTAL</b>	<b>32</b>	<b>30</b>	<b>1270</b>	<b>1062</b>	<b>84%</b>	<b>270</b>	<b>240</b>

# SPIRIT OF ADVENTURE TRUST

## Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 March 2023

	Notes	2023			2022		
		Operations	Foundation, Bequests and Endowments	Total	Operations	Foundation, Bequests and Endowments	Total
		\$	\$	\$	\$	\$	\$
<b>Revenue from Non-Exchange Transactions</b>							
Spirit Supporters		-	-	-	-	-	-
Public Donations & Grants		723,142	-	723,142	1,403,807	-	1,403,807
Other Income		-	-	-	244,908	-	244,908
Bequests & Endowments		-	-	-	-	850,528	850,528
Rendering of Services - Voyage Fees	6	2,304,551	-	2,304,551	1,952,454	-	1,952,454
<b>Total Revenue from Non-Exchange Transactions</b>		<b>3,027,693</b>	<b>-</b>	<b>3,027,693</b>	<b>3,601,169</b>	<b>850,528</b>	<b>4,451,697</b>
<b>Revenue from Exchange Transactions</b>							
Investments	5	27,189	268,710	295,899	5,020	185,260	190,280
Sponsorship & Other Income		125,252	-	125,252	70,463	-	70,463
<b>Total Revenue from Exchange Transactions</b>		<b>152,441</b>	<b>268,710</b>	<b>421,151</b>	<b>75,483</b>	<b>185,260</b>	<b>260,743</b>
<b>Total Revenue</b>		<b>3,180,134</b>	<b>268,710</b>	<b>3,448,844</b>	<b>3,676,652</b>	<b>1,035,788</b>	<b>4,712,440</b>
<b>Other (Losses) / Gains</b>							
Foreign Currency Losses		-	(1,941)	(1,941)	-	(2,691)	(2,691)
Fair Value Changes in Investments	8	-	(558,711)	(558,711)	-	154,392	154,392
<b>Total Other (Losses) / Gains</b>		<b>-</b>	<b>(560,652)</b>	<b>(560,652)</b>	<b>-</b>	<b>151,701</b>	<b>151,701</b>
<b>Total Revenue and Other (Losses) / Gains</b>		<b>3,180,134</b>	<b>(291,942)</b>	<b>2,888,192</b>	<b>3,676,652</b>	<b>1,187,489</b>	<b>4,864,141</b>
<b>Less: Expenditure</b>							
Administration	5	1,321,269	19,493	1,340,762	1,277,968	29,869	1,307,837
Public Relations / Marketing		71,158	-	71,158	74,222	-	74,222
Voyage Direct Costs	6	2,117,926	-	2,117,926	2,553,505	-	2,553,505
		<b>3,510,353</b>	<b>19,493</b>	<b>3,529,846</b>	<b>3,905,695</b>	<b>29,869</b>	<b>3,935,564</b>
<b>Total (Deficit) / Surplus for the Year</b>		<b>(330,219)</b>	<b>(311,435)</b>	<b>(641,654)</b>	<b>(229,043)</b>	<b>1,157,620</b>	<b>928,577</b>
<b>Other Comprehensive Revenue and Expenses</b>							
Revaluation of Property, Plant & Equipment		-	-	-	-	-	-
<b>Total Comprehensive Revenue and Expenses for the Year</b>		<b>(330,219)</b>	<b>(311,435)</b>	<b>(641,654)</b>	<b>(229,043)</b>	<b>1,157,620</b>	<b>928,577</b>

# SPIRIT OF ADVENTURE TRUST

Statement of Changes in Equity  
For the Year Ended 31 March 2023



Notes	2023					2022				
	Operations		Foundation		2023 Total	Operations		Foundation		2022 Total
	Operations	Asset Revaluation Reserve	Operations Income Reserve	Bequests and Endowments		Operations	Asset Revaluation Reserve	Operations Income Reserve	Bequests and Endowments	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Equity as at 1 April</b>	545,690	4,756,647	468,452	10,487,504	16,258,293	815,886	4,756,647	427,299	9,329,884	15,329,716
Total (Deficit) / Surplus for the Year	(330,219)	-	-	(311,435)	(641,654)	(229,043)	-	-	1,157,620	928,577
Transfer from / (to) Reserves	163,847	-	(163,847)	-	-	(41,153)	-	41,153	-	-
<b>Equity as at 31 March</b>	<b>379,318</b>	<b>4,756,647</b>	<b>304,605</b>	<b>10,176,069</b>	<b>15,616,639</b>	<b>545,690</b>	<b>4,756,647</b>	<b>468,452</b>	<b>10,487,504</b>	<b>16,258,293</b>
<b>Equity</b>										
<b>As at 31 March</b>										
	2023					2022				
	Operations		Foundation		2023 Total	Operations		Foundation		2022 Total
	Operations	Asset Revaluation Reserve	Operations Income Reserve	Bequests and Endowments		Operations	Asset Revaluation Reserve	Operations Income Reserve	Bequests and Endowments	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Operations Reserves for Life Enhancement Fund	379,318	4,756,647	304,605	-	5,440,570	545,690	4,756,647	468,452	-	5,770,789
Foundation Reserves for Vessel Replacement Fund	-	-	-	10,176,069	10,176,069	-	-	-	10,487,504	10,487,504
<b>Total Cash in Bank Accounts and Investments and Total Committed Equity as at 31 March</b>	<b>379,318</b>	<b>4,756,647</b>	<b>304,605</b>	<b>10,176,069</b>	<b>15,616,639</b>	<b>545,690</b>	<b>4,756,647</b>	<b>468,452</b>	<b>10,487,504</b>	<b>16,258,293</b>

# SPIRIT OF ADVENTURE TRUST

## Statement of Financial Position For the Year Ended 31 March 2023

		2023			2022		
Notes	Operations	Foundation, Bequests and Endowments	Total	Operations	Foundation, Bequests and Endowments	Total	
	\$	\$	\$	\$	\$	\$	
<b>Equity</b>	7	5,440,570	10,176,069	15,616,639	5,770,789	10,487,504	16,258,293
Represented By:							
<b>Current Assets</b>							
Cash & Cash Equivalents		1,938,445	1,899,602	3,838,047	2,039,728	1,298,927	3,338,655
Receivables - Exchange Transactions		-	30,178	30,178	302	27,116	27,418
Receivables - Non Exchange Transactions		22,160	-	22,160	4,000	850,528	854,528
Inventory on Hand		-	-	-	-	-	-
Investments	8	-	8,027,485	8,027,485	-	8,088,466	8,088,466
Internal Loan		-	-	-	-	-	-
Advances for Working Capital		-	-	-	(222,810)	222,810	-
		<b>1,960,605</b>	<b>9,957,265</b>	<b>11,917,870</b>	1,821,220	10,487,847	12,309,067
<b>Non Current Assets</b>							
Property Plant & Equipment	9	4,732,892	-	4,732,892	4,947,873	-	4,947,873
Intangible Assets	10	10,037	-	10,037	15,363	-	15,363
		<b>4,742,929</b>	-	<b>4,742,929</b>	4,963,236	-	4,963,236
<b>Total Assets</b>		<b>6,703,534</b>	<b>9,957,265</b>	<b>16,660,799</b>	6,784,456	10,487,847	17,272,303
<b>Less Current Liabilities</b>							
Accounts Payable & Accruals		310,135	-	310,135	217,465	343	217,808
Fees & Income in Advance		734,028	-	734,028	796,202	-	796,202
		<b>1,044,163</b>	-	<b>1,044,163</b>	1,013,667	343	1,014,010
<b>Total Net Assets</b>		<b>5,659,371</b>	<b>9,957,265</b>	<b>15,616,636</b>	<b>5,770,789</b>	<b>10,487,504</b>	<b>16,258,293</b>

On behalf of the Board:

STEPHEN FISHER - 	AARON BETHUNE - TRUSTEE 
DATE: 29th September 2023	



## SPIRIT OF ADVENTURE TRUST

### Cash Flow Statement

For the Year Ended 31 March 2023

	Operations	Foundation, Bequests and Endowments	2023 Total	Operations	Foundation, Bequests and Endowments	2022 Total
	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>						
<i>Receipts</i>						
Receipts from Non-Exchange Transactions	3,797,887	-	3,797,887	3,769,964	-	3,769,964
Receipts from Exchange Transactions	146,369	-	146,369	77,240	-	77,240
Covid-19 Wage Subsidy	-	-	-	244,908	-	244,908
<i>Payments</i>						
Payments to Suppliers & Employees	(3,199,431)	-	(3,199,431)	(3,748,845)	-	(3,748,845)
Working Capital Advance	-	-	-	80,455	(80,455)	-
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>744,825</b>	<b>-</b>	<b>744,825</b>	<b>423,722</b>	<b>(80,455)</b>	<b>343,267</b>
<b>Cash Flows from Investing Activities</b>						
<i>Receipts</i>						
<i>Investment income</i>						
Interest Received	27,189	84,009	111,198	5,020	57,404	62,424
Dividends Received	-	66,173	66,173	-	62,386	62,386
PIE Income Received	-	68,446	68,446	-	52,687	52,687
Sale of Investments	-	2,659,592	2,659,592	-	1,454,482	1,454,482
<i>Payments</i>						
Purchase of Property, Plant and Equipment	(19,878)	-	(19,878)	(2,035)	-	(2,035)
Purchase of Investments	-	(3,130,964)	(3,130,964)	-	(1,493,527)	(1,493,527)
<b>Net Cash (Outflow) / Inflow from Investing Activities</b>	<b>7,311</b>	<b>(252,744)</b>	<b>(245,433)</b>	<b>2,985</b>	<b>133,432</b>	<b>136,417</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>752,136</b>	<b>(252,744)</b>	<b>499,392</b>	<b>426,707</b>	<b>52,977</b>	<b>479,684</b>
Cash and Cash Equivalents as at 1 April	2,046,213	1,292,442	3,338,655	1,619,506	1,239,465	2,858,971
<b>Cash and Cash Equivalents as at 31 March</b>	<b>2,798,349</b>	<b>1,039,698</b>	<b>3,838,047</b>	<b>2,046,213</b>	<b>1,292,442</b>	<b>3,338,655</b>

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 1. GENERAL INFORMATION

#### (a) Reporting Entity

The reporting entity for these financial statements is The Spirit of Adventure Trust (the "Trust"). The Trust provides young New Zealanders with access to a character development programme conducted in a maritime environment on board its ship the "Spirit of New Zealand". These financial statements present two divisions of the Trust being the ship and its operations ("Operations") and an investment structure established for the long-term replacement of the vessel and for specific support activities ("Foundation").

The Trust is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005.

As a charity registered under the Charities Act 2005, the Trust is exempt from income tax.

These financial statements of the Trust are for the year ended 31 March 2023. The financial statements were authorised for issue by the Board of Trustees on 27 September 2023.

The Trustees have the power to amend the financial statements after issue.

#### (b) Statutory Base

The financial statements have been prepared in accordance with the requirements of the Charities Act 2005.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below.

#### (a) Basis of Preparation

The Trust financial statements have been prepared in accordance with Generally Accepted Accounting Practice ("GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE Standards") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Standards Reduced Disclosure Regime ("PBE Standards RDR") on the basis that it does not have public accountability and is not large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Standards RDR and in doing so has taken advantage of all applicable RDR disclosure concessions.

The following new standards and amendments to standards have been adopted by the Trust during the year:

- PBE FRS 48: Service performance reporting (see impact below);
- PBE IPSAS 41: Financial instruments (see impact below); and

Early adoption of standards

- 2022 Omnibus amendments to PBE standards (no material impact).

#### *Impact of adoption of PBE FRS 48: Service performance reporting*

Effective 1 April 2022, the Trust adopted PBE FRS 48 requiring the Trust to provide service performance information in the form of a new primary statement, the "Statement of Service Performance". The high-level requirements of the standard have allowed flexibility in how best to illustrate:

- The reason for the Trust's existence, what it aims to achieve over the medium to long term (in broad terms) and how it will go about achieving this; and
- What the Trust has accomplished (with the assistance of its strategic partners) during the financial year, using both quantitative and qualitative measures, in order to achieve its broader aims and objectives.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Basis of Preparation (continued)

##### *Impact of adoption of PBE IPSAS 41: Financial instruments*

The PBE IPSAS 41: Financial instruments standard changes the classification of certain financial assets and liabilities, which has not had a material impact on the results of the Trust. However, the Trust has been required to update its disclosures and change the wording of its accounting policy in accordance with the new standard (refer Note 2(e) 'Financial Instruments'). The new standard applies a single forward-looking expected credit loss model that is applicable to all financial assets subject to impairment testing.

#### (b) Basis of Measurement

These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investments, except for the vessel which has been revalued to fair value.

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

#### (c) Revenue

Revenue transactions are classified either as "exchange" transactions or "non-exchange" transactions:

##### **Revenue from Exchange Transactions**

Exchange transactions are transactions in which the Trust receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions is accounted for when it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust and the amount of the revenue can be measured reliably.

The exchange revenue transactions for the Trust are interest and dividend income received on its investments as well as sponsorship.

##### *Interest revenue*

Interest revenue is recognised on a time proportion basis that takes into account the effective yield on the underlying asset.

##### *Dividend income*

Dividend income is recognised when the right to receive the payment is established.

##### *PIE income*

PIE income is recognised when the right to receive the payment is established

##### *Sponsorship & other income*

Income from sponsorship is recognised when the funds are received unless there are specific conditions attached. If there are such conditions the sponsorship is initially recorded as income in advance and recognised as revenue when the conditions are satisfied.

##### **Revenue from Non-Exchange Transactions**

In a non-exchange transaction, the Trust either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. The Trust's non-exchange revenue transactions include donations, grants, endowments and bequests as the Trust does not provide value in exchange. Voyage fees are also accounted for as non-exchange revenue transactions as the voyage fees on their own do not cover the direct or indirect costs of operating the voyages; the balance of these costs is covered by sponsorships and donations.

##### *Donations, grants, endowments and bequests*

Fund received are recognised as revenue when they are received unless there is an obligation in substance to return the funds if conditions of the funding are not met. If there is such an obligation, the grants are initially recorded as income in advance and recognised as revenue when the conditions are satisfied.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Revenue (continued)

##### *Voyage fees*

Voyage fees paid in advance contain conditions that may require these to be repaid, therefore the revenue from these transactions are recognised when the voyage takes place.

##### *Donated services*

Volunteer services and pro bono services received by the Trust are not recognised as revenue or expenditure. These donated services are described in Note 14.

A separate reserve, the Operations Income Reserve, has been created in equity for non-exchange revenue receipts that do not have obligations in substance to return funds subject to conditions (and are therefore recognised as revenue immediately) but have stipulations for requested use of those funds (refer Note 7). These funds are expected to be spent in future periods in accordance with the directions in the related grants and donations.

Bequests and Endowments are received on behalf of the Foundation unless the donor has specified the operational use of the funds, or the Board allocates amounts received for operational purposes.

#### (d) Employee Benefit Costs

##### *Wages, salaries, annual leave, and sick leave*

Liabilities for wages and salaries (including non-monetary benefits), annual leave, and accumulating sick 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. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

#### (e) Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

#### **Financial Assets**

##### Classification

On initial recognition, the Trust classifies its financial assets in the following categories: those to be measured subsequently at amortised cost using the effective interest method, and those to be measured at fair value.

##### *Financial assets at amortised cost*

A financial asset is classified as 'amortised cost' only if both of the following criteria are met: the objective of the Trust's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. These financial assets are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Trust's financial assets at amortised cost comprise cash and cash equivalents and receivables within the statement of financial position or its related notes.

##### *Financial assets at fair value through surplus or deficit*

If either of the two criteria above are not met, the financial asset is classified at 'fair value' through surplus or deficit. These financial assets ('listed equity and debt securities') are managed investment funds at market value that have a quoted market price in an active market. The Trust's investments are managed, and their performance is evaluated, on a fair value basis, in accordance with a documented investment strategy. Information about these investments is provided internally on the same basis to the Finance & Investments Committee and the Trustees (i.e. the key management personnel). Assets in this category are classified as current assets unless it is expected that they will be held more than 12 months (managed investment funds are treated as a single asset for this purpose).

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Financial Instruments (continued)

##### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Trust commits to purchase or sell the asset. At initial recognition, the Trust measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership.

The Trust subsequently measures all equity and debt investments at fair value with any realised or unrealised gains or losses being recognised in the surplus or deficit component of the statement of comprehensive revenue and expense.

The fair value of financial assets traded in active markets (i.e. shares in listed companies) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the closing price (i.e. the last traded price).

The Trust is required to reclassify all affected financial assets when and only when its business model for managing those assets changes.

##### Impairment of financial assets

##### *Assets carried at amortised cost*

The Trust assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The expected credit loss allowances for financial assets are based on assumptions about the risk of default and expected credit loss rates. The Trust uses its judgement in making these assumptions and selecting the inputs to the impairment calculation, which is based on the Trust's historical experience, existing market conditions as well as forward looking estimates (such as external economic forecasts) at the end of each reporting period.

The amount of the loss is measured as the difference between the asset's carrying amount and its recoverable amount (which is the higher of the asset's fair value less costs of disposal and its value in use) taking into consideration the impact of any forward looking estimates. Value in use is determined based on the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of revenue and expense. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Trust may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the surplus or deficit component of the statement of comprehensive revenue and expense. The nominal value less estimated credit adjustments of financial assets at amortised cost are assumed to approximate their fair values.

##### **Financial Liabilities**

The Trust's financial liabilities include trade and other creditors, and employee entitlements.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The nominal value less estimated credit adjustments of trade payables (if any) are assumed to approximate their fair values.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (g) Foreign Transactions

Transactions in foreign currencies are converted at the rate of exchange at the date of the transaction. The figures shown in the financial statements are stated in New Zealand Dollars.

At balance date any foreign currency monetary assets and liabilities are translated at the exchange rate at that date and any resulting exchange variations are included in surplus or deficit.

#### (h) Property Plant & Equipment

Items of property, plant, and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial recognition items of property, plant, and equipment except for the vessel are measured at cost less accumulated depreciation and impairment losses. The vessel is measured at fair value. The vessel will be revalued with sufficient regularity at least every four years to ensure that its carrying amount does not differ materially from fair value. The carrying value of revalued asset is assessed annually to ensure that it does not differ materially from its fair value. If there is a material difference, then an off-cycle revaluation will be performed.

Depreciation is charged either on a straight line or diminishing value basis over the useful life of the asset to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Vessel ("Spirit of New Zealand")	Until 2036 to the estimated residual value
Plant & Equipment	6.0% - 40% DV
Furniture & Fittings	20% - 25% DV
Leasehold Improvements	The contractual period of the lease
Computer Equipment	50% DV

The assets' residual values, useful lives, and depreciation methods are reviewed, and adjusted if appropriate, at each year end.

#### (i) Intangible Assets

The Trust's intangible assets are software. These are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is measured at its fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software is amortised on a 50% diminishing value basis over the useful economic life of the asset and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period is reviewed at least at the end of each reporting period.

#### (j) Impairment of Non-Financial Non-Cash Generating Assets

Cash-generating assets are assets that are held with the primary objective of generating a commercial return. All of the Trust's property, plant and equipment, and intangible assets are considered to be non-cash generating assets.

Trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated.

Impairment losses are recognised immediately in surplus or deficit.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to ownership of the asset are transferred to the Trust, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease assets under a specified lease for the purposes of the Income Tax Legislation are capitalised and depreciated.

Lease payments under operating leases are charged as expenses in the periods in which they are incurred.

#### (l) Goods and Services Tax ("GST")

These financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable which are stated GST inclusive.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

#### (m) Significant Judgements and Estimates

In preparing the financial statements, the Board of Trustees is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Trust bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

##### *Fair value of Spirit of New Zealand*

There were significant judgements involved in determining the fair value of the vessel as described in Note 9. The carrying value of the Spirit of New Zealand is \$4,666,666 at 31 March 2023 (2022: \$4,833,333). The vessel is depreciated over its estimated useful life. The useful life and residual value of the asset is assessed using the following indicators:

- The condition of the asset
- The nature of the asset
- The nature of the use of the asset
- Changes in the market in relation to the asset

### 3. CAPITAL COMMITMENTS

The Trust had no capital commitments as at 31 March 2023 (2022: \$Nil).

### 4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Trust had contingent liabilities of \$58,500 as at 31 March 2023 relating to a letter of credit with the BNZ bank (2022: \$58,500).

The Trust is subject to a number of laws and regulations in its normal operations. The Trust's compliance with these laws and regulations is monitored by management and the Trustees, however, there can be differences in interpretations that can come from regulator reviews and/or other issues.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

It is the Trust's practice to obtain legal advice regarding the impact of any new legislation applicable to the Trust and where potential non-compliance is identified to assist the Trust in determining the most appropriate course of action. As at the date of these financial statements, the Trust is not aware of any disputes or actions from any regulator and there are currently no material litigations against the Trust.

### 5. INCOME AND EXPENDITURE

	2023 \$	2022 \$
<b>Included in Investment Income for the year is:</b>		
Interest Received	150,838	65,701
Dividends Received	49,426	66,871
PIE received	68,446	52,687
Endowment & Fund Distributions (Interest Received)	27,189	5,020
	<u>295,899</u>	<u>190,280</u>
<b>Included in Administration Expenditure for the year is:</b>		
Amortisation		
Software	4,098	9,424
Depreciation		
Vessels	166,667	166,667
Plant & Equipment	6,342	9,515
Furniture & Fittings	185	690
Leasehold Improvements	183	9,422
Computer Equipment	2,694	8,294
	<u>180,170</u>	<u>204,012</u>
Operating Lease Expense	34,215	24,691
Loss on Disposal of items of Property, Plant and Equipment	58,787	
Loss on Disposal of Intangible Assets	1,228	
	<u>60,015</u>	-
Employee Benefit Expense		
Salaries & Wages	1,914,538	1,860,423
Defined Contribution Plans (KiwiSaver)	52,075	50,703
	<u>1,966,613</u>	<u>1,911,126</u>
Trustees' Fees	-	-
Fees paid to auditors – PricewaterhouseCoopers (PwC)		
Audit of the annual financial statements	-	-
	<u>-</u>	<u>-</u>

PwC performs the audit and the grant compliance assurance engagements on a pro bono basis. In recognition of this service for the current year the Trust is providing a complimentary half-day sailing on the Spirit of New Zealand for a group of partners and staff of PwC.



# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 6. VOYAGE INCOME

	2023	2022
	\$	\$
Voyage Fees	2,304,551	1,952,454
Voyage Direct Costs	<u>(2,117,926)</u>	<u>(2,553,505)</u>
	186,625	(601,051)

### 7. EQUITY

Included in Equity at balance date are the following Funds:

	2023	2022
	\$	\$
The Roy and Val Allen Endowment	200,000	200,000
The Elaine Gurr Endowment	50,000	50,000
The Gavin Wylie Endowment	80,000	80,000
The Peter Reid Estate Endowment	125,000	125,000
The Colin Anderson Endowment	20,000	20,000
The John McKenzie Team New Zealand Fund	384,342	384,342
The Pauline Fraser Endowment Fund	342,577	342,577
The Estate of Andrew Robert Hart	850,528	850,528
Foundation Investment Fund	<u>8,123,622</u>	<u>8,435,057</u>
Total Foundation Reserves (Vessel Replacement Reserve)	10,176,069	10,487,504
Operations Income Reserves	379,318	468,452
Asset Revaluation Reserve	4,756,647	4,756,647
Operations Fund	<u>304,605</u>	<u>545,690</u>
Total Operations Reserves	5,440,570	5,770,789
<b>Total Equity</b>	<b><u>15,616,639</u></b>	<b><u>16,258,293</u></b>

The Trustees have the following policies:

- i) to accumulate sufficient funds in Operations Fund for operations to meet ongoing vessel refit and life enhancement commitments by recognising the income received as the work is completed.
- ii) to accumulate sufficient funds in the Foundation Investment Fund, represented by various investments held in the Foundation, in order to make a substantial long-term contribution towards the cost of the replacement of the "Spirit of New Zealand" in 2036.

#### *Foundation Reserves*

The Trustees have been advised that the vessel "Spirit of New Zealand" could reach the end of its useful life by 2036 so long as an active life enhancement program is maintained. The current estimated replacement cost, at that time, is \$44.5 million.

#### *Operations Reserves*

The accumulated revenues and expenses are recognised in the Operations Reserves.

A separate Income Reserve was created for Operations in the 31 March 2017 year. The amount in the Income Reserve at year end is equal to donations and grants subject to restrictions which have been recognised as non-exchange revenue in the current year (refer Note 2(c)), but the intended expenditure has not yet taken place in accordance with directions in the related grants and donations.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 8. INVESTMENTS

	2023 \$	2022 \$
<i>Fair value through surplus or deficit</i>		
Equity securities	5,845,769	5,306,985
Debt securities	2,181,716	1,529,985
<b>Total Investments</b>	<b>8,027,485</b>	<b>8,088,466</b>

The fair values of financial assets at fair value through surplus or deficit are determined using quoted prices at the end of the year in active markets for those securities, without any deduction for transaction costs.

Investment funds are used for vessel replacement fund.

### 9. PROPERTY PLANT & EQUIPMENT

	31 March 2023			31 March 2022		
	Cost/Fair Value \$	Accum. Depn \$	Book Value \$	Cost/Fair Value \$	Accum. Depn \$	Book Value \$
Spirit of New Zealand	5,000,000	333,333	4,666,667	5,000,000	166,667	4,833,333
Plant & Equipment	173,458	130,353	43,105	292,798	241,622	51,176
Furniture & Fittings	3,790	3,049	741	40,764	38,016	2,748
Leasehold Improvements	4,203	814	3,389	216,587	165,621	50,966
Computer Equipment	21,912	2,922	18,990	55,526	45,876	9,649
	<b>5,203,363</b>	<b>470,471</b>	<b>4,732,892</b>	<b>5,605,675</b>	<b>657,802</b>	<b>4,947,873</b>

Reconciliation of carrying amount at the beginning and end of the period:

	1 April 2022 Opening Balance \$	Additions \$	Disposals \$	Revaluations \$	Depreciation \$	31 March 2023 Closing Balance \$
Spirit of New Zealand	4,833,333	-	-	-	(166,667)	4,666,666
Plant & Equipment	51,176	-	(1,728)	-	(6,342)	43,105
Furniture & Fittings	2,748	-	(1,822)	-	(185)	741
Leasehold Improvements	50,966	-	(47,395)	-	(183)	3,389
Computer Equipment	9,649	19,878	(7,842)	-	(2,695)	18,990
	<b>4,947,872</b>	<b>19,878</b>	<b>(58,787)</b>	<b>-</b>	<b>(176,072)</b>	<b>4,732,892</b>

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 9. PROPERTY PLANT & EQUIPMENT (continued)

The "Spirit of New Zealand" was commissioned in July 1986 and is recorded in the Financial Statements at depreciated market value.

The vessel was revalued to \$5,000,000 as determined by an independent valuer with an effective date of 31 March 2021. In determining the revalued amount comparisons were made to similar vessels and the current marine market was also taken into account.

The Trustees intend to review the valuation position every 4 years, in line with the accounting policy Note 2(h), the next valuation is due to occur in late 2024 to early 2025 for inclusion in the 2025 financial statements.

### 10. INTANGIBLE ASSETS

	31 March 2023			31 March 2022		
	Cost \$	Accum. Amort \$	Book Value \$	Cost \$	Accum. Amort \$	Book Value \$
Software	85,485	75,448	10,037	143,693	128,330	15,363
	85,485	75,448	10,037	143,693	128,330	15,363

Reconciliation of carrying amount at the beginning and end of the year:

	1 April 2022 Opening Balance	Additions	Disposals	Amortisation	31 March 2023 Closing Balance
	\$				\$
Software	15,363	-	(1,228)	(4,098)	10,037
	15,363	-	(1,228)	(4,098)	10,037

### 11. FINANCIAL INSTRUMENTS BY CATEGORY

#### Financial assets

	31 March 2023			31 March 2022		
	Amortised cost \$	Fair value through surplus or deficit \$	Total \$	Amortised cost \$	Fair value through surplus or deficit \$	Total \$
Cash and Cash Equivalents	1,938,445	-	1,938,445	2,039,728	-	2,039,728
Receivables - Non-Exchange	22,160	-	22,160	4,000	-	4,000
Receivables – Exchange	-	-	-	302	-	302
Investments	-	8,027,485	8,027,485	-	8,088,466	8,088,466
	1,960,605	8,027,485	9,998,090	2,044,030	8,088,466	10,132,496

Prepayment and GST receivable do not meet the definition of a financial asset and have been excluded from the table above.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 11. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

#### *Financial liabilities*

	31 March 2023		31 March 2022	
	Amortised cost	Total	Amortised cost	Total
	\$	\$	\$	\$
Accounts Payable and Accruals	310,135	310,135	217,808	217,808
Fees & Income in Advance	734,028	734,028	796,202	796,202
	<u>1,044,164</u>	<u>1,044,164</u>	<u>1,014,010</u>	<u>1,014,010</u>

GST payable and employee entitlements do not meet the definition of a financial liability and have been excluded from the table above.

### 12. LEASE COMMITMENTS

Lease commitments under non-cancellable operating leases at balance date were:

	2023	2022
	\$	\$
No later than one year	41,115	41,115
Later than one year and no later than five years	104,170	145,285
Later than five years	-	-
<b>Total non-cancellable leases</b>	<b>145,285</b>	<b>186,400</b>

The Trust leases office equipment and the office space on Princes Wharf in Auckland.

The office lease expires in February 2027. There are no contingent rent arrangements or significant escalation clauses in this lease agreement.

### 13. RELATED PARTIES

#### *Key management personnel*

The Board considers key personnel to include the CEO, Marine Manager and three active Masters.

The aggregate remuneration of key management personnel groups during the year were:

	Full Time Equivalent	2023	Full Time Equivalent	2022
		\$		\$
Trustees	8	-	8	-
Employees	5	615,891	5	641,635
<b>Total</b>	<b>13</b>	<b>615,891</b>	<b>13</b>	<b>641,635</b>

Trustees perform their roles on an honorary basis.

# SPIRIT OF ADVENTURE TRUST

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 13. RELATED PARTIES (continued)

#### *Other transactions with related parties*

The following transactions between the Trust and related parties took place during the year:

Related party	Nature of transactions	Relationship with the Trust	Transactions during the year 2023 \$	Accounts payable at year end 2023 \$	Transactions during the year 2022 \$	Accounts payable at year end 2022 \$
Fisher International Limited	Office and secretarial services	Associated with Mr Stephen Fisher, a Trustee	4,348	-	4,348	-

All transactions were at normal commercial rates.

No related party debts have been written off or forgiven during the year.

### 14. SERVICES IN KIND

The Spirit of Adventure Trust has received services or consumable goods donated but not recognised in the financial statements to an estimated value of \$622,500 (2022: \$687,011). In this figure was \$390,000. (2022: \$464,775) of estimated value of volunteer time which was for the delivery of the Youth Programs on board the Spirit of New Zealand and the balance of \$232,500 (2022: \$ 222,236) was for professional services or consumable goods supplied.



## Independent auditor's report

To the Trustees of Spirit of Adventure Trust

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### Our opinion

In our opinion the accompanying general purpose financial report of Spirit of Adventure Trust (the Trust) on pages 2 to 19 presents fairly, in all material respects, the financial position of the Trust as at 31 March 2023, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

### What we have audited

The general purpose financial report which comprises:

- The financial statements, including:
  - the statement of financial position as at 31 March 2023;
  - the statement of comprehensive revenue and expenses for the year then ended;
  - the statement of changes in equity for the year then ended;
  - the cash flow statement for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- the service performance information for the year ended 31 March 2023.

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### Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). The audit of the service performance information was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000 (Revised)).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the general purpose financial report* section of our report.

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

### Our independence and quality management

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

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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



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### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the general purpose financial report comprising the financial statements and the service performance information and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the general purpose financial report does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the general purpose financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustees and use our professional judgement to determine the appropriate action to take.

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### **Other matter**

The service performance information presented for the corresponding year ended 31 March 2022 is unaudited.

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### **Responsibilities of the Trustees for the general purpose financial report**

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the general purpose financial report in accordance with PBE Standards RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

The Trustees are also responsible, on behalf of the Trust, for identifying performance measures and/or descriptions to report in the general purpose financial report that are a faithful representation of the Trust's service performance and that are relevant, understandable, timely, comparable and verifiable.

In preparing the general purpose financial report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the general purpose financial report**

Our objectives are to obtain reasonable assurance about whether the general purpose financial 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), ISAs or 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 general purpose financial report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial report, including performing procedures to obtain evidence about and evaluating whether the service performance information is a faithful representation of the Trust's service performance and that is relevant, understandable, timely, comparable and verifiable.

As part of our audit, we 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.

As part of our audit in accordance with ISAs (NZ), ISAs 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 financial statements and service performance information, 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the Trust to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 identified during the audit.

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#### Who we report to

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

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The engagement partner on the audit resulting in this independent auditor's report is Troy Florence.

For and on behalf of:

Chartered Accountants  
29 September 2023

Auckland