

**Whanganui Port General Partner Limited**

**Annual Report**

**For the year ended 30 June 2024**

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## Directory

Registered office	Whanganui District Council 101 Guyton Street Whanganui Telephone (06) 349 0001 Fax (06) 349 0000 email <a href="mailto:wdc@whanganui.govt.nz">wdc@whanganui.govt.nz</a>
Postal address	PO Box 637 Whanganui
Directors	Mark Petersen (Chair) Nick Wareham Ken Mair
Auditor	Audit New Zealand On behalf of the Auditor-General
Bankers	ANZ Whanganui
Solicitors	Buddle Findlay
Shareholding as at 30 June 2024	Whanganui District Council Holdings Limited 100%

## Statutory information

The Directors present their report and the financial statements for the year ended 30 June 2024. The Company was incorporated on 20 March 2013.

### Activities

The Company is involved in an infrastructure revitalisation project in respect of Whanganui Port project. To assist and facilitate the development and funding of the Project, the Company and Whanganui District Council have entered into a limited partnership agreement dated 4 September 2020 under which WDC is the sole limited partner, and the Company is the general partner, of a limited partnership with the name Whanganui Port Limited Partnership (WPLP).

The Company must not carry on any business or activity, or enter into any contract, agreement, arrangement or undertaking, other than for the purpose of fulfilling its role as the general partner of the Limited Partnership in accordance with the Limited Partnership Agreement.

### Results

The Directors report a parent tax paid loss of \$nil for the year ended 30 June 2024. Equity at the end of the year was \$nil.

### Dividends

The company did not pay dividends for the year ended 30 June 2024 (2023: \$nil).

### Directors and their remuneration

Directors fees paid by the parent company during the year were as follows:

#### Remuneration:

Mark Petersen	\$46,695
Nick Wareham	\$27,806
Ken Mair	\$29,806
Hamish McDouall	\$1,000

### Directors' and officers' insurance

Pursuant to Sections 162(3) and 162(4) of the Companies Act 1993 and the Company's constitution, Whanganui Port General Partner Limited has affected liability insurance cover for Directors and Officers up to \$5 million. Whanganui Port Limited Partnership has paid 100% of the premium for this cover

### Shareholding by directors

No Directors held Company shares, or acquired or disposed of shares during the year.

### Use of company information

No Directors have used or acted on information that would not otherwise be available to Directors.

### Auditor's remuneration

The audit fees for the current year is estimated at \$12,000.

### Donations

There were no donations for the year (2023 \$nil).

### Employee Remuneration

Company does not have any employees. (2023 nil)

## Directors Interests

The Directors have made the following declarations of interest:

### Mark Petersen

- Centuria NZ Industrial Fund limited - Chair
- Centuria Penrose Limited - Director
- Centuria Funds Management Limited - Director
- Tainui Group Holdings Limited - Director
- Tainui Fisheries Limited - Director
- Te Tumu Kainga – Advisory Board member
- Helsingor Properties Limited – Director

### Nick Wareham

- Wareham Property Consulting Ltd
- One Featherston Development Ltd
- Cuba Street Properties No 8 Ltd
- Wareham Family Trust

### Ken Mair

- Whanganui Negotiation Land Trust
- Tupoho Trust
- Tupoho Investment Company
- Murimotu Land Trust
- Raketapauma Land Trust
- Te Urumingi Land Trust
- Motuhou Land Trust
- Heeni Investments
- Pungarehu Marae - Ngati Tuera / Hinearo
- Consultancy Services Aotearoa

### Company's Affairs

The Directors consider the state of the Company's affairs to be satisfactory.  
On behalf of the Board



Mark Petersen

Chair



Nick Wareham

Director



## Statement of service performance

For the year ended 30 June 2024

### Whanganui Port General Partner Limited (WGPL)

#### Objectives

- 1.1 Port GP's primary objectives are, on behalf of WPLP, to manage and operate the WPLP encompassing the Whanganui Port, including upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project (Te Pūwaha) and the endowment property portfolio. Te Pūwaha project has been developed in terms of both economic development for the region, as well as increasing recreational and commercial activity at the port. WPLP essentially exists to manage and operate the Whanganui Port and manage the Endowment Land in accordance with the Whanganui Harbour Act 1988. If WPLP did not exist, then it is considered that WDC would continue to perform this function. The creation of WPLP has arisen due to the requirements of the Provincial Growth Fund (PGF) funding for the restoration of the port. The Port GP has responsibilities to discharge arising from the WPLP partnership agreement, agreements with the PGF and its agreement with Port Op Co.**

**Port GP, as the general partner for WPLP exercises governance control for the WPLP. As a limited liability company directors as subject to duties and responsibilities under the Port GP constitution and must exercise the required skill and judgement to balance these responsibilities and contractual obligations of the above agreements.**

The board has closely monitored the performance of all the activities that form part of WPGPL. During Board meetings stakeholders report back to directors on various activities.

#### **1.1.1 Te Pūwaha Project: Capital upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project.**

The Board has closely monitored the Te Pūwaha project. This include updates during board meeting as well as a regular catch-up between directors and project director.

#### **1.1.2 Harbour Endowment: Managing of investment Portfolio**

The Board has closely monitored the performance of the investment portfolio. WPLP has worked with WDC staff to monitor current investment and develop new investment opportunities, with regular feedback being provided to its shareholder.

#### **1.1.3 Sea Port Operations: Manage and operate the Whanganui Port.**

The Board has closely monitored Port Operation activities. WPLP has worked with WDC staff to monitor current activities. This include capital investment in Port Operations to help building a sustainable future proof business.

## Performance targets

Objective	Performance metric	Outcome
<p>The forecast performance targets for the next three years are:</p>		
<p>1. Comply with all obligations required under all WPLP agreements and demonstrate how compliance is being achieved.</p>	<ul style="list-style-type: none"> <li>• Port GP will produce reports in accordance with the Local Government Act 2002 and generally accepted accounting practice. Financials audited by 30 Sep.</li> <li>• Port GP will provide quarterly (to align with WDC CCO committee reporting.</li> <li>• Legal overview of all terms and agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• 30 June'23 financials signed off by statutory deadline.</li> <li>• Board and WDC Finance team will ensure 30 June'24 financials are signed off by statutory deadline. Annual report signed off 27 Sep'24.</li> <li>• Legal has been involved to ensure Port GP is fully compliant with no issues.</li> <li>• Half yearly reporting done.</li> <li>• SOI approved prior to 1 July'24.</li> </ul>
<p>2. Manage compliantly the Operating Agreement with Port Op Co.</p>	<ul style="list-style-type: none"> <li>• Directors review this at board meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Complied</li> </ul>
<p>3. Ensure all liabilities have funding cover either by the WPLP or ultimately WDC (as limited partner).</p>	<ul style="list-style-type: none"> <li>• Reviewing of cash flow of Project and other sub activities (Harbour Endowment, Port Operations &amp; Admin).</li> <li>• Keep within budget and directors to approve major capital expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors review cash flow forecast at each board meeting.</li> <li>• Budgets reviewed at each board meeting.</li> <li>• Directors reviewed and approved major capital spend at board meetings.</li> <li>• Spend against budget reviewed at board meetings. Overall actual result was favourable to budget.</li> </ul>
<p>4. Operate within the budget agreed with the WPLP.</p>	<ul style="list-style-type: none"> <li>• Port GP will produce monthly management reports in accordance with WDC management reporting systems.</li> </ul>	<p>Monthly reports produced and discussed at board meetings. This includes comments on variances to budget. Overall actual result was favourable to budget.</p>

Objective	Performance metric	Outcome
<p>5. Comply with WDCHL group “no surprises” policy and any other reporting requirements to WPLP and WDC as required or agreed.</p>	<ul style="list-style-type: none"> <li>• WDC is informed of sensitive media releases prior to their release.</li> <li>• that WDC be informed well in advance of any significant events relating to the organisation, whether positive or negative.</li> <li>• all issues that are likely to affect, or are perceived to affect, WDCHL or WDC’s reputation are immediately communicated to WDC.</li> </ul>	<ul style="list-style-type: none"> <li>• Complied</li> </ul>
<p>6. Inform, as necessary, any advocacy with third parties and ensure consistency with council policy.</p>	<ul style="list-style-type: none"> <li>• Maintain active participation in industry, regulatory and environmental matters that may, or will, have a material impact on Port GP’s business strategies and objections.</li> <li>• Ensure that all advocacy and communications to third parties are consistent with WPLP policy positions.</li> </ul>	<ul style="list-style-type: none"> <li>• Complied</li> </ul>
<p>7. Provide, on behalf of the WPLP, all strategies, plans and budgets as required.</p>	<ul style="list-style-type: none"> <li>• To better achieve the stated objectives, an activity plan is produced to set out the Board’s short and long term strategies and include an annual budget as part of its obligations in managing the WPLP.</li> </ul>	<ul style="list-style-type: none"> <li>• Budget set for 30 June’25</li> <li>• For 23/24 year we haven’t produced an activity plan but an activity plan will be produced for 24/25 year.</li> </ul>



## Statement of comprehensive revenue and expense

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
<b>Revenue</b>					
Management Fees	1	126	43	614	580
		<b>126</b>	<b>43</b>	<b>614</b>	<b>580</b>
<b>Expenses</b>					
Directors Fees	2	104	29	130	119
Audit Fee	3	12	12	24	24
Travel & Accom		10	2	11	7
Service Level Agreement - WDC		-	-	429	429
Personnel costs		-	-	17	-
Other expenses		-	-	2	-
		<b>126</b>	<b>43</b>	<b>614</b>	<b>580</b>
<b>Profit / (Loss)</b>			-	-	-
<b>Other comprehensive revenue and expense</b>					
		-	-	-	-
<b>Total comprehensive income</b>			-	-	-

The accompanying notes form part of these financial statements.

## Statement of changes in equity

For the year ended 30 June 2024

Note	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Balance at 1 July	-	-	-	-
<b>Comprehensive revenue and expense</b>				
Total comprehensive income for the year	-	-	-	-
<b>Balance at 30 June</b>	-	-	-	-

*The accompanying notes form part of these financial statements.*

## Statement of financial position

As at 30 June 2024

	Note	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	18	12	80	28
		18	12	80	28
<b>Total assets</b>		<b>18</b>	<b>12</b>	<b>80</b>	<b>28</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade & other payables	5	18	12	80	28
		18	12	80	28
<b>Total liabilities</b>		<b>18</b>	<b>12</b>	<b>80</b>	<b>28</b>
<b>Net assets</b>			-	-	-
<b>Equity</b>					
Accumulated funds	6		-		-
			-		-

For and on behalf of the Board



Chair



Director

*The accompanying notes form part of these financial statements.*

## Statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
<b>Cash flows from operating activities</b>					
<i>Cash was provided from:</i>					
Management Fees		126	43	614	584
<i>Cash was applied to:</i>					
Payments to suppliers		(120)	(31)	(562)	(556)
<b>Net cash flows from operating activities</b>	<b>7</b>	<b>6</b>	<b>12</b>	<b>52</b>	<b>28</b>
<b>Cash flows from investing activities</b>					
Purchase of fixed assets and investments		-	-	-	-
<b>Net cash from investing activities</b>		-	-	-	-
<b>Cash flows from financing activities</b>					
Borrowings & other financial liabilities		-	-	-	-
<b>Net cash from financing activities</b>		-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6</b>	<b>12</b>	<b>52</b>	<b>28</b>
Cash & cash equivalents at the beginning of the year		12	-	28	-
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>18</b>	<b>12</b>	<b>80</b>	<b>28</b>

The accompanying notes form part of these financial statements.

# Statement of accounting policies

For the year ended 30 June 2024

## REPORTING ENTITY

The Whanganui Port General Partner Limited (WPGPL) is a limited company and is the General Partner of the Limited Partnership. WPGPL is a Council Controlled Organisation (CCO) of the Whanganui District Council (WDC) as defined by section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The Company is involved in an infrastructure revitalisation project in respect of Whanganui Port project. To assist and facilitate the development and funding of the Project, the Company and Whanganui District Council have entered into a limited partnership agreement dated 4 September 2020 under which WDC is the sole limited partner, and the Company is the general partner, of a limited partnership with the name Whanganui Port Limited Partnership (WPLP).

The Company must not carry on any business or activity, or enter into any contract, agreement, arrangement or undertaking, other than for the purpose of fulfilling its role as the general partner of the Limited Partnership in accordance with the Limited Partnership Agreement. WPGPL has designated itself as a public benefit entity (PBE) for Financial Reporting Purposes.

The financial statements of WPGPL are for the year ended 30 June 2024. The financial statements were authorised for issue on 27 September 2024 by the Board,

## BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the WPGPL to continue as a going concern.

### Statement of compliance

The financial statements of WPGPL have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the WPGPL does not have public accountability (as defined) and has total annual expenses of less than \$30 million. These financial statements comply with these PBE Standards.

The financial statements are prepared using the historical cost method.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The WPGPL's functional currency is New Zealand dollars.

## SPECIFIC ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of surplus or deficit and financial position, have been applied:

### Income

Income is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Income derived through a Management Fee to WPLP to cover all WPGPL expenses and is recognised in proportion to timing as at balance date.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. At balance date this is represented as a current asset in the statement of financial position.

### Payables

Short-term creditors and other payables are recorded at their face value.

### Equity

The components of equity are only accumulated funds



## Director remuneration

Te Kenehi Robert Mair and Robert Mark Petersen, were each appointed as directors of the Company by WDCHL, the Company's sole shareholder, with effect on and from 28 September 2022. Nicholas Evan Wareham was appointed as director from 15 September 2023.

The total remuneration for the directors and chairs of the Port General Partner and Port Operating Company is as follows effective 15 September 2023:

Chair of Port General Partner and Port Operating Company \$55,000 per annum

Director of Port General Partner and Port Operating Company \$35,000 per annum.

From 15 September 2023 all directors remuneration has been paid from Port General Partner.

Prior to 15 September the directors remunerations were:

- Director: \$1,000 per meeting.
- Chairperson: \$1,500 per meeting

## Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

## Income Tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Current and deferred tax is recognised against the statement of comprehensive income for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

## Critical accounting estimates and assumptions

In preparing these financial statements WPGPL has made estimates and assumptions concerning the future which may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Changes in accounting policies:

No changes in accounting policies.

## Notes to the Financial Statements

For the year ended 30 June 2024

### 1. Management Fees

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Management Fees income from WPLP	126	43	614	580
<b>Total Management Fees</b>	<b>126</b>	<b>43</b>	<b>614</b>	<b>580</b>

### 2. Director Fees

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Director Fees	104	29	130	119
<b>Total Director Fees</b>	<b>104</b>	<b>29</b>	<b>130</b>	<b>119</b>

### 3. Audit Fees

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Audit Fee accrual - WPGP 2023/24 Audit fee	12	12	24	24
<b>Total Audit Fees</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>24</b>

*Audit fee is an estimate and the final fee will be based on actual and reasonable cost.*

### 4. Cash & Cash equivalents

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Cash at bank and on hand	18	12	80	28
<b>Total cash and cash equivalents</b>	<b>18</b>	<b>12</b>	<b>80</b>	<b>28</b>

### 5. Trade and other payables

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Audit Fees accrual	12	12	24	24
Management Fee accrual	1	-	-	4
Whanganui District Council - SLA and Wage Recovery	-	-	47	-
GST Payable	5	-	9	-
<b>Total trade and other payables</b>	<b>18</b>	<b>12</b>	<b>80</b>	<b>28</b>

## Notes to the Financial Statements

For the year ended 30 June 2024

### 6. Equity

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
<b>Accumulated funds</b>				
Balance at 1 July	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Balance at 30 June	-	-	-	-

### 7. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	2024 \$000	2023 \$000	Group 2024 \$000	Group 2023 \$000
Surplus/(deficit) after tax	-	-	-	-
<b>Add/(less) non-cash items:</b>				
<b>Add/(less) movements in working capital items:</b>				
Accounts payable	6	12	52	28
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6</b>	<b>12</b>	<b>52</b>	<b>28</b>

### 8. Contingencies

There are no contingent assets or liabilities at balance date (2023 \$0).

### 9. Related party transactions

WPGP is part of the Whanganui District Council group and has transactions with members of group. Whanganui District Council owns Whanganui District Council Holdings Ltd, which owns Whanganui Port General Partner Ltd.

Related party transactions have been disclosed in note 1 & 5 and these are effectively pass through costs.

### 10. Events after the balance date

There were no significant post balance date events (2023: \$0)

## Independent Auditor's Report

### To the readers of Whanganui Port General Partner Limited's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Whanganui Port General Partner Limited (the company). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

#### Opinion

We have audited:

- the financial statements of the company on pages 9 to 16, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows] for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 6 to 8.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 27 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to comparison of forecast financial statements with historical financial statements. In addition, we outline the responsibilities of



the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Other matter - Comparison of forecast financial statements with historical financial statements**

Without modifying our opinion, we draw attention to the fact that the company did not include forecast financial statements in its 2023/24 statement of intent, as required by the Local Government Act 2002. As a result, no comparison of the forecast financial statements with the historical financial statements was presented in the annual report.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

### **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.



## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the 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.
- We 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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 and the performance information 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 company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 5, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

### **Independence**

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of 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.

Other than the audit, we have no relationship with, or interests in, the company and subsidiary.



Chris Webby  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand