

Performance Report

North King Country Development Trust
For the year ended 31 March 2022

Prepared by Bailey Ingham Ltd

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INDEPENDENT AUDITOR'S REPORT

To the Readers of the Performance Report of North King Country Development Trust.

Unqualified Opinion

We have audited the financial statements included in the performance report of North King Country Development Trust on pages 8 to 16, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance & statement of cash flows for the year then ended, and a summary of significant accounting policies and notes to the performance report.

In our opinion, the financial statements present fairly, in all material respects, the financial position of North King Country Development Trust as at 31 March 2022 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.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of North King Country Development Trust 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 unqualified opinion.

Independence

Other than in our capacity as auditor, we have no relationship with or interests in North King Country Development Trust.

Restriction on Responsibility

Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible on behalf of the entity for the other information. The other information comprises the entity information and statement of service performance but does not include the financial information and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of opinion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Trustees Responsibility for the Performance report

The Board is responsible on behalf of the North King Country Development Trust for:

- 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;
- The preparation and fair presentation of the performance report on behalf of the entity, which comprises the statement of financial position as at 31 March 2022, and the entity information, the statement of service performance, statement of financial performance and statement of

cash flows for the year then ended, and the statement of accounting policies and other explanatory information, in accordance with PBE SFR-A (NFP), and

- Such internal control as the Board 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 Board is 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 Board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

The logo for Finnz Audit, featuring the words "Finnz Audit" in a stylized, handwritten-style font.

Finnz Audit Limited
Te Awamutu

24 January 2023

Entity Information

North King Country Development Trust For the year ended 31 March 2022

Legal Name of Entity

North King Country Development Trust

Entity Type and Legal Basis

Charitable Trust

Registration Number

897549

Entity's Purpose or Mission

To encourage economic growth and development within the North King Country.

Entity Structure

Trust governed by a Board of Trustees

Main Sources of Entity's Cash and Resources

The Trust receives interest income from the bank and debenture owed by The Lines Company Ltd.

Main Methods Used by Entity to Raise Funds

Sponsorship and Investment income.

Entity's Reliance on Volunteers and Donated Goods or Services

N/A

Physical Address

C/- Waitomo District Council, Queen Street, Te Kuiti

Postal Address

The Secretary, 6 Hillcreat Avenue, Otorohanga 3900

Statement of Service Performance

North King Country Development Trust For the year ended 31 March 2022

Description of Entity's Outcomes

To increase the economic growth of the North King Country area

	2022	2021
Description and Quantification of the Entity's Outputs		
Meetings held	9	-
Number of Grants Funded	4	2
Number of Loans Funded	-	-

Additional Information

The Trust also provides mentoring services to applicants.

Approval of Financial Report

North King Country Development Trust For the year ended 31 March 2022

The Trustees are pleased to present the approved financial report including the historical financial statements of North King Country Development Trust for year ended 31 March 2022.

APPROVED



Approvers name: _____

Trustee

Date 24/1/23



Approvers name: _____

Trustee

Date 24-1-23

Statement of Financial Performance

North King Country Development Trust For the year ended 31 March 2022

	NOTES	2022	2021
Revenue			
Revenue from providing goods or services	1	50,000	-
Interest, dividends and other investment revenue	1	110,569	83,898
Total Revenue		160,569	83,898
Expenses			
Volunteer and employee related costs	2	16,200	12,800
Grants and donations made	2	152,300	224,221
Other expenses	2	41,345	43,166
Total Expenses		209,845	280,187
Surplus/(Deficit) for the Year		(49,275)	(196,288)

The accompanying notes form part of the performance report.

Statement of Financial Position

North King Country Development Trust As at 31 March 2022

	NOTES	31 MAR 2022	31 MAR 2021
Assets			
Current Assets			
Bank accounts and cash	3	115,906	1,023,702
Debtors and prepayments	3	3,891	3,003
Investments	3	589,270	585,330
Other Current Assets	3	80,967	86,467
Total Current Assets		790,034	1,698,502
Non-Current Assets			
Investments	3	2,875,056	2,212,254
Other non-current assets	3	14,000	36,400
Total Non-Current Assets		2,889,056	2,248,654
Total Assets		3,679,090	3,947,156
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	14,471	238,042
Employee costs payable	4	16,200	12,800
Unused donations and grants with conditions		1,380	-
Total Current Liabilities		32,051	250,842
Total Liabilities		32,051	250,842
Total Assets less Total Liabilities (Net Assets)		3,647,039	3,696,314
Accumulated Funds			
Accumulated surpluses or (deficits)	5	3,647,039	3,696,314
Total Accumulated Funds		3,647,039	3,696,314

The accompanying notes form part of the performance report.

Statement of Cash Flows

North King Country Development Trust
For the year ended 31 March 2022

	2022	2021
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from goods & services	50,000	
Interest, dividends and other investment receipts	108,991	82,231
Cash was applied to:		
Payments to suppliers and employees	(248,816)	(44,774)
Donations or grants paid	(152,300)	(24,221)
Net Cash Flows from Operating Activities	(242,125)	13,236
Cash Flows from Investing and Finance Activities		
Cash was received from:		
Receipts from sale of investment	208,314	839,880
Receipts from loans provided to other parties	27,900	19,000
Cash was applied to:		
Payments to purchase investments	(901,886)	(12,422)
Net Cash Flows from Investing and Finance Activities	(665,672)	846,458
Net Increase / (Decrease) in Cash	(907,797)	859,694
Cash Balances		
Bank Accounts and Cash at beginning of period	1,023,702	164,008
Bank Accounts and Cash at end of period	115,906	1,023,702
Net change in cash for period	(907,797)	859,694

The accompanying notes form part of the performance report.



Statement of Accounting Policies

North King Country Development Trust For the year ended 31 March 2022

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.

Goods and Services Tax (GST)

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).

Income Tax

North King Country Development Trust 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.

Investments

Investments comprise of term deposits, Craigs Investment and Debenture.

Term deposits with maturities greater than 90 days but less than a year are classified as current investments.

The debenture is initially recorded at the amount received and subsequently at amortised cost using the effective interest rate method.

The Craigs Investment Portfolio was initially measured at cost. The investment is considered for impairment annually and adjusted for impairment if the carrying amount is higher than the current market price.

Investments with maturity greater than 1 year are non-current investments.

Loan Receivables

Loan receivables are recognised at the amount loaned. Loan balances include any interest accrued at the year end that has not been received. If it appears that the carrying amount of the loan will not be recovered, it is written down to the expected recoverable amount.



Payables

Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Revenue

Interest Income is recognised on the accrual basis.

Sponsorship income is recognised as revenue when the sponsorship is received unless there is an obligation to return the funds if conditions of sponsorship is not meet.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)



Notes to the Performance Report

North King Country Development Trust For the year ended 31 March 2022

	2022	2021
1. Analysis of Revenue		
Revenue from providing goods or services		
The Lines Company - Sponsorship	50,000	-
Total Revenue from providing goods or services	50,000	-
Interest, dividends and other investment revenue		
Investment Interest Received	3,106	-
Interest Received	7,463	30,232
Muka Ltd	-	3,667
The Lines Company Ltd	100,000	50,000
Total Interest, dividends and other investment revenue	110,569	83,898
	2022	2021
2. Analysis of Expenses		
Volunteer and employee related costs		
Trustees Honorarium	16,200	12,800
Total Volunteer and employee related costs	16,200	12,800
Grants and donations made		
Maria's Consulting Services	1,380	-
Beattie Community Trust Incorporated	-	200,000
E Ordish - Mentoring Costs	920	460
Hillview home	150,000	-
Otorohanga College	-	20,000
R Hodson - Accountancy Support	-	3,761
Total Grants and donations made	152,300	224,221
Other expenses		
Investment Expenses	1,220	-
Accountancy Fees	4,888	5,055
Aotahi - Workshops	6,595	3,922
Audit Fee - Baker Tilly	-	11,903
BoardPro - Computer Software	1,150	345
Audit Fees	5,745	5,594
Bad Debt Expense	-	3,667
Bank Charges	56	57
General Expenses	356	3,232
Grants Cancelled	(20,000)	-
Legal Expenses	4,703	4,045
Secretarial Services	9,078	5,143
Website Design Fees	290	204
Xero Charges	170	-
Xero Training	263	-





Impairment of Investments	26,830	-
Total Other expenses	41,345	43,166

2022 2021

3. Analysis of Assets

Bank accounts and cash

NKCDT - Savings Account	-	245
North King Country Development Trust - Cheque	115,906	1,023,457
Total Bank accounts and cash	115,906	1,023,702

Debtors and prepayments

Prepayments	-	690
Accrued Interest	3,891	2,313
Total Debtors and prepayments	3,891	3,003

Loan Receivables - Current

Wireless Dynamics	14,000	18,000
R Hodson	4,000	12,000
King Country Scaffolding Ltd	54,567	55,067
JND Limited (Cruise FM)	8,400	1,400
Total Loan Receivables - Current	80,967	86,467

Current Investments

NKCDT - Term Deposit	589,270	585,330
Total Current Investments	589,270	585,330

Loan Receivable - Non Current

Hodson R	-	1,000
JND Limited (Cruise FM)	14,000	22,400
Wireless Dynamics	-	13,000
Total Loan Receivable - Non Current	14,000	36,400

Non-Current Investment

NKCDT - Term Deposits	-	212,254
The Lines Company - Debenture	2,000,000	2,000,000
Craigs Investment Portfolio	875,056	-
Total Non-Current Investment	2,875,056	2,212,254

2022 2021

4. Analysis of Liabilities

Creditors and accrued expenses

Accruals	10,632	7,720
Accounts Payable	3,839	230,322
Total Creditors and accrued expenses	14,471	238,042

Employee costs payable





Trustee Fees	16,200	12,800
Total Employee costs payable	16,200	12,800

2022 2021

5. Accumulated Funds

Accumulated Funds		
Opening Balance	3,696,314	3,892,602
Current Year Surpluses or (Deficits)	(49,275)	(196,288)
Total Accumulated Funds	3,647,039	3,696,314
Total Accumulated Funds	3,647,039	3,696,314

6. Commitment

There are no commitments as at 31 March 2022 (Last year - The Trust accepted a quote for \$11,765.00 from Aotahi Limited to provide three Business-Start-Up workshops in the 2021 Financial Year. One workshop was held during the year and the remaining two workshops are to be held in the 2022 Financial Year at a cost of \$7,843.00)

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2022 (Last year - nil).

8. Significant Grants and Donations with Conditions not Recorded as a Liability

Commitments	Explanation and Timing	At balance Date: This Year	At balance date: Last Year
Commitments to provide loans or grants.	The Trust had approved a grant of \$150,000 to Hillview Rest Home. This grant has been expensed in the 2022 year.	\$0.00	\$150,000.00



9. Related Parties

Transactions	2022	2021
Trustee fees for the year	\$16,200.00	\$12,800.00
Bella Takiari-Brame (Trustee) is also a Director of The Lines Company Limited. The Trust has a Debenture with The Lines Company Ltd. Interest was received during the financial year.	\$100,000.00	\$50,000.00
Bella Takiari-Brame (Trustee) is also a Director of The Lines Company Limited. North King Country Development Trust received sponsorship from the Trust	\$50,000.00	\$0.00

Year End Balances	2022	2021
Trustee Fees	\$16,200.00	\$12,800.00
The Lines Company Limited Debenture	\$2,000,000.00	\$2,000,000.00

10. Events After the Balance Date

There are no events after balance date that require disclosing.

11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

