

Performance Report

North King Country Development Trust
For the year ended 31 March 2023

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 2023, 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 2023 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 2023, 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

1 February 2024

Entity Information

North King Country Development Trust For the year ended 31 March 2023

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 Hillcrest Avenue, Otorohanga 3900

Statement of Service Performance

North King Country Development Trust For the year ended 31 March 2023

Description of Entity's Outcomes

To increase the economic growth of the North King Country area

	2023	2022
Description and Quantification of the Entity's Outputs		
Meetings held	8	9
Number of Grants Funded	5	4
Number of Loans Funded	-	-
Mentoring	33	-

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 2023

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 2023.

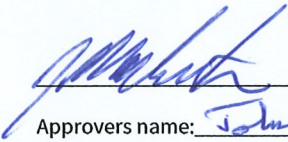
APPROVED



Approvers name: Kyle Burnes

Trustee

Date 1-2-2024



Approvers name: Tom Robertson

Trustee

Date 1/2/24

Statement of Financial Performance

North King Country Development Trust For the year ended 31 March 2023

	NOTES	2023	2022
Revenue			
Revenue from providing goods or services	1	4,800	50,000
Interest, dividends and other investment revenue	1	140,494	110,569
Total Revenue		145,294	160,569
Expenses			
Volunteer and employee related costs	2	16,000	16,200
Costs related to providing goods or service	2	25,462	-
Grants and donations made	2	6,847	152,300
Other expenses	2	134,514	41,345
Total Expenses		182,823	209,845
Surplus/(Deficit) for the Year		(37,530)	(49,275)

The accompanying notes form part of the performance report.



Statement of Financial Position

North King Country Development Trust

As at 31 March 2023

	NOTES	31 MAR 2023	31 MAR 2022
Assets			
Current Assets			
Bank accounts and cash	3	452,333	115,906
Debtors and prepayments	3	-	3,891
Investments	3	-	589,270
Other Current Assets	3	-	80,967
Total Current Assets		452,333	790,034
Non-Current Assets			
Investments	3	3,181,021	2,875,056
Other non-current assets	3	-	14,000
Total Non-Current Assets		3,181,021	2,889,056
Total Assets		3,633,354	3,679,090
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	18,565	14,471
Employee costs payable	4	5,280	16,200
Unused donations and grants with conditions		-	1,380
Total Current Liabilities		23,845	32,051
Total Liabilities		23,845	32,051
Total Assets less Total Liabilities (Net Assets)		3,609,509	3,647,039
Accumulated Funds			
Accumulated surpluses or (deficits)	5	3,609,509	3,647,039
Total Accumulated Funds		3,609,509	3,647,039

The accompanying notes form part of the performance report.

Statement of Cash Flows

North King Country Development Trust For the year ended 31 March 2023

	2023	2022
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from goods & services	4,800	50,000
Cash was applied to:		
Payments to suppliers and employees	(120,780)	(248,816)
Donations or grants paid	(6,847)	(152,300)
Net Cash Flows from Operating Activities	(122,827)	(351,116)
Cash Flows from Investing and Finance Activities		
Cash was received from:		
Interest, dividends and other investment receipts	144,385	108,992
Receipts from sale of investment	589,270	208,314
Receipts from loans provided to other parties	25,600	27,900
Cash was applied to:		
Payments to purchase investments	(300,000)	(901,886)
Capital repaid to owners or members	-	-
Net Cash Flows from Investing and Finance Activities	459,255	(556,680)
Net Increase / (Decrease) in Cash	336,428	(907,796)
Cash Balances		
Bank Accounts and Cash at beginning of period	115,906	1,023,702
Bank Accounts and Cash at end of period	452,333	115,906
Net change in cash for period	(336,428)	(907,796)

The accompanying notes form part of the performance report.



Statement of Accounting Policies

North King Country Development Trust For the year ended 31 March 2023

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 it appears that the carrying amount will not be recovered.

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 or 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 2023

	2023	2022
1. Analysis of Revenue		
Revenue from providing goods or services		
The Lines Company - Sponsorship	-	50,000
Directors Workshop	4,800	-
Total Revenue from providing goods or services	4,800	50,000
Interest, dividends and other investment revenue		
Investment Income Received	36,883	3,106
Interest Received	3,611	7,463
The Lines Company Ltd	100,000	100,000
Total Interest, dividends and other investment revenue	140,494	110,569
	2023	2022
2. Analysis of Expenses		
Volunteer and employee related costs		
Trustees Honorarium	16,000	16,200
Total Volunteer and employee related costs	16,000	16,200
Costs related to providing goods or services		
Institute of Directors Workshop	25,246	-
Catering Expenses - General	216	-
Total Costs related to providing goods or services	25,462	-
Grants and donations made		
Grants Made	6,847	-
Maria's Consulting Services	-	1,380
E Ordish - Mentoring Costs	-	920
Hillview Home	-	150,000
Total Grants and donations made	6,847	152,300
Other expenses		
Advertising & Promotion	110	-
Accountancy Fees	5,348	4,888
Aotahi - Workshops	-	6,595
BoardPro - Computer Software	1,265	1,150
Audit Fees	6,278	5,745
Bank Charges	27	56
Debt Collection & Litigation Costs	5,000	-
Debt Forgiveness	5,894	-
General Expenses	571	356
Grants Cancelled	-	(20,000)
Impairment of Loan Receivables	63,473	-
Investment Expenses	11,149	1,220



Legal Expenses	-	4,703
Secretarial Services	11,917	9,078
Subscription Costs	160	-
Website Design Fees	3,017	290
Xero Charges	274	170
Xero Training	263	263
Impairment of Investments	19,769	26,830
Total Other expenses	134,514	41,345

2023 2022

3. Analysis of Assets

Bank accounts and cash

North King Country Development Trust - Cheque	452,333	115,906
Total Bank accounts and cash	452,333	115,906

Debtors and prepayments

Accrued Interest	-	3,891
Total Debtors and prepayments	-	3,891

Loan Receivables - Current

Wireless Dynamics	-	14,000
R Hodson	-	4,000
King Country Scaffolding Ltd	51,167	54,567
JND Limited (Cruise FM)	12,306	8,400
Impairments of Loan Receivable	(63,473)	-
Total Loan Receivables - Current	-	80,967

Current Investments

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

Loan Receivable - Non Current

JND Limited (Cruise FM)	-	14,000
Total Loan Receivable - Non Current	-	14,000

Non-Current Investment

The Lines Company - Debenture	2,000,000	2,000,000
Craigs Investment Portfolio	1,181,021	875,056
Total Non-Current Investment	3,181,021	2,875,056

2023 2022

4. Analysis of Liabilities

Creditors and accrued expenses

Accruals	11,625	10,632
Accounts Payable	6,940	3,839
Total Creditors and accrued expenses	18,565	14,471





	2023	2022
Employee costs payable		
Trustee Fees	5,280	16,200
Total Employee costs payable	5,280	16,200

	2023	2022
5. Accumulated Funds		
Accumulated Funds		
Opening Balance	3,647,039	3,696,314
Current Year Surpluses or (Deficits)	(37,530)	(49,275)
Total Accumulated Funds	3,609,509	3,647,039
Total Accumulated Funds	3,609,509	3,647,039

6. Commitment

There are no commitments as at 31 March 2023 (Last year - nil)

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2023 (Last year - nil).

8. Related Parties

Transactions	2023	2022
Trustee fees for the year	\$16,000	\$16,200
Bella Takiari-Brame (Trustee - resigned November 2021) 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
Bella Takiari-Brame (Trustee - resigned November 2021) is also a Director of The Lines Company Limited. North King Country Development Trust received sponsorship from the Trust	\$-	\$50,000

Year End Balances	2023	2022
Trustee Fees	\$5,820	\$16,200
The Lines Company Limited Debenture	\$-	\$2,000,000



9. Events After the Balance Date

There are no events after balance date that require disclosing.

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

11. Grants with Conditions not Recorded as a Liability

At balance date the Trust has approved grants totaling \$3,348 for mentoring/training. The grants are conditional on the grantee attending the training. There are no other commitments at balance date. (Last year - nil).

