

The Lake Taupo Protection Trust
Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2021



	Note	Actual 2021	Budget 2021	Actual 2020
Revenue from Non-Exchange Transactions				
Council operating grants		-	-	-
Government grants		-	-	-
Total Revenue from Non-Exchange Transactions		-	-	-
Revenue from Exchange Transactions				
Interest		13,663	20,000	37,073
Total Revenue from Exchange Transactions		13,663	20,000	37,073
Total Revenue		13,663	20,000	37,073
Expenses				
Depreciation & amortisation	8	899	1,200	1,207
Employee benefit costs	2	104,865	98,500	106,016
Operating lease expense		28,059	25,546	28,478
Trustee fees	3	61,000	61,000	61,000
Other expenses	4	107,321	132,827	121,157
Total expenses		302,144	319,073	317,858
Operating Surplus		(288,481)	(299,073)	(280,785)
Other gains/losses		98	-	-
Net Surplus for the year attributable to trust beneficiaries		(288,383)	(299,073)	(280,785)
Other Comprehensive Revenue		-	-	-
Total Comprehensive Revenue and (Expense) for the year attributable to trust beneficiaries		(288,383)	(299,073)	(280,785)

Explanations of major variances against budget are detailed in note 21.

The Lake Taupo Protection Trust
Statement of Changes in Net Assets/Equity
For the Year Ended 30 June 2021



	Note	Actual 2021	Budget 2021	Actual 2020
Balance at 1 July		1,251,820	1,251,449	1,532,605
Surplus for the year		(288,383)	(299,073)	(280,785)
Other Comprehensive revenue and expense		-	-	-
Total Comprehensive revenue and expense for the period		(288,383)	(299,073)	(280,785)
Balance at 30 June	11	<u>963,437</u>	<u>952,376</u>	<u>1,251,820</u>

Explanations of major variances against budget are detailed in Note 21.

The Lake Taupo Protection Trust
Statement of Financial Position
As At 30 June 2020



	Note	Actual 2021	Budget 2021	Actual 2020
ASSETS				
Current assets				
Cash & cash equivalents	5	1,016,515	42,367	98,226
Term Investments	6	-	950,000	1,215,000
GST refund due from IRD		2,579	3,028	5,719
Debtors and other receivables from exchange transactions	7	1,233	8,337	3,466
Debtors and other receivables from non-exchange transactions	7	-	-	-
Property, plant & equipment	8	3,326	873	2,135
Prepayments	15	2,677	6,389	3,481
Total current assets		1,026,330	1,010,993	1,328,027
Non-current assets				
Prepayments	15	-	-	-
Property, plant & equipment	8	-	-	-
Total non-current assets		-	-	-
Total assets		1,026,330	1,010,993	1,328,027
LIABILITIES				
Current liabilities				
Creditors & other payables	9	34,925	36,733	51,546
Employee entitlements	10	27,968	21,884	24,661
Total current liabilities		62,893	58,617	76,207
Total liabilities		62,893	58,617	76,207
Net assets		963,437	952,376	1,251,820
Trust Equity				
Equity attributable to the beneficiaries of the Trust				
Contributed capital	11	10	10	10
Accumulated comprehensive revenue and expense	11	963,427	952,366	1,251,810
Total equity		963,437	952,376	1,251,820

Explanations of major variances against budget are detailed in Note 21.

Chairman
Dated:

The accompanying notes form part of these financial statements.

The Lake Taupo Protection Trust
Statement of Cash Flows
For the Year Ended 30 June 2021



	Note	Actual 2021	Budget 2021	Actual 2020
Cash flows from operating activities				
Council operating grants - Non exchange transactions		-	-	-
Government grants - Non exchange transactions		-	-	-
Interest received - Exchange transactions		17,129	20,000	40,594
Payments to suppliers and employees		(314,492)	(317,871)	(306,349)
Goods and services tax (net)		3,140	2,768	2,117
Net cash from operating activities	12	(294,223)	(295,103)	(263,638)
Cash flows from investing activities				
Purchase of property, plant and equipment		(2,592)	-	-
Sale of property, plant and equipment		104	-	-
Change in term deposit investments		1,215,000	-	140,378
Net cash from investing activities		1,212,512	-	140,378
Cash flows from financing activities				
Proceeds from borrowings		-	-	-
Repayments of borrowings		-	-	-
Net cash from financing activities		-	-	-
Net increase (decrease) in cash, cash equivalents and bank overdrafts		918,289	(295,103)	(123,260)
Cash, cash equivalents and bank overdrafts at the beginning of the year		98,226	1,287,472	221,486
Cash, cash equivalents and bank overdrafts at end of year	5	1,016,515	992,367	98,226

Other explanations of major variances against budget are detailed in Note 21.

1 Statement of Significant Accounting Policies for the year Ended 30 June 2021

Reporting Entity

The Lake Taupo Protection Trust (the Trust) is a charitable trust incorporated in New Zealand, on 9 February 2007, under the Charitable Trusts Act 1957 and the Charities Act 2005 and is domiciled in New Zealand. The Trust is controlled by the Trustees, Taupo District Council, Waikato Regional Council, and the Ministry for the Environment, and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The primary objective of the Trust is the maintenance of water quality in Lake Taupo through a reduction in nitrogen levels in the Lake Taupo Catchment Area. The Trust's purposes are for the benefit of people in the communities surrounding Lake Taupo and of New Zealand. As the Trust's primary objective is to provide services for community and social benefit, rather than making a financial return, the Trust is a public benefit entity for the purpose of financial reporting.

The financial statements of the Trust are for the year ended 30 June 2021. The financial statements were authorised for issue by the Board of Trustees on the 23 May 2022.

The Lake Taupo Protection Trust was required under section 67(5) of the Local Government Act 2002 and the trust deed to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

As at 30th June 2021 Nitrogen Reduction Agreements are in place and have achieved the overall reduction target of 170.3 tonnes. All Nitrogen Reduction Agreements were compliant with their Total Annual Nitrogen Discharge Allowance as confirmed in writing by Waikato Regional Council to the Trust.

Future of the Trust

* The Settlers (Waikato Regional Council, Taupo District Council, and Ministry for the Environment) to the Lake Taupo Protection Project agreed to extend the operation of the Trust up to 30 June 2023. The Trust will be disestablished as at that date unless the settlers again agree to further extend the Lake Taupo Protection Project.

* The Lake Taupo Protection Project Joint Committee (the Joint Committee) confirmed the Trust's Statement of Intent on 14 June 2021 on a business as usual basis for the year ending 30 June 2022.

* A review of the Lake Taupo Protection project will be undertaken during the current extension term of the project. The review will consider whether the current project governance, and the Trusts management, is the most effective and efficient model to manage the nitrogen reduction agreements into the future. The Trust will be notified if it is to be winding up or continuing to operate. This decision will be made before 30 June 2023.

Based on current financial projections the Trust forecasts that it has sufficient funds to operate up to 30 June 2023 or part thereof.

Basis of preparation

The financial statements have been prepared on a disestablishment basis, and accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Trust 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).

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust is eligible to report in accordance with Tier 2 PBE Standards due to the Trust not being publicly accountable or large, as defined by the *External Reporting Board (XRB) Standard A1: Application of Accounting Standards*. 'Large' is defined as the entity having expenses greater than \$30million.

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional & presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

Explanations of major variances against budget are detailed in note 21.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received.

Grants

Grants received from Waikato Regional Council, Taupo District Council and the Ministry for the Environment are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the trust deed.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest income is recognised using the effective interest method.

Leases

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term.

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.

Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

Debtors and other receivables

Short term debtors and other receivables are recorded at their face value, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Creditors and other payables

Creditors and other payables are recorded at their face value.

Investments

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue and Expense.

At each reporting date the Trust assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

Property, Plant & Equipment

Property, Plant & Equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit or service potential associated with the item will flow to the Trust and the cost of an item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefit or service potential associated with the item will flow to the Trust and the cost of an item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	8.5% - 67% Straight line depreciation rate
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The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Impairment of non-financial assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment is recognised in the Statement of Comprehensive Revenue and Expense.

Employee entitlements

Short-term entitlements

Entitlements that the Trust expects to be settled within 12 months of the reporting date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

Good and Service Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, excluding the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget was approved by the Board of Trustees on 18th May 2020 and endorsed by the Joint Committee. The budget figures have been prepared in accordance with PBE IPSAS, using accounting policies that are consistent with those adopted by the Trust for the preparation of the financial statements.

Income Tax

The Lake Taupo Protection Trust is exempt from income tax as they are a registered charity with the Charities Commission.

Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions 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:

Compliance of Nitrogen Reduction Agreements

Critical assumptions are made in relation to the nitrogen reduction agreements in that an assumption is made that the land owner is either complying with the legal agreement or will in the future comply with the agreement for on-going nitrogen reduction. Many of the nitrogen reduction agreements have post settlement conditions to be completed over time, such as afforestation of the property, or a reduction in the level of nitrogen by less intensive farming activities. While assumptions are needed to be made before there is evidence that either the nitrogen reduction activities have reduced the nitrogen being emitted to the appropriate level, or that the correct area has been afforested, these assumptions are supported by the requirements of the resource consent and the on-going monitoring of the nitrogen reductions by Waikato Regional Council.

The nitrogen reduction expense is recorded in the financial statements when it is understood that the third parties have met their nitrogen reduction obligations as per their nitrogen reduction agreements. If a nitrogen reduction payment is made to a landowner per their payment schedule but the nitrogen reduction obligations have not been met then the payment is recorded as a prepayment until these obligations have been met and then the payment is recorded as an expense. When the Trust enters into nitrogen reduction agreements with the land owners and the nitrogen reduction agreements have obligations that are not due to be met until dates in the future, the Trust will record the expected liability as a contingent liability on the assumption that it is likely that the landowner will meet the conditions. These contingent liabilities are listed in note 14 of the financial statements.

Critical judgements in applying the Trust accounting policies

The Trustees must exercise their judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evidence for each grant contract.

2 Employee benefit costs

	Actual 2021	Actual 2020
Salaries and wages	98,600	102,188
Kiwisaver contributions	2,958	3,065
Increase/ (decrease) in employee benefit liabilities	3,307	763
Total employee benefit costs	104,865	106,016

3 Trustee fees

	Actual 2021	Actual 2020
Trustee Fees	61,000	61,000
Total Trustee Fees	61,000	61,000

4 Other expenses

	Actual 2021	Actual 2020
<i>Fees to Auditors:</i>		
Audit fees for financial statement audit (2020)	-	23,146
Audit fees for financial statement audit (2021)	23,574	-
<i>Other Expenses:</i>		
Website development/maintenance expenses	-	44
Research Expenses	-	13,043
Legal Expenses	28,992	25,879
Other Expenses	54,755	59,045
Total Other Expenses	107,321	121,157

5 Cash & Cash Equivalents

	Actual 2021	Actual 2020
Cash at Bank and On Hand	1,016,515	98,226
BNZ Term Deposit	-	-
Net Cash and Cash Equivalents and bank overdrafts for the purposes of the Statement of Cashflows.	1,016,515	98,226

The carrying value of cash at bank and short-term deposits with maturity dates of three months or less approximates their fair value.
Term deposits with maturities of less than 3 months at acquisition are required to be disclosed as cash and cash equivalents.

6 Term Investment

	Actual 2021	Actual 2020
BNZ Term Deposit	-	350,000
BNZ Term Deposit	-	415,000
BNZ Term Deposit	-	450,000
Net Cash and Cash Equivalents and bank overdrafts for the purposes of the Statement of Cashflows.	-	1,215,000

The start date of the \$350,000 BNZ term deposit was 4th March 2020 and it matured on the 4th September 2020. Interest rate was 2.45%.
The start date of the \$415,000 BNZ term deposit was 30th June 2020 and it matured on the 1st February 2021. Interest rate was 1.75%.
The start date of the \$450,000 BNZ term deposit was 2nd June 2020 and it matured on the 5th January 2021. Interest rate was 2.01%.

7 Debtors & other receivables

	Actual 2021	Actual 2020
Gross debtors and other receivables from exchange transactions	1,233	3,466
Related Party Receivables	-	-
Less provision for impairment	-	-
Total debtors & other receivables	1,233	3,466

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

Impairment

The carrying amount of receivable that would otherwise be past due or impaired whose terms have been renegotiated is \$0 (2020 \$nil).

The status of receivables as at 30 June 2021 and 2020 are as follows:

	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	1,233	-	1,233	3,466	-	3,466
Total	1,233	-	1,233	3,466	-	3,466

The trust holds no collateral or other credit enhancements for financial instruments that give rise to credit risk, including those instruments that are overdue or impaired.

8 Property, plant and equipment

	Furniture & fittings	Total
Cost		
Balance at 1 July 2019	18,553	18,553
Additions	-	-
Disposals	-	-
Balance at 30 June 2020	18,553	18,553
Balance at 1 July 2020	18,553	18,553
Additions	2,592	2,592
Disposals	(7,446)	(7,446)
Balance at 30 June 2021	13,699	13,699
Accumulated depreciation and impairment losses		
Balance at 1 July 2019	15,211	15,211
Depreciation expense	1,207	1,207
Impairment losses	-	-
Disposals	-	-
Balance at 30 June 2020	16,418	16,418
Balance at 1 July 2020	16,418	16,418
Depreciation expense	899	899
Impairment losses	-	-
Disposals	(6,944)	(6,944)
Balance at 30 June 2021	10,373	10,373
Carrying amounts		
At 1 July 2019	3,342	3,342
At 30 June and 1 July 2020	2,135	2,135
At 30 June 2021	3,326	3,326

There are no restrictions over the Trust's property, plant and equipment, nor is any property, plant and equipment pledged as security for liabilities.

9 Creditors & other payables

	Actual 2021	Actual 2020
Creditors	2,851	12,233
Related party payables	-	7,766
Accrued expenses	32,074	31,547
Total creditors & other payables	34,925	51,546

Creditors and other payables are non interest bearing and are normally settled in 30 day terms, therefore the carrying value approximates their fair value.

10 Employee entitlements

	Actual 2021	Actual 2020
Accrued salaries and wages	1,138	751
Annual leave	26,830	23,910
Total employee benefit liabilities	27,968	24,661
Comprising:		
Current	27,968	24,661
Non-current	-	-
Total employee benefit liabilities	27,968	24,661

11 Reconciliation of Equity

	Actual 2021	Actual 2020
Contributed Capital		
Balance at 1 July	10	10
Capital Contribution	-	-
Balance at 30 June	10	10
Retained Surpluses		
Balance at 1 July	1,251,810	1,532,595
Surplus (deficit) for the year	(288,383)	(280,785)
Balance at 30 June	963,427	1,251,810
Total Equity	963,437	1,251,820

12 Reconciliation of net deficit to cash from operating activities.

	Actual 2021	Actual 2020
Surplus/(Deficit) for the year	(288,383)	(280,785)
Add / (less) non-cash items		
Depreciation and amortisation expense	899	1,207
Depreciation Recovered & Capital Gain	(98)	-
Add / (less) movements in working capital items		
Debtors & other receivables	2,729	3,519
GST	3,140	2,118
Prepayments	804	2,908
Creditors & other payables	(16,621)	6,632
Nitrogen Reduction Payable	-	-
Employee benefits	3,307	763
Net Cash from Operating activities	(294,223)	(263,638)

13 Capital Commitments & Operating Leases

	Actual 2021	Actual 2020
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment.	-	-
Operating leases as lessee		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Not later than one year	70	21,858
Later than one year and not later than 5 years	-	1,493
Later than 5 years	-	-
Total non-cancellable operating leases	70	23,351

In 2020 a significant portion of the total non-cancellable operating lease amount related to the lease of an office building and vehicle which are no longer leased. Currently the only lease the Trust has for the photocopy machine.

There are no restrictions placed on the Trust by any of its leasing arrangements.

14 Contingencies

Contingent Assets

The trust does not have any contingent assets as at 30 June 2021. (2020: Nil)

Contingent Liabilities

The trust does not have any contingent liabilities as at 30 June 2021. (2020: Nil)

15 Prepayments

	Actual 2021	Actual 2020
Insurance (Current)	2,677	3,295
Computer Lease (Current)	-	186
Total Current Prepayments	2,677	3,481
Total Non- Current Prepayments	-	-
Total Prepayments	2,677	3,481

Prepayments classified as current relate to insurance, computer lease and employee entitlements.

16 Related Party Transactions

For the purpose of these financial statements the trust has limited the related parties to the original settlers and trustees.

The Trust was settled by Waikato Regional Council (WRC), Taupo District Council (TDC) and Ministry for the Environment (MFE). A significant amount of operating grants are received from these parties in order for the Trust to deliver its objectives as specified in the Trust deed.

All transactions with related parties were on normal commercial or standard terms.

17 Categories of Financial Assets & Liabilities

The carrying amounts of financial assets and liabilities of each of the PBE IPSAS 29 categories are as follows:

	Actual 2021	Actual 2020
Loans & Receivables		
Cash & Cash Equivalents (note 5)	1,016,515	98,226
Term Deposit Investment (note 6)	-	1,215,000
Debtors & Other Receivables (note 7)	1,233	3,466
Total Loans & Receivables	1,017,748	1,316,692
Financial Liabilities measured at amortised cost		
Creditor & other payables (note 9)	34,925	51,546
Total Financial Liabilities measured at amortised cost	34,925	51,546

18 Key management personnel compensation

	Actual 2021	Actual 2020
<i>Board Members</i>		
Remuneration	61,000	61,000
Full-time equivalent members	0.09	0.08
<i>Senior Management Team</i>		
Remuneration	104,865	106,016
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	165,865	167,016
Total full-time equivalent personnel	1.09	1.08

19 Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets.

The trust deed requires the Board of Trustees to manage its revenue, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

20 Events after the Reporting Date

There were no significant events after the reporting date.

21 Explanation of Significant Variances Against Budget

Explanations for significant variations from the Trust's budgeted figures in the 2020/2021 year are as follows:

<u>Statement of Comprehensive Income</u>	Actual	Budget	Variance
Interest	13,663	20,000	(6,337)
Interest Income is less than budgeted by \$6,337 due to decreased interest rates for funds being held in the call account and term deposits.			
Other Expenses	107,321	132,827	(25,506)

Other Expenses are less than budgeted by \$25,506. This is mainly due to the legal expenses budgeted not occurring during this financial year.

Statement of Changes in Equity

Total Equity	963,437	952,376	11,061
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The Equity for the year is \$11,061 more than budgeted due to the decrease in the loss for the year which is mainly due to lower expenses during the period.

Statement of Financial Position

Cash & cash equivalents	1,016,515	42,367	974,148
Term Investments	-	950,000	(950,000)

There is a variance to budget for Cash & cash equivalents and Term Investments as we had budgeted for the Trust to have put \$950,000 of surplus funds into Term Investments as at 30 June 2021. However at 30 June 2021 these funds were being held in the Trust bank account instead and were later put into Term Investments.

Statement of Cash flows

Change in term deposit investments	1,215,000	-	1,215,000
Cash, cash equivalents and bank overdrafts at the beginning of the year	98,226	1,287,472	(1,189,246)

Overall the Statement of cashflows does not have any significant variations from the budget. However there is a variation to the budget for change in term deposits, and cash and cash equivalents at the beginning of the year due to the budget not showing that \$1,215,000 of funds was invested in a Term Deposit at the start of the year rather than being in the Trust bank account.

22 Impact of Covid

On March 11, 2020, the World Health Organisation declared the outbreak of a coronavirus (Covid-19) a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The global Covid-19 pandemic has had a significant impact on the majority of organisations and their people across the globe. New Zealand was at Alert Level 4 from late March 2020, resulting in a four-week nationwide lockdown. There was an additional nationwide lockdown in August 2021 as well as other isolated lockdowns. The country has gradually moved to Orange in the new Covid Traffic Light. The lockdown has caused economic uncertainties in many industries.

We assessed the impact of this event on the Trust. We also reviewed our financial statements on a line by line basis. We concluded the impact of the Covid-19 pandemic is minimal on the Trust's operations and activities. The main factors contributing to our conclusion are:

- * Our main revenue is secured from interest on investment from term deposits
- * Our receivables relate to interest on investments. There are no indicators for impairment.
- * Our payables relate to well established businesses and are mainly legal, accounting and audit expenses. Our total current assets exceed our total current liabilities.
- * Our main financial assets consist cash and cash equivalents and term investments that do not need to be fair valued. We also do not have any significant property, plant and equipment that needs fair valuation.