

HOROWHENUA NEW ZEALAND TRUST ANNUAL REPORT 2022 – 2023



Horowhenua New Zealand Trust
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Horowhenua, New Zealand

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Visit our website
www.thcl.nz/hnzt



Horowhenua New Zealand Trust Annual Report 2023

Introduction from the Chair

Tēnā koutou.

Welcome to the 2023 Annual Report for the Horowhenua New Zealand Trust.

This year we celebrate five years in operation. As I reflect on our achievements in that time, in some ways we have accomplished much, but there is so much more that can be done. And that's what drives and motivates our Trustees and partners.

Our mission is to play a role to improve economic and social conditions for residents of the Horowhenua. We do this by effectively partnering, investing and supporting local business, local community organisations and our local Council.

A number of the highlights for this year include:

- The appointment of three new directors to the Board of *The Horowhenua Company*, Sarah Everton, Philip Harper and Brendan Duffy. The later taking on the chair role. They join incumbent Board members Cam Lewis and Ron Turk. The calibre of directors of the company shows our commitment to create genuine impact for our community through economic and social development initiatives.
- The successful application of the Horowhenua New Zealand Trust to become a registered charity. This will ensure that dividends earned from The Horowhenua Company can be distributed to the community fully tax exempt.
- A significant distribution to the *Palmerston North Hospital Foundation* that will make possible the building of a dedicated children's Emergency Department (A&E) facility.
- Planning work towards a health and wellness hub facility development in the Levin town centre being undertaken by the *Horowhenua Development Company*.
- We continue to see outstanding support to stimulate local business enterprise through the work by The Horowhenua Company as the economic development agency for the district.

I would like to thank Sarah Ryan for her tremendous and invaluable contribution as outgoing Trustee, and welcome Jo Mason. I also wish to acknowledge the valuable contribution and counsel that Malcolm Alexander made in his time as Chair of The Horowhenua Company Board.

Finally, none of what the Trust achieved this past year could have been done without the remarkable leadership and dedication of Catriona Mackay and her team at the Horowhenua Company. We also have had incredible backing from current and previous elected members, and staff of the Horowhenua District Council, along with business partners CS Law and Baker Tilly Staples Rodway.

Nāku, nā

A handwritten signature in black ink, appearing to read 'Antony Young', written in a cursive style.

Antony Young

Chair of The Horowhenua New Zealand Trust

Where we've come from

The Horowhenua New Zealand Trust was established in 2018 by members of the business community that saw the opportunity for an independent organisation that could bridge the gap between community, Council, and business.

The Trustees set about focusing resources on the areas that they believed would make the biggest difference to Horowhenua. Within each of these areas, we have worked alongside others to find opportunities and support solutions by bringing together the right people, with the right resources and partnering with the right enterprises.

We believe that the opportunities for the Trust to make a difference are real, and we are absolutely committed to moving Horowhenua forward.

In 2019, the Horowhenua New Zealand Trust established The Horowhenua Company Limited (as a 100% subsidiary) to operate as a commercial entity to:

- provide economic development services to the district.
- identify and manage community and property development projects that will make a difference; and
- act as the operating arm of the Horowhenua New Zealand Trust.

Our Trustees

Trustees bring a wealth of Governance, business, and leadership credentials. They are recognised community members with deep links to the district. They are busy! And so we are grateful of their time, responsibility and commitment to the Trust. The Trustee role is voluntary, and we acknowledge their service to the community.

Sarah Ryan completed three years on the Trust Board, and having relocated out of the Horowhenua, stepped down in October 2022. She brought enormous energy and challenging debate to the Trust and was active on the Get-Go Advisory Board.

Ron Turk operates as the Trust representative and director on The Horowhenua Company Board.

Te-Aroha Jennings in addition to being a Trustee, acts as the Trust secretary.

The Trust welcomed Joanna Mason as a Trustee in March 2023.

Our Trustees are:



Antony Young (Chair)

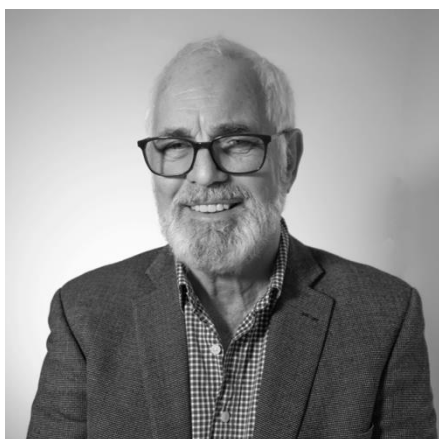
Antony has spent 20 years in New York, London and China advising global companies on branding, and as CEO of several media and marketing firms. He returned to New Zealand with his family and settled in Horowhenua in 2016.

Antony is extremely passionate about the region and its opportunities. He is on the Board of Business Kāpiti Horowhenua that oversees the Electra Business Awards and he also served as Chair of the Horowhenua Taste Trail Trust 2017 – 2019.



Justine Street

Justine (BBS FCA) is a Fellow Chartered Accountant and a Director of Colbert Cooper Limited, a chartered accountancy practice located in Levin, which provides business, accountancy, and tax services to clients throughout the region and across New Zealand. She is currently Deputy Chair of Horowhenua Learning Centre, Trustee of House of Science and Trustee of Foxton Area Community Medical Trust.



Larry Ellison

Raised in Raumati and now living in Foxton Beach, Larry Ellison and his wife Jane have been a part of the Horowhenua community for years. The Ellison's have owned service stations throughout Horowhenua and in 2000 started Rural Fuel, an award-winning business that distributes fuel to farmers around the lower North Island. Larry loves all things agriculture and is involved in dairy farms throughout the region, as well as several start-up businesses and agritech companies, including Levno, BioLumic Ltd and Zeddy Ltd.



Ron Turk

More than 50 years ago, Ron Turk and his family moved to Foxton, and founded their successful poultry business, Turk's Poultry. Since then, Ron has helped transform a small egg business into a prosperous company employing almost 280 people - as well as raising three children. A strong believer in ethical and sustainable farming practices.. Through Turks, Ron has been a supporter of a variety of community groups and initiatives including the Foxton Rugby club, the Horowhenua Taste Trail, Manawatu Boating Club and Rescue Helicopter.



Te-Aroha Jennings

Originally attracted to the Horowhenua for the relaxed lifestyle, Te-Aroha and her husband have truly made the district home and see it as the ideal place to start and raise a family. With over 15 years' experience as a lawyer in the private and public sector, Te-Aroha has more recently been providing policy and regulatory compliance advice and corporate secretarial services to clients as co-director of Jennings Consulting Ltd. Te-Aroha brings her experience as both an advisor to, and member of, executive leadership teams to the Trust.



Jo Mason

Horowhenua has been home to Jo for many years and brings a strong background in leadership, management, and governance with a focus on best practice. She has a Bachelor of Applied Management and worked in the Social Service sector regionally. She is a former elected member of the Horowhenua District Council serving 3 terms as a district councillor and in her final triennium she was Deputy Mayor and Deputy Chair of Community Wellbeing.

How we are structured

The Horowhenua New Zealand Trust is an independent not-for-profit trust that is governed by six Trustees, who act in a voluntary capacity. As a Trust, we need to be financially self-sustainable, so we can make the difference that Horowhenua needs long term.

To support this ambition, like many other trusts in New Zealand, the Horowhenua New Zealand Trust established an operating company. This company, **The Horowhenua Company Limited**, exists to make our Trust financially sustainable by operating as our commercial arm.

In 2020, The Horowhenua Company Limited entered a joint venture with Electra Limited to establish **Horowhenua Developments Limited**, a company that increases investment opportunities for business in Horowhenua.

The activities of The Horowhenua Company Limited and Horowhenua Developments Limited provide the Trust with a sustainable and reliable source of income while adding value to our local economy, providing dividends that can be distributed or reinvested within the community.

The Horowhenua Company Limited

The Horowhenua New Zealand Trust is the sole shareholder for The Horowhenua Company Limited.

The Horowhenua Company Limited now has seven employees - Catriona McKay (Chief Executive), Mel Hanson (Property Development Manager), Hendrix Warren (Business Growth Manager), Vicki Timpson (Senior Marketing & Communications Advisor), Renee Cohen (Business Growth Advisor), Fraser Daysh (Workforce Advisor) and Rachel Mason (Office Administrator).

The Company also draws on specialist skills and service providers to deliver other key business functions and provide additional capacity when it's required. We would like to acknowledge the work of Jill Chisnall (Senior Project Manager) and Jenny Warren (Project Stakeholder & Community Engagement Lead) and the Company's solicitors C.S. Law, and accountants Baker Tilley Staples Rodway, for their work over the past year.

The Horowhenua Company Limited holds contracts with the Horowhenua District Council for the delivery of Economic Development services and Ministry of Business, Innovation and Employment (MBIE) for the delivery of Get-Go and Regional Business Partner Programme.

The Company is governed by Brendan Duffy (Chair), Sarah Everton, Cam Lewis, Philip Harper and Ron Turk.

Horowhenua Developments Limited

In 2020, The Horowhenua Company Limited entered into a joint venture with Electra Limited to establish **Horowhenua Developments Limited**, a company that increases investment opportunities for business in Horowhenua.

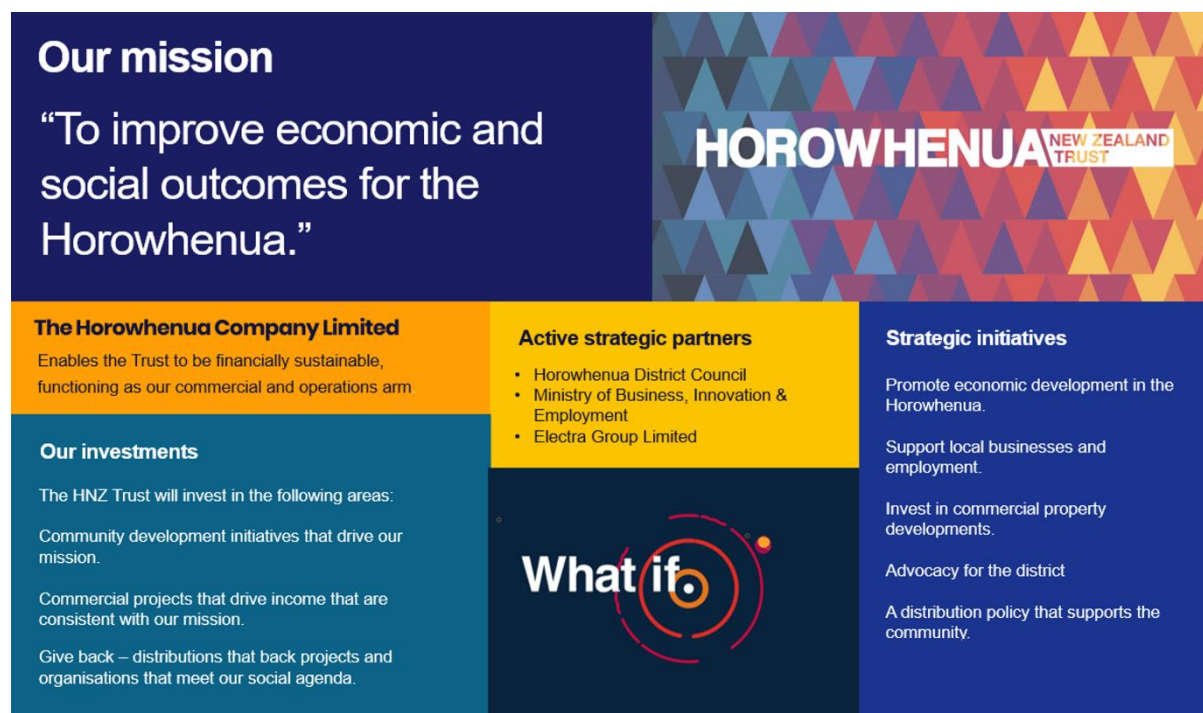
In this partnership, The Horowhenua Company Limited maintains a significant 75% stake in Horowhenua Developments Limited. The directors for much of this year were Malcolm Alexander, Neil Simmonds, and Justine Street. However, in early 2023 when Malcolm Alexander resigned from his position, this made way for Brendan Duffy's entrance. Subsequently, in July, Neil Simmonds and Justine Street also concluded their tenures. Consideration is underway on the appointment of new directors to the board of HDL.

Horowhenua Developments Limited is primarily engaged in orchestrating commercial and property development initiatives that directly benefit its principal stakeholders: the Horowhenua New Zealand Trust and the Electra Company.

The activities of The Horowhenua Company Limited and Horowhenua Developments Limited also provide The Horowhenua New Zealand Trust with a sustainable and reliable source of income while adding value to our local economy, providing dividends that can be distributed and reinvested within the community.

Our achievements

Trust strategy



Trust Distributions

In the 2023 financial year, the Horowhenua New Zealand Trust earned dividends from The Horowhenua Company Limited and were able to make several notable distributions back to the community. The Trustees approved grants to the following organisations:

Wahine Toa

Wahine Toa have been running a programme that aims to empower women affected by family harm. Founded by two local Horowhenua police constables, Fiona Read and Liz Woodley, in 2016, the organisation hosts a full weekend where a handful of participants are encouraged to challenge themselves to push past their own personal boundaries. About 10-12 participants are selected each year to attend a series of workshops, inspirational talks and boot camp that stretches them both physically and mentally.

Participants are fully supported by four instructors made up of police, social workers, and selected members of the community. This is then followed up with a “pamper day” where volunteers from the community give up their time to do hair, makeup, and nails for participants, who are then taken out to dinner to celebrate.

This programme is about empowering women who rarely get a break. The Horowhenua New Zealand Trust was delighted to be able to provide funding to cover out of pocket costs for four years. This year's contribution was the second of the contributions.

Palmerston North Hospital Foundation

The Horowhenua New Zealand Trust has donated \$50,000 towards a Children's Emergency Department within Palmerston North Hospital to support Horowhenua families seeking urgent medical care.

Palmerston North Hospital is the main hospital for Horowhenua residents, providing 24-hour emergency care for Horowhenua families. A dedicated Emergency Department (ED) for children will be built next year within the existing footprint of the Palmerston North Hospital. It will provide a separate waiting and treatment area for children, designed to meet their physical and emotional needs.

Currently, children in ED often must wait alongside major trauma patients and those who are significantly influenced by drugs and alcohol. This can be noisy, busy and sometimes frightening for children.

Horowhenua New Zealand Trust Trustee Larry Ellison says the proposed new space will be of enormous benefit to Horowhenua families.

"This space will make a real difference to Horowhenua families seeking care at the Hospital, with specialised equipment to cater for a range of developmental stages, disabilities, illnesses, and injuries.

Fellow Horowhenua New Zealand Trust Trustee Te-Aroha Jennings says having a suitable environment for children in ED is especially important for families who are not based in Palmerston North.

"As a parent of young children this project really resonates with me. In my experience it's usually late at night or on the weekend when you have to take your child to ED, and if you have other children, you've probably had to leave your partner or support person home with them".



Palmerston North Hospital ED Children's Area

Charitable Status

In 2023 the Horowhenua New Zealand Trust applied for and was granted charitable status under the Charities Act 2005. The Trust's charitable purposes are listed in our Trust Deed and govern the types of activities we can carry out. As a registered charity the Trust does not have to pay income tax on dividends or donations it receives. This means we can maximise the distributions we make from funds we receive. The Trust also has 'donee' status with the Inland Revenue Department, which means that individuals and organisations who make donations to us can claim tax credits for those donations.

The Trust would like to thank Trustee Te-Aroha Jennings for her efforts and expertise in re-drafting amendments to our trust deed and working with CS Law across the year to achieve this status.

Advocacy

Ō2NL

The Trust continue to advocate for the investment and building of the Otaki to North Levin expressway. They have been an early champion for this stretch of motorway, establishing the public-backed “Build Our Road” campaign back in early 2019.

The existing State Highway encompassing Manakau, Kuku and Ōhau has been treacherous with many unnecessary lives lost over the past decade. It also represents a major boost to the growth of Horowhenua, and regions north of our district.

It has been a stop start affair with funding issues by Central Government constantly under question with strong advocacy by HDC, local MPs, the Horowhenua Chronicle and the Horowhenua New Zealand Trust has kept this development front and centre. The Trust is participating in the Hearing process for resource consent in support of the project.

Our Role in Economic and Workforce Development

Over the last financial year, the Group continued to demonstrate the benefits of economic development services being provided by an independent body, led by community and business leaders.

From October 2021, Council unanimously agreed to award the contract for the delivery of economic development services to The Horowhenua Company Limited, and the funding agreement with the Ministry of Business, Innovation & Employment was transferred to The Horowhenua Company Limited. This enabled the Trust to take a stronger governance role, while allowing the Company to take responsibility for contractual delivery.

Through the Company, the Trust provides a platform to promote business investment in the district. This includes business advice, workshop engagements, advocacy, and networking events on behalf and for the Horowhenua business community. Through the Electra sponsored Business After 5 events, we provide inspiration and promote innovative thinking by bringing keynote speakers to the district and celebrating Horowhenua’s own success stories. The Women in Business lunch series, which connects business owners for lunch meetings, idea sharing and guest speakers has continued to be well attended. We are actively connecting business owners, expertise services, agencies, and stakeholders together.

We continue to bring a greater focus on economic opportunities and issues by supplying economic data analysis and intelligence to enable businesses to make informed decisions about growth.

The Get-Go programme continues to connect local job seekers with local employment opportunities. Over the past year, Get-Go has worked with all three local colleges in Horowhenua to further refine the work ready programme for young people while they are at school, to provide them more information about the pathways to work, and the confidence to join the workforce.

Customer Satisfaction Survey Results

The annual survey was conducted in June 2023 with 117 responses which was a 74% increase in responses from the 2022 survey. The survey feedback was positive and some suggestions for further improvements.

Customer Feedback :

Keep going - you're all doing a good job. Horowhenua region is growing so you are currently in that "growth sweet spot".

Maybe revisit some of the previous business owners that have won business awards in the past that are now doing extremely well to get [there](#) ideas of what has helped them to grow.

Meeting with Renee recently was incredibly helpful for my new small business. Shortly after we met, she sent me a professionally laid out, concise, actionable plan full of useful information and local resources. I've started actioning the content because it was so logical, clear, and useful.

Horowhenua Developments Limited (HDL)

Over the past year, HDL has been dedicated to addressing the gap in the district following the completion of the Enterprise Drive Industrial Park. With the primary focus on developing the Health Hub, a crucial project aimed at improving community well-being and prosperity. A comprehensive Business Case has been presented, and HDL is actively exploring various funding and design options to ensure the successful implementation of this strategic initiative. This effort highlights our commitment to filling gaps in the community and enhancing overall well-being and prosperity.

FINANCIALS

The key policies of the Trust in respect of finance may be summarised as follows:

1. They comply with the relevant financial legislation and meet all statutory requirements. The Trust's audit provides an independent opinion verifying that this is the case.
2. To comply with the requirements of the Trust Deed, most notably to finance its activities on a sustainable but entirely not-for-profit basis. This was achieved.
3. To operate the Trust and its entities on a prudent basis designed to manage risk, conserve resources (both operating and capital) and produce outcomes as efficiently as possible. This has been achieved.

Financial Statements

Horowhenua New Zealand Trust
For the year ended 30 June 2023

Prepared by Baker Tilly Staples Rodway Tauranga Limited

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Directory

Horowhenua New Zealand Trust For the year ended 30 June 2023

Nature of Business

Social and Economic Development

Trust Formation Date

31 May 2018

Incorporation Number

2705851

IRD Number

126-332-769

Settlor

Ronald Harry Parkin

Trustees

Antony Young
Joanna Mason
Te Aroha Jennings
Justine Street
Larry Ellison
Ronald Turk

Beneficiaries

The community of the Horowhenua district.

Final Distribution Date

The Trust may be wound up voluntarily by unanimous resolution of the Trustees.

Chartered Accountant

Baker Tilly Staples Rodway Tauranga Limited
Chartered Accountants
Level 1, 247 Cameron Rd
Tauranga

Bankers

Bank of New Zealand

Solicitors

CS Law

Statement of Profit or Loss

Horowhenua New Zealand Trust For the year ended 30 June 2023

	2023	2022
Income		
Economic Development, Monitoring and Information Provision Services	-	162,500
Pathways Income	-	75,000
Total Income	-	237,500
Other Income		
Dividends Received	149,254	149,254
Interest Received	2,099	407
Total Other Income	151,353	149,661
Expenses		
Accountancy Fees	9,055	8,211
Advertising/Marketing	200	-
AGM and Annual Report Costs	3,497	10,768
Audit Fee	6,725	6,265
Bank Fees & Charges	70	17
Entertainment - Deductible	770	169
Entertainment - Non Deductible	885	194
Insurance	2,430	2,352
Legal Fees - Deductible	7,183	8,578
Pathways Expenditure	-	75,000
Secretarial Services	3,624	9,666
Service Fees	7,200	104,200
Travel Expenses	1,113	586
Total Expenses	42,752	226,006
Profit (Loss) before Taxation and Distributions	108,601	161,155
Taxation Adjustments		
Taxation for the Year	36,130	53,245
Imputation Credit Losses to Carry Forward	5,661	-
Total Taxation Adjustments	41,791	53,245
Profit (Loss) after Taxation and before Distributions	66,810	107,910
Distributions		
Palmerston North Hospital Foundation	50,000	-
Horowhenua Abuse Liaison Team	5,500	5,500
Hope Kete	-	14,000
Mayoral Relief Fund	-	50,000
Total Distributions	55,500	69,500
Profit (Loss) after Taxation and Distributions	11,310	38,410

Balance Sheet

Horowhenua New Zealand Trust

As at 30 June 2023

	30 JUN 2023	30 JUN 2022
Assets		
Current Assets		
BNZ Cheque Account	15,149	24,355
BNZ Treasury Call Account	123,074	110,992
GST Receivable	966	684
Income Tax Receivable	7,463	956
Total Current Assets	146,652	136,985
Non-Current Assets		
Shares - The Horowhenua Company Ltd (100)	100	100
Total Non-Current Assets	100	100
Total Assets	146,752	137,085
Liabilities		
Current Liabilities		
Accounts Payable	6,755	2,409
Accruals	-	5,990
Total Current Liabilities	6,755	8,399
Total Liabilities	6,755	8,399
Net Assets	139,996	128,687
Equity		
Trust Capital		
Retained Earnings	139,996	128,687
Total Trust Capital	139,996	128,687
Total Equity	139,996	128,687

Antony Young
Antony Young
18/10/2023
Ronald Turk

RAT Date
Ronald Turk
18/10/2023 Date

Statement of Changes in Equity

Horowhenua New Zealand Trust For the year ended 30 June 2023

	2023	2022
Trust Capital		
Opening Balance	128,687	90,277
Increases		
Trustees Income for the Period	11,310	38,410
Total Increases	11,310	38,410
Total Trust Capital	139,996	128,687

Notes to the Financial Statements

Horowhenua New Zealand Trust For the year ended 30 June 2023

1. Reporting Entity

Horowhenua New Zealand Trust is a trust established by a trust deed dated 4 April 2018, and subject to the Trustees Act 1956. Horowhenua New Zealand Trust is engaged in the business of Social and Economic Development.

2. Statement of Accounting Policies

The following specific accounting policies which materially affect the measurement of the Profit and Loss Statement and Balance Sheet have been applied:

Basis of Preparation

These special purpose financial statements have been prepared in accordance with the Tax Administration (Financial Statements – Domestic Trusts) Order 2022, which sets out the minimum requirements for preparation. The financial statements have been specifically prepared for the purpose of meeting the trust's income tax requirements.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Interest received is recognised as interest accrues, gross of refundable tax credits received. As at balance date, all monies have been received, however not all activities have been completed.

The trust is tasked with performing the economic development, monitoring and information provision services required by the Horowhenua District Council and other projects utilising the Provincial Growth Fund funding.

Expense Recognition

Expenditure is measured at the fair value of the consideration paid or payable for the purchase of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and expenditure can be reliably measured.

Trade Receivables

Trade Receivables are recognised at estimated realisable value.

Trade Payables

Trade Payables are recorded at their face value.

Investments

Investments are valued at the lower of cost or market value. Dividend income is recognised in the statement of financial performance when received inclusive of imputation credits.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2023	2022
3. Income Tax Expense		
Net Profit (Loss) Before Tax	108,601	161,155
Additions to Taxable Profit		
Entertainment - Non Deductible	885	194
Total Additions to Taxable Profit	885	194
Taxable Profit (Loss)	109,486	161,349
Tax Payable at 33%	36,130	53,245
Deductions from Tax Payable		
Opening Balance	956	(9,424)
Income Tax Refunds Received	(956)	-
Imputation Credits on Dividends Received	41,791	41,791
RWT Paid on Dividends	7,463	7,463
Income Tax Paid	-	14,371
Imputation Losses to Carry Forward	(5,661)	-
Total Deductions from Tax Payable	43,593	54,201
Income Tax Payable (Refund Due)	(7,463)	(956)

4. Related Parties

During the year, Horowhenua New Zealand Trust paid Service Fees to The Horowhenua Company Limited. The Trust also received a dividend from The Horowhenua Company Limited during the year. Horowhenua New Zealand Trust owns 100% of the shares in The Horowhenua Company Limited.

5. Events after Balance Sheet Date

The Trust was registered for Charitable Status by Charities Services on 29 May 2023. The Trust is exempt from income tax from this date and is not required to file Income Tax returns with the Inland Revenue Department after the 2023 Income Tax Return has been filed.

Independent auditor's report

To the Trustees of Horowhenua New Zealand Trust

Opinion

We have audited the special purpose financial statements of Horowhenua New Zealand Trust on pages 4 to 9, which comprise the balance sheet as at 30 June 2023 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Horowhenua New Zealand Trust for the year ended 30 June 2023 are prepared, in all material respects, in accordance with the Tax Administration (Financial Statements) Order 2014.

Basis for Opinion

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 for the audit of the special purpose financial statements' section of our report.

We are independent of Horowhenua New Zealand 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 opinion.

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

Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes that these are prepared specifically for the purposes of assisting Horowhenua New Zealand Trust to meet its tax obligations. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Horowhenua New Zealand Trust and its Trustees and should not be distributed to parties other than Horowhenua New Zealand Trust.

Trustees responsibilities for the special purpose financial statements

The Trustees are responsible on behalf of Horowhenua New Zealand Trust for the preparation of these special purpose financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements and for such internal control the Trustees determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of Horowhenua New Zealand Trust for assessing Horowhenua New Zealand Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the Trustees either intend to liquidate Horowhenua New Zealand Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
26 October 2023