
**FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY
SPECIAL PURPOSE FUNDS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Church Property Trustees
Kaitiaki Taonga O Te Hāhi



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FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES

STATEMENT OF FUNDS FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2024

Church Property Trustees
Kaitiaki Taonga O Te Hāhi



	Balanced Growth Fund		Fixed Interest Fund (s.32)		Reserve Fund		Term Deposit Fund		Mohaka Forest Fund		Cathedral Insurance Proceeds Fund		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME																
Net return from investments	6,132	4,498	2,450	2,425	109	283	-	-	61	-	-	146	-	961	8,751	8,312
Interest income	180	32	202	197	1	-	65	-	2	-	-	-	-	-	450	229
Other income	-	-	-	-	-	-	-	-	42	-	-	-	-	-	-	-
Expenses recovery	-	-	-	-	-	-	-	-	41	105	-	-	-	-	41	105
Total Income	6,312	4,530	2,652	2,623	109	283	65	-	145	105	-	146	-	961	9,242	8,647
EXPENSES																
Interest expense / distribution expense	-	-	-	-	-	-	59	-	-	-	-	-	-	-	59	-
Management fees - external	3 431	377	159	225	10	13	-	-	16	14	-	-	-	31	616	660
Management fees - CPT	3 322	269	208	238	10	12	6	-	13	13	-	3	-	16	559	550
Forestry expenses	-	-	-	-	-	-	-	-	16	17	-	-	-	-	16	17
Other expenses	9 -	-	-	-	-	-	-	-	39	86	-	-	-	-	39	86
Total Expenses	752	646	367	463	19	24	65	-	85	129	-	3	-	47	1,289	1,312
Net Surplus / (Deficit) before Interest	5,559	3,883	2,285	2,160	90	259	-	-	61	(24)	-	143	-	914	7,953	7,335

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF FUNDS NET ASSETS ATTRIBUTABLE TO FUND HOLDERS



AS AT 31 DECEMBER 2024

	NOTE	Balanced Growth Fund		Fixed Interest Fund (s.32)		Reserve Fund		Term Deposit Fund		Mohaka Forest Fund		Cathedral Insurance Proceeds Fund		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash at bank	6	429	1,760	189	247	11	9	1,553	-	18	22	-	-	-	108	2,199	2,146
Managed funds	6	59,652	48,887	29,899	29,609	1,896	1,195	-	-	-	-	-	-	-	-	91,448	79,691
Short term deposits < 1 year		-	2,003	-	3,066	-	-	-	-	-	-	-	-	-	-	-	5,070
Private equity funds	7	1,375	1,522	-	-	-	-	-	-	-	-	-	-	-	-	1,375	1,522
Receivables		14	462	1,046	253	0	1,093	27	-	44	123	-	-	-	-	1,132	1,931
Total Fund Current Assets		61,470	54,633	31,135	33,176	1,907	2,298	1,580	-	62	145	-	-	-	108	96,153	90,360
FUND CURRENT LIABILITIES																	
Payables		57	165	415	836	1,907	222	1,580	-	62	56	-	19	-	108	4,020	1,406
Total Fund Current Liabilities		57	165	415	836	1,907	222	1,580	-	62	56	-	19	-	108	4,020	1,406
Net Fund Current Assets / (Liabilities)		61,413	54,468	30,720	32,340	-	2,076	-	-	0	89	-	(19)	-	-	92,133	88,953
NON-CURRENT FUND ASSETS																	
Forestry		-	-	-	-	-	-	-	-	1,161	1,100	-	-	-	-	1,161	1,100
Loans receivable	8	-	-	1,305	2,097	-	-	-	-	-	-	-	-	-	-	1,305	2,097
Total Non-Current Fund Assets		-	-	1,305	2,097	-	-	-	-	1,161	1,100	-	-	-	-	2,466	3,198
Net Fund Non-Current Assets/(Liabilities)		-	-	1,305	2,097	-	-	-	-	1,161	1,100	-	-	-	-	2,466	3,198
Net Assets		61,413	54,468	32,025	34,437	-	2,076	-	-	1,161	1,190	-	19	-	-	94,599	92,189
REPRESENTED BY:																	
Net Assets Attributable to Fundholders		61,413	54,468	32,025	34,437	-	2,076	-	-	1,161	1,100	-	19	-	-	94,599	92,100

For and on behalf of the Board of Trustees who authorised the issue of these financial statements on 3/7/2025 2025.

Name:  Position: Trustee

Date: 3/7/2025

Name:  Position: TRUSTEE

Date: 03 07 2025

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF CHANGES IN FUNDS ATTRIBUTABLE TO FUNDHOLDERS
AS AT 31 DECEMBER 2024

Church Property Trustees
Kaitiaki Taonga O Te Hāhi



	Balanced Growth Fund		Fixed Interest Fund (s.32)		Reserve Fund		Term Deposit Fund		Mohaka Forest Fund		Cathedral Insurance Proceeds Fund		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Net Assets attributable to Fundholders at the start of the period	54,468	37,494	34,437	44,492	2,076	1,884	-	-	1,100	1,076	19	11,190	-	12,498	92,100	108,633
Fundholder contributions	16,213	17,853	5,743	52,813	847	-	11,838	-	301	-	-	-	-	-	34,942	70,667
Fundholder withdrawals	(14,828)	(4,762)	(8,244)	(63,769)	(1,016)	-	(10,258)	-	(301)	49	(19)	(11,314)	-	(13,413)	(34,666)	(93,210)
Net Increase (Decrease) from Fundholder transactions	1,385	13,091	(2,501)	(10,956)	(169)	-	1,580	-	(0)	49	(19)	(11,314)	-	(13,413)	276	(22,543)
Movement or Transfer within Equity																
Net Surplus / (Deficit) during the period	5,559	3,883	2,285	2,160	90	259	-	-	61	(24)	-	143	-	914	7,996	7,335
Less interest paid to Fundholders	-	-	(4,193)	(1,325)	-	-	-	-	-	-	-	-	-	-	(4,193)	(1,325)
Movement or transfers Reserve to FIF	-	-	90	1,161	(90)	(1,161)	-	-	-	-	-	-	-	-	-	-
Movement or transfers FIF to Reserve	-	-	1,907	(1,094)	(1,907)	1,094	-	-	-	-	-	-	-	-	-	-
Net payable to Term Deposit holders							(1,580)								(1,580)	
Net Assets attributable to Fundholders at the end of the period	61,413	54,468	32,025	34,437	-	2,076	0	-	1,161	1,100	-	19	-	-	94,599	92,100



1. GENERAL INFORMATION

These Funds Held Financial Statements have been prepared for each of the funds held and administered by Church Property Trustees (CPT), comprising the Balanced Growth Fund, Fixed Interest Fund (s.32), Reserve Fund, Term Deposit Fund, Mohaka Forest Fund, Cathedral Insurance Proceeds Fund and Cathedral Maintenance & Insurance Fund. The funds statements are presented in New Zealand dollars.

Investment Policies

The philosophy and investment objectives for CPT, its Committee for Audit, Risk & Finance (CARF), trusts, beneficiaries, investors and investment managers are outlined in the Statement of Investment Policy and Objectives (SIPO). It creates parameters for investment of funds under CPT administration on behalf of trusts and other investors and serves as a basis for monitoring the on-going performance of the CPT funds and of the portfolios that make up those funds. CPT sets and approves the SIPO and delegates oversight of it to CARF. An independent annual review of the SIPO, including the distribution rates, are conducted by CPT's independent investment advisors, Eriksens Global.

Balanced Growth Fund (BGF): Distributions to investors are determined by CPT based on the long-term sustainable distribution rates recommended in the SIPO. Distributions are recognised in the fund statements when they are paid in cash or reinvested. There are no capital reserves within the BGF as capital gains and losses are marked to market each month and apportioned between investors according to the number of units held monthly and at year end.

Fixed Interest Fund (s.32) (FIF): In 2024 interest was credited to investors at the end of the year. The Reserve Fund balance has been distributed to the FIF [s.32] account holders on a pro-rata basis on the 2022-2024 daily balances. The Reserve Fund was wound up at balance date 31st December 2024, in line with the principles and requirements set out in Part 4, S.36 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 (the CPT Act).

Reserve Fund (RF): CPT maintained the RF in line with the principles and requirements set out in Part 4, S.36 of the CPT Act. The net annual income of the RF may be applied by CPT a) to augment the RF, b) stabilise or increase the income of the FIF or c) to replace losses of capital in the FIF. As noted above the RF was wound up at 31 December, 2024.

Term Deposit Fund: CPT maintains the TDF in line with the principles and requirements set out in the SIPO. The net annual income of the TDF after fees is paid as interest to the account holders.

Mohaka Forest Fund: CPT has established a forestry fund in line with section 31 of the Act. CPT participates in the Emissions Trading Scheme in accordance with Schedule 6 of the Climate Change Response (Emissions Trading) Amendment Act 2008.

Cathedral Insurance Proceeds Fund (CIPF) and the Cathedral Maintenance and Insurance Funds (CMIF): CPT established these investment funds in line with section 31 of the Act. The global insurance settlement (GIS) funds were invested in these funds. The GIS funds were held on the same trusts as those buildings with accepted insurance claims. The CMIF fund was closed in 2023 and invested in the BGF.



2. STATEMENT OF ACCOUNTING POLICIES (cont.)

2.1 Basis of Preparation

The funds held and administered financial statements have been prepared as Special Purpose Reports, in accordance with the following stated accounting policies.

2.2 Changes to Accounting Policies

There has been no change to accounting policies.

Policies have been applied on a basis consistent with those of the previous period.

2.3 Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of Funds Financial Performance, Funds Net Assets, and Amounts Attributable to the Fundholders, have been applied:

a) Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefit will flow to the funds and that the revenue can be reliably measured. For Fund financial assets at fair value, interest income is included through the statement of Fund Financial Performance. Unrealised or realised gains/ (losses) from re-measurement of financial assets at fair value are included in revenue. Dividend/distribution income is recognised in the Statement of Fund Financial Performance when the right to receive the dividend/distribution is established. All other revenue is recognised on an accruals basis.

b) Expenses

All expenses are recognised in the Statement of Fund Financial Performance on an accrual basis.

c) Income tax

Income tax payable (if any at all) is payable by the investing entities.

d) Goods and Services Tax

Where applicable all amounts are stated exclusive of Goods & Services Tax (GST).

e) Financial Assets

Classification:

The financial instruments comprise investments and are categorised as managed funds, term deposits, loans advanced and private equity . They are stated at fair value with value changes recorded through the Statement of Funds Financial Performance.

Recognition / de-recognition:

CPT recognises financial assets on the date it becomes party to the contractual agreement and recognises changes in fair value from this date. Investments are derecognised when the right to receive cash flows from the investments have expired.



2. STATEMENT OF ACCOUNTING POLICIES (cont.)

Measurement:

(i) Financial assets (managed funds, term deposits and private equity funds)

Financial assets are recorded at fair value, and any changes in fair values, are disclosed in the Statement of Funds Financial Performance. Where available, quoted market prices, entry or exit, buy or sell or midpoint, are used as a measure of fair value. Transaction costs are expensed as incurred in the Statement of Funds Financial Performance.

(ii) Loans Advanced

Loans advanced are measured at fair value.

(f) Forestry

Forestry assets are revalued annually and valued by independent valuer PF Olsen. The value of the Forestry investment is based on the estimation of the net present value (NPV) of future cash flows at a discount rate of 7.8% (2023: 7.8%), associated with the development and future harvesting of the forest. The current valuation has been prepared as at 31 December 2024. The NPV of cash flows relating to any revenue or future liabilities arising from the sale of carbon credits under the Government's Emissions Trading Scheme (ETS) have not been included in the valuation. Forestry land is valued based off the latest available ratings valuation, currently being August 2024.

g) Receivables

Receivables may include amounts accrued for dividends, interest income and distributions. Dividends and distributions are accrued when the right to receive payment is established. Interest income is accrued at the reporting date from the time of the last payment.

h) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid at balance date.

i) Cash and Cash Equivalent

Cash and cash equivalents include operational bank accounts and term deposits.

j) Foreign Currency Translation

Items included in the Funds Financial statements are measured in New Zealand dollars.

k) Derivative Financial Instruments

Foreign currency economic hedges are not recognised in the Statement of Funds Net Assets. Any gains or losses are recognised in the Statement of Funds Financial Performance on realisation of these hedges.

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FUNDS FINANCIAL STATEMENTS
NOTES TO THE FUNDS
 FOR THE YEAR ENDED 31 DECEMBER 2024

Church Property Trustees
 Kaitiaki Taonga O Te Hāhi



3. MANAGEMENT FEES

Balanced Growth Fund		Mohaka Forest Fund		Fixed Interest Fund (s.32) and Reserve Fund		Term Deposit Fund		Cathedral Maintenance & Insurance Fund	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
0.60%	0.60%	\$13,200	\$13,200	0.60%	0.60%	0.50%	-	-	0.30%

A CPT management fee contribution, to meet operational expenses, is deducted from funds. External management fees are paid on managed funds. CPT engaged EriksensGlobal to provide investment advisory services for nominated funds and general investment advice (\$60k in both 2024 and 2023).

4. INVESTMENT FUNDS

Credit Risk

The funds are exposed to credit risk in that the failure of external counterparties to honour the terms and conditions of a contract may result in a financial loss to the funds. The funds are exposed to credit risk primarily through its investment activities. The maximum credit risk of financial instruments is considered to be their carrying value. Past performance is no guarantee of future results. The Fixed Interest Fund (s.32) and Balanced Growth Fund are not capital guaranteed. For the managed funds, EriksensGlobal regularly review the credit risk and advise CPT of any suggested changes to minimise this risk. Where CPT invests directly in cash, private equity, term deposits and loan advances, appropriate processes and controls are in place to diversify and mitigate credit risk. None of the financial assets are past due or impaired.

Interest Rate Risk

Interest rate risk is the risk that the value of an investment will fluctuate due to changes in interest rates. Interest rate risk is normally associated with bonds and is managed through bond duration management, hedging strategies and diversification of assets within a portfolio.

Market Risk

Market risk is the risk that market prices for investments go up or down, and may be down when the Trustees want the money for some other purpose. Market risk offers reward but can also cause losses. Examples of market risk are: changes in equity prices, property prices, fixed income securities prices and commodity prices. Triggers of market risk include recessions, geopolitics, changes in interest rates, natural disasters, terrorist attacks and changes in sentiment.

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FUNDS FINANCIAL STATEMENTS
NOTES TO THE FUNDS
 FOR THE YEAR ENDED 31 DECEMBER 2024

Church Property Trustees
 Kaitiaki Taonga O Te Hāhi



5. FIXED INTEREST FUND (s.32) (FIF)

a) During 2023 a total of \$1,161k was transferred from the RF to the FIF, effectively fully offsetting the value of 2022 losses incurred by the FIF, resulting in investors not receiving a return for the 2022 year.

	2024	2023
b) The Reserve Fund (RF)		
Opening Balance	2,076	1,884
less other transfers re 2023 in the 2024 year	<u>(169)</u>	<u>0</u>
Opening Balance 01/01/2024	1,907	1,884
Net Surplus from RF 2024	90	259
Less Net Transfers to FIF	<u>(1,997)</u>	<u>(67)</u>
Net Closing Balance	<u>-</u>	<u>2,076</u>

6. MANAGED FUNDS AND SHORT TERM DEPOSITS

	Balanced Growth Fund		Fixed Interest Fund (s.32)		Reserve Fund		Term Deposit Fund		Total Funds Under Management	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<i>Managed Funds</i>										
Aspiring Asset Management Ltd	9,446	8,432	-	-	-	-	-	-	9,446	8,432
Castle Point 5 Oceans Fund	0	8,561	-	0	-	-	-	-	0	8,561
Fisher Funds Instit. NZ Cash Fund	6,915	6,510	12,105	11,869	920	674	-	-	19,941	19,052
Harbour Income Fund	4,552	2,497	7,718	9,020	-	-	-	-	12,270	11,517
Mint Trans-Tasman Equities	2,564	1,778	-	-	-	-	-	-	2,564	1,778
Mint Diversified Growth Fund	3,613	1,500	-	-	-	-	-	-	3,613	1,500
Milford Active Growth	12,553	5,419	-	-	976	-	-	-	13,530	5,419
Milford Australasian Abs. Growth	5,047	5,110	-	-	-	-	-	-	5,047	5,110
Milford Diversified Income	6,794	3,730	10,076	8,720	-	522	-	-	16,870	12,971
Te Hui Amorangi	3,654	1,570	-	-	-	-	-	-	3,654	1,570
T Rowe Price Global Equity Growth	4,514	3,779	-	-	-	-	-	-	4,514	3,779
Total Managed Funds	59,652	48,887	29,899	29,609	1,896	1,195	-	-	91,448	79,691
<i>Short Term Deposits</i>										
ANZ Bank	-	2,003	-	3,066	-	-	1,553	-	1,553	6,622
Total Short Term Deposits < 1 Year	-	2,003	-	3,066	-	-	1,553	-	1,553	6,622

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FUNDS FINANCIAL STATEMENTS
NOTES TO THE FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2024

Church Property Trustees
Kaitiaki Taonga O Te Hāhi



7. PRIVATE EQUITY FUNDS

	Total Commitment	Called / Invested	Uncalled Capital	Distributions	Asset Value at 31 December 2024	Asset Value at 31 December 2023
	\$000	\$000	\$000	\$000	\$000	\$000
Maui Capital Indigo Fund ¹	300	255	-	181	59	75
Maui Capital Aqua Fund ¹	200	164	-	143	7	86
Continuity Private Equity Fund No.2	500	487	13	727	168	196
Continuity Private Equity Fund No.4	500	440	60	363	322	362
Pioneer (PCP III)	500	486	14	56	444	404
Pencarrow Bridge Fund LP	500	455	45	662	338	373
Pohutukawa II	300	186	114	334	2	2
Radius Residential Care Ltd	101	101	-	2	34	24
Private Equity Funds	2,901	2,574	246	2,468	1,375	1,522

1. Maui Capital is in the process of exiting the existing investments and no further capital calls are expected.

8. LOAN RECEIVABLES

The loans in the Fixed Interest Fund (s.32) relate to the following ministry units and related entities: Anglican Diocese Ministry Support Centre (ADMSC) and the ministry units of Christchurch-St Michael, Lyttelton Cottages, and Timaru-St Marys. These loans are secured over the relevant land and buildings held in trust.

9. MOHAKA FOREST FUND

Cyclone Gabrielle damage rectification has been completed during the 2024 year.

10. CONTINGENCIES

There are no contingent assets or liabilities as at 31st December 2024 (2023: Nil).

11. RELATED PARTIES

The Diocese of Christchurch, ADMSC, Church Property Trustees and Ministry Units invest in the Fixed Interest Fund (s.32) and the Balanced Growth Fund, all parties are on the same terms and conditions.

12. EVENTS POST BALANCE DATE

The FIF [s.32] and RF funds were closed on 31 December 2024, funds distributed and were transferred to the new Income Fund (IF) from 1st January, 2025.

The investment in the Mohaka Forest Fund, is in the final stages of a sales process being realized.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES AND FUNDHOLDERS OF THE FUNDS HELD AND ADMINISTERED
BY CHURCH PROPERTY TRUSTEES**

Opinion

We have audited the special purpose fund's financial statements of the following Funds Held and Administered by Church Property Trustees (together "the Funds" and each a "Fund"):

- Balanced Growth Fund
- Fixed Interest Fund [s.32]
- Reserve Fund
- Term Deposit Fund
- Mohaka Forest Fund
- Cathedral Insurance Proceeds Fund
- Cathedral Maintenance and Insurance Fund

These special purpose fund's financial statements comprise the Statements of Funds Net Assets Attributable to Fund Holders of each Fund and the Funds as at 31 December 2024, and the Statements of Funds Financial Performance and Statements of Changes in Funds Attributable to Fundholders of each Fund and the Funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose fund financial statements of each Fund and the Funds for the year ended 31 December 2024 are prepared, in all material respects, in accordance with the accounting policies as set out in Note 2 Statement of Accounting Policies on page 5 of the special purpose fund financial statements.

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 Financial Statements* section of our report. We are independent of the Funds 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 in our capacity as auditor we have no relationship with, or interests in, the Funds.

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

We draw attention to the Statement of Accounting Policies on page 5 of the financial statements, which describes the basis of accounting. The financial statements are prepared to enable the Funds to comply with the provisions of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustees on behalf of the fundholders of each Fund and the Funds and should not be distributed to or used by parties other than the aforementioned. Our opinion is not modified in respect of this matter.

Those Charged with Governance Responsibilities for the Financial Statements

Those charged with governance are responsible for the preparation of the financial statements in accordance with the accounting policies as set out in Note 2 of the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing on behalf of the Funds their ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Trustees and the fundholders of each Fund and the Funds as a body. Our audit work has been undertaken so that we might state those matters which 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 aforementioned for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
3 July 2025