



Financial Statements 2025

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University of Canterbury Foundation

Financial Statements

Directory

For the year ended 31 December 2025

NAME:	University of Canterbury Foundation		
DATE OF INCORPORATION:	21 September 2001 Incorporated under the Charitable Trust Act 1957 Registration Number: CH/1164384 Registered under the Charities Act 2005 Registration Number: CC27669		
FOUNDATION PURPOSE:	Advancement of education, research & learning		
ADDRESS:	University of Canterbury Foundation c/o University of Canterbury Private Bag 4800 Christchurch 8140		
AUDITOR:	Audit New Zealand On behalf of the Auditor - General		
SOLICITORS:	MDS Law Christchurch		
BOARD OF TRUSTEES:	<u>As at 31 December 2025</u>	Appointed	Resigned
	Professor Cheryl de la Rey	04.02.19	
	Ms Wynnys Armour	28.10.16	
	Mr Murray Compton (Chair)	05.08.02	
	Mr Graham Ewing	18.08.11	
	Mr Robert Lineham	28.10.16	
	Dr Selwyn Maister	02.05.13	
	Dr Robin Mann	01.01.03	
	Mr Andrew Oh	18.11.10	
	Mr Kevin Simcock	18.11.10	
	Mr Simon Flood	06.12.17	
	Ms Erin Jackson	28.10.16	
	Ms Amy Adams	01.03.22	

University of Canterbury Foundation

Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2025

	Notes	2025	2024
		\$	\$
Revenue from non-exchange transactions			
Philanthropic Revenue			
Bequests		5,000	1,119,000
Donations		4,165,896	15,766,871
Total Philanthropic Revenue		4,170,896	16,885,871
Revenue from exchange transactions			
Dividend and Interest Revenue			
Equities gains		631,601	728,645
Fixed Income Securities		1,151,027	911,991
Short Term and Floating Rate Securities		162,925	207,573
Bank Interest		-	43,270
Total Investment Revenue		1,945,553	1,891,479
Fair Value Unrealised Investment Gains			
Equities Gains		3,179,322	3,384,861
Fixed Income Securities		235,581	424,803
Short Term and Floating Rate Securities		7,899	21,335
		3,422,802	3,830,999
Total Revenue		9,539,251	22,608,349
Expenses			
Fair Value Unrealised Investment Losses			
Equities losses		992,678	650,018
Fixed Income Securities		53,845	186,792
Short Term and Floating Rate Securities		34,211	62
		1,080,734	836,872
Distributions		3,565,370	3,908,626
General Expenses		18,643	13,962
Investment Expenses		269,656	277,979
Audit Expenses	7	44,876	44,482
Total Expenses		4,979,279	5,081,921
Net Surplus and Total Comprehensive Revenue and Expense		4,559,972	17,526,428

The accompanying policies and notes form an integral part of these financial statements.

Statement of Changes in Trust Capital

For the year ended 31 December 2025

	Retained surplus & Total Equity \$
<u>Opening balance 1 January 2025</u>	59,697,906
Operating Surplus for the year	4,559,972
Closing Equity 31 December 2025	64,257,878

<u>Opening balance 1 January 2024</u>	42,171,478
Operating Surplus for the year	17,526,428
Closing Equity 31 December 2024	59,697,906

The accompanying policies and notes form an integral part of these financial statements.

University of Canterbury Foundation

Financial Statements

Statement of Financial Position

As at 31 December 2025

	Notes	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	6	1,428,377	2,541,709
Short term and floating rate securities	9	3,417,601	9,585,733
Fixed Income Securities	9	5,024,092	5,455,044
Receivables from non-exchange transactions		-	-
		<u>9,870,070</u>	<u>17,582,486</u>
Non-current Assets			
Investments			
Equities		30,936,224	22,570,761
Fixed Income Securities		<u>24,642,626</u>	<u>21,233,521</u>
	9	<u>55,578,850</u>	<u>43,804,282</u>
Total Assets		<u>65,448,920</u>	<u>61,386,768</u>
Current Liabilities			
Accounts Payable		80,981	44,272
Related Party Payable	2	<u>1,110,062</u>	<u>1,644,590</u>
Total Liabilities		<u>1,191,043</u>	<u>1,688,862</u>
Net Assets		<u>64,257,877</u>	<u>59,697,906</u>
Trust Capital		<u>64,257,877</u>	<u>59,697,906</u>

The accompanying policies and notes form an integral part of these financial statements.

For and on behalf of the Trustees of University of Canterbury Foundation who authorise these financial statements.

Chair of the University of Canterbury Foundation Dated: 22 April 2026



University of Canterbury Foundation

Financial Statements

Statement of Cash Flows

For the year ended December 2025

	2025 \$	2024 \$
Cash flows from operating activities		
Receipts from non-exchange transactions	4,170,896	16,981,371
Payments to suppliers	(26,810)	(48,276)
Distributions	(4,099,898)	(4,061,189)
	<u>(4,126,708)</u>	<u>(4,109,465)</u>
Net cash (to)/from operating activities	<u>44,188</u>	<u>12,871,906</u>
Cash flows from investing activities		
Investment income	1,533,546	2,008,320
Interest received	27,312	936,935
Sale of investments	-	-
	<u>1,560,858</u>	<u>2,945,255</u>
Purchase of investments	(2,718,378)	(15,401,984)
Net cash from investing activities	<u>(1,157,520)</u>	<u>(12,456,729)</u>
Net increase/(decrease) in cash and cash equivalents	(1,113,332)	415,177
Cash and cash equivalents at 1 January	2,541,709	2,126,532
Cash and cash equivalents at 31 December	<u>1,428,377</u>	<u>2,541,709</u>

The accompanying policies and notes form an integral part of these financial statements.

Statement of Accounting Policies

For the year ended 31 December 2025

Reporting Entity

The University of Canterbury Foundation (UC Foundation or the Trust) is a charitable trust established in 2001. It is incorporated under the Charitable Trust Act 1957 and is a charitable trust registered under the Charities Act 2005. It is a public benefit entity (PBE) for the purposes of financial reporting in accordance with the Financial Reporting Act 2013. The objectives of the Trust are:

- To establish a fund for the advancement of education at the University and through the University to advance and promote education, research and learning in their widest sense for the public benefit, both generally and in relation to particular subjects;
- To raise funds and to receive grants and donations from any source, whether in New Zealand or overseas, to further the objectives of the Trust;
- To fund within New Zealand the establishment and development of any institution, body or service having as its aims or function the furtherance of the objectives;
- To undertake, promote, support and encourage other charitable works within New Zealand as the Trustees shall from time to time approve.

These financial statements have been approved and were authorised by the Board of Trustees on 22 April 2026.

Basis of Preparation

The financial statements have been prepared on a disestablishment basis. The Trustees consider that, based on discussions with the University of Canterbury and the progress of the related legal process, the proposed transfer of the UC Foundation's assets to a new Trust is likely to occur within twelve months from the signing of the financial statements.

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards as appropriate, that have been authorised for use by the External Reporting Board for Public Sector entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit entity and is eligible to apply Tier 2 PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Board of Trustees has elected to report in accordance with Tier 2 PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

Changes in Accounting Policies

There have been no changes in accounting policies, which have been consistently applied to both years presented in these financial statements.

Standards issued and not yet effective

There are no standards or amendments issued and not yet effective that are relevant to the Trust, and none have been early adopted.

Presentation, Functional Currency and Rounding

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

Basis of Measurement

These financial statements have been prepared on the basis of historical cost adjusted by the revaluation of marketable securities.

Specific Accounting Policies

The following particular accounting policies have a material effect on the measurement of comprehensive revenue and expenses and financial position.

a. Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

i. Financial Assets

Financial assets within the scope of PBE IPSAS 41 *Financial Instruments* are classified as, and subsequently measured under, the following categories:

- fair value through other comprehensive revenue and expense (FVTOCRE);
- fair value through surplus and deficit (FVTSD); and
- amortised cost.

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Trust's model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at a FVTOCRE are subsequently measured at FVTSD. However, the Trust may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE (none elected in these financial statements).

Investments

All of the Trust's investments are classified and subsequently measured at FVTSD, with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are included within investment revenue or within gains and losses, as applicable.

Investments in equities and fixed income securities are managed and have their performance assessed on a fair value basis, and so are categorised as fair value through surplus and deficit.

Amortised cost

Financial assets classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include cash and cash equivalents, term deposits and trade receivables.

Impairment of financial assets

The Trust assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust first assesses whether objective evidence of impairment exists for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is or continues to be recognised, are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit. Currently, the Trust does not hold any financial assets that are impaired.

ii. Financial Liabilities

The Trust's financial liabilities include trade and other creditors. All financial liabilities are recognised initially at fair value and classified and subsequently measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

b. Cash and Cash Equivalents

Cash and 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. They include cash on hand, bank balances, and deposits held at call with banks. The carrying amount of cash equivalents represents fair value.

c. Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Revenue from bequests, donations and sponsorships is recognised in the period of receipt, or if earlier, verified as receivable.

Revenue from exchange transactions

Investment revenue, including movements in the net current value of investments, is recognised on an accrual basis.

d. Distribution Expense

Distributions are made for scholarships, prizes and awards and are recognised and paid out once shown to be in accordance with the underlying donor terms and conditions of the corresponding individual funds held in the UC Foundation. A liability is recognised for any distributions that have been approved by the Trustees as compliant but are not yet paid at year end.

e. Foreign Currency

Foreign currency transactions are recorded at the daily exchange rate for the day the transaction is receipted.

f. GST

The Trust is not registered for GST. All transactions are accounted for inclusive of GST, where applicable.

g. Taxation

The Trust is exempt from the payment of income tax as it is a registered charity. Accordingly there is no provision for income tax.

h. Significant Judgements and Estimates

Financial assets at Fair Value through surplus or deficit

Financial assets measured at fair value through surplus or deficit based on market values for publicly traded investments through independently managed funds, and net asset value calculated by the General Partners for private equities. The Trustees consider these valuations to be appropriate for the types of investments carried and in line with generally accepted accounting practice. The Trustees are relying on the expertise of individual fund managers in providing the valuations, particularly private equity investments, but have checked them carefully and have separate oversight by Craigs Investment Partners on performance and data provision. Cash is recorded at face value.

Going concern

As set out in Note 5, the financial statements have been prepared on a disestablishment basis. The Trustees consider that, based on discussions with the University of Canterbury and the progress of the related legal process, the proposed transfer of the UC Foundation's assets to a new Trust is likely to occur within twelve months from the signing of the financial statements. As the new Trust will continue to be 100% controlled by the University of Canterbury, no changes have been made to the recognition and measurement basis, or presentation of assets and liabilities in these financial statements due to the disestablishment basis of preparation.

Notes to the Financial Statements

For the year ended 31 December 2025

1. Investments

The Trust has three investment portfolios with different risk profiles:

Short Term Portfolio – Short term time horizon and low risk. Investing in income assets. Strategic asset allocation is to have 20% invested in fixed interest and 80% in cash and cash equivalents. The tactical asset allocation ranges are 0-80% for short duration fixed interest and 0-100% for cash and cash equivalents. The performance objective is CPI plus 1%.

Long Term Portfolio – Long term time horizon and medium risk. Investing in both income assets and growth assets. The strategic asset allocation is to have 50% invested in income assets and 50% in growth assets. The tactical asset allocation ranges are 30-70% for income assets and 30-70% for growth assets. The performance objective is CPI plus 4.0%.

Reserve Portfolio – Short term time horizon and low risk. Investing in income assets. The strategic asset allocation is to have 20% invested in fixed interest and 80% in cash and cash equivalents. The tactical asset allocation ranges are 0-80% for short duration fixed interest and 0-100% for cash and cash equivalents. The performance objective is CPI plus 0.5%. The objective is to invest the equivalent of two years' return on endowment funds in a separate low risk portfolio.

The investment spread for the three portfolios as at 31 December was as follows:

Short Term Portfolio – 78% invested in fixed interest, 10% in equities and 12% invested in cash and cash equivalents

Long Term Portfolio – 32% invested in fixed interest, 3% invested in cash and cash equivalents income assets and 52% in equities and 13% invested in alternative assets.

Reserve Portfolio – 87% invested in fixed interest and 13% in cash and cash equivalents.

These ranges are all within the tactical allocation limits set by the SIPO.

a. Categorisation of Funds

All philanthropic revenue received is allocated internally to a fund. There are three major categories, and these are broken into subcategories.

- **Endowed Fund**

This category is for Endowed funds and aligns with the amount that is invested with Fund Managers. It is further split into subcategories that reflect if the donation has a specified purpose and also if it is an endowment. These funds are allocated investment income as per the UC Foundation's Income Allocation Policy.

- **Short-Term Fund**

This category covers donations and sponsorships that are received for immediate use by the University of Canterbury. Typically, these amounts are invoiced by the UC Foundation and distributed to the requesting College or School upon receipt. These funds are not entitled to investment income as per the income allocation policy.

- **Reserve Fund**

This fund holds the Trust's revenue reserve. These funds are invested in a conservative portfolio, and the amount is adjusted at the end of the financial year to align with the income allocation policy.

2. Related Party Transactions

The University of Canterbury provides support services to the UC Foundation at no cost. This undertaking is covered by a Memorandum of Understanding between the University and the Trust, most recently signed on 30 October 2015. The UC Foundation distributes cash and assets to the University for specific purposes according to the terms of the original gifts and in accord with the objectives of the Trust. This includes distributions to University of Canterbury departments, scholarships to undergraduate and postgraduate students, and prizes and awards to students.

Related Party Payables amount to \$1,110,062 (2024: \$1,644,590) and are owed to the University of Canterbury. The University of Canterbury distributes funds on behalf of the Trust and then recovers those distributions periodically from the UC Foundation. The balance is interest free and repayable on demand. The total amount of distributions made by the University of Canterbury on behalf of the Trust for 2025 was \$3,565,370 (2024: \$3,908,626).

Total distributions include payments made to the University of Canterbury of \$2,285,439 (2024 \$2,998,272) and for scholarships and prizes to University of Canterbury students of \$1,241,270 (2024 \$910,354)

All donations to the UC Foundation are made in full as directed by the donor. No costs associated with fundraising are deducted from the donation (except bank fees) as staffing and administration costs are covered by the University of Canterbury and banking, investment and audit costs are paid by the Trust from investment gains. Many of the supporters of the UC Foundation have a connection to the University of Canterbury. For transparency of donations from related parties, the Trustees and family members have donated funds to the UC Foundation during the year totalling \$51,150 (2024: \$ 5,250). Council members and members of the University of Canterbury Senior Leadership Team donated funds to the Trust totalling \$ 104,200 (2024: \$1,300).

The Trust does not employ any staff.

3. Commitments

As at 31 December 2025 the Trust had commitments to meet capital drawdowns on its private equity investments in Pioneer Capital II, Continuity Capital 2, Pencarrow Bridge Fund, Oriens Fund 2, Pioneer Capital IV, Pencarrow VI, ROC Fund II, Morrisson & Co, Pacific Equity Partners VII, ROC Global Opportunities

Fund, Icehouse Ventures Growth Fund II, Direct Capital VII and Continuity Capital 8 of \$2,181,223 (2024: \$1,494,540 Pencarrow Bridge Fund, Oriens 2, Pioneer Capital IV, Morrison & Co IP Feeder Fund, ROC Fund 2, Pencarrow VI, Pacific Equity Partners VII, ROC Global Opportunities Fund, Icehouse Ventures Growth Fund).

4. Contingent Assets and Contingent Liabilities

Contingent Assets and Contingent Liabilities as at 31 December 2025: Nil (2024: Nil).

5. Subsequent Events

Going concern

In conjunction with the University of Canterbury, the UC Foundation is managing a process that will result in the transfer of all UC Foundation assets to a new trust. A new Trust Deed is currently in draft and under negotiation between the proposed trustees of the new trust and the University of Canterbury. The application to amalgamate the UC Foundation with the University of Canterbury Trust Funds has been endorsed by Crown Law. The remaining steps in the process are for the new trustees to execute the Trust Deed and for the application to amalgamate to be submitted to the High Court for approval. Upon approval, all assets and liabilities of the UC Foundation will transfer to the new trust, and the UC Foundation will be wound up. It is expected that this process will be successfully completed within twelve months of the date of signing of these financial statements. Accordingly, the financial statements for the year ended 31 December 2025 have been prepared on a disestablishment basis.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash held in the bank current account

7. Audit Fees

Fees to Audit New Zealand for the audit of the financial statements \$44,876 (2024: \$44,482)

University of Canterbury Foundation

Financial Statements

8. Categories of Financial Assets and Liabilities

	2025 \$	2024 \$
Financial Assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	64,020,544	58,845,059
<i>Amortised cost</i>		
Cash and cash equivalents	1,428,377	2,541,709
	<u>65,448,921</u>	<u>61,386,768</u>
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	1,191,043	1,688,863
	<u>1,191,043</u>	<u>1,688,863</u>

9. Investments summary

	Non-Current	2025 Current	Total
Equities	30,936,224		30,936,224
Fixed Income Securities	24,642,626	5,024,092	29,666,718
Short Term and Floating Rate Securities		3,417,601	3,417,601
	<u>55,578,850</u>	<u>8,441,693</u>	<u>64,020,543</u>

	Non-Current	2024 Current	Total
Equities	22,570,761		22,570,761
Fixed Income Securities	21,233,521	5,455,044	26,688,565
Short Term and Floating Rate Securities		9,585,733	9,585,733
	<u>43,804,282</u>	<u>15,040,777</u>	<u>58,845,059</u>

Independent Auditor's Report

To the readers of University of Canterbury Foundation's financial statements for the year ended 31 December 2025

The Auditor-General is the auditor of University of Canterbury Foundation (the Foundation). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Foundation on his behalf.

Opinion

We have audited the financial statements of the Foundation on pages 4 to 17, that comprise the statement of financial position as at 31 December 2025, the statement of comprehensive revenue and expense, statement of changes in trust capital, statement of cash flows and statement of accounting policies for the year ended on that date and the notes to the financial statements that include other explanatory information.

In our opinion, the financial statements of the Foundation, which have been prepared on a disestablishment basis:

- present fairly, in all material respects:
 - its financial position as at 31 December 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Our audit was completed on 22 April 2026. This is the date at which our opinion is expressed.

Emphasis of matter – The financial statements are prepared on a disestablishment basis

Without modifying our opinion, we draw attention to the basis of preparation section of the statement of accounting policies on page 8 and note 5, which outline that the financial statements have been prepared on a disestablishment basis. This is because the Trustees expect that the Foundation's assets will be transferred to a new entity controlled by the University of Canterbury within the next 12 months, after which the Foundation will be wound up. Note 5 describes processes that need to be completed before this happens.

As the new Trust will continue to be 100% controlled by the University of Canterbury, no changes have been made to the recognition and measurement basis, or presentation of assets and liabilities in the Foundation's financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Foundation for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine 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, the Trustees are responsible on behalf of the Foundation for assessing the Foundation's ability to continue as a going concern. If the Trustees conclude that the going concern basis of accounting is inappropriate, the Trustees are responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

The Trustees' responsibilities arise from schedule 2, clause 8 of the Trust Deed of the Foundation.

Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We 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.
- We 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 Foundation's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the disestablishment basis of accounting by the Trustees.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Foundation in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1:

International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Foundation.

A handwritten signature in black ink, consisting of a large, stylized 'S' or 'G' shape with a long horizontal stroke extending to the right.

Chantelle Gernetzky

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand