

NEW PLYMOUTH PIF GUARDIANS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NEW PLYMOUTH PIF GUARDIANS LIMITED

CONTENTS

3	Company Directory
4	Statutory Information
7	Statement of Service Performance
9	Summary of Investment Performance
10	Annual Performance Summary
11	Statement of Comprehensive Revenue and Expense
11	Statement of Changes in Equity
12	Statement of Financial Position
13	Statement of Cash Flows
14	Notes to the Financial Statements
20	Independent Auditor's Report



NEW PLYMOUTH PIF GUARDIANS LIMITED

COMPANY DIRECTORY

Directors:	Graham Ansell Mark Butcher Michelle Tsui Sarah Vrede (<i>appointed 1 January 2023</i>) Mark Weenink (<i>appointed 1 July 2022</i>)
Shareholder:	New Plymouth District Council
Registration details:	Company number 1102498
Registered office:	New Plymouth District Council Civic Chambers Liardet Street New Plymouth
Auditors:	Audit New Zealand on behalf of the Auditor-General
Fully Outsourced Agent:	Mercer New Zealand Limited (Mercer)
Bankers:	Westpac Banking Corporation PO Box 91 New Plymouth
Solicitors:	Simpson Grierson PO Box 2402 Wellington

NEW PLYMOUTH PIF GUARDIANS LIMITED
STATUTORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023

NATURE OF INTEREST	COMPANY
Graham Ansell	
Director	New Plymouth PIF Guardians Limited
Director	BNZ Investment Services Limited
Director	National Provident Fund
Director	PSS Trustees Limited
Investment Committee Member	BNZ Investment Limited
Mark Butcher	
Chair	New Plymouth PIF Guardians Limited
Chair	Waikato Tainui Group Investment Committee
Chief Executive	New Zealand Local Government Funding Agency Limited
Nominating Committee member	Guardians of NZ Superannuation Fund
Director / Beneficial shareholding	Hakuba Capital Limited
Michelle Tsui	
Director	New Plymouth PIF Guardians Limited
Trustee	Foundation North
Director	Foundation North Grants Limited
Director	ASB Community Trust Limited
Nominating Committee Member	Guardians of NZ Superannuation Fund
Investment Committee Member	Todd Family Office
Employee	Willis Towers Watson
Sarah Vrede	
Director	New Plymouth PIF Guardians Limited
Chief Executive	New Zealand Financial Markets Association Incorporated
Director	Government Superannuation Fund Authority

NEW PLYMOUTH PIF GUARDIANS LIMITED
STATUTORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2023

NATURE OF INTEREST	COMPANY
Mark Weenink	
Director	New Plymouth PIF Guardians Limited
Board Member	Financial Markets Authority
Director / Beneficial shareholding	Escalate Investments Limited
Director / Beneficial shareholding	MBW Advisory Limited
General Counsel	Todd Corporation Group
Director	Todd Capital Limited
Director	Todd Energy Limited
Director	Todd Offshore Limited
Director	Todd Petroleum Mining Company Limited
Director	Todd Digital Limited
Director	Todd Forests Limited
Director	Todd Forestry Investments Limited
Director	Todd Minerals Limited
Director	Todd Property Group Limited
Director	Todd Property Land Development
Director	Todd Property Stonefields Apartments Limited
Director	Todd Property Ormiston Town Centre Limited
Director	Todd Property USA Limited
Director	Stonefields Developments Limited
Director	Todd Property Pegasus Town Limited
Director	LLD Limited
Director	Long Bay Communities Limited
Director	Todd Technologies Limited
Director	Todd Land Holdings Limited
Director	Todd Sisson (NZ) Limited
Director	Tio (NZ) Limited
Director	TSL Methanol Limited
Director	Nova Energy Limited
Director	Altera Apartments General Partner Limited
Director	Bellus Apartments General Partner Limited
Director	Ilico Apartments General Partner Limited
Director	Verto Apartments General Partner Limited
Director	Integria Healthcare Limited
Director	Long Bay Village Limited
Director	TP Flat Bush School Road Limited
Director	Okura Holdings Limited
Director	Long Bay Farming Limited
Director	Stonefields Communities Limited
Director	Ethify Limited
Director	Serendipity Bees Limited

NEW PLYMOUTH PIF GUARDIANS LIMITED
STATUTORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2023

Shareholding by directors

The Directors do not hold any interest in the shares of New Plymouth PIF Guardians Limited (the Company, NPG).

Insurance arrangements

The Directors have resolved to and have entered into a Directors and Officers Combined Indemnity insurance policy to a level they consider appropriate, given the size of the Company, to provide investment advisory services.

Dividend recommendation

The Directors do not recommend the payment of a dividend in relation to the year ended 30 June 2023.

Changes in accounting policy

During the current year, the Company adopted PBE IPSAS 41 *Financial Instruments*. There were no material impacts from the application of this standard for the first time. Apart from this, there were no changes in accounting policies during the year ended 30 June 2023.

Shares issued

The Company has 1,000 shares on issue as at 30 June 2023 (2021/22:1,000).

Statutory information

The Shareholder has agreed that the requirements of section 211 (1) (a) and (e) to (h) of the Companies Act 1993 need not be reported against.



NEW PLYMOUTH PIF GUARDIANS LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE TARGETS

The performance of NPG will be assessed against the terms in the Governance Deed, the Statement of Intent and industry benchmarks as detailed in the Statement of Investment Policies and Objectives. Below are the key performance measures.

Benchmarks for NPG Financial Performance

NPG is operated on a full cost recovery basis and is therefore budgeted to operate at a nil net cost. The sum below reflects its expected management costs, which are charged to New Plymouth District Council (the Council).

Financial Performance

Year Ended 30 June 2023	2022/23 Actual \$000	2022/23 Budget \$000
Revenue	266	306
Costs	266	306
Net profit	-	-
Net profit after tax to average shareholder funds	Nil	Nil

Benchmarks for PIF Performance

	2022/23 \$M Actual	2022/23 \$M Budget
Release Payment	10.9	10.4
Closing Balance of Fund		
Mercer Managed Assets	350.8	378.0
Tasmanian Land Company	0.1	0.1

Total Portfolio Return

A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The total return on the portfolio (net of all costs) measured on a rolling five-year basis is currently a target of 3.3 per cent per annum plus NZ inflation (as measured by the Consumers Price Index).

Assessment: Actual return net of costs was 6.9% for the 12 month period to 30 June 2023. The total return of the portfolio for the past five years is 7.6% p.a. which is 0.3% above the rolling five-year target.

In nominal terms, the 6.9% after fees fund return represented a strong return for the portfolio over the last 12 months. The returns were driven predominantly by the growth areas of the portfolio, namely overseas shares. These shares recorded an impressive 18.7% return over the year.

The continued impact of higher than projected levels of inflation has impacted the portfolio's after-inflation returns. For the 5 years to June 2023, annualised inflation-adjusted returns are ahead of the targeted CPI +3.3% by 0.3%.

NEW PLYMOUTH PIF GUARDIANS LIMITED
STATEMENT OF SERVICE PERFORMANCE (continued)
FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE TARGETS (CONTINUED)

Market Comparison

The portfolio has two distinct categories of assets:

Listed Securities (Equities / fixed income / cash) comprising \$195.3m

The return on this proportion of the portfolio is targeted to be 0.50% per annum above the weighted average benchmark, before fees. NPG will measure and report on these securities quarterly, annually and on a rolling five year basis.

Assessment: The total gross return on Listed Securities for the 12 month period to 30 June 2023 was 12.6% which was 0.6% better than the benchmark of 12.0%.

Unlisted Securities (Private Equity / Alternative Assets) comprising \$155.5m

These assets are illiquid, are largely not traded on markets and are valued infrequently. Therefore performance cannot be compared to benchmark returns on a short term basis. NPG will report on the performance of these securities annually.

Assessment: The return for the 12 month period to 30 June 2023 from private equity and alternative assets was 1.9%.

Reporting

Provide a quarterly report to the shareholder covering activities undertaken by the Company, and the performance of and significant issues relating to the Perpetual Investment Fund. The report will provide the information outlined in the Governance Deed.

Assessment: Quarterly reports have been provided throughout the year with information provided as per the Governance Deed.

Timely response

Provide investment advice within one month to the shareholder on any significant developments that may have an impact on either the income stream to the Council or the value of the Council's PIF.

Assessment: Information has been provided by the Directors in a timely manner throughout the year. Mercer provided monthly reports to the shareholder during the year.

NEW PLYMOUTH PIF GUARDIANS LIMITED
PERPETUAL INVESTMENT FUND
Summary of Investment Performance for the year ended 30 June 2023

Release payment target	2023		2022	
	Actual \$m	Budget \$m	Actual \$m	Budget \$m
Release payments	10.9	10.4	9.7	9.3

Closing Fund balance target	2023		2022	
	Actual \$m	Budget \$m	Actual \$m	Budget \$m
Mercer Managed Assets	350.8	378.0	339.0	345.3
Tasmanian Land Company	0.1	0.1	0.9	0.1

MAINTAIN PIF WITHIN STRATEGIC ASSET ALLOCATION (SAA) TARGET

Asset Allocation %	Allowable Range	Actual as at 30 June 2023	SAA 2023 target	As at 30 June 2022
Global equities				
- Developed Market equities	25 - 55%	33.1%	40.0%	35.5%
- Emerging markets equities	0 - 10%	5.2%	5.0%	5.2%
Private equity	10 - 25%	26.8%	17.5%	23.8%
Alternative assets	10 - 25%	17.5%	17.5%	17.7%
<i>Total Growth Assets</i>	<i>60 - 95%</i>	<i>82.7%</i>	<i>80.0%</i>	<i>82.2%</i>
Fixed income	5 - 25%	14.8%	15.0%	11.9%
Cash	0 - 20%	2.5%	5.0%	5.9%
<i>Total Income Assets</i>	<i>5 - 40%</i>	<i>17.3%</i>	<i>20.0%</i>	<i>17.8%</i>
Total	100%	100%	100%	100%

The fund was within the SAA ranges during the twelve month period to 30 June 2023 with the exception of Private Equity, which has been overweight on the allowable range during the period. This has reduced the allocation to Global equities and Cash within the fund.

This table reflects the Mercer Managed Assets only.

NEW PLYMOUTH PIF GUARDIANS LIMITED
PERPETUAL INVESTMENT FUND
Annual Performance Summary for the year ended 30 June 2023

NPG is a Council Controlled Organisation which monitors and directs the investment of the Council's Perpetual Investment Fund managed by Mercer in accordance with the Statement of Investment Policy and Objectives.

Service Performance Indicators

	Achieved 2023	Achieved 2022
Manage the PIF as per agreement	YES	YES
Provide timely advice as requested	YES	YES
Provide regular quarterly reports to the Council	YES	YES
Operate within financial budget	YES	YES
Provide Statement of Intent to the Council	YES	YES
Provide six monthly report to the Council and public	YES	YES
Provide prior year annual report to public within statutory deadlines *	YES	YES

*Due to Covid-19 the statutory deadline for the year ended 30 June 2022 was extended to 30 November 2022.

For the year ended 30 June 2023 the Company provided its annual report to the public within 90 days of year end.



NEW PLYMOUTH PIF GUARDIANS LIMITED
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/23 Actual \$	2022/23 Budget \$	2021/22 Actual \$
Revenue				
Advisory management fees (<i>non-exchange</i>)	3a	265,527	306,000	238,765
Interest revenue (<i>exchange</i>)		292	-	23
Total revenue		265,819	306,000	238,788
Expenses				
Directors fees	4	184,500	185,000	166,000
Other expenses	5	81,319	121,000	72,788
Total expenses		265,819	306,000	238,788
Surplus/(deficit) before tax		-	-	-
Income tax expense		-	-	-
Surplus/(deficit) after tax		-	-	-
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		-	-	-
<i>Attributable to New Plymouth District Council – 100%</i>		-	-	-

Explanations of major variances against budget are included in note 2.

The accompanying notes form part of these financial statements.

NEW PLYMOUTH PIF GUARDIANS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	2022/23 Actual \$	2022/23 Budget \$	2021/22 Actual \$
Balance at 1 July	-	-	-
Total comprehensive revenue and expense	-	-	-
Balance at 30 June	-	-	-

The accompanying notes form part of these financial statements.

NEW PLYMOUTH PIF GUARDIANS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022/23 Actual \$	2021/22 Actual \$
Current assets			
Cash and cash equivalents	6	31,950	241
Related party receivable from the Council	3b	40,075	41,773
Other receivables		440	314
Prepayments		10,803	10,273
Tax receivable		1,997	1,915
GST receivable		462	1,207
Total current assets / Total assets		85,727	55,723
Current liabilities			
Creditors and other payables	7	55,727	25,723
Related party advance from the Council	3c	30,000	30,000
Total current liabilities / Total liabilities		85,727	55,723
NET ASSETS			
		-	-
Equity			
Accumulated funds		-	-
Share capital	8	-	-
TOTAL EQUITY		-	-

The accompanying notes form part of these financial statements.

Chair 

Date 27 September 2023.....

Director 

Date 27 September 2023.....

NEW PLYMOUTH PIF GUARDIANS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2022/23 Actual \$	2021/22 Actual \$
	Note	
Cash flows from operating activities		
Receipts from NPDC	262,205	224,353
Interest received	210	17
Payments to suppliers, employees and directors	(236,471)	(246,361)
Goods and services tax (net)	5,765	(7,014)
Net cash from operating activities	31,709	(29,005)
Cash flows from financing activities	-	(10,000)
Cash flows from investing activities	-	-
Net cash from financing and investing activities	-	(10,000)
Net increase/(decrease) in cash and cash equivalents	31,709	(39,005)
Cash and cash equivalents at 1 July	241	39,246
Cash and cash equivalents at 30 June	6 31,950	241

The accompanying notes form part of these financial statements.



NEW PLYMOUTH PIF GUARDIANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Company is a wholly owned subsidiary of the New Plymouth District Council (the Council, NPDC) and is a Council-Controlled Organisation as defined in section 6 of the Local Government Act 2002. The Company is incorporated and domiciled in New Zealand.

Rather than making a financial return, the primary objective of the Company is to provide advisory services to the Council in relation to the Council's Perpetual Investment Fund (PIF) and other equity investments, when requested. Accordingly, the Company designates itself as a Public Benefit Entity (PBE) and applies Tier 2 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

The financial statements of the Company are for the year ended 30 June 2023. The financial statements were authorised for issue by the Board on 27 September 2023.

STATEMENT OF COMPLIANCE

These financial statements have been prepared:

- In line with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Local Government Act 2002 (LGA).
- In line with PBE Accounting Standards with reduced disclosure requirements (Tier 2). The Company qualifies as Tier 3 but elects to report under Tier 2 reporting on the basis that it is not publicly accountable and it is not considered large under the PBE accounting standards.
- On a going concern basis and the accounting policies have been applied consistently throughout the period.
- On a historical cost basis.
- In New Zealand dollars (functional and reporting currency), rounded to the nearest dollar.

CHANGES IN ACCOUNTING POLICIES

There have been no new or revised accounting standards, interpretations and amendments effective during the period which have a material impact on the Company's accounting policies or disclosures, except as noted below.

The Company has applied the following new accounting standard for the first time during the period:

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 Financial instruments and PBE IPSAS 29 Financial instruments: Recognition and Measurement. The Company has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

Information about the transition to PBE IPSAS 41 is disclosed in note 11. The adoption of this standard has not resulted in a material impact on the Company.

NEW PLYMOUTH PIF GUARDIANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised in the period which the Company provides the related services.

Interest Income

Interest income is recognised using the effective interest method.

Goods and services tax (GST)

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

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

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

Budget figures

The budget figures are those approved by the Directors in the Statement of Intent at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Rounding differences

Some totals in the financial statements may not add to the sum of their parts due to rounding cents to the dollar.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results. Estimates and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There have been no estimates and/or assumptions that have a significant risk of causing a material adjustment to the value of assets and liabilities, with the next financial year.

NEW PLYMOUTH PIF GUARDIANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

2 MAJOR BUDGET VARIATIONS

	2022/23 Actual \$	2022/23 Budget \$	Variance \$	Comments
Management fees	265,527	306,000	(40,473)	Management fee revenue is charged at a level required to fully offset expenditure incurred by the Company. Due to variances in actual expenditure against budgeted amounts, as discussed below, management fees required for the year were less than budgeted.
Consulting, overheads and other general expenses	15,977	50,000	(34,023)	Consultants were underutilised during the financial year relative to the budget.
Directors' expenses	7,300	15,000	(7,700)	Less travel costs were incurred than forecast due to more meetings during the year being attended remotely rather than in person.
Audit fees	13,042	11,000	2,042	Budgeted audit fees were based on prior year actual costs, and were set before the audit proposal letter for 2023-25 was received.

3 RELATED PARTIES

Accounting policy

Debtors and other receivables are recorded at face value less an allowance for expected credit losses over the lifetime of these assets.

As the sole shareholder, the Council is deemed to be a related party of the Company.

(a) Transactions between the Company and the Council during the financial year

For the year ended 30 June 2023, transactions between the two parties consisted of:

- Accounting and governance services provided by the Council to the Company of \$45,000 (2021/22: \$35,000).
- Advisory services provided to the Council by the Company of \$265,527 (2021/22: \$238,765).
- The amount payable for NPDC services at 30 June 2023 was \$11,250 (2021/22: \$8,750).

No debts between the parties were written off or forgiven and no transactions between the parties took place at nil or nominal value.

(b) Related party receivable from the Council

The related party receivable from the Council is non-interest bearing. As such, the carrying value approximates its fair value. The total balance of \$40,075 (not past due) is all non-exchange revenue (2021/22: \$41,773 not past due).

NEW PLYMOUTH PIF GUARDIANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 RELATED PARTIES (continued)

(c) Advance from the Council

During the 2015/16 financial year the Council advanced the Company \$60,000 to be repaid at a future date. The Company repaid \$20,000 during 2017/18. During the 2021/22 financial year, the Company repaid a further \$10,000. The cash flow funding does not incur interest on the principal.

(d) Directors

The Company's Chair, Mark Butcher is the Chief Executive Officer of New Zealand Local Government Funding Agency Limited (LGFA). During the year, the Council borrowed funds from the LGFA and also holds loan balances from prior periods.

All transactions occurred within a normal supplier or client/recipient relationship and on terms and conditions no more or less favourable than those it is reasonable to expect the Company would have adopted in dealing with either party at arm's length in the same circumstances.

4 REMUNERATION

Key management personnel comprises the Board of Directors.

	2022/23 Actual \$	2021/22 Actual \$
<i>Directors fees</i>		
G Ansell	37,000	37,000
M Butcher	55,000	55,000
K Campbell	-	37,000
M Tsui	37,000	37,000
S Vrede (<i>part-year in 2022/23</i>)	18,500	-
M Weenink	37,000	-
Total directors fees	184,500	166,000
Full time equivalents	5	4

Due to the difficulty in determining the full-time equivalents for directors, the full-time equivalent figure is taken as the number of directors.

5 OTHER EXPENSES

	2022/23 Actual \$	2021/22 Actual \$
Audit fees for financial statements (Audit New Zealand)	13,042	10,673
Directors travel and expenses	7,300	1,706
Consulting costs and other professional services fees	-	11,044
Overheads and other general expenses	15,977	14,365
NPDC services - accounting	40,000	30,000
NPDC services - governance	5,000	5,000
Total other expenses	81,319	72,788

NEW PLYMOUTH PIF GUARDIANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

6 CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents includes cash on hand and deposits held at call with banks with original maturities of three months or less.

	2022/23	2021/22
	Actual	Actual
	\$	\$
Bank account - current	31,950	241
Total cash and cash equivalents	31,950	241

7 CREDITORS AND OTHER PAYABLES

Accounting policy

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. All amounts in creditors and other payables are assessed as exchange as these balances arose from transactions carried out on normal business terms.

	2022/23	2021/22
	Actual	Actual
	\$	\$
Related party payable to the Council	22,768	15,046
Audit fee accrual	13,042	10,673
Other payables	19,917	4
Total creditors and other payables	55,727	25,723

Related party payables to the Council includes Directors fees of \$11,518 (2021/22: \$6,296).

8 SHARE CAPITAL

Share capital comprises 1,000 shares, all of which are issued but not fully paid (at \$0 per share) (2021/22: 1,000 shares at \$0 per share).

9 CAPITAL COMMITMENTS

There are no capital commitments at 30 June 2023 (2021/22: nil).

10 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or contingent liabilities at 30 June 2023 (2021/22: nil).



NEW PLYMOUTH PIF GUARDIANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

11 FINANCIAL INSTRUMENTS

	2022/23 Actual \$	2021/22 Actual \$
<i>Cash and receivables</i>		
Cash and cash equivalents	31,950	241
Debtors and other receivables	40,515	42,087
Total cash and receivables	72,465	42,328
<i>Financial liabilities</i>		
Creditors and other payables	55,727	25,723
Related party advance	30,000	30,000
Total financial liabilities	85,727	55,723

Change in accounting policy

As at 30 June 2023 the Company has adopted PBE IPSAS 41. In accordance with the transitional provisions in PBE IPSAS 41, the Company has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. There have been no adjustments arising from the adoption of PBE IPSAS 41 at 1 July 2022 (the date of initial application). The expected credit loss allowance for the Company as at 1 July 2022 and 30 June 2023 is nil, and all financial instruments are deemed to have a low credit risk.

On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

	Classification (PBE IPSAS 29)	Classification (PBE IPSAS 41)	2021/22 Actual (PBE IPSAS 29) \$	2021/22 Actual (PBE IPSAS 41) \$	Adoption adjustment \$
Financial Assets					
Cash and cash equivalents	Loans and receivables	Amortised cost	241	241	-
Debtors and other receivables	Loans and receivables	Amortised cost	42,087	42,087	-

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

12 EVENTS AFTER BALANCE DATE

There are no significant events after balance date.

13 STATUTORY BREACH

The Company's budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements. However the Company did not comply in full with the requirements of the Local Government Act 2002. As a result the forecast financial information was limited to the Statement of Comprehensive Revenue and Expense and Statement of Changes in Equity.

Independent Auditor's Report

To the readers of New Plymouth PIF Guardians Limited's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of New Plymouth PIF Guardians Limited (the Company). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 11 to 19, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on pages 7 to 9.

In our opinion:

- the financial statements of the Company on pages 11 to 19:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; 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 Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Company on pages 7 to 9 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2023.

Our audit was completed on 27 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the comparison of forecast financial statements with historical financial statements by the Company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

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.

Emphasis of matter – Comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to Note 13 on page 19, which outlines that the Company presented forecast financial information with the historical financial statements that was limited to the Statement of Comprehensive Revenue and Expense and Statement of Changes in Equity.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 and the performance information.

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

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

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 and the performance information, 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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 and the performance information 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 Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 6 and 10, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand