



RNZWCS Limited
Rotary New Zealand World Community Service

PERFORMANCE REPORT

FOR YEAR ENDED 31 MAY 2023

The Directors are pleased to present the Performance Report of
RNZWCS Limited for the year ended 31 May 2023

A handwritten signature in black ink that reads "V. Cordes".

Valda Cordes
Director

A handwritten signature in blue ink that reads "D Black".

David Black
Director

RNZWCS Limited
Rotary New Zealand World Community Service

FINANCIAL STATEMENTS
for the year ended 31 May 2023

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RNZWCS Limited

Rotary New Zealand World Community Service

DIRECTORY as at 31 May 2023

NATURE OF BUSINESS	Promotion of Rotary World Community Service
AUTHORISED CAPITAL	\$1
PAID UP CAPITAL	\$1
NUMBER OF SHARES	1
REGISTERED OFFICE	22 Lochmore St, Harewood, Christchurch, 8051
COMPANY No.	1464221
CHARITIES COMMISSION No.	CC26860
IRD No.	87-004-856
DIRECTORS	Chairman: Tony Fortune, 1 Essex Road Mt Eden, Auckland Directors: Stuart Batty, 22 Lochmore St, Harewood, Christchurch 8051 David Black, 78 Gladstone Road North, Mosgiel 9024 Valda Cordes, 4 Vaughan Way, Redwood, Christchurch 8041 Nicholas John Hurley, 40 Satara Crescent, Khandallah, Wellington 6035 Lynne Joseph, 35 Flemington Place, Brunswick Park, Tikitere, Rotorua, 3074 Bruce Morrison, 10 Tusac Place, Totara Vale, Auckland 0627 Allan Keith Smith Apartment 401, 236 Kapa Road, Mission Bay, Auckland, 1071, New Zealand until 22 March 2023
SHAREHOLDERS	New Zealand Guardian Trust Co Ltd/Perpetual Trust Ltd
AUDITOR	Ainger Tomlin Audit Level 1 Ainger Tomlin House 136 Ilam Road, Ilam PO Box 8237 Christchurch 8440
SOLICITOR	Fortune Manning Law Partnership Level 3 25 Teed Street Newmarket 1023 P O Box 4139 AUCKLAND
BANKERS	Westpac Banking Corporation Papanui Branch Northlink Shopping Centre Unit A3A, 84 Langdons Road, Papanui, Christchurch 8052

RNZWCS Limited

Rotary New Zealand World Community Service

DIRECTORS' REPORT **for year ended 31 May 2023**

The directors are pleased to report on another year of company operation (refer financials on pages 4 to 14).

RNZWCS Limited (Rotary New Zealand) work hard to make sure that all resources entrusted to it are used as efficiently and effectively as possible to bring maximum impact to communities in need. It has strong checks and balances in place to ensure financial integrity and accountability and is committed to the highest standards of legal, ethical and moral behaviour. Financial statements are externally and independently audited (in the same way and to the same standards which apply to New Zealand companies); and its Performance Reports are prepared to internationally acknowledged standards of transparency for not-for-profits.

RNZWCS Limited (Rotary New Zealand) is an accredited agency with the Ministry of Foreign Affairs and Trade (MFAT) which offers contestable funding under the New Zealand Partnerships for Impact Fund (Manaaki) and the New Zealand Disaster Response Partnership (NZDRP). The fund criterion includes focusing on activities and partnerships in Pacific countries, and specifically with Manaaki, prioritisation for sustainable economic development. RNZWCS Limited (Rotary New Zealand) is assessed every three years as meeting the Manaaki and New Zealand Disaster Response Partnership due diligence requirements. The next assessments are due in the years ending 2024 and 2025.

Budgeted in each MFAT contestable funding application additionally is an amount for actual administration costs. Activities supported by MFAT funding during the year were in Fiji, Samoa and Vanuatu

RNZWCS Limited (Rotary New Zealand)

- is a member of the Council of International Development
- has adopted the Council of International Development Code of Practise
- is a member of the New Zealand CID Humanitarian Network
- adheres to a Manual of Procedure for Humanitarian Response
- declares its financial position on the Charities website
- is a donee listed in Schedule 32 of the Income Tax Act
- is a registered charity with New Zealand Charities (CC26860)

The Board retained the services of an external consultant to assist the Executive Director's workload. The consultant carried out a monitoring visit in Fiji in September 2022..

MoU's remain current between RNZWCS Limited and Rotary Australia World Community Service Ltd (RAWCS), Volunteer Service Abroad (VSA), Interplast Australia and New Zealand, Rotary Oceania Medical Aid for Children (ROMAC), Disaster Aid New Zealand (DANZ), ROZops Limited and Ukranian Association of New Zealand (Northern Regions) Incorporated.

The Emergency Response Kits continue to respond to affected families immediately following catastrophic weather and environmental events in Polynesia and Melanesia supporting them through the first days after a disaster. Emergency Response Kits are prepositioned in the Cook Islands, Fiji, Samoa, Tonga and Vanuatu with back up supplies retained in Auckland. Kits are packed by Rotarians and their supporters. On 1st and 3rd March 2023 respectively, Cyclones Judy and Kevin struck Vanuatu. Kits were distributed in collaboration with Vanuatu's Disaster Management Office.

Appeals to Rotarians and the New Zealand public provided support for those affected in New Zealand by the Cyclone Gabrielle, the Australian Floods, the Ukraine Humanitarian Response to conflict, the Turkiye Syrian Earthquake and Cyclones Judy and Kevin.

The Executive Director represented the Board at the Annual Meeting of RAWCS (the Australian counterpart). RAWCS and RNZWCS working group met regularly to further develop a cooperative approach to supporting humanitarian and development projects in the region. Both organisations are committed to working collaboratively, sharing information and expertise and have pledged their continuing support for each other's activities including disaster response. Interest in World Community Service is evident in both countries as evidenced by the number of visits to their respective web and other social media sites.

The Board:

- acknowledges the support and assistance from Rotary Australia World Community Service Ltd (its Australian counterpart)
- acknowledges the support of Rotary Down Under in their coverage of the world community service projects undertaken by clubs and districts throughout New Zealand and Pacific countries
- acknowledges the valuable assistance and support by the public, corporate and private sectors, Rotarians and supporters and all other donors in New Zealand, Australia and elsewhere.

RNZWCS Limited

Rotary New Zealand World Community Service

STATEMENT OF INTENT **for year ended 31 May 2023**

RNZWCS Limited (Rotary New Zealand) assists, coordinates, and fosters sustainable world community service i.e. international development and humanitarian aid activities of Rotary clubs in New Zealand and the South Pacific It undertakes on their behalf, project evaluation, and where appropriate, joint project coordination and administration.

The Board has determined the following areas in which to focus:

a. Building on our foundations:

- Maintain a professional administrative and project management structure.
- Maintain strategic initiatives to support and develop existing structures.
- Continue to develop information systems.
- Continue to develop management and volunteer expertise.
- Identify opportunities to and facilitate the increase in the knowledge and skills in planning, implementing, and concluding successful outcomes of World Community Service Activities, particularly sustainable community development initiatives.

b. Building partnerships:

- Continue to build the capacity of partners to promote world understanding and peace.
- Maintain a process of shared learning for continual improvement.
- Aim for significant development impact, quality and effectiveness in the lives of people in developing countries.
- Develop effective partnerships between Rotary New Zealand and appropriate organisations.

c. Humanitarian response and development action:

- Ensure a full understanding of the concept of humanitarian aid and development activities in overseas countries.
- Ensure that development aid policies are consistent with the concept of international aid and development.

d. Spreading the word:

- Promote opportunities for active involvement of Rotary New Zealand in World Community Service Activities
- Continue to develop and implement strategies to enhance current promotional activities.
- Disseminate analytical information about the challenges affecting the communities served by Rotary and programme partners.
- Facilitate direct engagement with programme partners & the communities they serve.
- Strengthen development education activities through continuous evaluation of those initiatives.

Code of Conduct

RNZWCS Limited (Rotary New Zealand) accountability commitments include its adherence to a number of external standards, codes and charters as well as key internal policies. Our accountability commitments include Rotary International programme and governance standards, and the Code of Conduct for the Council for International Development members (the network of New Zealand development NGOs).

If there are any concerns that RNZWCS Limited (Rotary New Zealand) are not abiding by the codes or policies, concerns may be submitted in writing, to the registered office. Any unresolved concerns of a serious nature will be referred to the Chair of the Board. RNZWCS Limited (Rotary New Zealand) undertakes that any such concerns are followed up confidentially, quickly, thoroughly and transparently.

STATEMENT OF SERVICE PERFORMANCE
for year ended 31 May 2023

WHO WE ARE?

RNZWCS Limited is a not-for-profit organisation providing support to those living in poverty or affected by natural disasters. Our goal is to create sustainable outcomes - in the form of a hand up rather than a handout.

WHY DO WE EXIST?

RNZWCS Limited was established to facilitate international aid and development. We partner in a variety of humanitarian projects, many of them in the Pacific though there are others in countries such as Swaziland, Tanzania, Uganda, South Africa, India and Nepal. World community service sometimes brings Rotary clubs from two or more countries together to serve one of their communities through a particular project. There are always a number of other parties involved – local people in the project itself, governments, local authorities, and other partner NGOs.

WHAT WE AIM TO DO?

To support:

Disaster relief. When our Pacific neighbours require immediate assistance following a cyclone, tsunami or earthquake, we distribute Emergency Response Kits. Once the initial response has passed, we support local people to rebuild their lives. This may involve repairing homes, schools and hospitals, restoring water supplies and sanitation, and so on.

International development. We assist struggling communities make long-lasting improvements to their economic and social circumstances. We provide funding, project management, expertise and experienced mentors to build capacity in affected communities so that they can become self-sufficient.

PERFORMANCE MEASURES

	2023	2022
No. of Emergency Response Kits for disaster relief prepositioned in Pacific country warehouses	8	8
No of litres of milk pasteurised each day at an established Dairy Factory (Tanzania)	up to 6,000	up to 5,000
No. of children provided with Toilets and Handwashing facilities (Tanzania)	517	1,172
No. of vulnerable youth in self-reliance boarding accommodation (Tanzania)	48	Nil
No. of children, both kindergarten and primary day school supplied with all amenities (Tanzania)	Nil	860
No. of villages and schools in rural communities (Fiji) have been provided with water and sanitation systems	320	310
Areas of focus supported i.e., humanitarian relief aid, disease prevention and treatment, water and sanitation, maternal and child health, basic education and literacy, economic and community development	7	7



RNZWCS LimitedRotary New Zealand World Community Service
for year ended 31 May 2023

Statement of Comprehensive Revenue and Expense	Note	2023	2022
Revenue from Non-Exchange Transactions			
Operational Income	4.1	134,563	87,628
Project Income	4.2	<u>1,980,286</u>	<u>1,538,399</u>
Total revenue from non-exchange transactions		<u>2,114,849</u>	<u>1,626,027</u>
Revenue from Exchange Transactions	4.3	47,012	11,768
TOTAL REVENUE		<u><u>2,161,861</u></u>	<u><u>1,637,795</u></u>
Expenditure			
Operational Expenditure	5.1	112,947	113,071
Project Expenditure	5.2	<u>1,580,387</u>	<u>986,846</u>
TOTAL EXPENDITURE		<u><u>1,693,334</u></u>	<u><u>1,099,917</u></u>
Net (Deficit) /Surplus for the Year		468,527	537,878
Other Comprehensive Revenue and Expense		0	0
Total Comprehensive Revenue and Expense		<u><u>468,527</u></u>	<u><u>537,878</u></u>
Represented by			
Operational Surplus		68,628	(13,675)
Project Commitment Surplus		<u>399,899</u>	<u>551,553</u>
		<u><u>468,527</u></u>	<u><u>537,878</u></u>



RNZWCS Limited

Rotary New Zealand World Community Service

As at 31 May 2023

Statement of Financial Position	Note	2023	2022
Current Assets			
Cash and Cash Equivalents	6	2,174,073	1,701,051
GST receivable / (payable)		188	4,683
Total Assets		<u>2,174,261</u>	<u>1,705,734</u>
Total Liabilities		0	0
NET ASSETS		<u>2,174,261</u>	<u>1,705,734</u>
Represented by			
Accumulated comprehensive revenue and expense		344,354	275,726
Project Commitments		1,829,907	1,430,008
Total Equity		<u>2,174,261</u>	<u>1,705,734</u>



RNZWCS Limited**Rotary New Zealand World Community Service
for year ended 31 May 2023****Statement of Changes in Net Assets****This Year**

	Accumulated Comprehensive Revenue and Expense	Project Commitments	Total
Opening balance at 1 June 2022	275,726	1,430,008	1,705,734
Net surplus/(deficit) for the year	468,527		468,527
Project Commitments Reallocation	(399,899)	399,899	-
Closing balance at 31 May 2023	<u>344,354</u>	<u>1,829,907</u>	<u>2,174,261</u>

Last Year

	Accumulated Comprehensive Revenue and Expense	Project Commitments	Total
Opening balance at 1 June 2021	289,401	878,455	1,167,856
Net surplus/(deficit) for the year	537,878		537,878
Project Commitments Reallocation	(551,553)	551,553	-
Closing balance at 31 May 2022	<u>275,726</u>	<u>1,430,008</u>	<u>1,705,734</u>



RNZWCS Limited**Rotary New Zealand World Community Service
for year ended 31 May 2023****Statement of Cash Flows**

	2023	2022
Cash Flows from Operating Activities		
Cash was received from:		
Fees, subscriptions and other receipts from members	6,928	6,964
Interest, dividends and other investment receipts	40,084	4,804
Donations, fundraising and other similar receipts	2,114,849	1,626,028
Net GST	4,495	(2,633)
Cash was applied to:		
Payments to suppliers	112,947	113,071
Payments to employees		
Donations or grants paid	1,580,387	986,846
Net Cash Flows from Operating Activities	473,022	535,246
Cash Flows from Investing Activities		
Cash was received from:		
Cash was applied to:		
Net Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities		
Cash was received from:		
Cash was applied to:		
Net Cash Flows from Financing Activities	-	-
Net Increase / (Decrease) in Cash	473,022	535,246
Cash and cash equivalents at 1 June	1,701,051	1,165,805
Cash and cash equivalents at 31 May	<u><u>2,174,073</u></u>	<u><u>1,701,051</u></u>
This is represented by:		
Cash and cash equivalents at 31 May	<u><u>2,174,073</u></u>	<u><u>1,701,051</u></u>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

1. Reporting entity

RNZWCS Limited is a company registered under the Companies Act 1993 and was incorporated on 11 December 2003. RNZWCS Limited is a registered charity (registration number CC26860) and was registered on 30 June 2008.

The principal activities of RNZWCS Limited are:-

To encourage Rotary Clubs, Districts and others to participate in meaningful World Community Service projects

To select suitable World Community Service projects and seek active co-operation of Rotary Clubs and Districts in their execution

Co-ordinate the World Community Service activities of Rotary Clubs and Districts where this is considered necessary

The Financial Statements were authorised for issue by the Directors on 27 June 2023.

2. Statement of compliance

These 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 entities. For the purposes of complying with NZ GAAP, RNZWCS Limited is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have a public accountability and it is not defined as large.

The Directors have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

3. Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of measurement

The financial statements have been prepared on the basis of historical cost

3.2 Functional and presentational currency

The functional and presentation currency is New Zealand Dollars, and has been presented to the nearest dollar, unless otherwise stated

3.3 Use of judgements and estimates

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and other information. Actual results may differ from those estimates.

Judgements made in applying policies that have had the most significant effects on the amounts recognized in the financial statements include:

-whether the service performance information reported is consistent with and clearly linked to RNZWCS Limited's overall purpose and strategies.

-the selection, measurement, aggregation and presentation of service performance indicators.

The estimated value of donated services are detailed in Note 10

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MAY 2023**

3.4 New accounting standards adopted

RNZWCS Limited is applying PBE FRS 48 (Service Performance Reporting) from 1 June 2022. PBE FRS 48 requires disclosure for the reporting of service performance information, which has been provided in the Statement of Service Performance.

3.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to RNZWCS Limited and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Revenue is classified as exchange and non-exchange. RNZWCS Limited has determined that all Revenue is non-exchange transactions except for interest and levies, which are considered to be exchange transactions. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Donations & Grant Revenue

Donation and Grants received are recognised in the statement of comprehensive revenue and expense as revenue, except where grant conditions which require the grant to be used as specified or returned to the grantor, remain unfulfilled at balance date, in which case the related amount is recognised as a liability. In addition, a liability is recognised in respect of any other return clauses of a grant where it is probable that payment will be required.

Donated services are recognised at fair value when the service is performed (Note 10)

Other Revenue

All other revenue is recognised on a receipt's basis

Revenue from exchange transactions

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest rate method.

Levies revenue

Rotary District levy revenue is recognised on a receipt's basis

3.6 Receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are stated at their estimated realisable value.

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

3.7 Income Tax

Due to its registered charity status, RNZWCS Limited is exempt from Income Tax.

RNZWCS Limited

NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED 31 MAY 2023

3.8 Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis, except for Accounts Receivable and Accounts Payable which are recorded GST Inclusive.

3.9 Financial Instruments

RNZWCS Limited initially recognises financial instruments when RNZWCS Limited becomes a party to the contractual provisions of the instrument.

RNZWCS Limited derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial assets that is created or retained by RNZWCS Limited is recognised as a separate asset or liability.

RNZWCS derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. RNZWCS Limited also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received /paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when RNZWCS Limited has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

RNZWCS classifies financial assets into loans and receivables, and classifies financial liabilities into amortised cost.

Financial instruments are initially measured at fair value. Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed below:-

i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise Cash and Cash Equivalents [Note 6]

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 12 months or less.

ii) Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit.

Financial liabilities classified as amortised cost are subsequently measured as amortised using the effective interest method. Financial liabilities classified as amortised cost comprise payables and loans.

Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets of impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MAY 2023**

3.10 Financial Instrument Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The interest rates on the cash held at the bank are floating rates set by the bank.

Credit risk is the risk that a third party will default in its obligation to RNZWCS Limited, causing the company to incur a loss. RNZWCS Limited banks only with registered institutions. RNZWCS Limited's maximum credit exposure for each class of financial instrument is represented by the total carry amount of cash and cash equivalents and accounts receivable.

3.11 Accounts Payable and Sundry Creditors

These represent liabilities for goods and services provided to RNZWCS Limited prior to the end of the financial year which are unpaid. They are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition. All accounts payable and sundry creditors are from exchange transactions.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MAY 2023**

	NOTE	2023	2022	
4.1 Revenue from Non-Exchange Transactions - Operational Income				
External Grants Admin. Support		120,039	78,082	
Other		<u>14,524</u>	<u>9,546</u>	
		134,563		87,628
4.2 Revenue from Non-Exchange Transactions - Project Income				
External Grants - Development		791,224	482,751	
External Grants - Humanitarian		216,680		
Other		<u>972,382</u>	<u>1,055,648</u>	
		1,980,286		1,538,399
4.3 Revenue from Exchange Transactions				
Rotary District Levies		6,928	6,964	
Interest		<u>40,084</u>	<u>4,804</u>	
		47,012		11,768
5.1 Operational Expenditure				
Office Expenses		4,591	6,460	
Audit Fee		6,000	6,000	
Other		9,694	4,493	
Project Management		22,662	26,118	
Management Fees Other		<u>70,000</u>	<u>70,000</u>	
		112,947		113,071
5.2 Project Expenditure				
External Grants - Development		515,200	349,798	
External Grants - Humanitarian		13,424		
Other		<u>1,051,763</u>	<u>637,048</u>	
		1,580,387		986,846
6 Cash and Cash Equivalents				
Current Accounts		286,940	15,470	
Term Deposits		<u>1,887,133</u>	<u>1,685,581</u>	
		2,174,073		1,701,051

RNZWCS Limited

NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED 31 MAY 2023

7 Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 May 2023 (2022: Nil)

8 Capital commitments

There were no capital commitments as at 31 May 2023 (2022: Nil)

9 Related party transactions

Stuart Batty is a Director of RNZWCS Limited and received management fees and performance payments totalling \$70,000 (2022 \$70,000) for the year ended 31 May 2023. Tony Fortune, a qualified lawyers and Chairman, occasionally provides legal advices to the Company. There were no legal matters that required formal legal advice to be sought during the year (2022 \$nil). There were no related party outstanding balances as at 31 May 2023 (2022 \$nil)

10 Estimated value of donated services

	2023	2022
Executive Director	75,000	70,000
Directors	75,000	70,000
Legal	3,000	2,000
Accounting	2,000	1,600
	<u>155,000</u>	<u>143,600</u>

11 Events after the reporting date

The Directors and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of RNZWCS Limited (2022 \$nil)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RNZWCS Limited

Opinion

We have audited the financial statements of RNZWCS Limited, which comprise the statement of financial position as at 31 May 2023, and the statement of service performance, statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly in all material respects, the financial position of RNZWCS Limited as at 31 May 2023, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards issue by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of comprehensive revenue and expense, statement of financial position, statement of cash flows, statement of changes in net assets, and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with New Zealand Auditing Standard (NZ AS1) 'The Audit of Service Performance Information (NZ)'. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of RNZWCS Limited in accordance with 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, 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, RNZWCS Limited.

Restriction on Responsibility

This report is made solely to the company's shareholders, as a body, in accordance with Section 207B(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the company's shareholders those matters 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Directory, the Directors' Report and the Statement of Intent.

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.

Directors' Responsibility for the Financial Statements

The Directors are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Directors 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 Directors are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity 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 ISAs and NZ AS1 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.

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

Other Matter - Corresponding Figures in Service Performance Reporting

This is the first year that Service Performance Information has been reported in the financial statements of RNZWCS Limited. The Service Performance Information includes corresponding figures for the prior year. These corresponding figures are unaudited.

Ainger Tomlin Audit Ltd

Ainger Tomlin Audit Limited
Christchurch
27 June 2023