



National Finance Chair's Report

The year ending 30 June 2022 has a reported consolidated trading loss of -\$2,757,430 (2021 \$831,076 surplus).

While our 2021 trading result was bolstered by a significant return on RWNZ's investment portfolio for the year, a severe drop in the investment portfolio in the final two quarters to June 2022 results in us reporting a substantial loss for the 2022 year.

As of 30 June 2022, the market value of the investment portfolio was \$17,980,749 (2021 \$19,412,311) a drop of 8.43% for the year. Realised losses for the year totalled \$137,331, and unrealised losses at 30 June were \$1,882,312.

Jarden continue to manage the portfolio in accordance with the terms of the Statement of Investment Policies and Objectives (SIPO). For a full report please refer to Note 7 in the Financial Statements (page 17) but in brief, the war in Ukraine and the damaging sanctions the West levied against Russia had a material negative impact on equity market returns. Bond markets were also weak in the face of rising interest rates, and the fastest pace of inflation increase in 40 years meant even cash 'real' returns were heavily negative. Jarden reported at 30 June that there were few places to hide, as the world continued to grapple with both the economic outcomes of a pandemic and the Russian invasion. They reminded us however that market volatility is not new. Negative returns are part of the investment cycle but, history shows positive returns dominate over the long term when robust investments are made. At 30 September 2022 the Portfolio value had increased to \$18,091,020 - a gain of \$110,271, in what is still an extremely volatile market. Kathy Gruschow (now Head of Private Bank Advisory, BNZ) continues as our investment advisor.

Monthly withdrawals from the portfolio to fund the operating of RWNZ totalled \$990,000 for the year, and \$1.2mil of capital funds were injected into the portfolio over April and May. These funds were historic proceeds from building sales, which had been ring-fenced in ANZ Term Deposits, while we investigated property options in Wellington. Our lease was due to expire in June 2022. The decision was made in early 2022 to sign a 6-year lease at new premises 175 Victoria Street. The decision to continue leasing was based on the significant change in compliance regulations, and the flow-on effect to the commercial retail estate market in Wellington post the Kaikoura earthquake. Having received this external advice, the Board did not have an appetite to purchase property at this time. The term deposits were injected into the portfolio as they matured, where we expect higher returns in the medium to long term than those offered by the commercial banks.

The current accounts and term deposits for both Scotlands Te Kiteroa and Education and Bursaries were transferred from Westpac to ANZ during the year to consolidate our banking operations.

Last year, I reported that the Board had recently approved a Strategic Investment Budget of \$500,000 to be spent over three years working towards new membership strategies and initiatives to ensure the longevity of the organisation. This is a major focus for the Board, with a goal of having 2000 members by 2023 and targeting 6000 by 2027. At 30 June \$53k of this budget had been spent.

The Board is mindful that there needs to be both a measured control of expenses, and/or an increase in income streams to establish an organisation that is both sustainable and affordable into the future. A move to the new premises results in an annual rent saving of \$40,000.

PWC were our external accountants for the year. They provided monthly management accounts for National Office and the Board and prepared these Consolidated Annual Accounts of both National Office and the Branches/Regions. From July 2022, we have appointed Dunedin based accounting firm Polson Higgs to this role.

My thanks go to all Members and Regional Leaders for your significant efforts with gathering Branch information for these Annual Reports. This year we consolidated both the Branch financials and SSPs in-house, hence the new look SSP.

With the combined efforts of Members, National Office, PWC and the Board we are pleased to receive another unqualified audit opinion. My thanks to our auditors BDO.

This is my final report as National Finance Chair. I would like to acknowledge the hard work of the National Office team, both throughout the year and at year end, working to tight deadlines to support the membership. Thanks again to my fellow Board members for your support and collegiality throughout the year and my tenure. Finally, thanks to all Members who provided me with encouragement and feedback in my role. It has been both a challenge and a pleasure to have been in this role for the past four years.

Jenny McDonald
National Finance Chair

Rural Women New Zealand Incorporated
National Office Dashboard
For the year ended 30 June 2022

| MEMBERSHIP | | | |
|---|-------------|------|-------|
| | 2022 | 2021 | 2020 |
| Number of members | | | |
| Financial Members (subs paid) | 1562 | 1606 | 1,642 |
| Members per region (including non-financial) | | | |
| Region 1 - Lower South Island | 452 | | |
| Region 2 - Mid South Island | 203 | | |
| Region 3 - Top of the South | 216 | | |
| Region 4 - Lower North Island | 230 | | |
| Region 5 - East mid-North Island | 85 | | |
| Region 6 - Greater Waikato | 230 | | |
| Region 6 - Taranaki | 122 | | |
| Region 7 - Top of North Island | 83 | | |
| | 1621 | | |

Note: The regional split is extracted from the database and includes non-paying members (including Award winners and Activators one-year memberships)

| ANALYSIS OF TRADING | | |
|--|--------------------|----------------|
| | 2022 | 2021 |
| | Actual | Actual |
| NATIONAL OFFICE TRADING SURPLUS (LOSS) | (2,575,981) | 1,038,542 |
| STRATEGIC INVESTMENTS BUDGET SPEND | (53,499) | 0 |
| FUNDS & RESERVES NET INCREASE/(DECREASE) | 2,528 | (2,553) |
| PROVINCES/BRANCH NET SURPLUS | 51,522 | (204,319) |
| RWNZ 2022 TOTAL SURPLUS | (2,575,430) | 831,670 |

- Eliminations on consolidation adjusted against branch activities
- Adjustment to 2021 comparative split to agree to treatment in 2022

| ASSETS BREAKDOWN 2022 | | | |
|--|-------------------|------------------|-------------------|
| | 2022 | 2022 | 2022 |
| | Nat Office | Branches | Total |
| Cash & bank | 171,505 | 753,759 | 925,264 |
| Term deposits - Scotlands TeK/Ed Bursaries | 1,209,501 | | 1,209,501 |
| Term Deposits - Branches/Provincials | | 2,049,004 | 2,049,004 |
| Jarden portfolio | 17,980,749 | | 17,980,749 |
| Fixed assets & intangibles | 46,359 | 785,479 | 831,838 |
| Other assets | 36,801 | 2,928 | 39,729 |
| Total assets | 19,444,915 | 3,591,170 | 23,036,085 |

| NOTES re NATIONAL OFFICE TRADING |
|--|
| Note (1) - Due to Covid disruption three concurrent Business awards events were held in the regions, connected via livestreaming, incurring additional costs |
| Note (2) - Reflects global drop in returns - refer Note 6 in Financial accounts |
| Note (3) - Policy hub work hindered by Covid disruptions. Hubs being revamped in 2022/2023 to strengthen activity and effectiveness |
| Note (4) - Budgeted events Covid disrupted including Fielddays, Golden Shears and Shepherdess Muster |
| Note (5) - Leadership hui postponed til September 2022 |
| Note (6) - Savings with the SSP and Branch consolidation work being completed in house this year, and 2021 included CE recruitment costs |
| Note (7) - Reduced server lease costs, and less maintenance on website than in previous years |
| Note (8) - Includes loss on computers and assets written off on move to new premises (computers replaced with laptops for work efficiency) |
| Note (9) - Budget based on conservative estimate for portfolio returns due to economic signals at the time |
| Note (10) - Connectors engaged later than budgeted |
| Note (11) - Only one draw on these funds during the year. Unspent funds to roll over |

| ANALYSIS OF NATIONAL OFFICE OPERATIONS FOR THE YEAR | | | | |
|--|--------------------|------------------|------------------|-------|
| NATIONAL OFFICE TRADING | Actual | Budget | Actual | Notes |
| | 2022 | 2022 | 2021 | Below |
| INCOME | | | | |
| Operating Income | | | | |
| Member Subscriptions | 67,940 | 72,000 | 69,761 | |
| Net Surplus Summit/Awards/AGM | (3,759) | (1,128) | 14,320 | (1) |
| Rental Income | 0 | 1,000 | 25 | |
| Other Income | 10,727 | 18,818 | 5,428 | |
| | 74,908 | 90,690 | 89,534 | |
| Investment Income | | | | |
| Jarden Portfolio | | | | |
| Realised Gains | (137,331) | 156,420 | (57,196) | |
| Unrealised Gains | (1,882,312) | 312,840 | 1,677,822 | |
| Interest & Dividends | 451,082 | 434,160 | 463,634 | |
| Jarden Service fee | (71,129) | (67,816) | (64,637) | |
| | (1,639,690) | 835,604 | 2,019,623 | (2) |
| ANZ Term Deposit interest | 10,984 | 12,000 | 17,965 | |
| TOTAL NATIONAL OFFICE INCOME | (1,553,798) | 938,294 | 2,127,122 | |
| EXPENSES | | | | |
| Operating Expenses | | | | |
| AGM/Election printing costs | 8,922 | 10,400 | 14,918 | |
| Policy Portfolios | 2,875 | 7,980 | 822 | (3) |
| Major Events Marketing/Promotion | 13,955 | 35,186 | 25,707 | (4) |
| RWNZ Express | 29,140 | 32,000 | 31,316 | |
| Staff expenses | 477,454 | 490,820 | 467,500 | |
| Board/Regional Leadership expenses | 151,853 | 165,405 | 149,576 | (5) |
| Professional services | 84,986 | 89,200 | 118,069 | (6) |
| | 769,185 | 830,991 | 807,908 | |
| Overheads | | | | |
| Office overheads | 49,622 | 56,227 | 56,981 | |
| Computer and Website expenses | 24,287 | 40,940 | 36,646 | (7) |
| Property Expenses | 111,780 | 114,227 | 124,218 | |
| | 185,689 | 211,394 | 217,845 | |
| Regional Expenses and Grants | 42,655 | 56,052 | 42,497 | |
| Depreciation/Loss on disposal | 24,654 | 20,400 | 20,330 | (8) |
| TOTAL NATIONAL OFFICE EXPENSES | 1,022,183 | 1,118,837 | 1,088,580 | |
| NATIONAL OFFICE TRADING LOSS | (2,575,981) | (180,543) | 1,038,542 | (9) |
| STRATEGIC INVESTMENT BUDGET (3 Years) | | | | |
| | Actual | Budget | Total | |
| EXPENSES | 2022 | 2022 | Budget | |
| Market Research | | | 40,000 | |
| Development of new products | | | 30,000 | |
| National Communications - strategic | 27,000 | 27,000 | 84,000 | |
| Regional Comms & Marketing (Connectors) | 18,169 | 38,500 | 243,000 | (10) |
| Contestable Funds | 1,739 | 20,000 | 90,000 | (11) |
| Leadership and Development plan | | 10,000 | 10,000 | |
| Board Strategy Development | 6,591 | | | |
| Other | | | 3,000 | |
| TOTAL STRATEGIC BUDGET SPEND | 53,499 | 95,500 | 500,000 | |

Notes - refer to left hand side panel

**Rural Women New Zealand
Incorporated
Performance report
for the year ended 30 June 2022**

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Entity Information

| | |
|--|--|
| Nature of business | Charitable Giving-Back Collaboration and Community Relationships Authoritative Rural Voice |
| Entity structure | Incorporated society |
| Formation date | 3 September 1931 |
| Main source of cash and resources | Cash and deposits |
| Main method used to raise funds | Various fundraising activities |
| Auditor | BDO Wellington Audit Limited |
| Bankers | ANZ |
| Registered charity number | CC21092 |
| Legal name | Rural Women New Zealand Incorporated |
| Postal address | PO Box 12-021, Thorndon, Wellington, 6144 |



STATEMENT OF SERVICE PERFORMANCE

RURAL WOMEN NEW ZEALAND

Rural Women New Zealand Ngā Wahine Taiwhenua o Aotearoa exists to strengthen, support and connect people and communities. A national registered charity with a nationwide membership, we provide the opportunity for our members who live, work or align with rural and regional New Zealand, the opportunity to:

- Continue our traditional role of supporting rural communities through charitable give back
- Engage with their local community and be part of building support and connection to strengthen these communities and;
- Be part of an organisation that provides a voice for issues that impact on their communities including health, education, environment and land use, business and technology, community and social inclusion.

THE YEAR IN REVIEW



CHARITABLE GIVEBACK

Our role in supporting communities extends from local individual support and wider local community responses through to funding held at a national level for educational bursaries, community grants and support for those affected by adverse events.



In 2022 Rural Women New Zealand contributed as follows.

| <u>National Support</u> | | <u>Local Community Donations and Support</u> | |
|--|----------|--|-----------|
| Includes Educational Scholarships and Bursaries, Community Grants and Adverse Events | | Includes support to local charities and community groups as well as families and individuals | |
| 2022 | 2021 | 2022 | 2021 |
| \$77,739 | \$67,676 | \$156,760 | \$159,617 |

The national support included \$13,660 towards international projects via Associated Country Women of the World (\$11,350 in 2021) and \$4730 collected for the ACWW South Pacific Tonga Floods Appeal.

MAKING AN IMPACT NATIONALLY

Our focus on our O is for.....Campaign has not just raised funds for the three national charities we have been supporting but also provided the opportunity to raise awareness both in rural communities and more generally regarding gynaecological cancers.

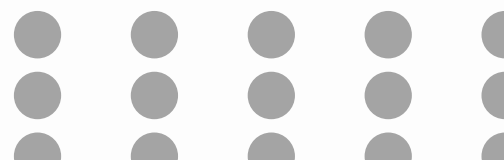
Activities have included presentations in schools, awareness raising community events and support of submissions to Parliament.



During our O is for..... Campaign, we were aware of ensuring we got the message out as widely as possible. In addition to a range of regional events including a very successful auction organised by our Region 6 Greater Waikato Members, we have been able to raise awareness by providing “take home” collateral at events that have meant the message has reached beyond those who are present and further into their communities and will have an impact beyond the campaign period.

\$43,451 dollars raised in total

| 2022 | 2021 |
|----------|---------|
| \$40,209 | \$3,242 |





COLLABORATION AND COMMUNITY RELATIONSHIPS

Across the country, Rural Women New Zealand members in our regions work with a diverse range of organisations including Rural Support Trust, Federated Farmers, local charities and emergency services providers, NZ Police, local hospitals and other health providers, local businesses and schools.

Although COVID-19 impacted the number of events held, connections were maintained through Zoom meetings, telephone trees and smaller events when possible.

At a national level, Rural Women New Zealand engages with a wide variety of primary industry groups, Government Departments, national organisations and businesses that support our work in the wider community.

This included supporting the Safer Farms “Control the Roll” campaign and supporting the Gender Pay Gap Campaign. We are represented on a range of Advisory, Collaborative, Industry or Government Consultation Groups spanning our policy portfolio areas. In 2022, Board Members or the CE participated in over 147 interactions or consultations on topics relevant to rural women and their families.

In September 2021, we launched our “Black Heels and Tractor Wheels” podcast which highlights the role that women play in their communities and which builds connection through key themes. Our listening audience has steadily grown not just in our rural communities but in urban areas with 15,339 downloads recorded by the end of Season 3 in June 2022.

2021 also saw the first online AGM and remits sessions for RWNZ in our 96 year history providing the opportunity for members to engage despite COVID-19 restrictions.

OUR VOICE

In addition to involvement with a range of consultative and advisory groups, Rural Women New Zealand contributes to or submits in its own right on issues that impact on rural communities.

| Activity | 2022 | 2021 |
|---------------------------|---|--|
| Parliamentary Submissions | 4 | 6 |
| Member Surveys | 4 | 12 |
| Media Coverage | 9 releases 56 instances of media coverage recorded * | 20 releases 80 instances of media coverage recorded * |
| National Social Media | 270,664 | Not reported in 2021 |

* Not all media coverage will be captured by this report



This year we have also supported the Citizens Advice Campaign for Inclusion in a Digital Age, the “Mind the Pay Gap” campaign and provided formal input to the Women’s Employment Action Plan.

[Signature]
Chief Executive
18 October 2022

[Signature]
National Finance
Chair
18 October 2022

Rural Women New Zealand Incorporated
Income statement
For the year ended 30 June 2022

| | Notes | 2022 \$ | 2021 \$ |
|---------------------------------------|-------|---------------------------|--------------------|
| Revenue | | | |
| Other revenue | 2 | <u>360,280</u> | <u>351,493</u> |
| Total revenue | | 360,280 | 351,493 |
| Investment revenue / (losses) - net | 3 | (1,527,050) | 2,141,530 |
| Expenses | | | |
| Depreciation and amortisation expense | 8,9 | (17,068) | (23,849) |
| Forestry operating expenses | | (39,527) | (43,227) |
| Personnel expenses | | (507,705) | (497,053) |
| Other expenses | 4 | <u>(1,026,360)</u> | <u>(1,097,818)</u> |
| Total expenses | | (1,590,660) | (1,661,947) |
| Surplus / (Deficit) | | <u>(2,757,430)</u> | <u>831,076</u> |

Rural Women New Zealand Incorporated
Balance sheet
As at 30 June 2022

| | Notes | 2022 \$ | 2021 \$ |
|-------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 925,264 | 1,718,575 |
| Trade and other receivables | 6 | 18,197 | 21,722 |
| Inventories | | 5,429 | 3,033 |
| Investments | 7 | 3,258,505 | 3,740,883 |
| Other current assets | | 16,100 | 10,503 |
| Assets held for sale | 8 | <u>225,000</u> | - |
| Total current assets | | <u>4,448,495</u> | <u>5,494,716</u> |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 292,693 | 520,154 |
| Intangible assets | 9 | 314,145 | 175,459 |
| Investments | 7 | <u>17,980,749</u> | <u>19,412,311</u> |
| Total non-current assets | | <u>18,587,587</u> | <u>20,107,924</u> |
| Total assets | | <u>23,036,082</u> | <u>25,602,640</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 183,504 | 150,094 |
| Deferred revenue | | <u>28,009</u> | <u>20,619</u> |
| Total current liabilities | | <u>211,513</u> | <u>170,713</u> |
| Total liabilities | | <u>211,513</u> | <u>170,713</u> |
| Net assets | | <u>22,824,569</u> | <u>25,431,927</u> |
| EQUITY | | | |
| Retained earnings | | 21,088,918 | 23,848,863 |
| Special & specific reserves | 11 | 1,443,203 | 1,440,688 |
| Revaluation reserve | | <u>292,448</u> | <u>142,376</u> |
| Total equity | | <u>22,824,569</u> | <u>25,431,927</u> |

Rural Women New Zealand Incorporated
Statement of changes in equity
For the year ended 30 June 2022

| | Notes | Revaluation reserve | Special & specific reserves | Retained earnings | Total equity |
|--|-------|------------------------|-----------------------------------|----------------------|-------------------|
| | | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2020 | | 91,390 | 1,498,508 | 23,020,357 | 24,610,255 |
| Surplus / (deficit) for the year | | - | - | 831,076 | 831,076 |
| Revaluation of carbon credits | | 50,986 | - | - | 50,986 |
| Repayment of reserves | | - | (60,390) | - | (60,390) |
| Funds transferred from retained earnings to special & specific reserves | | - | 2,570 | (2,570) | - |
| Balance as at 30 June 2021 | 10 | <u>142,376</u> | <u>1,440,688</u> | <u>23,848,863</u> | <u>25,431,927</u> |
| Balance as at 1 July 2021 | | 142,376 | 1,440,688 | 23,848,863 | 25,431,927 |
| Surplus / (deficit) for the year | | - | - | (2,757,430) | (2,757,430) |
| Revaluation of carbon credits | 9 | 150,072 | - | - | 150,072 |
| Funds transferred from retained earnings to special & specific reserves | | - | 2,515 | (2,515) | - |
| Balance as at 30 June 2022 | 10 | <u>292,448</u> | <u>1,443,203</u> | <u>21,088,918</u> | <u>22,824,569</u> |

Rural Women New Zealand Incorporated
Statement of cash flows
For the year ended 30 June 2022

| | Notes | 2022 \$ | 2021 \$ |
|--|-------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Operating revenue | | 373,973 | 384,560 |
| Payments to suppliers and employees | | (1,540,588) | (1,615,598) |
| Net GST received / (paid) | | <u>(2,623)</u> | <u>988</u> |
| Net cash outflow from operating activities | | <u>(1,169,238)</u> | <u>(1,230,050)</u> |
| Cash flows from investing activities | | | |
| Interest received | | 255,145 | 357,162 |
| Dividends received | | 237,292 | 174,393 |
| Purchase of property, plant and equipment | 8 | (10,807) | (1,612) |
| (Increase) / decrease in term deposits | | 482,378 | 301,763 |
| (Increase) / decrease in Jarden Portfolio investments | | (588,081) | 430,789 |
| Repayment of reserves | | <u>-</u> | <u>(60,389)</u> |
| Net cash inflow from investing activities | | <u>375,927</u> | <u>1,202,106</u> |
| Net increase in cash and cash equivalents | | | |
| | | (793,311) | (27,944) |
| Cash and cash equivalents at the beginning of the financial year | | <u>1,718,575</u> | <u>1,746,519</u> |
| Cash and cash equivalents at end of financial year | 5 | <u>925,264</u> | <u>1,718,575</u> |

1 Summary of significant accounting policies

These financial statements are for Rural Women New Zealand Incorporated including its branches, provincials, other groups and National Office (together, 'the Society'). The Society is an incorporated society registered under the Incorporated Societies Act 1908. The Society is registered under the Charities Act 2005.

(a) Basis of preparation

The Society has elected to apply PBE SFR -A (NFP) Public Benefit Entity Simple Format Reporting Accrual (Not-For-Profit), on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000 for more than 2 consecutive accounting years.

All transactions in the performance report are reported using the accrual basis of accounting. The performance report is prepared under the assumption the Society will continue to operate in the foreseeable future. These financial statements have been prepared under the historical cost convention.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollar.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Basis of consolidation

The Society controls an entity when it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

All entities in the Society have a balance date of 30 June, except for Rural Women New Zealand Forestry Scheme (Southland) Incorporated and Southland Holiday Homes, which have balance dates of 31 March and 30 November, respectively.

(i) *Controlled entities*

Controlled entities are entities controlled by the Society, being where the Society has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Society's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

1 Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Loss of control of a controlled entity

On the loss of control, the Society derecognises the assets and liabilities of the controlled entity, any minority interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Income tax

No provision for Income Tax has been made as the Society is registered as a charitable entity under the Charities Act 2005. Any surplus from activities is exempt from income tax.

(d) Goods and Services Tax (GST)

The Society is registered for GST. The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(e) Revenue

All revenue is recognised when earned and is reported in the financial period to which it relates.

Interest income is recognised as interest accrues using the effective interest method.

Dividend revenue is recognised when the society's right to receive the payment is established.

Subscription income is recognised as received in the financial/ membership year it relates to. Amounts received in advance are recognised as a liability if received prior to the applicable membership year.

(f) Leases

All leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(g) Cash and cash equivalents

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 3 months or less at inception.

(h) Trade and other receivables

Trade receivables are recognised at estimated realisable value.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Only items held for resale were included. Due allowance has been made for any obsolete items.

(j) Investments and other financial assets

Investments are stated at fair value through the Income Statement.

Bank term deposits with maturities at inception of greater than 3 months are recognised as investments.

1 Summary of significant accounting policies (continued)

(k) Property, plant and equipment

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. On transition the land and buildings owned by the Society have been recognised at their rateable values on transition.

The Rural Woman New Zealand Forestry Scheme (Southland) Incorporated owns a forest in the Southland area. There is no readily available valuation information and the provincial has not undertaken a valuation of the biological assets. As such the forestry itself has not been recognised as an asset with the land recognised at rateable value as noted above.

Land is not depreciated. Buildings are maintained to retain their condition with maintenance costs expensed, as such are not depreciated but rather considered annually for impairment. Depreciation on other assets is calculated using the straight line method.

| | |
|---------------------------|-----------------|
| - Land and Buildings | Not depreciated |
| - Computer Equipment | 2 - 12.5 years |
| - Furniture and Equipment | 3.3 - 10 years |

(l) Intangible assets

Carbon credits are initially recognised at fair value and are subsequently recorded using the revaluation method. The carrying amount of the carbon credits is based on market values at 31 March being the balance date of the Rural Woman New Zealand Forestry Scheme (Southland) Incorporated.

Website costs are capitalised on the basis of the costs incurred to acquire and bring to use the website. These are subsequently recognised at cost less accumulated amortisation and impairment. The website is expected to bring future economic benefits to the entity which can be directly attributed to the asset. As the website is now fully functional, these have been amortised based on an estimated useful life of 5 years.

(m) Comparative balances

Comparative balances have been reclassified and restated to conform with changes in presentation and classification adopted in the current period.

2 Revenue

| | Notes | 2022 \$ | 2021 \$ |
|-----------------------------------|-------|----------------|----------------|
| <i>Other Revenue</i> | | | |
| Donations | | 31,230 | 32,363 |
| Other Revenue | | 77,629 | 51,100 |
| Project and Event Income | 14 | 62,998 | 69,173 |
| Property Rental | | 47 | 206 |
| Special and Specific Funds Income | | 64,087 | 40,627 |
| Community Fundraising Income | | 56,349 | 87,653 |
| Subscriptions | | 67,940 | 70,371 |
| | | <u>360,280</u> | <u>351,493</u> |

Community Fundraising Income is funds raised by the activities in the Branches and Groups.

Other Revenue comprises \$8,487 (2021: \$737) from National Office and \$69,142 (2021: \$50,363) from the Branches and Groups. The National Office component comprises largely of \$5,000 from the Ministry of Women for a research project, and \$2,500 new sponsorship received this financial year.

Special and Specific Funds Income includes tagged donations into, collections on behalf of, and interest earned by the Special and Specific funds and Reserves (refer to note 11 for further details of these funds and reserves).

3 Investment revenue / (losses) - net

| | 2022 \$ | 2021 \$ |
|---|--------------------|------------------|
| Interest | 255,301 | 346,510 |
| Unrealised Gains / (Losses) on Jarden Portfolio | (1,882,312) | 1,677,823 |
| Realised Gain / (Losses) on Jarden Portfolio | (137,331) | (57,196) |
| Dividends | 237,292 | 174,393 |
| | <u>(1,527,050)</u> | <u>2,141,530</u> |

4 Other Expenses

| | Notes | 2022 \$ | 2021 \$ |
|---|-------|------------------|------------------|
| Accounting Fees | | 55,422 | 46,356 |
| Audit Fees | | 28,638 | 28,074 |
| Board and Leadership Council Expenses | | 158,444 | 149,576 |
| Branch Expenses | | 40,146 | 64,823 |
| Community Donations, Grants & Bursaries | | 158,560 | 164,517 |
| Community Events and Fundraising Expenses | | 28,821 | 65,926 |
| Computer and Database Expenses | | 17,917 | 24,713 |
| Delegate Conference Expenses | | 2,125 | 9,556 |
| General Expenses | | 100,004 | 123,556 |
| Investment Portfolio Management Expenses | | 71,129 | 64,637 |
| Marketing and Promotions | | 13,955 | 14,488 |
| Printing & Stationery | | 12,116 | 10,545 |
| Professional Services | | 5,507 | 21,614 |
| Project and Event Expenses | 14 | 63,663 | 64,927 |
| Publication Expenses | | 37,391 | 46,618 |
| Regional Development Funding | | 28,210 | 14,216 |
| Rent Expense | | 104,015 | 111,146 |
| Specific & Special Funds - Donations, Grants & Bursaries paid | | 82,087 | 57,170 |
| Subscriptions | | 18,210 | 15,360 |
| | | <u>1,026,360</u> | <u>1,097,818</u> |

Community Donations, Grants and Bursaries are donations, grants and bursaries made by branches and groups directly into their communities.

General expenses comprise \$64,705 (2021: \$59,626) from National Office and \$35,299 (2021: \$63,930) from the Branches and Groups.

Special and Specific Funds - Donations, Grants & Bursaries Paid includes donations, grants and bursaries paid from the Special Funds and Reserves, including those collected on behalf at National Office (refer to note 11 for further details of these funds and reserves).

5 Cash and Cash Equivalents

| | 2022 \$ | 2021 \$ |
|---|----------------|------------------|
| Westpac Education and Bursary Current Account | - | 26,543 |
| Westpac Scotlands Te Kiteroa Current Account | - | 31,420 |
| ANZ Education and Bursaries | 16,472 | - |
| ANZ Scotlands Current Account | 12,719 | - |
| ANZ Bank Online Call Account | - | 1 |
| ANZ Bank General Account | 121,403 | 31,406 |
| ANZ Bank Member Subscription Account | 20,911 | 29,930 |
| ANZ Bank Serious Saver | - | 7,384 |
| Branch Cash and Cash Equivalents | <u>753,759</u> | <u>1,591,891</u> |
| | <u>925,264</u> | <u>1,718,575</u> |

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

The National Office has a credit card limit of \$20,000.

The Current accounts for Education & Bursaries and Scotlands & Te Kiteroa were transferred from Westpac to ANZ during the year to consolidate our banking operations.

6 Trade and Other Receivables

| | 2022 \$ | 2021 \$ |
|-----------------------------|---------------|---------------|
| Trade and Other Receivables | 7,761 | 13,908 |
| GST | <u>10,436</u> | <u>7,814</u> |
| | <u>18,197</u> | <u>21,722</u> |

7 Investments

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Term deposits and investments - current | | |
| Bank Term Deposits | - | 1,200,000 |
| Bank Term Deposits - Education and Bursary, Scotlands Te Kiteroa | 1,209,501 | 1,198,324 |
| Total Branch Investments | <u>2,049,004</u> | <u>1,342,559</u> |
| Total - current | <u>3,258,505</u> | <u>3,740,883</u> |
| Investments - non current | | |
| Jarden Portfolio - Cash | 1,259,584 | 1,082,975 |
| Jarden Portfolio - Fixed Interest Bonds | 6,189,312 | 7,213,104 |
| Jarden Portfolio - Equities | <u>10,531,853</u> | <u>11,116,232</u> |
| Total - non current | <u>17,980,749</u> | <u>19,412,311</u> |
| Total investments | <u>21,239,254</u> | <u>23,153,194</u> |

At 30 June, the term deposits had an interest rate of 2.30% (2021: 0.80% to 0.85%).

The ANZ General Term Deposits of \$1,200,000 were added to the Jarden Portfolio over April and May 2022 as they matured. They had previously been ring-fenced for a possible commercial property purchase, but upon National office entering into a new six year building lease from 1 July 2022, these were combined into the portfolio where there is a potential of higher returns in the long term.

The Education & Bursary and Scotlands & Te Kiteroa Term Deposits were transferred from Westpac to ANZ Term Deposits during the year as they matured. This was to consolidate our banking operations.

Jarden Portfolio

At 30 June 2022 the market value of the investment portfolio was \$17,980,749 (2021: \$19,412,311).

Jarden continue to manage the portfolio in accordance with the Statement of Investment Policies and Objectives (SIPO). The SIPO was reviewed in early 2021 and a new asset allocation profile adopted, introducing a less conservative Balanced mandate, with a 40:60 split between income and growth assets.

The migration to the new profile was completed in August 2021 (slightly earlier than the planned September completion). Monthly withdrawals of \$90,000 continued through the 2021/22 year, except for April 2022.

Equity markets are driven by greed and fear and in the year to June 2022 the latter took centre stage. Early in the September quarter (i.e., the first quarter of the year), we saw a "sudden and sharp" fall in interest rates in response to easing inflationary fears. This was short-lived as the reopening of the global economy stoked fears of rising inflation later in the quarter and the focus turned to rising interest rates.

Fears of higher inflation began to be realised in the December quarter with 4.9% recorded in New Zealand; the RBNZ responded by increasing the Official Cash Rate (OCR) to 0.75%. This echoed similar actions from RBNZ's international counterparts, while the threat of covid continued to cast a long shadow over markets.

The Russian invasion of Ukraine in January added further fuel to investor fears as Western reprisals in the form of sanctions, and a spike in commodity prices (notably oil and gas), compounded inflationary pressures. Renewed lockdowns in China in response to covid outbreaks exacerbated already disrupted global supply chain issues. Markets responded accordingly with weakness across the board.

7 Investments (continued)

Inflationary pressures continued into the June Quarter, as did central bank tightening policies, with the OCR reaching 2.00% by June (we have since seen it rise to 3.00%). Further afield the inflationary picture is more dramatic with the UK exceeding 9% by June, and Germany suffering massive spikes in energy prices due to restrictions on the import of Russian gas.

After a flat 2021, global equity markets recorded negative returns for the year to 30 June; the first negative return for a June year end since 2016. Bond markets were also weak in the face of rising interest rates, while rising inflation eroded the value of cash. The investment portfolio fell 8.43% for the year (allowing for withdrawals of \$990,000 and the injection of an additional \$1.2m of capital).

The SIPO specifies a strategic (long term) target weight in each asset class, and an allowable range. These numbers are detailed below:

| Asset Class | Target Percentage | Range | Current percentage |
|------------------------|-------------------|-----------|--------------------|
| Cash | 8.0% | 0% - 16% | 7.0% |
| Fixed Interest | 32.0% | 22% - 46% | 34.4% |
| Property | 6.0% | 0% - 12% | 3.8% |
| NZ Equities | 16.0% | 6% - 26% | 14.7% |
| Australian Equities | 8.0% | 0% - 16% | 10.7% |
| Global Equities | 25.0% | 15% - 35% | 26.3% |
| Alternative Strategies | <u>5.0%</u> | 0% - 10% | <u>3.1%</u> |
| Total Assets | 100% | | 100% |

The key contributors to the overall portfolio returns in the year to June 2022 were:

- Bonds (-6.45%) – the repeated OCR hikes and accompanying rise in market rates eroded the capital value of listed bonds. On a positive note, new bonds were purchased with materially better yields.
- Property (-20.6%) – higher interest rates are typically associated with weaker returns in the property market. Accordingly, we have been tactically underweight property, as per the above table, but the returns have been poor, nonetheless.
- NZ Equities (-13.4%) – a2 Milk continued to disappoint and we exited this position. We also saw poor returns from Fisher & Paykel Healthcare as it came off covid driven peaks, Kathmandu, My Food Bag and retirement sector operators Oceania and Summerset (due to their property exposure). Not all was negative with Ebos having another strong year and the takeover of Z Energy delivering a 32% return in that stock.
- Australian Equities (-3.3%) – a relatively bright light in an otherwise dark year, we saw exceptional returns from Computershare (+57%), Ramsay Healthcare (+20%) and Worley (+33%), although the market was not without its laggards with Anz down 20% and James Hardie down 28%.
- Global Equities (-18.6%) – gave back much of the gains of the previous year with exposure to technology (Scottish Mortgage Trust, Polar Capital Technology Trust, Amazon and ASML), hit particularly hard, as were Europe and emerging market exposures. At the other end of the spectrum, we saw excellent returns from Apple, Hershey, and United Health.
- Alternative Assets (-0.29%) – this asset class is expected to have a low or even negative correlation with listed equities, hence its appeal from the perspective of diversification. The returns over the year largely bore this out. Private equity and silver were weak, but this was offset by the strength in gold and the “long-short” funds, although one of these funds has been sold.

The importance of diversification was highlighted by the vast range of returns. In a year with such widespread weakness, we were reminded of the importance of retaining a long-term perspective – i.e., short-term returns are interesting but irrelevant in the context of the next 5, 10 or 20 years. Markets have rallied somewhat since the end of June and while we cannot predict the immediate future, we will see a return of growth and with it, improved returns.

8 Property, Plant and Equipment

| | Forestry Land \$ | Awana Hall Land \$ | Awana Hall Building \$ | Fixtures and fittings \$ | Computer Equipment \$ | Other Branch PPE \$ | Total \$ |
|------------------------------------|------------------------|--------------------------|---------------------------------|-----------------------------------|-----------------------------|------------------------------|----------------|
| At 30 June 2021 | | | | | | | |
| Cost | 255,000 | 95,000 | 130,000 | 43,499 | 73,630 | 39,274 | 636,403 |
| Accumulated depreciation | - | - | - | (22,536) | (67,470) | (26,243) | (116,249) |
| Net book amount | <u>255,000</u> | <u>95,000</u> | <u>130,000</u> | <u>20,963</u> | <u>6,160</u> | <u>13,031</u> | <u>520,154</u> |
| Year ended 30 June 2022 | | | | | | | |
| Opening net book amount | 255,000 | 95,000 | 130,000 | 20,963 | 6,160 | 13,031 | 520,154 |
| Additions | - | - | - | - | 10,807 | - | 10,807 |
| Disposals | - | - | - | (3,729) | (3,857) | - | (7,586) |
| Assets classified as held for sale | - | (95,000) | (130,000) | - | - | - | (225,000) |
| Depreciation charge | - | - | - | (3,020) | (2,662) | - | (5,682) |
| Closing net book amount | <u>255,000</u> | <u>-</u> | <u>-</u> | <u>14,214</u> | <u>10,448</u> | <u>13,031</u> | <u>292,693</u> |
| At 30 June 2022 | | | | | | | |
| Cost | 255,000 | - | - | 35,773 | 78,662 | 39,274 | 408,709 |
| Accumulated depreciation | - | - | - | (21,559) | (68,214) | (26,243) | (116,016) |
| Net book amount | <u>255,000</u> | <u>-</u> | <u>-</u> | <u>14,214</u> | <u>10,448</u> | <u>13,031</u> | <u>292,693</u> |

The land includes the 292 (2021: 292) acres of forestry land upon which the RWNZ Forestry Scheme (Southland) Incorporated operates.

The land was originally donated in 1948, and over the years, the founders and successors of the Scheme has turned this into a profitable scheme. The trees are harvested on a rotational basis every few years, and the planted area is in various degrees of maturity. The profits from the operations are distributed to the provincials and branches within the Southland region. The distributed profits are used for charitable purposes in line with RWNZ's purpose, benefiting the surrounding communities within Southland.

The forest has been carried at nil book value, since the provincial has not undertaken a market valuation from an independent valuer. A proxy for the market value of the forest cannot be performed reliably without an independent valuer sighting and determining the condition of the forest.

The Rural Women NZ Awana Branch resolved to wind up in late June 2022 and to sell the Marion Barleyman Cottage property at 2 Moana View Road, Great Barrier Island. This sale was settled on 26 September 2022. The net proceeds from the sale are to be distributed to the Great Barrier Island Community Health Trust.

9 Intangible Assets

| | National Office - Website \$ | Carbon Credits \$ | Total \$ |
|---|---|----------------------------------|---------------------|
| At 30 June 2021 | | | |
| Cost or valuation | 60,350 | 142,376 | 202,726 |
| Accumulated amortisation and impairment | <u>(27,267)</u> | <u>-</u> | <u>(27,267)</u> |
| Net book amount | <u>33,083</u> | <u>142,376</u> | <u>175,459</u> |
| Year ended 30 June 2022 | | | |
| Opening net book amount | 33,083 | 142,376 | 175,459 |
| Revaluation | - | 150,072 | 150,072 |
| Amortisation charge | <u>(11,386)</u> | <u>-</u> | <u>(11,386)</u> |
| Closing net book amount | <u>21,697</u> | <u>292,448</u> | <u>314,145</u> |
| At 30 June 2022 | | | |
| Cost or valuation | 60,350 | 292,448 | 352,798 |
| Accumulated amortisation and impairment | <u>(38,653)</u> | <u>-</u> | <u>(38,653)</u> |
| Net book amount | <u>21,697</u> | <u>292,448</u> | <u>314,145</u> |

The New Zealand Emissions Trading Scheme (“ETS”) became law on 26 September 2008 with the passing of the Climate Change Response (Emissions Trading) Amendment Act 2008 (the Act). Rural Woman New Zealand Forestry Scheme (Southland) Incorporated is a participant in the ETS as it is an owner of pre 1990 forest land.

The Act provides for the credits to be transferred in two parts. 23 New Zealand carbon credits (NZUs) per hectare were transferred in the 2011 year. The 2,392 NZU's at the net value received when sold were recognised as income in the 2011 Statement of Financial Performance.

The balance being 3,848 NZU's were transferred on 9 January 2013 at \$2.05 per unit, and are recorded as an intangible asset in the Balance Sheet. The market value of carbon credits is \$76.00 as at 31 March 2022 (2021: \$37.00).

Under the ETS the entity will have an obligation to account for any emission released as a consequence of deforestation of pre 1990 forest land by surrendering NZUs to the extent of that emission. The entity has no liability for deforestation as at 31 March 2022 (2021: Nil).

10 Trade and other payables

| | 2022 \$ | 2021 \$ |
|-----------------------|-----------------------|--------------------|
| Trade payables | 70,479 | 51,909 |
| Accrued expenses | 91,901 | 73,451 |
| Employee entitlements | <u>21,124</u> | <u>24,734</u> |
| | <u>183,504</u> | <u>150,094</u> |

11 Special & specific reserves

| | 2022 \$ | 2021 \$ |
|--|------------------|------------------|
| Special reserve balances | | |
| ACWW Pennies for friendship | 812 | 1,444 |
| ACWW Subscriptions | 1,130 | 3,759 |
| ACWW Water for the Pacific | 110 | 300 |
| Gisborne homecare reserve | 8,788 | 8,788 |
| Safe Relations / It's Not Okay | 1,874 | 1,874 |
| WIF Sustainable Farming | 8,616 | 8,616 |
| ACWW - Rural Women's Health | 50 | - |
| International fund | 1,456 | 1,449 |
| RWNZ National Project "O is for" | 32,251 | 3,242 |
| Tonga Appeal | 500 | - |
| | 55,587 | 29,472 |
| Specific reserve balances | | |
| Education and bursary fund | 554,636 | 561,561 |
| Nellie Schroder bursary fund | 5,172 | 5,845 |
| Scotland's Te Kiteroa Charitable Grant | 688,745 | 696,498 |
| Adverse events | 49,240 | 52,629 |
| Community Grant | 71,291 | 76,568 |
| Miss Harris Tertiary Nursing Bursary | 18,532 | 18,115 |
| | 1,387,616 | 1,411,216 |
| | 1,443,203 | 1,440,688 |

Special reserves:

These reserves have been established by the governing body of RWNZ (previously National Council, now the Board), using funds from grants and donations for special Society activities and projects, which may be of a short term or continuing nature.

A further \$40,209 was raised for the RWNZ National Project "O is for" during this financial year, with \$11,200 being paid out to the respective charities. The balance is to be distributed in the 2022/2023 year.

Specific reserves:

These funds are set aside for specific purposes. The RWNZ society rules state the origins and charitable purposes for which the community fund and Education and bursary fund may be used.

The following Specific reserves fund a range of bursaries, grants and scholarship for which eligible individuals or organisations can apply. Further details can be found on RWNZ's website.

<https://ruralwomennz.nz/services/charitable-grants/>

- Education and bursary fund;
- Nellie Schroder bursary fund;
- Miss Harris Tertiary Nursing Bursary;
- Scotland's Te Kiteroa Charitable Grant;
- Adverse Events Fund; and
- Community Fund.

Bursaries funded from the Education and Bursary reserve include: Secondary School Boarding Bursaries; the Florence Polson Secondary School Bursary; the Diamond Jubilee Agricultural Tertiary Bursary; Education and Training Grants for people over 25 years of age, including the Audrey Reid and Ruby Stokes Grant; and Textbook Grants.

12 Contingencies

As at 30 June 2022 the Society had no contingent liabilities or assets (2021: nil).

13 Commitments

Operating lease commitments

| | 2022 \$ | 2021 \$ |
|--|--------------------|-------------------|
| No later than 1 year | 60,940 | 58,548 |
| Later than 1 year and no later than 5 years | 279,840 | 24,852 |
| Later than 5 years | <u>66,000</u> | <u>8,284</u> |
| Total | <u>406,780</u> | <u>91,684</u> |
| Commitments not recognised in the financial statements | <u>406,780</u> | <u>91,684</u> |

Our former premises in Technology House were vacated on 30 June 2022. A six year lease for 175 Victoria Street was signed on 16 May 2022 and began on 1 July 2022.

No other material commitments requiring disclosure have been identified by the Board and CEO of the Society (2021: Nil).

14 Project and Events Income and Expenses

The Project and Events Income and Expense line items include only projects and events run from National Office and do not include use of Specific Reserves funds or Adverse Events, or projects run by Branches and Groups.

Activities included under Project Expenses are:

- AGM and Remits Sessions
- NZI Rural Women New Zealand Business Awards
- Business Activator Events

(2021: AGM, NZI Rural Women New Zealand Business Awards, Sponsorship NZ Agricultural Journalist Award, National Fielddays).

15 Branches, Regions, Provincials and Groups

The 2022 consolidation of Rural Women New Zealand Incorporated includes reporting from the National Office and 89 (2021: 111) branches regions, provincials and other groups.

All entities have a balance date of 30 June with the exception of:

- Rural Women New Zealand Forestry Scheme (Southland) Incorporated - 31 March 2022; and
- Southland Holiday Homes - 30 November 2021.

Every entity is reporting 12 months of activity. In the opinion of the Board there is no material difference from the reporting dates for these entities and the 30 June balance date for the Society.

Each entity within the Society has provided a reporting pack and each reporting pack has been reviewed by RWNZ officials. Where evidence of other assets or legal entities has been identified, these have been researched and included in these financial statements. The reported results of the Branches, Provincials and Other Entities has been analytically compared to previously reported information and where the reported information seems inconsistent with expectations, this has been queried and concluded upon. For any Branches or Groups who did not provide their financial statements these entities are retained in 2022 consolidated equity at their last reported balance. For every reported entity within the consolidation, the bank and investment balances have been agreed to a bank statement or term deposit certificate. In the several cases where Branches or Groups have been unable to provide their 30 June 2022 Bank Statements, the Board members have concluded that any potential error could not be material to the group financial information reported. Material assets owned have been verified for rights of ownership and the valuation has been confirmed to independent evidence where appropriate. Only the Forest owned by the Rural Women New Zealand Forestry Scheme (Southland) Incorporated has not been ascribed a reporting value. The liabilities of the Branches, Provincials and Other Entities were expected to not be significant and is considered a low risk of misstatement.

It is acknowledged by the Board that a risk exists that not all assets and liabilities within the Society are captured. However as a result of the procedures performed, the Board considers the reported information of the reporting entities within the Society to be materially complete for the purposes of these financial statements.

16 Related party transactions

There were no related party transactions during the year ended 30 June 2022.

(2021: ECE Services and Staff Limited provided staff to complete the data compilation for the statement of service performance. The work was charged at an hourly rate plus materials that resulted in no additional gain to ECE Services and Staff Limited for doing this work. The amount accrued for this work is \$5,000. Rachael Dean, the National Finance Chair to November 2018, is a Director of ECE Services and Staff Limited.)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RURAL WOMEN NEW ZEALAND INCORPORATED**

Opinion

We have audited the performance report of Rural Women New Zealand Incorporated (“the Society”), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2022, the statement of financial position as at 30 June 2022, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 30 June 2022;
 - the service performance for the year then ended; and
 - the financial position of the Society as at 30 June 2022, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE (NZ) 3000 (Revised)”). 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 the Society 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, the Society.

Responsibilities of the Directors for the Performance Report

The directors are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) such internal control as the directors determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the directors are responsible on behalf of the Society for assessing the Society'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 Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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 economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the 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 Society'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 performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the 30 June 2022 of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the 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.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
18 October 2022