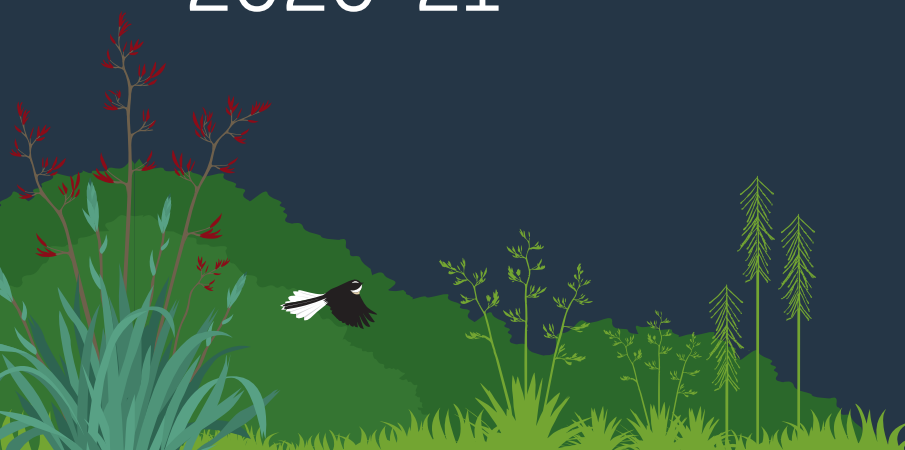




Whakarāpopototanga Pūrongo ā-tau **Annual Report Summary** 2020-21



He kupu nā te Heamana me te Tumuaki

Chair and Chief Executive's Message



The 2020-21 financial year continued much like its predecessor - working through the impacts on our work programmes due to COVID-19. As we adapted to new ways of working, we were fortunate to receive significant funding from central government for Infrastructure Climate Resilience and Jobs for Nature projects to assist with the region's recovery. Throughout the year, Council adopted the 2021-31 Regional Land Transport Plan (RLTP) and our 2021-31 Long-term Plan (LTP), and resolved to establish a Māori constituency or constituencies. Responding to central government's Essential Freshwater package and developing our response to climate change also dominated much of our activities.

The LTP will help contribute to many work programmes that central government has provided funding for. Jobs for Nature funding covers three main areas of work: fencing and planting, remediation to fish passages to enhance indigenous fish populations, and Lake Horowhenua water quality interventions. Historically, we have a high demand for fencing and planting; this funding allows us to increase this activity and work alongside landowners, iwi and hapū, schools and community groups to improve the health of the region's waterways.

The Pūwaha, the Whanganui Port Revitalisation project, is well underway. This project aims to rejuvenate the port for economic prosperity and community use of the waterfront. Over \$50 million has been invested, with \$26.75 million from central government's Provincial Growth Fund (PGF) and the rest of the cost is covered by the project's partners. The upgrade and repairs to both the North and South Moles is led by Horizons as a project partner. The work is essential to enable an operational port, as the moles define the river mouth and ensure a navigable depth is maintained for vessels, while also protecting port infrastructure from flooding.

This year, our biosecurity team celebrated the successful release of the field horsetail weevil, *Grypus equiseti*, aimed at being a long-term reduction tool for field horsetail. This pest plant particularly impacts our rural communities as it is toxic to some animals and affects the production of crops. The release of the weevil as a biocontrol agent is a global first and was not something we could complete on our own. A significant amount of the mahi was carried out alongside the Rangitikei Field

Horsetail Group, Landcare Research, AgResearch, Clifton School, Landcare Trust, Rangitikei District Council and Rangitikei Aggregates Limited.

Horizons' Climate Action Joint Committee held its inaugural meeting in March 2021. This committee has representatives from iwi, Horizons and the region's seven territorial authorities. The committee will use scientific evidence and mātauranga Māori in the region's response to climate change mitigation and adaptation. This committee is the first time tangata whenua representatives with voting rights have been formally appointed to any Horizons committee.

In February 2021, alongside Transit Coachlines, our transport team unveiled a new third-generation EV bus that is now in regular use across Palmerston North bus routes. The EV bus contributes to one of our RLTP goals of having transport systems that work towards climate change mitigation. The RLTP sets the strategic direction for transport across our region. This Plan is a collaborative effort between Horizons, our region's seven territorial authorities and Waka Kotahi NZ Transport Agency.

The above is a brief overview of the work Council has completed over 2020-21. More detailed information can be found within our 2020-21 Annual Report and on our website www.horizons.govt.nz.




RACHEL KEEDWELL
CHAIR




MICHAEL MCCARTNEY
CHIEF EXECUTIVE

This summary is a snapshot of some results of our work programme in the year from July 2020 to June 2021, taken from the audited full financial statements included in the Annual Report 2020-21, which was completed and adopted by Horizons Regional Council on 28 June 2022.

The information presented in these summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements contained within the Annual Report 2020-21. This report is obtainable from Horizons Regional Council offices, or can be downloaded from our website www.horizons.govt.nz.

The Annual Report 2020-21 has been audited, and received a clear audit opinion dated 28 June 2022. The following information summarises the Horizons Regional Council's (HRC) financial statements.

DISCLOSURES

HRC's full financial statements were prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP).

These summary financial statements have been prepared to comply with Public Benefit Entity Standard (PBE Standard) FRS43. This standard also requires HRC to make the following disclosures:

- This Annual Report Summary 2020-21 is prepared for HRC, which is the trading name of the Manawātū-Whanganui Regional Council, a local authority governed by the Local Government Act 2002. These summary financial statements are for the year ended 30 June 2021, and are presented for the HRC group, which consists of
 - Horizons Regional Council (the "Parent Entity")
 - A subsidiary MWRC Holdings Limited (MWRCH) (a Council Controlled Trading Organisation (CCTO))
- HRC has designated itself as a Public Benefit Entity (PBE) and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards). These standards are similar to International Public Sector Accounting Standards, with amendments for the New Zealand regulatory environment. As HRC meets the definition of a PBE, it applies specific recognition and measurement requirements that apply to PBE's. The information and specific disclosures included in this summary have been extracted from the full financial statements, included in the Annual Report 2020-21.
- HRC has made an explicit and unreserved statement of compliance with PBE standards in its "Notes to the Financial Statements" on page 99 of the full financial statements.

GENERAL

Financial Overview

These summary financial statements are presented in New Zealand dollars, which is our functional currency, and all values are rounded to the nearest thousand dollars (\$000s).

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2021 (\$000)

	Annual Plan 2020-21	Council Actual 2020-21	Group Actual 2020-21	Council Actual Adjusted 2019-20	Group Actual Adjusted 2019-20
Revenue					
Rates	47,264	47,169	47,169	46,701	46,701
Subsidies and grants	7,021	16,941	16,941	7,844	7,844
Development and financial contributions	0	0	0	0	0
Finance revenue	3,738	3,243	5,220	2,155	1,524
Other revenue	12,726	12,788	14,223	11,521	11,882
Total Revenue	70,749	80,141	83,553	68,221	67,951
Expenditure					
Personnel costs	20,814	20,921	20,921	20,241	20,241
Depreciation and amortisation expense	4,561	4,820	4,820	4,292	4,293
Finance costs	1,340	1,402	1,402	1,567	1,567
Other expenses	37,221	43,301	43,340	37,107	37,114
Total Expenses	63,937	70,444	70,483	63,207	63,215
Surplus/(Deficit) Before Tax	6,810	9,697	13,070	5,014	4,736
Income tax expense/benefit	0	0	347	0	68
Surplus/(Deficit) After Tax	6,810	9,697	12,723	5,014	4,668
Other comprehensive revenue and expense					
Financial assets at fair value through other comprehensive revenue and expense	63	641	641	65	31,065
Property, plant, and equipment revaluations	88,000	160,123	160,658	112,282	112,282
Total Other Comprehensive Revenue and Expense	88,063	160,764	161,299	112,347	143,347
Total Comprehensive Revenue and Expense	94,873	170,461	174,022	117,361	148,015

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (\$000)

	Annual Plan 2020-21	Council Actual 2020-21	Group Actual 2020-21	Council Actual Adjusted 2019-20	Group Actual Adjusted 2019-20
Total Current Assets	9,608	20,114	21,588	16,175	16,005
Total Non-current Assets	870,243	973,623	1,024,893	798,538	846,990
Total Assets	879,851	993,737	1,046,481	814,713	862,995
Total Current Liabilities	22,846	37,236	37,989	22,333	22,532
Total Non-Current Liabilities	45,790	35,740	36,087	42,080	42,080
Total Liabilities	68,636	72,976	74,076	64,413	64,612
Net Assets (Assets Minus Liabilities)	811,215	920,761	972,405	750,300	798,383
Asset revaluation reserves	428,258	524,491	525,026	364,368	364,368
Fair value through other comprehensive revenue and expense reserve	1,925	1,768	46,386	1,127	45,745
Restricted reserves	12,123	12,797	12,797	11,537	11,537
Infrastructure insurance reserves	4,440	4,680	4,680	4,060	4,060
Accumulated funds	364,469	377,025	383,516	369,208	372,673
Total Equity	811,215	920,761	972,405	750,300	798,383

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021 (\$000)

	Annual Plan 2020-21	Council Actual 2020-21	Group Actual 2020-21	Council Actual Adjusted 2019-20	Group Actual Adjusted 2019-20
Balance at 1 July	723,152	750,300	798,383	632,939	650,368
Total comprehensive revenue and expense for the year	88,063	170,461	174,022	117,361	148,015
Balance at 30 June	811,215	920,761	972,405	750,300	798,383

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 (\$000)

	Annual Plan 2020-21	Council Actual 2020-21	Group Actual 2020-21	Council Actual Adjusted 2019-20	Group Actual Adjusted 2019-20
Net Cash Flow from Operating Activities	10,707	18,112	22,224	3,560	3,594
Net Cash Flow from Investing Activities	(17,570)	(18,974)	(20,656)	(12,165)	(15,767)
Net Cash Flow from Financing Activities	5,000	4,967	4,967	9,000	9,000
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,863)	4,105	6,535	395	(3,173)
Cash, cash equivalents, and bank overdrafts	1,955	3,549	4,957	3,154	8,130
Closing Cash Balances	92	7,654	11,492	3,549	4,957

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanation of major variances from HRC's estimated figures in the Annual Plan 2020-21 are as follows:	Annual Plan 2019-20 \$000	Actual \$000	Variance \$000
Subsidies and Grants	7,021	16,941	9,920
Subsidies and Grants are higher than budgeted due to the additional government funding announced during the financial year for shovel ready projects.			
Finance Revenue	3,738	3,243	(495)
Finance Revenue is lower than budget due to the ongoing impact of the COVID-19 pandemic resulting in lower interest rate on term deposits. These rates were frequently lower than 1%.			
Other Revenue	12,726	12,788	62
Other contributions on some of our capital projects in our schemes were unable to be recognised this financial year due to ongoing discussions with stakeholders which were resolved later in the financial year than had been hoped. Off setting this is the gain on Carbon Credits recognised.			
Finance Expenses	1,340	1,402	(62)
These were higher than budgeted due to the need to recognise a provision for restoration of land we leased which due to an increase in inflation rates resulted in additional finance expense this year.			
Other Expenses	37,221	43,301	(6,080)
Other expenditure is higher than budgeted due to a combination of extra Wilding Conifer work completed by Horizons and other agencies and responses to other biosecurity incursions along with higher SLUI grants given which were funded out of the programmes reserves.			
Gain (Loss) on Asset Revaluations	88,000	160,123	72,123
Unit rates for certain asset types increased significantly above our original estimates resulting in a higher gain than anticipated.			
Cash and Cash Equivalents	92	7,654	7,562
Cash and Cash Equivalents are higher than budgeted due to the additional subsidies and grants we have received for areas such as shovel ready projects. Some of this funding is received in advance and there is a corresponding liability for it.			
Receivables	6,309	5,535	(774)
Expected invoicing to have occurred in June for our PGF funded capital works however due to delays in the project this didn't occur before year end.			
Accruals	1,641	4,868	3,227
Due to additional grant funding allocated to us by central government for jobs for nature. This revenue was accrued at year end along with an unexpected subvention payment from MWRCH.			
Prepayments	339	743	404
Increase in insurance costs for the financial year. Our insurance runs November to November so as at 30 June some of this is prepaid.			
Investments in other entities	3,227	3,958	731
Better returns than were anticipated were received on our share portfolio with Hobson Wealth.			
Investment Property	2,500	3,000	500
No gains on the investment property were budgeted for.			
Forestry Assets	6,661	5,683	(978)
Unexpected falls in log prices caused a significant decrease in the value of our forestry assets this year.			
Restoration Asset non-current	-	2,117	2,117
Asset arose due to a change in accounting treatment which was not budgeted for.			
Carbon Credits	-	5,135	5,135
Previously the value of these were immaterial to the accounts so were not budgeted for.			
Operational Assets	68,518	92,390	23,872
Revaluation of land and buildings was not budgeted for as this was an out of cycle revaluation. Normally we would revalue every 3 years however this year we revalued after 2 due to material movements in the market value of land and buildings. Adding to this was land purchase for our jobs for nature work that was unbudgeted for approx \$7m which was funded via central government funding.			
Infrastructural Assets	732,263	804,138	71,875
Unit rates for certain asset types increased significantly above our original estimates resulting in a higher gain than anticipated.			
Trade and Other Payables	12,025	14,179	(2,154)
Increases in accrued expenditure due to the additional work we picked up during the year along with additional revenue received in advance owing to the large amount of central government grant funded projects.			
Debt - Current portion	9,000	20,967	(11,967)
Utilised more short commercial paper debt than anticipated to take advantage of declining interest rates. Off sets with the Debt Non-Current variance below.			
Derivative Financial Instruments	806	468	338
Expiration of some of our older higher interest rate swaps which has dropped the value of these.			
Debt - Non-current portion	44,983	33,000	11,983
Utilised more short commercial paper debt than anticipated to take advantage of declining interest rates. Off sets with the Debt Current variance above.			
Provision - Replanting non-current	-	2,342	(2,342)
A review of the accounting treatment of obligations under existing lease agreements has given rise to this provision which was determined after the budget has been set.			

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 NON FINANCIAL TARGETS

Group of Activities	Number of targets	Achieved	Measure Not Available or Not Applicable	Partially or Not Achieved	% Achieved 2020-21	% Achieved 2019-20
Land and Water Management	34	29	1	4	87.88%	75.76%
Flood Protection and Control Works	33	12	6	15	44.44%	53.85%
Biosecurity and Biodiversity Management	17	17	0	0	100.00%	82.35%
Regional Leadership and Governance	33	26	3	4	86.67%	81.25%
Transport	9	7	0	2	77.78%	50.00%
Investment	5	3	0	2	60.00%	60.00%
TOTALS 2019-20	131	94	10	27	77.69%	
TOTALS 2018-19	131	86	10	35		71.07%

During the year, Horizons achieved 77.69% of all targets (last year's achievement was 71.07%).

Land and Water Management

The Land Management Activity achieved all six of the performance indicators set. This included mapping 3,910 hectares of erosion control works in targeted SLUI catchments, and 23,181 hectares of Whole Farm Plans mapped. The Water Quality and Quantity Activity achieved all 19 key performance indicators set. Across the 2020-21 year, a total of 162.9km of stream fencing has been completed, 182,914 plants have been established in stream margins and 20 barriers to fish passages have been repaired. The Resource Consent and Pollution Management Activity achieved four of the nine indicators set, with another one not applicable. Those not achieved are for various reasons including vacancies and additional pressure being put on the team from a large number of incidents.

For more information please refer to the link below for the State of the Environment Report 2019, which shows long-term trends and the Regional State of Environment Summary 2020-21 for water quality and quantity.

www.horizons.govt.nz/managing-natural-resources/state-of-our-environment

Flood Protection and Control Works

The River and Drainage General Activity achieved three of its nine key performance indicators with one not applicable. Only one environmental grant was funded instead of 10 due to a lack of applications. The River and Drainage Scheme Activity achieved nine of its 24 performance measures. Five of these were not applicable. Majority of those not achieved were due to resource constraints however level of service was not affected.

Biosecurity and Biodiversity

The Biosecurity Activity achieved all 12 performance indicators set. This included maintaining possum densities at below 10% of residual trap-catch, treating all known rookeries to reduce crop losses and damage, and monitoring of released biological agents to assess establishment and host damage. The Biodiversity Activity achieved all five of the key performance indicators, including adding 11 new sites to the priority sites programme.

Regional Leadership and Governance

Of the overall 33 key performance indicators for this Group, 26 were achieved, four were not achieved and three were not applicable. The Community Relationships Activity achieved eight out of 10 key performance measures with changes in the way media is able to access information reducing the need for media releases meaning fewer releases were done. The Environmental Reporting Activity achieved all six of its key performance measures.

Emergency Management achieved seven out of eight performance measures. Due to appropriate external resources being unavailable due to the COVID-19 lockdown not all outputs were completed for hazard information update being carried out to update information as per the approved project plan. These are being carried over for completion in 2021-22. The Governance Activity achieved two of the four performance targets, with two being not applicable. The Information Activity achieved all three performance indicators set. The Iwi Activity's key performance measure was not applicable for this year. Strategic Management did not achieve the only key performance measure set out the year.

Transport

The Road Safety Education Activity achieved its key performance indicator, delivering a total of 43 road safety programmes across the region against a target of 30. Transport Planning Activity achieved all performance measures; and the Passenger Transport Activity achieved two of four of the key performance indicators set for the year with COVID-19 restrictions hindering the recovery of passenger numbers.

Investments

Investments achieved three out of five of their performance measures. Delays in tenancies for Te Ao Nui meant the dividend from MWRCH was less than expected and historically low interest rates continued to hamper the interest we received on investments.

The above is a brief overview of the work Council has completed over 2020-21. More detailed information can be found within our 2020-21 Annual Report and on our website www.horizons.govt.nz.

OTHER DISCLOSURES

Prior year adjustments

The Council and Group has identified that the correct accounting treatment was not applied in prior years to the accounting for the forestry rights and associated forestry related assets, in particular the recognition of carbon credits (NZUs) earned from the forestry assets held by the Council and the obligation for the Council to replant the land after first harvest. Therefore the Council and Group has adjusted its comparative year financial statements for the year ending 30 June 2020. The adjustment includes corrections relating to the pre-2020 financial year that has been adjusted through the 2020 opening equity.

Carbon credits (NZUs) are earned as the forests grow and should be recognised as intangible assets at their fair value at the date they are earned with a corresponding credit to revenue. Previously the Council have not valued these in the financial statements, however due to the increase in NZUs held and the fair value of the most recent units received the total value of the carbon credits at 30 June 2020 was \$3.4M (2019: \$1.6M).

The Council also has an obligation to replant the land after the first harvest. Therefore a restoration provision has been recognised by establishing a liability equal to the present value of costs expected to be incurred in replanting the land after harvest with a corresponding debit to a restoration asset. At each reporting period the restoration asset will be amortised to reduce this to nil at the expected date of replanting and the discount on the liability unwound, so the provision equals the expected outflow at the date of replanting.

The adjustments are shown in page 111 of the Annual Report 2020-21.

Contingent Liabilities

HRC has an investment in pre-1990 forestry, and although HRC may have potential liability for deforestation penalties should these be harvested and not replanted, HRC does not consider these to be significant.

As the obligation to surrender carbon credits only arises on deforestation, the Council has elected not to recognise a liability for the surrender of its carbon units while the forests continue to grow. If the forests were harvested today an estimated liability to surrender carbon credits of \$0.45 million exists (2020: \$0.19 million).

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+ and a foreign currency rating of AA.

As at 30 June 2020-21, the Council is one of 54 local authority guarantors of the LGFA. Also, together with the other shareholders and guarantors, the Council is a guarantor of all the LGFA's borrowings. The LGFA's loans to local authorities are \$12.8 billion (2020: \$10.9 billion), of which the Group and the Council have borrowed \$0.049 billion (2020: \$0.049 billion). As a result, the Group and the Council's cross-guarantee on LGFA's loans to other local authorities is \$12.8 billion (2020 \$10.9 billion).

PBE Accounting Standards require the Group and the Council to recognise the guarantee liability at fair value. However, the Group and the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Group and the Council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- The Council is not aware of any local authority debt default events in New Zealand; and,
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

There are no other contingent liabilities.

Contingent Assets

HRC has no significant contingent assets at balance date (last year nil).

Associate/Subsidiary Contingent Liabilities

MWRCH has entered into an agreement with a future tenant and the agreement contains construction timelines which are required to be met. Should these not be met there is potential liability for the company (this was the same as per last year).

Liabilities of Associates/Subsidiaries for which the Group is Severally Liable

There are no liabilities for which HRC is severally liable (last year nil).

Operating Lease Commitments

HRC has an operating lease commitment as lessee as at 30 June 2021 relating to leasing of printers and copiers (same as last year).

HRC also has an operating lease commitment as lessee for land leased for the Whanganui Service Centre, and building lease at 17-23 Victoria Ave, Palmerston North. Total commitment for this at 30 June 2021 is \$0.940 million (last year \$0.782 million)

There are General Operating Land Lease commitments for HRC as lessors, primarily in respect of river and drainage scheme land leased out for agricultural purposes. Total commitments for Council and Group for these at 30 June 2021 are \$5.654 million (last year \$5.730 million).

HRC has a ground lease to MWRCH for 17-23 Victoria Ave, Palmerston North. Total commitment as lessee for this at 30 June 2021 is \$4.131 million (last year \$4.263 million).

There are operating lease commitments for MWRCH as lessors in respect of a property at 28 North Street, Palmerston North, 17-23 Victoria Ave, Palmerston North, and 7 Victoria Ave, Palmerston North. Total commitments for these at 30 June 2021 are \$10.430 million (last year \$11.979 million).

Total commitments as lessors is \$9.785 million for HRC and \$16.128 million for the Group (last year \$9.993 million and \$17.709 million).

No restrictions placed on the Council and Group by any of the operating leasing arrangements.

No contingent rents have been recognised.

The Council has an agreement with landowners that on harvest a share of the net harvest proceeds after the trees have been harvested and sold is payable to the landowners. The Council has not recognised a liability for the landowners' share of net proceeds until the harvest event occurs and therefore net proceeds have eventuated.

The Council has an agreement with some landowners that any excess residual carbon credits will be shared between Horizons and the landowner. The Council has not recognised a liability for the landowner's residual carbon credits until our forests are harvested.

Land Property is leased under operating leases.

The average lease period is 10 years, and some have the option to renew these leases.

Other Commitments (\$000)

Council Actual 2019-20	Group Actual 2019-20	Contracts	Council Actual 2020-21	Group Actual 2020-21
Infrastructural Assets				
481,761	481,761	Total Capital Commitments	835,978	835,978

Other Notes on Commitments

There are other minor operating expenditure commitments for orders and hire contracts at balance date but these are immaterial.

Council is committed to several projects partially funded from Central Government. The life of these projects is multiple years and for varying dollar amounts. The projects are Climate Resilience projects on the Lower Manawatu River, Rangitikei River and Foxton East Drainage Schemes. Council is also involved in the Lower Whanganui Port Revitalisation project as well as the Jobs for Nature project. Central Government is funding these projects via either the Provincial Growth Fund or the COVID-19 Response and Recovery Fund.

Breach of Statutory Deadline

Under section 98(3) of the Local Government Act 2002, the Annual Report must be completed and adopted by resolution, within four months after the end of the financial year to which it relates. Due to COVID-19 legislation was

introduced to increase this timeframe by a further two months. The delays are due to the technical consideration of the forestry rights, associated recognition of assets, obligations, and disclosures. Council formally adopted the annual report on 28 June 2022.

Implications of COVID-19

The change in alert levels throughout the financial year had very little impact on the Council's operations. There was some additional expenditure relating to the provision of PPE but beyond this operations were able to continue as usual.

Events After Balance Date

2021: For full details on these please see page 136 of the Annual Report 2020-21. Events included the country wide level 4 lockdown, the awarding of a contract for rock supply worth \$3.27 million, purchase of property by MWRCH of \$2.7 million in total, lease of office space, and a contribution from Council to its subsidiary MWRCH for construction on 17 Victoria Ave.

2020: On 2 July 2020, the Provincial Development Unit announced funding of \$7.5 million to develop infrastructure on the Lower Whanganui River as part of the provincial growth fund initiative from Central Government. The following week, on 7 July 2020 an \$18.4 million jobs for nature package was announced for the region. Additionally, on 3 August 2020, a \$26.9 million climate change resilience package was also announced for the region. There is no initial impact to the ratepayer.



INDEPENDENT AUDITOR'S REPORT**To the readers of Horizons Regional Council and Group's summary of the annual report for the year ended 30 June 2021**

The summary of the annual report was derived from the annual report of the Horizons Regional Council and group (the Regional Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 2 to 7:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 28 June 2022.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the summary and full annual reports, we have audited the Regional Council's 2021-2031 long term plan and performed a limited assurance engagement related to the Regional Council's debenture trust deed. Other than in our capacity as auditor, we have no relationship with, or interests in the Regional Council or its subsidiaries and controlled entities.



Debbie Perera,
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
28 July 2022



For more information visit www.horizons.govt.nz
or freephone Horizons on **0508 800 800**