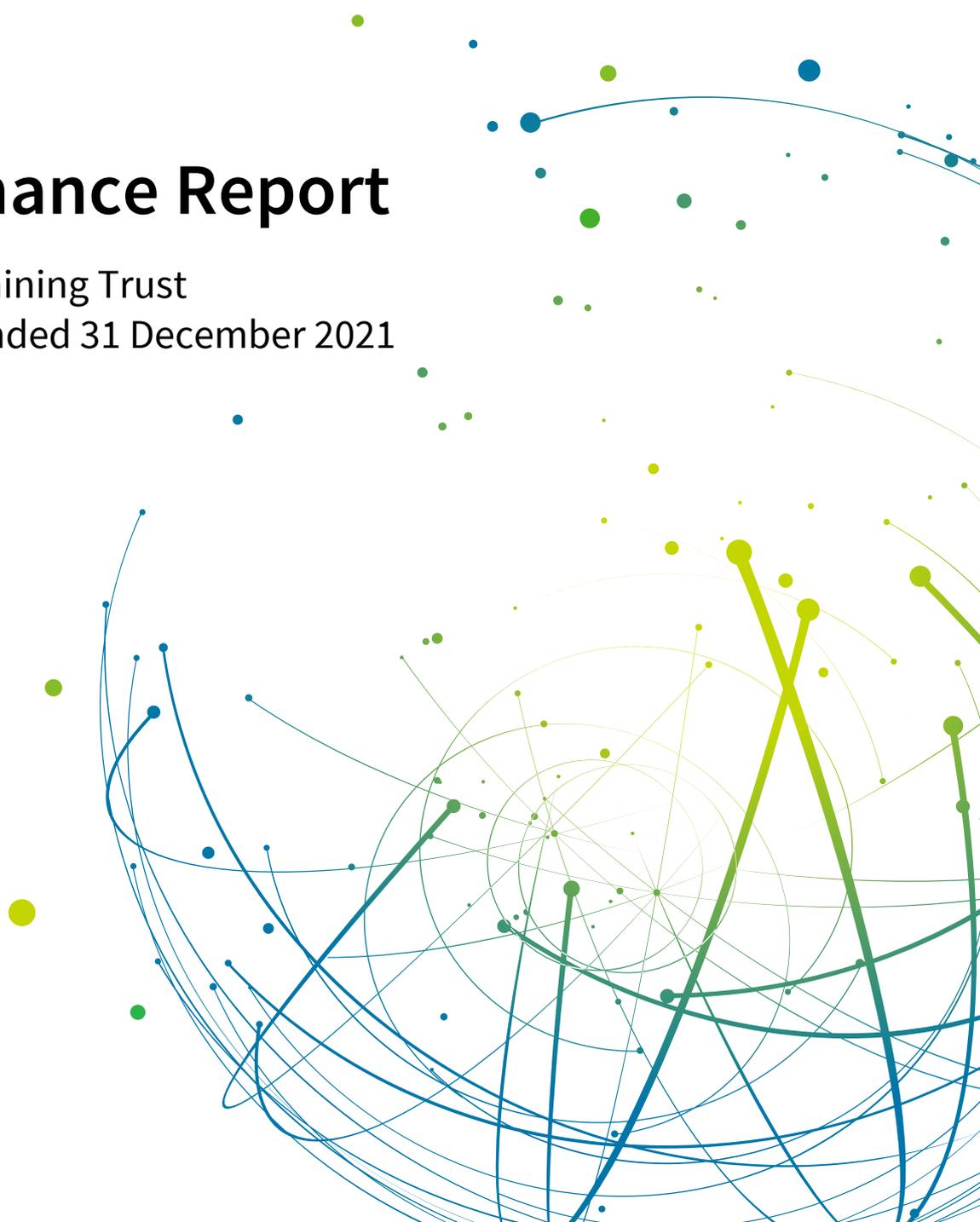


Performance Report

Hospitality Training Trust
For the year ended 31 December 2021

Prepared by Deloitte Private



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Entity Information

Hospitality Training Trust For the year ended 31 December 2021

Legal Name of Entity

Hospitality Training Trust

Entity Type and Legal Basis

Hospitality Training Trust is incorporated under the Charitable Trusts Act 1957 and is registered with Charities Services.

Charities Number

CC47426

Entity's Mission

To advance training in the hospitality sector, and to develop and promote excellence, leadership, talent and knowledge within the industry.

Entity Structure

Hospitality Training Trust ("the Trust") is a Trust focused on supporting the hospitality sector in New Zealand through providing grants which promote training. It is also a registered charity.

The Trust is governed by a Board of Trustees comprising the three appointed members of the Trust.

The Board of Trustees can decide how often it meets, but must convene an Annual General Meeting each year.

The Trust is structured in order to support its key strategic objectives as follows:

- a Board of Trustees, appointed by three organisations in the hospitality sector, for three year renewable terms
- a Secretary appointed to provide part time support to the Board and manage operational aspects
- four ordinary meetings per annum, guided by agreed Work Programme, and an Annual General Meeting.

Main Sources of Entity's Cash and Resources

Hospitality Training Trust's primary source of funding is through receipt of income from equities, fixed interest, and other investments.

Approval of Financial Report

Hospitality Training Trust For the year ended 31 December 2021

The Board are pleased to present the approved financial report including the historical financial statements of Hospitality Training Trust for year ended 31 December 2021.

APPROVED

Bruce Robertson

Chair

Date

Chris Roberts

Trustee

Date

Statement of Service Performance

Hospitality Training Trust

For the year ended 31 December 2021

Description of Entity's Outcomes

Successful Management of Trust Funds

- Investment of the Trust's capital in such a way that the capital sum grows to better or at least match inflation, and sufficient income is earned to enable the distribution of grants in accordance with the Trust Deed.

Grants Awarded Appropriately and in accordance with the Trust Deed

- Clear and sound processes are followed in soliciting, assessing and deciding applications for grants that match the Deed's Objects.

High Quality Governance

- Trustees have in place good governance policies and processes to support the two key strategic outcomes above and ensure the work of the Trust is publicly available.

	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Description and Quantification of the Entity's Outputs			
Funds Under Management			
Income earned from Funds investment under Investment Policy Statement	507,245	-	739,628
Grants Management			
Funds formally agreed for potential distribution	-	-	-
Funds awarded (funds formally approved by the Trust)	125,775	-	1,456,130
Governance			
Secretariat fee	17,249	-	18,304
Chair fee	5,750	-	5,750

Additional Output Measures

- Quarterly reports on investments received and considered:
 - Investment Policy Statement reviewed regularly with professional advisers, Craigs.
- Grants management
 - Applications called for under an agreed process and decisions made by all Trustees (allowing for conflict of interest).
 - Four meetings a year to consider and monitor grants.
- Work Programme adhered to
 - Annual programme of work adopted by Trustees at the first meeting of the new year according to the timetable set out in the document and is monitored at each meeting of Trustees.
- Risk management and Conflicts of Interest identified and managed
 - Reviewed at each meeting; any Trustee conflicted takes no part in decision making on the application in question (but may be consulted).

Statement of Financial Performance

Hospitality Training Trust

For the year ended 31 December 2021

	NOTES	2021	2020
Revenue			
Interest, Dividends and Other Investment Revenue	1	275,926	214,250
Realised and Unrealised Gain (Loss) on Investments	1	231,319	525,378
Total Revenue		507,245	739,628
Expenses			
Grants and Donations Made	2	101,124	1,471,973
Other Expenses	2	63,523	61,997
Total Expenses		164,647	1,533,969
Surplus/(Deficit) for the Year		342,598	(794,342)

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

Hospitality Training Trust As at 31 December 2021

	NOTES	2021	2020
Assets			
Current Assets			
Bank Accounts & Cash	4	7,672	17,560
Other Current Assets	4	8,347	11,271
Total Current Assets		16,019	28,831
Non-Current Assets			
Property, Plant and Equipment	5	108	215
Investments	4	7,946,305	7,590,788
Total Non-Current Assets		7,946,413	7,591,003
Total Assets		7,962,432	7,619,834
Liabilities			
Current Liabilities			
Creditors	8	5,000	5,000
Total Current Liabilities		5,000	5,000
Total Liabilities		5,000	5,000
Total Assets less Total Liabilities (Net Assets)		7,957,432	7,614,834
Accumulated Funds			
Accumulated Surpluses	3	7,957,432	7,614,834
Total Accumulated Funds		7,957,432	7,614,834

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

Hospitality Training Trust For the year ended 31 December 2021

	2021	2020
Cash Flows from Operating Activities		
Cash was received from		
Interest, dividends and other investment receipts	264,295	(92,861)
Cash was applied to		
Donations or grants paid	101,124	1,471,973
Payments to suppliers and employees	63,415	61,781
Total Cash Flows from Operating Activities	99,756	(1,626,615)
Cash Flows from Investing and Financing Activities		
Cash was applied to		
Acquisition of investments	109,643	(1,635,834)
Total Cash Flows from Investing and Financing Activities	(109,643)	1,635,834
Net Increase/ (Decrease) in Cash	(9,887)	9,219
Cash Balances		
Cash and cash equivalents at beginning of period	17,560	8,341
Cash and cash equivalents at end of period	7,672	17,560
Net change in cash for period	(9,887)	9,219

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Accounting Policies

Hospitality Training Trust

For the year ended 31 December 2021

Basis of Preparation

The entity 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. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust. Revenue is accounted for as follows:

Interest and dividend income

Interest income is recognised on an accruals basis.

Dividend income is recognised when the dividend is declared.

Other income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Income Tax

The Trust is a registered charity under the Charities Act 2005, and accordingly is not subject to income tax.

Bank and Deposit Accounts

Bank and Deposit Accounts in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

All amounts are recorded inclusive of GST as the Trust is not GST registered.

Investments

Investments are carried at fair value as calculated by the investment portfolio.

Financial Instruments

The Trust is party to financial instruments as part of normal operations. These financial instruments include bank accounts, creditors and investments. All financial instruments are recognised in the statement of financial position and all revenue and expenses in relation to financial instruments are recognised in the statement of financial performance. The carrying value of these assets approximates their fair value.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Grant Issuance Policy

Applications are called in March each year via website and print media advertising. Applications are considered by the Trustees. Any conflicts of interest are declared by Trustees.

Criteria for approval are for projects or ideas that will further the aims and criteria of the Trust around building excellence across the hospitality sector.

Recipients invoice and receive 75% of the agreed Grant at the commencement of the project. The recipients will invoice and receive the final 25% once the project is completed and once the final report is approved by the Trustees.

Grant recipients are to provide progress reports quarterly and a final report once the project is completed.

Tier 2 PBE Accounting Standards Applied

PBE IPSAS29 –financial instruments: recognition and measurement.

The carrying cost of investments assets is the fair value. The fair value of share investments and held to maturity investments is the market valuation quoted at the reporting date. Surpluses and deficits are shown in the Statement of Financial Performance. Fixed term investments are generally held to maturity. Shares are generally held long term.

Financial instruments

The Trust has elected to apply NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement for its financial assets and financial liabilities. Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

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

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

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified as either loans and receivables or available-for-sale financial assets. The Trust's financial assets include: cash and cash equivalents, short-term investments, receivables and investments.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Trust's investments equities fall into this category of financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, short-term investments, receivables and non-equity investments fall into this category of financial instruments.

Impairment of Financial Assets

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

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

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

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Trust's financial liabilities are trade and other creditors (excluding GST and PAYE). All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Notes to the Performance Report

Hospitality Training Trust For the year ended 31 December 2021

	2021	2020
1. Analysis of Revenue		
Interest, dividends and other investment revenue		
Dividends received	132,906	131,913
Interest received	56,729	69,307
PIE income received	86,291	13,029
Realised gains (losses) on investments	(14,555)	(313,549)
Unrealised gains (losses) on investments	245,874	838,927
Total Interest, dividends and other investment revenue	507,245	739,628
	2021	2020

2. Analysis of Expenses

Other expenses		
Accountancy Fees	2,979	2,944
Advertising Expenses	6,434	7,540
Audit Fees	3,254	3,145
Chair fee	5,750	5,750
Depreciation	108	215
Legal Expenses	2,243	-
Portfolio Management Fees	24,641	23,548
Secretariat fee	17,249	18,304
Website Expense	866	551
Total Other expenses	63,523	61,997

Grants and donations made

Ara Institute

Ara Cookery & Bakery Competition	1,875	-
Masterclasses for High School Teachers	4,500	-
Total Ara Institute	6,375	-

Bed & Breakfast Association

COVID-19 Grant	-	8,100
Guide to Running a Successful Bed & Breakfast	3,019	-
Total Bed & Breakfast Association	3,019	8,100

BYATA ~ Backpacker Youth Adventure Tourism Association

BYATA Covid Recovery Project	7,500	-
Total BYATA ~ Backpacker Youth Adventure Tourism Association	7,500	-

Celia Hay

New Zealand Wine Tasting Competition	3,000	-
Total Celia Hay	3,000	-

DINE Academy

Nurture Scholarship & Showcase Event 2019	-	5,000
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	2021	2020
Nurture Scholarship & Showcase Event 2020	-	30,000
Nurture Scholarship & Showcase Event 2021	10,000	-
Total DINE Academy	10,000	35,000
Eastern Institute of Technology		
2019 Workplace Learning	-	875
Total Eastern Institute of Technology	-	875
Food Writers New Zealand		
Food Writers NZ - Professional Development Programme 2021	3,750	-
Total Food Writers New Zealand	3,750	-
Francesca Bonventre		
NZ Wine education on the Chatham Islands	2,813	-
Total Francesca Bonventre	2,813	-
Holiday Parks Association of NZ		
COVID-19 Grant	-	56,000
Total Holiday Parks Association of NZ	-	56,000
Hospitality New Zealand		
COVID-19 Grant	-	562,400
International Keynote Speaker - Hospitality New Zealand Conference 2019	-	9,000
Knowledge Hub Compliance Training	7,500	-
Nationwide Hospitality Online Training via Typsy	11,250	-
Total Hospitality New Zealand	18,750	571,400
NZ Chefs Association		
COVID-19 Grant	-	34,650
NZChefs Seminar Series - Food for Thought	9,000	-
NZ Hospitality Championships 2021	4,500	-
Total NZ Chefs Association	13,500	34,650
NZ School of Food		
NZ Wine Guide - 2nd Edition	-	1,875
Total NZ School of Food	-	1,875
Renard Group Ltd		
Business Health Matters - The New Normal	-	11,625
Total Renard Group Ltd	-	11,625
Restaurant Association New Zealand		
COVID-19 Grant	-	470,000
Implementation of Podcasting Software and New Pod-cast Library	6,375	-
National Leadership Roadshow 2019	-	15,000
Professional Development Roadshow 2021	9,375	-
Total Restaurant Association New Zealand	15,750	485,000
Tourism Industry Aotearoa		
COVID-19 Grant	-	248,850
Total Tourism Industry Aotearoa	-	248,850

	2021	2020
The Learning Lab		
The Safe Food Refresh Programms	5,625	-
Total The Learning Lab	5,625	-
Turning Tables		
Roaming the Regions 2019	-	1,875
Short Training Videos	600	1,800
Total Turning Tables	600	3,675
Vegetables.co.nz & Heart Foundation		
Professional Development Seminars for Teachers	2,058	6,173
Total Vegetables.co.nz & Heart Foundation	2,058	6,173
Young Tourism Export Council		
Leadership Day 2019	-	1,250
Leadership Day 2020	886	7,500
Leadership Day 2021	7,500	-
Total Young Tourism Export Council	8,386	8,750
Total Grants Paid	101,124	1,471,973
	2021	2020

3. Accumulated Funds

Accumulated Funds		
Opening Balance	7,614,834	8,409,176
Operating Surplus (Deficit) on activities for the year	342,598	(794,342)
Total Accumulated Funds	7,957,432	7,614,834
Total Accumulated Funds	7,957,432	7,614,834
	2021	2020

4. Analysis of Assets

Bank accounts and cash		
BNZ Current Account	7,672	17,560
Total Bank accounts and cash	7,672	17,560
Other current assets		
Interest Receivable	8,347	11,271
Total Other current assets	8,347	11,271
Investments made up of		
Bonds	1,620,680	1,699,627
Equities	451,724	5,282,934
Property Investments	5,020,111	442,045
Cash	853,790	166,182
Total Investments	7,946,305	7,590,788

	2021	2020
5. Property, Plant and Equipment		
Office equipment	1,880	1,880
Accumulated depreciation on office equipment	(1,772)	(1,665)
Total Property, Plant and Equipment	108	215

6. Commitments and contingencies

There were Grants approved but not paid of \$28,193.75 at 31 December 2021 (Last year - \$19,032.50). Other than this there are no commitments or contingencies as at 31 December 2021 (Last year - \$Nil).

	2021	2020
7. Related Parties		
Amounts paid to Chair	5,750	5,750
COVID-19 grant paid to Hospitality New Zealand	-	562,400
COVID-19 grant paid to Tourism Industry Aotearoa	-	248,850
	2021	2020

8. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial Assets

Financial assets at fair value through surplus or deficit

Investments	7,946,305	7,590,788
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Loans and receivables

Cash and cash equivalents	7,672	17,560
Interest Receivable	8,347	11,271

Total Financial Assets	7,962,324	7,619,619
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Financial Liabilities

At amortised cost

Accounts Payable	5,000	5,000
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Total Financial Liabilities	5,000	5,000
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9. Events After Balance Date

The Hospitality Training Trust Board of Trustees Meeting was held on Thursday 27 January 2022 via Zoom. The Trustees approved the Finance Report for the financial year ending 31 December 2021. It was noted the Annual General Meeting will now be held in May 2022. The approval of 2022 grant applications will also take place at the Annual General Meeting.