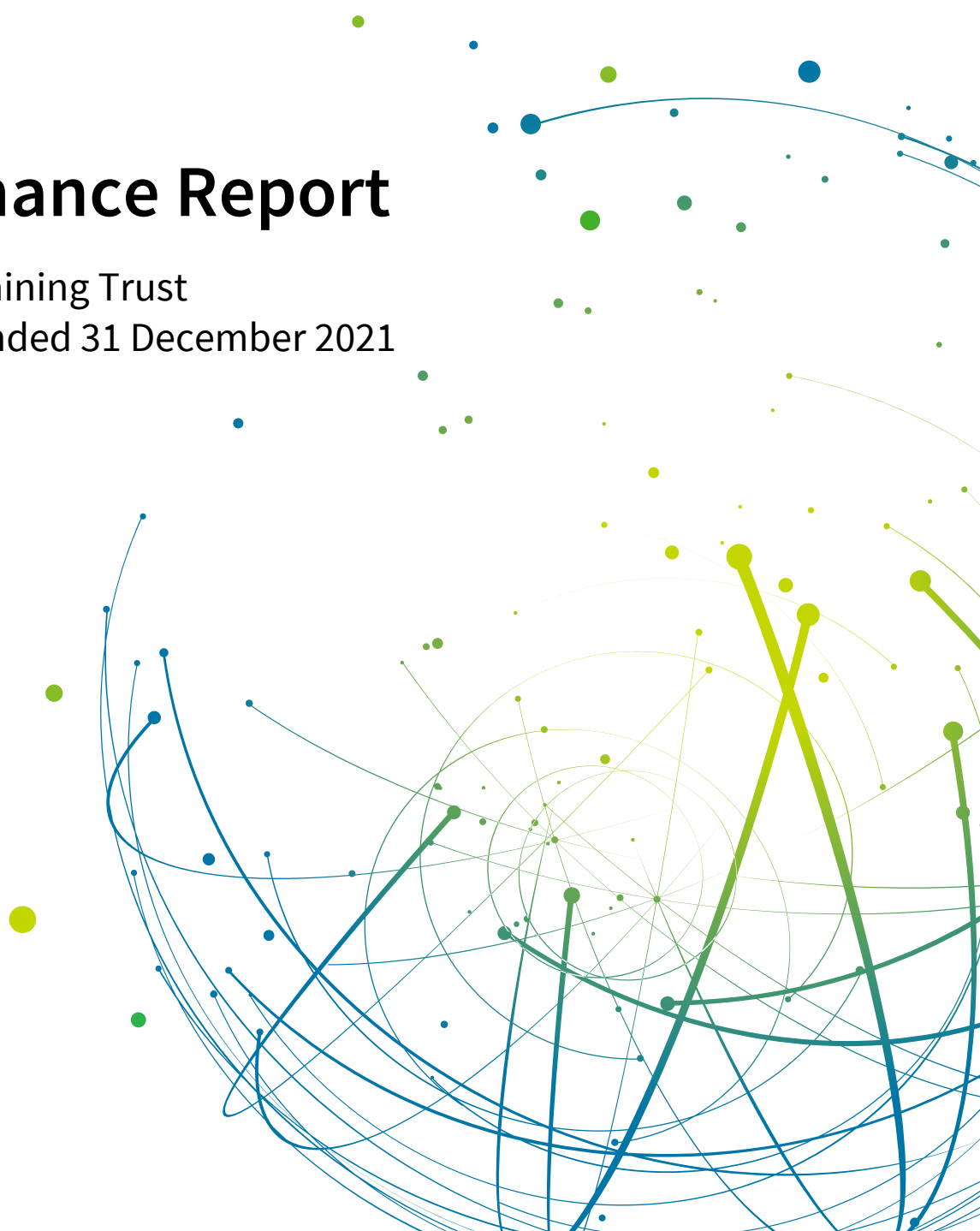


# Performance Report

Hospitality Training Trust  
For the year ended 31 December 2021

Prepared by Deloitte Private



# Contents

3	Entity Information
4	Approval of Financial Report
5	Statement of Service Performance
6	Statement of Financial Performance
7	Statement of Financial Position
8	Statement of Cash Flows
9	Statement of Accounting Policies
12	Notes to the Performance Report

# 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

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Bruce Robertson

Chair

Date .....

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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
<b>Description and Quantification of the Entity's Outputs</b>			
<b>Funds Under Management</b>			
Income earned from Funds investment under Investment Policy Statement	507,245	-	739,628
<b>Grants Management</b>			
Funds formally agreed for potential distribution	-	-	-
Funds awarded (funds formally approved by the Trust)	125,775	-	1,456,130
<b>Governance</b>			
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
<b>Revenue</b>			
Interest, Dividends and Other Investment Revenue	1	275,926	214,250
Realised and Unrealised Gain (Loss) on Investments	1	231,319	525,378
<b>Total Revenue</b>		<b>507,245</b>	<b>739,628</b>
<b>Expenses</b>			
Grants and Donations Made	2	101,124	1,471,973
Other Expenses	2	63,523	61,997
<b>Total Expenses</b>		<b>164,647</b>	<b>1,533,969</b>
<b>Surplus/(Deficit) for the Year</b>		<b>342,598</b>	<b>(794,342)</b>

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

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
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from</b>		
Interest, dividends and other investment receipts	264,295	(92,861)
<b>Cash was applied to</b>		
Donations or grants paid	101,124	1,471,973
Payments to suppliers and employees	63,415	61,781
<b>Total Cash Flows from Operating Activities</b>	<b>99,756</b>	<b>(1,626,615)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was applied to</b>		
Acquisition of investments	109,643	(1,635,834)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(109,643)</b>	<b>1,635,834</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(9,887)</b>	<b>9,219</b>
<b>Cash Balances</b>		
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
<b>1. Analysis of Revenue</b>		
<b>Interest, dividends and other investment revenue</b>		
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
<b>Total Interest, dividends and other investment revenue</b>	<b>507,245</b>	<b>739,628</b>

	2021	2020
<b>2. Analysis of Expenses</b>		
<b>Other expenses</b>		
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
<b>Total Other expenses</b>	<b>63,523</b>	<b>61,997</b>

### Grants and donations made

#### Ara Institute

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

#### Bed & Breakfast Association

COVID-19 Grant	-	8,100
Guide to Running a Successful Bed & Breakfast	3,019	-
<b>Total Bed &amp; Breakfast Association</b>	<b>3,019</b>	<b>8,100</b>

#### BYATA ~ Backpacker Youth Adventure Tourism Association

BYATA Covid Recovery Project	7,500	-
<b>Total BYATA ~ Backpacker Youth Adventure Tourism Association</b>	<b>7,500</b>	<b>-</b>

#### Celia Hay

New Zealand Wine Tasting Competition	3,000	-
<b>Total Celia Hay</b>	<b>3,000</b>	<b>-</b>

#### 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	-
<b>Total DINE Academy</b>	<b>10,000</b>	<b>35,000</b>
<b>Eastern Institute of Technology</b>		
2019 Workplace Learning	-	875
<b>Total Eastern Institute of Technology</b>	<b>-</b>	<b>875</b>
<b>Food Writers New Zealand</b>		
Food Writers NZ - Professional Development Programme 2021	3,750	-
<b>Total Food Writers New Zealand</b>	<b>3,750</b>	<b>-</b>
<b>Francesca Bonventre</b>		
NZ Wine education on the Chatham Islands	2,813	-
<b>Total Francesca Bonventre</b>	<b>2,813</b>	<b>-</b>
<b>Holiday Parks Association of NZ</b>		
COVID-19 Grant	-	56,000
<b>Total Holiday Parks Association of NZ</b>	<b>-</b>	<b>56,000</b>
<b>Hospitality New Zealand</b>		
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	-
<b>Total Hospitality New Zealand</b>	<b>18,750</b>	<b>571,400</b>
<b>NZ Chefs Association</b>		
COVID-19 Grant	-	34,650
NZChefs Seminar Series - Food for Thought	9,000	-
NZ Hospitality Championships 2021	4,500	-
<b>Total NZ Chefs Association</b>	<b>13,500</b>	<b>34,650</b>
<b>NZ School of Food</b>		
NZ Wine Guide - 2nd Edition	-	1,875
<b>Total NZ School of Food</b>	<b>-</b>	<b>1,875</b>
<b>Renard Group Ltd</b>		
Business Health Matters - The New Normal	-	11,625
<b>Total Renard Group Ltd</b>	<b>-</b>	<b>11,625</b>
<b>Restaurant Association New Zealand</b>		
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	-
<b>Total Restaurant Association New Zealand</b>	<b>15,750</b>	<b>485,000</b>
<b>Tourism Industry Aotearoa</b>		
COVID-19 Grant	-	248,850
<b>Total Tourism Industry Aotearoa</b>	<b>-</b>	<b>248,850</b>

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

### 3. Accumulated Funds

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

### 4. Analysis of Assets

<b>Bank accounts and cash</b>		
BNZ Current Account	7,672	17,560
<b>Total Bank accounts and cash</b>	<b>7,672</b>	<b>17,560</b>
<b>Other current assets</b>		
Interest Receivable	8,347	11,271
<b>Total Other current assets</b>	<b>8,347</b>	<b>11,271</b>
<b>Investments made up of</b>		
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
<b>Total Investments</b>	<b>7,946,305</b>	<b>7,590,788</b>

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

## 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
<b>7. Related Parties</b>		
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
	<b>2021</b>	<b>2020</b>

## 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

<b>Total Financial Assets</b>	<b>7,962,324</b>	<b>7,619,619</b>
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### Financial Liabilities

#### At amortised cost

Accounts Payable	5,000	5,000
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<b>Total Financial Liabilities</b>	<b>5,000</b>	<b>5,000</b>
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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.