



Supplementary Documents 2019-2020

SUPPLEMENTARY DOCUMENTS

2019-2020

Ngā Tāngata Tiaki o Whanganui Trust Annual General Meeting

For the period 1 April 2019 to 31 March 2020

inclusive of:

Te Ngakinga o Whanganui Investment Trust

Whanganui Iwi Fisheries Limited

Te Whawhaki Trust

Venue - Virtual

Sunday 27 September 2020

AGM – 11am to 1pm

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2. Apologies
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**Minutes of the Annual General Meeting
held on 22 September 2019
Ngā Tāngata Tiaki o Whanganui Trust
Held at Ngapuwaitaha Marae, Taumarunui,
Commencing at 12.16pm**

1. **Mihi** Utiku Potaka
2. **Karakia** Brett Te Kere
3. **Present** Refer to the attached Attendance Register
4. **In attendance** Silks Audit, Deloitte and Te Pou Tupua
5. **Apologies** That the apologies were received from the floor and the Register
6. **Minutes of the Meeting held on 23 September 2018**

Amendment to the minutes:

- Sonny Teki was an attendee at the 2018 AGM.

Resolution: THAT the minutes from the last AGM held on 23 September 2018 be approved as true and correct

[MOVED] John Maihi **[SECONDED]** Uru Gardiner **[CARRIED]**

7. Annual Report

The Annual Report for 2019 was presented which included a video presentation. Supporting kōrero was provided by the Trust Chairperson, Gerrard Albert.

An oral presentation was given by Te Rua Wallace, a Te Mana o Te Awa Scholarship recipient studying Environmental Planning at Waikato University.

Resolution: That the annual report be received.

[MOVED] Gail Imhoff **[SECOND]** Hakopa Ruru-Canterbury **[CARRIED]**

8. Appointment of Auditor

Resolution: THAT Silks Audit Chartered Accountants be re-appointed as the Trust's Auditor for the 2019-2020 financial year.

[MOVED] Soraya Peke-Mason **[SECOND]** Robert Cribb **[CARRIED]**

9. Trustee Remuneration for 2019-2020

The Trust received advice from EY Tahi in July 2019 which has formed the basis of this recommendation. Trustee remuneration has remained unchanged for the past two years. The Trust recommends that the annual remuneration of the Deputy Chairperson remain at the same level as for the last two years and the Chairperson and Trustees remuneration to be increased.

Question: Why are the Chairperson and Deputy Chairperson at the mid-range and the Trustees at the low range?

The Trustees actually have taken a conservative approach for the Chairperson and Deputy Chairperson even though they perform a much bigger job and could possibly be at the high end of the range. There are still things being set up and support for management is required.

Question: In terms of Trust size, is Ngā Tāngata Tiaki o Whanganui considered small or big as that would make a difference to the pay range?

In comparison with others, generally this is a smaller Trust. The range provided is based on the value of the Trust rather than numbers of Trustees sitting at the Trust table.

There is a hell of a lot of responsibility and the remuneration should be increased more. Suggestion that Trustees should have more too and that at the next AGM, there should be an increase for Trustees.

Resolution: THAT the annual remuneration of the Chairperson, Deputy Chairperson and Trustees for 2019-2020 be set as follows:

- Chairperson \$80,000
- Deputy Chairperson \$51,750
- Trustees \$30,000

[MOVED] Dyana Patea **[SECOND]** Robert Cribb **[CARRIED]**

Note: Erana Mohi voted against the resolution as she thinks the remuneration should be higher.

10. Te Whawhaki Trust

Chris Kumeroa, Trustee for Te Whawhaki Trust provided an outline on progress towards setting future directions for the Trust.

11. Te Ngakinga o Whanganui Investment Trust

Dr Rāwiri Tinirau presented the year in review for Te Ngakinga o Whanganui Investment Trust and acknowledged Keria Ponga for her mahi while she was a Trustee on the Trust.

12. Whanganui Iwi Fisheries Limited

Dr Rāwiri Tinirau presented the year in review for Whanganui Iwi Fisheries Limited and acknowledged Keria Ponga for her mahi while she was a Director on the Company.

13. Te Pou Tupua

Turama Hawaira presented the Pou Tupua kōrero.

14. General Business

Commercial Freshwater Fisheries

Ngā Tāngata Tiaki o Whanganui Trust do not take part in commercial freshwater fisheries. Most other iwi do exercise their right around freshwater fisheries.

Ongarue Rubbish Dump

There is currently no retaining wall for the Ongarue rubbish dump and if a flood comes through, there is a risk of rubbish polluting the Awa. There is a bigger climate change issue and it's not just looking at a retaining wall but removing the rubbish completely.

Clarification is sought to see if this site is one of the 16 sites chosen by the Government that needs work done on it.

Acknowledgements

On behalf of the Trust, the Chairperson thanked and acknowledged Te Matua a Rohe, Te Roopu Mana Whenua, Kaumatua, Kāhui Legal, Cameron Town (Silks Audit), Te Whawhaki Trust (Nancy Tuaine, Chris Kumeroa and Hayden Turoa), Te Ngakinga o Whanganui Investment Trust (Simon Karipa, Dr Rāwiri Tinirau, Declan Millin and Russel Bell), Advisory Trustee Tracey Waitokia, Audit and Risk Committee (Russel

Bell, Laurissa Cooney, Declan Millin, Alaina Teki-Clark and Sandy Nepia), the Relationship Group (Cheri Van Schravendijk-Goodman, Hakopa Ruru-Canterbury), Blair Anderson (General Manager), Kahureremoa Aki (Project Manager) and all current Management (Lennox Love, Pania Winterburn and Utiku Potaka), Staff and Trustees.

15. Karakia Whakamutunga

As there was no further business the meeting was declared closed at 2.09 pm with karakia whakamutunga.

Sunday 22nd September 2019 AGM Attendance:

Dr Rāwiri Tinirau, Soraya Peke-Mason, Brett Te Kere, Rodney Nikora, Carol Tyson Rameka, Gale McRitchie, Cameron Town, Laurissa Cooney, Amoa Hawira, Teresa Akapita, Mere Wakefield, Harrieh Leah Ngatai, Nga Remu Huia Tahuparae, Maggie Taite, Norma Turner, Hakopa Ruru-Canterbury, Eugene Topine, Gerrard Albert, Amiria Beamsley, Rangi Bristol, John N Maihi, Robert Cribb, Le'Che Kingi-McCavana, Macy Duxfield, Tawaroa Te Tana Ponga, Jenny Allen, Hannah Rainforth, Pania Winterburn, Cassy Titter, Renee' Tamehana, Racquel McKenzie, Javell Pereka, Julie Herewini, Lennox Love, Utiku Potaka, Manahi Gardiner, Anahera Haami, Jake Robinson, Awatea Tupe, Maree Tupe, Chris Miles, Chris Kumeroa, Rangimarie Hall, Hayden Turoa, Siani Walker, Riakanga Iwikau, Dyana Patea, Gordon Cribb, Dante Karangaroo, Alaina Teki-Clark, Karanga Gundersen, Sandy Nepia, Joey Allen Jnr, Uru Gardiner, Erana Mohi, Te Maire Hawira, Te Rua Wallace, Douglas Mohi, Gail Imhoff, Blake Akapita, Noeline Woods, Josephine Wood, Turama Hawira, Deslee Ballard, Dixie Ballard, Che Wilson, Connor Pauro, Cruz Pauro, Julia Teki, Sharon McLroy, Piki McFadyen and Ian Downman.

Sunday 22nd September 2019 AGM Apologies:

Dame Tariana Turia, Nancy Tuaine, Willie Hutch, Ken Mair, Vera and Willy Wilson, Rana Mareikura, Jill Sheehy, Novena McGuckin, Tracey Waitokia, Kenny Jones, Rangimarie Wakeford, Graham Bell, Keria Ponga, Piki Waretini, Piki McLeod and Steve McLeod, Piki Anderson, Mere Kanara Huwyler, Karanga Morgan, Lenny Nicholls, Andre Mason, Diane Ratana, Tomoananui Ponga, Jo Taiaroa, Kataraina Millin, Merleen and April Taiaroa, Gavin Brooks and Retihiamatikei Cribb.

MINUTES OF ANNUAL GENERAL MEETING (AGM) 2019

Acceptance of AGM Minutes:

THAT the minutes from the last AGM held on 22 September 2019 be approved as true and correct

ANNUAL REPORT

The Annual Report is presented and supported by a video, supplementary documentation and oral presentations at the Annual General Meeting.

Proposed Resolution:

THAT the Annual Report be received

FINANCIAL STATEMENTS

The end of year audited consolidated financial statements were prepared by Deloitte in accordance with Generally Accepted Accounting Practices and were audited by Silks Audit Chartered Accountants. They were reviewed by Senior Management, the Audit and Risk Committee and finally approved by the Trust on 27 July 2020.

The audited consolidated financial statements are summarised in the Annual Report and are presented in their entirety in the Supplementary Documents.

RESOLUTIONS ANNUAL GENERAL MEETING 2020

APPOINTMENT OF AUDITOR FOR 2020-2021

The Trust recommends to the Annual General Meeting that Silks Audit Chartered Accountants be appointed as the Trust's Auditor for the 2020-2021 financial year.

As a best practice measure, the Trust undertook an RFP (Request for Proposals) process for audit services in August 2020. Two proposals were received including one from the incumbent Silks Audit. The proposals were assessed against capability, flexibility, professionalism, timeliness and costs. Silks Audit was clearly the preferred option.

Proposed Resolution:

That Silks Audit Chartered Accountants be appointed as the Trust's Auditor for the 2020-2021 financial year

TRUSTEE REMUNERATION 2020-2021

The Trust recommends to the Annual General Meeting that the annual remuneration of the Chairperson, Deputy Chairperson and Trustees remain at the same level as last year as follows:

Chairperson	\$80,000
Deputy Chairperson	\$51,750
Trustees:	\$30,000

Factors considered in making the recommendation of retaining the status quo included:

1. The uncertain current financial and economic climate due to the Covid-19 Pandemic requires a cautious approach when setting remuneration;
2. The Trustees continue to maintain a high workload including the ongoing implementation of Te Awa Tupua framework, Trust and subsidiary planning and monitoring, regular Trust meetings and attendance at various hui, workshops, hapū/iwi engagements and events; and
3. At last years AGM, the Trust recommended to increase the remuneration of the Chairperson and Trustees based on independent advice received from EY Tahi in July 2019 for a similar profile organisation with assets between \$100m and \$200m. The effect would mean that the Chairperson and Deputy Chairperson would be remunerated at the market median rate while the Trustees would be remunerated at the lower end of the market range.

Proposed Resolution:

That the annual remuneration of the Chairperson, Deputy Chairperson and Trustees for 2020-2021 be set in line with that resolved at the 2019 Annual General Meeting as follows:

Chairperson	\$80,000
Deputy Chairperson	\$51,750
Trustees	\$30,000

TUPUA TE KAWA

Nō te kawa ora a 'Tupua te Kawa' hei taura here nā Te Awa Tupua me ōna tāngata ki te kawa nō tawhito rangi.

p. 11

The natural law and value system of Te Awa Tupua, which binds the people to the River and the River to the people.

KO TE AWA TE MĀTĀPUNA O TE ORA

Te Awa Tupua is a spiritual and physical entity that supports and sustains both the life and natural resources within the Whanganui River and the health and wellbeing of the iwi, hapū and other communities of the River.



E RERE KAU MAI TE AWA NUI MAI I TE KĀHUI MAUNGA KI TANGAROA

Te Awa Tupua is an indivisible and living whole from the mountains to the sea, incorporating the Whanganui River and all of its physical and metaphysical elements.



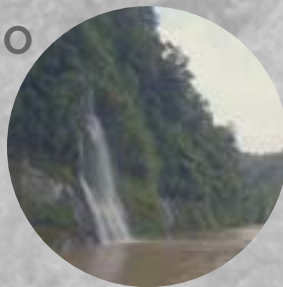
KO AU TE AWA, KO TE AWA KO AU

The iwi and hapū of the Whanganui River have an inalienable interconnection with, and responsibility to, Te Awa Tupua and its health and wellbeing.



NGĀ MANGA ITI, NGĀ MANGA NUI E HONOHONO KAU ANA, KA TUPU HEI AWA TUPUA

Te Awa Tupua is a singular entity comprised of many elements and communities, working collaboratively for the common purpose of the health and wellbeing of Te Awa Tupua.



NGĀ TĀNGATA TIAKI O WHANGANUI STRUCTURE



MOURI ORA, MOURI AWA, MOURI TANGATA

The health and wellbeing of the Awa, the health and wellbeing of the Iwi

The health and wellbeing of Te Awa Tupua.

Strong relationships with all Iwi and the community to collectively uphold Tupua te Kawa.

Hapū and Iwi wellbeing, growth and prosperity.

Whanganuitanga: Advancement of hapū mana through mutual focus and cooperation.

STRATEGIC FOCUS

STRATEGIC GOALS	Clarity and understanding across all communities of Te Awa Tupua	Empowered whānau hapū & iwi through Tupua te Kawa, and Ruruku Whakatupua	Whanganuitanga	A prosperous Tribal Nation	A robust Te Tiriti o Waitangi relationship with the Crown	Trust and Confidence
KEY FOCI What should we focus on in the bigger picture?	Everyone has a responsibility to give effect to Te Awa Tupua	Enhancing the position of Whanganui uri in the decision-making over our resources	Whanganui uri actively uphold our responsibilities to Te Awa Tupua in line with our Whanganuitanga, Kawa & Tikanga	Sourcing and building the most robust & sustainable pā tuna to provide for our future	Holding the Crown to account for its responsibilities to Te Awa Tupua, Tupua te Kawa & Ruruku Whakatupua	Continual improvement of governance, management & organisational performance, proficiency, effectiveness & excellence
STRATEGIC OBJECTIVES What do we need to do?	1. Facilitating connections 2. Supporting a Te Awa Tupua Strategy 3. Empowering communities 4. Fostering leadership	5. Empowerment through knowledge & understanding 6. Leaders for Transformation	7. Orienting our people to the future 8. Whakawhānauatanga	9. Realising our intergenerational potential through Te Awa Tupua 10. Prudent management of tribal assets	11. The Crown is proactively implementing Tupua te Kawa	12. Supporting Te Pou Tupua 13. Connected & robust Ngā Tāngata Tiaki subsidiaries
OUTCOMES: We will know we are making positive inroads to achieving this when we see...	a. Our communities and partners are positively engaging with NTT communication mediums and increasingly report confidence in communications between them and NTT b. The communities of Te Awa Tupua are solutions-focused, think 'outside-the-box' and self-supporting c. The gestation of connected hubs for research, communications and educational outcomes that enhance Te Mana o te Awa and Te Mana o te iwi o Whanganui d. Our kura/schools and communities are positioned to lead the charge for Te Awa Tupua and the decisions relating to their connected health and wellbeing	e. Training programmes focused on Ruruku Whakatupua outcomes are increasingly well attended by Hapū and whānau of Te Awa Tupua f. Whanganui whānau, hapū and iwi are increasingly promoted as the specialists and experts in the implementation of Tupua te Kawa, Ruruku Whakatupua and Te Awa Tupua in their respective rohe	g. Whanganui hapū are increasing their active participation and contributions to tribal forums - Te Pae Mātua, and Te Rūnanga o Te Awa Tupua h. Whanganui whānau, hapū, iwi are increasingly accessing promoted programmes and resources to enhance their connection to Whanganui cultural identity i. Iwi of Te Awa Tupua are engaged in cooperative processes that better identify, assist and strengthen opportunities for hapū development j. Targeted groups within the hapū and iwi are fully engaged and participating in programmes focused on Whanganuitanga	k. Whanganui whānau, hapū, iwi are increasingly accessing promoted resources to increase knowledge and capability in the planning and management of whānau, hapū and/or iwi assets and resources l. Successful Te Awa Tupua partnerships, and more effective regional and/or local integration of programmes and effort as compared to the current state m. Increased confidence of our people in the planning and mapping of their own destinies for asset and resource management n. Realised opportunities for the Trust to grow and develop the tribal assets are increasing o. Assets are being managed prudently and successfully as evidenced by the provision for current priorities and future prosperity	p. Tupua Te Kawa and Te Awa Tupua is an inherent component of the annual reporting and workplans of the key agencies (as identified by NTT) q. The implementation of Ruruku Whakatupua (Te Mana o te Awa and Te Mana o te Iwi) are KPIs of the key agencies r. Whanganui hapū and increasingly whānau, iwi are reporting positive improvements to the implementation of key mechanisms of Ruruku Whakatupua	s. Te Awa Tupua has an effective and strong voice through the whānau, hapū and iwi of Whanganui. t. Communities, agencies and users of Te Awa Tupua are aware and actively supportive of Te Pou Tupua, Tupua te Kawa and Te Pa Auroa na Te Awa Tupua. u. Whanganui uri, whānau, hapū and iwi report increasing confidence in the provision of agreed services from NTT to their work programmes v. Whānau, hapū and iwi are involved in and contribute actively to the NTT Trust Deed review.

ANNUAL PLAN 2020-2021

Mouri Awa, Mouri Tangata, Mouri Ora – The health and wellbeing of the Awa, the health and wellbeing of the Iwi

The Annual Plan explains our focus for delivery over 2020-2021 of each of the Trust's strategic goals set out in its five-year Strategic Plan



EMPOWERING COMMUNITIES

1. We will support hapū in understanding and the application of Te Awa Tupua at every opportunity, including providing training opportunities.
2. We will provide education for all communities, that increases their awareness and understanding of Te Awa Tupua and Tupua Te Kawa.



EMPOWERING IWI/HAPŪ

1. We will advocate for and support hapū to be at the centre of the implementation of Te Awa Tupua.
2. We will collaborate with Iwi entities to share environmental initiatives.
3. We support a process of inclusion by uri and hapū in the review of the NTT Trust deed.



PROACTIVE COMMUNICATION

1. We will promote Te Awa Tupua in a way that supports uri connection & reconnection with the Awa, marae and whānau.
2. We will partner with the Crown to promote Te Awa Tupua to all communities.
3. We will enable uri to register or update their details on-line.



COMMERCIAL & SOCIAL ABILITY

1. We will advocate to local government and Crown entities for hapū to be funded in their mahi for Te Awa Tupua.
2. We will support NTT kaimahi in professional development so that these skills are available to assist the work of the iwi.

TE AWA TUPUA & CROWN RELATIONSHIP



1. NTT will commence negotiating Te Pākukururu (the Iwi and Crown relationship agreement) on behalf of Whanganui iwi based on input and guidance from the iwi.
2. Each Crown entity will partner with NTT in a relationship that holds Tupua Te Kawa as its basis.
3. NTT will partner with the Crown to progress the Customary Activities, Surface Water and Fisheries Co-ordination Group components of Ruruku Whakatupua.
4. We will engage with the Crown to advocate for employment and education opportunities for uri.

NTT CAPACITY & CAPABILITY



1. We will grow capacity and capability to support our commitment and responsibility to Te Awa Tupua.
2. We will create and advocate for opportunities for uri to advance and grow via internship, cadetships or graduate programmes.



Ngā Tāngata Tiaki o Whanganui Group

Financial Statements for the Year Ended 31 March 2020

Deloitte Wellington



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Directory

Trustees

Gerrard Albert - Chairperson
Dr Rāwiri Tinirau - Deputy Chairperson
Nancy Tuaine
Che Wilson
Hannah Rainforth
Joey Allen
Alaina Teki-Clark
Siani Walker - Advisory Trustee
Sandy Nepia - Advisory Trustee

Registered Office

357 Victoria Avenue
Whanganui 4500

Head Office

357 Victoria Avenue
Whanganui 4500

Solicitors

Kāhui Legal
Level 11
15 Murphy Street
Wellington

Accountants

Deloitte Wellington
20 Customhouse Quay
Wellington

Auditors

Silks Audit Chartered Accountants Ltd
156 Guyton Street
Whanganui

Bankers

ANZ Bank
87 Victoria Avenue
Whanganui 4500

BNZ Bank
84 The Square
Palmerston North 4410

Westpac Bank
312 Broadway Avenue
Palmerston North 4414

INDEPENDENT AUDITORS REPORT

To the Trustees of Ngā Tāngata Tiaki o Whanganui

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ngā Tāngata Tiaki o Whanganui and its subsidiaries (the Group) on pages 7 to 27, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners 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 Trust or any of its subsidiaries.

Emphasis of Matter: Subsequent Events – Covid 19 impact & Commercial Property Valuation

We draw attention to note 27 of the consolidated financial statements which notes the World Health Organisation's declaration of the Covid-19 outbreak as a global pandemic and how this has been considered by the Trustees in the preparation of the financial statements. As set out in note 27 the full financial impact of the Covid-19 pandemic is not able to be determined. Our opinion is not modified in respect to this matter.

We also draw attention to note 14 to the consolidated financial statements and the valuation carried out indicated an increase in the value of the land and buildings as at 31 March 2020 to \$5,457,000 (an increase of \$183,170) and, consequently, it was the opinion of management that the 2019 valuations still represent the fair value of the land & buildings at 31 March 2020 in accordance with PBE IPSAS 16 (particularly given the current uncertainty in the property market due to the recent outbreak of the Novel Coronavirus). Due to the uncertainty of the current market situation the current fair value at balance date may differ to the carrying value in the financial statements. Our opinion is not modified in respect to this matter.



SILKS AUDIT
Chartered Accountants Limited

Other information

The trustees are responsible on behalf of the Group for the other information. The other information comprises the Supplementary Documents but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees Responsibilities for the Financial Statements

The trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduce Disclosure Regime, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible on behalf of the Group for assessing the Group'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 trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 these consolidated financial statements.

A detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website:
<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

Restriction on Distribution or Use

This report is made solely to the trustees, as a body, in accordance with section 17.3 of the Trust Deed. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Ngā Tāngata Tiaki o Whanganui Group

Approval of Financial Statements

The Trustees are pleased to present the approved Financial Statements, including the historical Financial Statements, for the year ended 31 March 2020.

APPROVED

For and on behalf of the Beneficiaries



Trustee

27 July 2020

Date



Trustee

27 July 2020

Date

Consolidated Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 March 2020

	Notes	Group	
		2020 \$	2019 \$
Revenue from Non-Exchange Transactions			
Funding Received		-	12,575
Grants and Donations		2,592,396	800
Total Revenue from Non-Exchange Transactions		2,592,396	13,375
Revenue from Exchange Transactions			
Finance Income	3	295,619	305,544
Other Income	4	2,647,633	1,474,213
Total Revenue from Exchange Transactions		2,943,252	1,779,757
Total Revenue		5,535,648	1,793,132
Expenses			
Administrative Costs	5	1,634,855	1,261,466
Employee Related Expenses		794,213	913,501
Operating Expenses	6	105,495	187,710
Whanganui Iwi Development and Growth	7	647,300	427,686
Total Expenses		3,181,863	2,790,363
Net Surplus/(Deficit) for the Year		2,353,785	(997,231)
Other Gains/(Losses)			
Gain/(loss) on Investments		(1,264)	1,202
Gain/(loss) on Managed Funds Portfolio		(1,584,683)	3,981,682
Revaluation Gain on Commercial Properties	14	-	1,682,862
Total Surplus/(Deficit) for the Year		767,838	4,668,515
Taxation Expense	8	33,014	50,624
Total Surplus/(Deficit) for the Year after Taxation		734,824	4,617,891
Other Comprehensive Revenue and Expenses			
Foreign Currency Translation		(20,725)	367,056
Revaluation Gain on Fisheries Quota		-	240,426
Total Comprehensive Revenue and Expenses for the Year		714,099	5,225,373



Ngā Tāngata Tiaki o Whanganui Group

Consolidated Statement of Movements in Equity

For the Year Ended 31 March 2020

	Trust Capital \$	Foreign Currency Translation Reserve \$	Asset Revaluation Reserve \$	Accumulated Comprehensive Revenue and Expenses \$	Total \$
Balance as at 1 April 2018	10	173,897	1,562,246	99,183,188	100,919,341
Total Surplus/(Deficit) for the year after taxation	-	-	-	4,617,891	4,617,891
Transfers	-	-	1,682,862	(1,682,862)	-
Other Comprehensive Revenue and Expenses	-	367,056	240,426	-	607,482
Balance as at 31 March 2019	10	540,953	3,485,534	102,118,217	106,144,714
Balance as at 1 April 2019	10	540,953	3,485,534	102,118,217	106,144,714
Total Surplus/(Deficit) for the year after taxation	-	-	-	734,824	734,824
Other Comprehensive Revenue and Expenses	-	(20,725)	-	-	(20,725)
Balance as at 31 March 2020	10	520,228	3,485,534	102,853,041	106,858,813



Consolidated Statement of Financial Position

As at 31 March 2020

	Notes	Group	
		2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	10	5,042,491	2,426,104
GST Receivable/(Payable)		12,921	16,681
Prepayments		29,576	6,164
Receivables from Exchange Transactions	11	258,837	176,264
Taxation Refund Due	8	202,964	172,995
Term Deposits		955,922	8,195,126
Total Current Assets		6,502,711	10,993,334
Non-Current Assets			
Commercial Property	14	5,273,830	5,315,000
Equity Accounted Investments	18	550,000	-
Fisheries Quota	16	3,683,058	3,683,058
Investments - Shares	12	3,649,873	3,651,138
Investments - Portfolio Managed Funds	13	84,312,926	82,576,155
Loans	15	3,016,109	38,110
Property, Plant and Equipment	17	149,500	147,360
Total Non-Current Assets		100,635,296	95,410,821
Total Assets		107,138,007	106,404,155
Current Liabilities			
Accounts Payable		233,575	196,233
Employee Liabilities		45,619	63,208
Total Current Liabilities		279,194	259,441
Total Liabilities		279,194	259,441
Net Assets		106,858,813	106,144,714
Equity			
Equity		106,858,813	106,144,714
Total Equity		106,858,813	106,144,714

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2020

	Notes	Group	
		2020 \$	2019 \$
Cash Flows from Operating Activities			
Cash Received from Customers		628,743	589,560
Interest Received		266,860	119,892
Dividends Received		192,340	119,578
Grants & Donations Received		2,592,396	13,375
Cash Paid to Suppliers and Employees		(2,607,887)	(2,435,850)
Grants & Donations Paid		(492,640)	(264,475)
Interest Paid		(126)	-
Net Income Tax Received		(65,504)	(26,464)
Net GST Received		3,760	6,903
Net Cash Inflow/(Outflow) from Operating Activities		517,942	(1,877,481)
Cash Flows from Investing Activities			
Loan Advances		(3,000,000)	-
Loan Receivable		22,001	22,001
Proceeds on Redemption of Investments		4,010,458	1,870,605
Purchase of Investments in Associates		(550,000)	-
Purchase of Property, Plant & Equipment and Commercial Property		(43,318)	(110,316)
Net Proceeds From Term Deposit Maturities		7,239,204	(1,832,303)
Payments for Purchase of Investments		(5,559,176)	(23,399,815)
Net Cash Inflow/(Outflow) from Investing Activities		2,119,169	(23,449,828)
Net Increase/(Decrease) in Cash		2,637,111	(25,327,309)
Effect of Exchange Rate Fluctuations on Cash Held		(20,725)	367,056
Opening Balance Cash		2,426,104	27,386,359
Closing Balance Cash	10	5,042,491	2,426,104



Consolidated Notes to Financial Statements

For the Year Ended 31 March 2020

1. Statement of Accounting Policies

Reporting Entity

Ngā Tāngata Tiaki o Whanganui Trust (the "Trust") is a trust created by Deed of Trust dated 4 August 2014. The Trust has been granted Māori Authority status from 4 August 2014.

The Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

These Consolidated Financial Statements for the year ended 31 March 2020 comprise the controlling entity and its controlled entities (Te Ngakinga o Whanganui Investment Trust, Whanganui Iwi Fisheries Limited and Te Whawhaki Trust) together referred to as the "Group."

The Financial Statements were authorised for issue by the Trustees on 27 July 2020.

Basis of Preparation

Statement of Compliance

The Financial Statements for the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the *Public Benefit Entity Accounting Standards Reduced Disclosure Regime* ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure and is not publically accountable.

Measurement Basis

The Consolidated Financial Statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value or amortised cost. The accrual basis of accounting has been used unless otherwise stated and the Financial Statements have been prepared on a going concern basis.

Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars (NZD), which is the functional currency for all entities of the Group. There has been no change in functional currency of the Group during the year.

Foreign Currency

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the

exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair values that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in Other Comprehensive Revenue and Expenses in the period in which they arise.

Comparatives

Comparative figures included in the Financial Statements relate to the financial year ended 31 March 2019.

Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are disclosed where applicable in the relevant notes to the Financial Statements.

Judgements made by management in the application of PBE Standards RDR that have significant effects on the Financial Statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the notes to the Financial Statements.

Ngā Tāngata Tiaki o Whanganui Group

2. Significant Accounting Policies

The significant accounting policies adopted by the Group are set out below and have been consistently applied to all periods presented in these Financial Statements.

Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Comprehensive Revenue and Expenses and Other Comprehensive Revenue and Expenses from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The profit or loss and each component of Other Comprehensive Revenue and Expenses are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Revenue and Expenses of subsidiaries is attributed to the owners of

the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra - Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue

Revenue is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised as detailed below and in the subsequent relevant notes.

Revenue from Non-Exchange Transactions

Non-Exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where:

- it is probable that the associated future economic benefit or service potential will flow to the entity; and
- fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions where:

- it is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- the amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.



Grants and Donations

The recognition of non-exchange revenue from grants and donations depends on the nature of any stipulations attached to the inflow of resources received and whether this created a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are "conditions" specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Funds Received

Funds received are recognised when the Group's right to receive the payment has been established.

Employee Entitlements

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

Trade Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Equity Method

Under the equity method of accounting, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Statement of Profit or Loss and the Group's share of movements in Other Comprehensive Income of the investee in the Statement of Other Comprehensive Income. Dividends received or receivable from equity accounting investments are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its equity accounted investments are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the

asset transferred. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in the impairment note below.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset **exceeds** its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses.

Impairment of Property, Plant and Equipment and Subsidiaries

The carrying amounts of the property, plant and equipment and intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit is the greater of its value in use and its fair value less cost to sell. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expenses. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Determination of Fair Value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the market values.

Specifically, portfolio managed funds are subsequently measured at fair value with gains and losses recognised in the Comprehensive Revenue and Expenses. Any foreign exchange differences are recognised in the Other Comprehensive Revenue and Expenses and presented in the Foreign Currency Translation reserve. Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Non-current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with NZ IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above). Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Goods and Services Tax

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- for receivables and payables which are recognised inclusive of GST. (The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

Internal Charges

Internal charges are included within the contra accounts as both revenue and expenses to reflect the economic use of resources. These are eliminated, where appropriate, on consolidation.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

In the presentation of this year's Financial Statements a number of expenses have been reclassified between categories. This reclassification is explained in detail in Note 7.



3. Finance Income

Finance income comprises interest income on funds invested, and gains on the disposal of available for sale financial assets. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

	2020	2019
	\$	\$
Interest from Term Investments	295,619	305,544
Total Finance Income	295,619	305,544

4. Other Income

Revenue from exchange transactions

Operating Revenue

Operating Revenue comprises funds received and is recognised when the Group's right to receive the payment has been established.

Other Income

Other income comprises meeting room income, registration income, merchandise sales, and sundry income.

Dividend Income

Dividend Income from investment is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably).

	2020	2019
	\$	\$
Rent Received	262,753	242,560
ACE Sales Income	53,636	72,530
Fisheries Income	149,291	154,599
Dividend Income	1,930,549	947,961
Sundry Income	251,404	56,563
Total Other Income	2,647,633	1,474,213

5. Administrative Costs

	2020	2019
	\$	\$
Audit & Risk Committee Fees and Expenses	29,722	16,521
Audit Fees	13,795	13,600
Communications	7,380	15,680
Contingency	-	3,347
Depreciation	82,349	87,424
Donations Made	1,300	1,900
Elections	-	67,001
Fisheries Levies and Expenses	32,805	25,864
Insurance	44,691	36,343
Leasing Costs	26,546	24,613
Meeting Expenses	34,163	27,716
Motor Vehicle Expenses	8,054	8,840
Other Expenses	77,425	67,726
Professional Services Costs	801,515	453,491
Te Mana o Te Awa Expenses	36,056	1,998
Te Whawhaki Trust Expenses	38,024	12,918
Te Pou Tupua	11,833	-
Travel Expenses	41,452	58,548
Trustees/Director Fees	318,584	326,680
Web Design	29,161	11,256
Total Administrative Costs	1,634,855	1,261,466

6. Operating Expenses

	2020	2019
	\$	\$
Contract Management	28,398	-
Rates	35,678	25,470
Repairs and Maintenance	35,356	19,373
Settlement Implementation	6,063	142,867
Total Operating Expenses	105,495	187,710

7. Whanganui Iwi Development and Growth

In the current financial year the following expenses have been reclassified as Whanganui Iwi Development and Growth in order to better classify the nature of the expenditure. A total of \$427,686 of prior year expenditure, as detailed below, has been re-categorised in the comparative figures from 2019 (\$209,131 from Administrative Costs and \$218,555 from Operating Expenses).

	2020	2019
	\$	\$
Events	-	9,662
Grants Paid	492,640	292,138
Pātaka Kai	30,924	36,552
Wānanga	123,736	89,333
Total Whanganui Iwi Development and Growth	647,300	427,686



8. Taxation

The income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses except to the extent that it relates to items recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. No Deferred tax has been recognised as there were no material movements at balance date. This is a departure from PBE IAS 12.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2020 \$	2019 \$
Operating Surplus Before Tax	767,838	4,908,943
Prima facie tax expense at 17.5%	134,372	859,065
Income Tax Effects of:		
Non-Assessable Income	(101,701)	(808,441)
Non-Deductible Income	343	-
Total Income Tax Expense For the Year	33,014	50,624
Unutilised Tax Losses Carried Forward	-	-
Tax Losses Utilised	-	-
Tax Expense per Profit and Loss	33,014	50,624
Opening Balance Refundable	172,995	197,155
Prior Period Adjustment	(2,519)	-
Taxation Paid	141,905	26,464
Taxation Refund Received	(76,403)	-
Tax Expense For The Year	(33,014)	(50,624)
Tax Refundable/(Payable) at 31 March	202,964	172,995

9. Māori Authority Credit Account (MACA)

	2020 \$	2019 \$
Opening Balance	491,205	464,741
Tax Refund	(76,403)	-
RWT Paid	141,905	26,464
Closing Māori Authority Credit Account (MACA)	556,707	491,205

10. Cash and Cash Equivalents

Cash and cash equivalents include bank accounts, call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Term deposits are classified as other non-derivative financial instruments and are stated at amortised cost.

	2020 \$	2019 \$
Cash Accounts	5,042,491	2,426,104
Total Cash and Cash Equivalents	5,042,491	2,426,104

10.a Restricted Funds

Included in Cash and Cash Equivalents is an amount of \$2,400,815 (2019: \$669,241) of income received from Genesis which is ring fenced for Te Mana o Te Awa Projects. The Group will utilise these funds in future years. The breakdown of this restricted fund is detailed below:

	2020 \$	2019 \$
Funds Brought Forward	669,241	1,118,286
Income Received	2,591,996	45,953
Funds Spent	(860,422)	(494,998)
Total Restricted Funds	2,400,815	669,241

11. Receivables from Exchange Transactions

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in profit and loss.

	2020 \$	2019 \$
Trade Receivables	170,319	81,978
Accrued Interest	88,518	94,286
Total Receivables from Exchange Transactions	258,837	176,264

12. Investments - Shares

Shares in Moana New Zealand Limited have been recorded in the Financial Statements at their settlement value in October 2006 of \$3,643,698. An independent valuation of Moana New Zealand Limited completed in December 2007 valued these shares at \$3,744,000 and a subsequent valuation in February 2009 indicates that these shares have a value of \$3,398,400.

	2020 \$	2019 \$
Moana New Zealand Limited	3,643,698	3,643,698
Contact Energy Limited	6,175	7,440
Total Investments - Shares	3,649,873	3,651,138

Investments in shares represent Whanganui Iwi Fisheries Limited's investment in Moana New Zealand Limited of 2,880 shares and Ngā Tāngata Tiaki o Whanganui Trust's investment in Contact Energy Limited of 1,072 shares. The shares in Contact Energy Limited were held by the Whanganui River Māori Trust Board and transferred to Ngā Tāngata Tiaki o Whanganui Trust upon settlement. The total value of the Moana New Zealand Limited shares is \$3,643,698 (2019: \$3,643,698) and this is the value recognised upon receipt of the settlement in October 2006. The total value of the Contact Energy Limited shares is \$6,175 which is their price as quoted on the NZX as at 31 March 2020 (2019: \$7,440).

13. Investments - Portfolio Managed Funds

	2020 \$	2019 \$
AMP Capital NZ Fixed Interest Fund	19,635,814	18,800,514
ANZ Investments Wholesale	11,023,581	12,398,432
Aviva Investors Multi-Strategy Target Return Fund	4,089,376	6,417,511
BlackRock - iShares	1,978,662	2,118,271
Devon Trans-Tasman Funds	5,523,496	6,074,334
GQG Overseas Investment	2,383,235	2,344,115
ICG Australia Senior Loan Fund	3,530,455	1,690,018
Magellan Investment Fund	7,169,123	6,282,604
Milford Trans-Tasman Equity Fund	5,352,488	6,727,342
PIMCO Funds Global Investors Series plc	6,443,910	6,211,966
RWC Global Investment Fund	5,031,583	5,252,771
TIM Group Investment Funds	8,602,352	8,258,277
Schroders Investment Management	3,548,851	-
Total Investments - Portfolio Managed Funds	84,312,926	82,576,155

In the 2020 financial year there was an initial application of funds invested in various fund manager portfolios as part of the ordinary course of business of the Group. The performance of all funds is monitored by the Board of Trustees and the Portfolio Management Entity. The results for the year in the Statement of Comprehensive Revenue and Expenses show a net loss of the managed funds portfolio of \$1,584,683 (2019: a gain of \$3,981,682) and a foreign currency loss of \$20,725 (2019: a gain of \$367,056). The Group incurred Portfolio Management Fees of \$186,620 (2019: \$174,104).

The Group recognises these funds and their movements at fair value through surplus or deficit as this allows for more relevant information on their performance to be documented and reported to the Board of Trustees per Ngā Tāngata Tiaki o Whanganui Trust's risk and investment strategy (e.g. it allows a comparison of returns since inception against prevailing market rates).

14. Commercial Property

Commercial property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value.

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When the use of property changes such that it is reclassified as property, plant and equipment, its cost at the date of reclassification become its cost for subsequent accounting.

Commercial property is measured at fair value and in accordance with PBE IPSAS 16. The buildings are depreciated based on their estimated useful life.



Net Book Value

	Land \$	Buildings \$	Total \$
As at 1 April 2018	1,231,000	2,335,715	3,566,715
Additions	-	92,428	92,428
Disposals	-	-	-
Reclassification from Property, Plant and Equipment	-	33,198	33,198
Revaluations	-	1,682,862	1,682,862
Depreciation	-	(60,203)	(60,203)
As at 31 March 2019	1,231,000	4,084,000	5,315,000
As at 1 April 2019	1,231,000	4,084,000	5,315,000
Additions	-	20,313	20,313
Disposals	-	-	-
Revaluations	-	-	-
Depreciation	-	(61,483)	(61,483)
As at 31 March 2020	1,231,000	4,042,830	5,273,830

Commercial Property includes Land and Buildings at 357 Victoria Avenue, 116 Liverpool Street, 114 Liverpool Street, 61 Taupō Quay, and 10 Market Place, Whanganui.

All land & buildings were independently valued at 31 March 2019 by Morgan's Property Advisors, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The principal valuer was Rob Boyd. All property was valued at its highest and best use by applying an investment method approach which derives fair values by comparing the fair market rental to all the land and buildings, and then capitalised same at a market derived rate of return.

All land & buildings were again independently valued at 31 March 2020 by Morgan's Property Advisors, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The principal valuer was Ken Pawson. This valuation indicated an immaterial increase in the value of the land and buildings as at 31 March 2020 to \$5,457,000 (an increase of \$183,170) and, consequently, it is the opinion of management that the 2019 valuations still represent the fair value of the land & buildings at 31 March 2020 in accordance with PBE IPSAS 16 (particularly given the current uncertainty in the property market due to the recent outbreak of the Novel Coronavirus).

All property has been classified as level 2 in the fair value hierarchy specified in PBE IPSAS 21 because, although there is an active and open market for commercial properties, the property is unique in its location, size, age, condition and many other factors.

15. Loans

On 7 October 2019 the Group entered into a loan agreement with Shares 59 Limited to lend \$3,000,000 for the purpose of redeveloping the commercial property located at 53 Boulcott Street into residential apartments. Interest income at a rate of 5% accrues on this loan each year and is capitalised at the end of each 12-month period from the date of the loan agreement. On completion of the development the Group may be entitled to an additional return of up to \$1,000,000 depending on the profit achieved on the redevelopment as calculated under the agreement.

	2020 \$	2019 \$
Te Reo Iirangi o Whanganui Incorporated	16,109	38,110
Shares 59 Limited	3,000,000	-
Total Loans Receivable	3,016,109	38,110

16. Fisheries Quota

Purchased/acquired Quota shares are treated as an intangible asset with an indefinite life. Quota shares purchased/acquired by the Group are measured at fair value through other comprehensive revenue and expense.



	2020 \$	2019 \$
Opening Balance	3,683,058	3,442,632
Revaluation	-	240,426
Closing Balance Fisheries Quota	3,683,058	3,683,058

The effective date of the revaluation is 31 March 2019 and the carrying amount of the revalued quota is \$3,683,058 as determined by Quota Management Systems Limited. The revaluation was determined by assessing each fish stock individually and estimating the likely market price for each if it were to be offered for sale on the open market. Where fish stocks are thinly traded or where it is difficult to gauge a market valuation Quota Management Systems Limited have applied their knowledge of the market in providing a valuation. It is the opinion of management that this valuation would not have materially changed to balance date and still represents the fair value of the purchased/acquired quota shares at 31 March 2020 in accordance with PBE IPSAS 31.

It has been determined that this quota has an indefinite useful life given the renewable nature of sustainably-managed fish stocks. This renewability is the primary factor used in determining that the quota has an indefinite useful life.

17. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are recognised and measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of any self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expenses as incurred.

Heritage Assets

Taonga comprises of heritage assets that have been included below. These are assets with historic, artistic, scientific, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this is central to the objectives of the Group holding it. Taonga assets are valued at acquisition cost.

(i) Cost

	Furniture & Fittings \$	Computer Equipment \$	Taonga \$	Motor Vehicles \$	Total \$
As at 1 April 2018	65,379	24,212	84,880	78,629	253,100
Additions	12,401	5,487	-	-	17,888
Disposals	(3,015)	(3,018)	-	-	(6,033)
Reclassification to Commercial Property	(38,435)	(8,089)	-	-	(46,524)
As at 31 March 2019	36,330	18,592	84,880	78,629	218,431
As at 1 April 2019	36,330	18,592	84,880	78,629	218,431
Additions	18,294	4,711	-	-	23,005
Disposals	-	-	-	-	-
As at 31 March 2020	54,624	23,303	84,880	78,629	241,436

(ii) Accumulated Depreciation

	Furniture & Fittings \$	Computer Equipment \$	Taonga \$	Motor Vehicles \$	Total \$
As at 1 April 2018	19,787	19,928	-	21,251	60,966
Depreciation	8,123	1,885	-	17,213	27,221
Disposals	(930)	(2,860)	-	-	(3,790)
Reclassification to Commercial Property	(9,744)	(3,582)	-	-	(13,326)
As at 31 March 2019	17,236	15,371	-	38,464	71,071
As at 1 April 2019	17,236	15,371	-	38,464	71,071
Depreciation	5,438	3,377	-	12,050	20,865
Disposals	-	-	-	-	-
As at 31 March 2020	22,674	18,748	-	50,514	91,936

(iii) Net Book Value

	Furniture & Fittings \$	Computer Equipment \$	Taonga \$	Motor Vehicles \$	Total \$
Balance as at 31 March 2018	45,592	4,284	84,880	57,378	192,134
Balance as at 31 March 2019	19,094	3,222	84,880	40,165	147,361
Balance as at 31 March 2020	31,950	4,555	84,880	28,115	149,500

Depreciation is charged at rates that reflect the estimated consumption of economic benefits and useful lives of the assets. Depreciation is charged to the Statement of Comprehensive Revenue and Expenses. Land is not depreciated. Depreciation methods, useful lives and residual values are reassessed on a continual basis.

Computer Equipment	40% to 50%	Diminishing Value
Motor Vehicles	30%	Diminishing Value
Office Equipment	10% to 25%	Diminishing Value
Taonga	0%	N/A

18. Equity Accounted Investments

The Group has a 50% interest in Kākaho Limited Partnership (the "Partnership"), a Limited Liability Partnership which is incorporated and has its principal place of business in New Zealand. The other 50% interest is held by Whanganui District Council Holdings Limited.

The Partnership holds the leasehold interest in the property situated at 125 Grey Street, Whanganui (locally identifiable as "St George's Preparatory School"). Per the Partnership agreement in place Whanganui District Council Holdings Limited pays for all upkeep required.

As the Group has joint control of the Partnership, and must act together with Whanganui District Council Holdings Limited to direct its activities, it has accounted for its investment in the Partnership using the equity method per PBE IPSAS 36 as required by PBE IPSAS 35. No revenue or expenses have been recorded by the Partnership in the year to 31 March 2020. Further information about the equity method can be found in the 'Equity Method' note 2 under '2. Significant Accounting Policies.'

19. Key Management Personnel

Under PBE IPSAS 20 the Group has a requirement to make certain disclosures about the remuneration of key management personnel. Although the Group considers all of its people crucial, for the purposes of this standard (and the below disclosure) "key management personnel" are defined to be members of each governing board and those who have the authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate remuneration paid to key management personnel who are not a member of a governing body was as follows:

	2020	2019
	\$	\$
Aggregate remuneration	420,142	343,531
Number of FTE	3.0	3.0

The Trustees during the 2020 year for the Group were as follows:

Trustee/Director/Advisory	Ngā Tāngata Tiaki o Whanganui Trust	Whanganui Iwi Fisheries Limited	Te Ngākinga o Whanganui Investment Trust	Te Whawhaki Trust
ALBERT, Gerrard	✓			
TINIRAU, Dr Rāwiri	✓	✓	✓	
TUAINE, Nancy	✓			✓
WILSON, Che Phillip	✓			
RAINFORTH, Hannah	✓			
TEKI-CLARK, Alaina	✓			
ALLEN, Joey	✓			
MILLIN, Declan		✓	✓	
KARIPA, Simon		✓	✓	
HALLIGAN, Peter		✓	✓	
WALKER, Siani (Advisory)	✓			
WAITOKIA, Tracey (Advisory)	✓			
KUMEROA, Chris				✓
TUROA, Hayden				✓
NEPIA, Sandy (Advisory)	✓			
BELL, Russell (Temporary)		✓	✓	
Total Trustees/Directors	10	6	6	3

The aggregate remuneration paid to each respective governing board was as follows:

	2020	2019
	\$	\$
Ngā Tāngata Tiaki o Whanganui Trust	243,750	258,407
Te Matua a Rohe Meeting Fees	15,615	11,773
Whanganui Iwi Fisheries Limited	-	-
Te Ngākinga o Whanganui Investment Trust	59,218	56,500
Te Whawhaki Trust	27,500	-
Total	346,083	326,680

20. Related Party Disclosures

Trustee Dr Rāwiri Tinirau is also the Chairperson of the Rānana Māori Committee which received \$5,000 of Marae Infrastructure funding during 2020 as part of the Te Mana o Te Awa programme (2019: \$5,000).

Trustee Dr Rāwiri Tinirau is also a Trustee of Te Ropu Taunaki o Te Matapihi which received Ngā Manga iti funding of \$2,000 during 2020.

Trustee Alaina Teki-Clark is the Chairperson of the Koriniti Marae Māori Reservation Trust which received \$3,500 in December 2018 for catering and koha in relation to the 2019 Tira Hoe Waka event. In May 2019 the Marae received \$5,000 of Marae Infrastructure funding and \$391 of Marae hireage income.

Te Whawhaki Trustee Chris Kumeroa is the sole Director of CJK Limited which was a recipient of a \$5,000 Te Mana o te Awa grant in relation to developing a health and safety plan for the Whanganui Hunting and Food Festival in 2019. \$3,000 of the grant was paid in March 2019 with the remaining \$2,000 paid in July 2019.



Te Whawhaki Trustee Chris Kumeroa was paid \$10,000 as a consultant for work carried out over 16 March to 31 March 2020 in relation to Covid-19 advice.

Te Whawhaki Trustee Hayden Turoa, the sole director of Cuzzy Brews Limited received \$83,508 during the year and had \$9,833 owing to him as at 31 March 2020 in relation to environmental matters.

Trustee Che Wilson is also a Trustee of Ngā Waihua o Paerangi Trust which received \$5,000 of Ngā Manga iti funding during 2020.

Trustee Nancy Tuaine is also a Trustee of Raetihi Marae which received Ngā Manga iti funding of \$3,000, Marae capacity funding of \$5,000 and Marae Hireage of \$1,500 during 2020.

The Group has part ownership of Port Nicholson Fisheries of 0.0193% through Whanganui Iwi Fisheries Limited. The Group received \$3,550 income from ACE sales related to this ownership (2019: \$4,039)

No other material related party transactions were noted.

21. Financial Instruments

A financial asset is classified as fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other Comprehensive Revenue and Expenses or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expenses when incurred. Subsequent to initial recognition, financial instruments at fair value through surplus or deficit are measured at fair value, and changes therein are recognised in the Statement of Comprehensive Revenue and Expenses. The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020	2019
	\$	\$
Financial Assets		
Financial Assets at Fair Value through Surplus or Deficit		
Investments in Portfolio Managed Funds	84,312,926	82,576,155
Shares in Contact Energy Limited	6,175	7,440
Financial Assets at Cost		
Shares in Moana New Zealand Limited	3,643,698	3,643,698
Loans and Receivables		
Cash and Cash Equivalents	5,042,491	2,426,104
Term Deposits	955,922	8,195,126
Receivables from Exchange Transactions	258,837	176,264
Loans	3,016,109	38,110
Total Financial Assets	97,236,158	97,062,897
Financial Liabilities at Amortised Cost		
Accounts Payable	233,575	196,233
Employee Liabilities	45,619	63,208
Total Financial Liabilities	279,194	259,441

22. Operating Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating leases are not recognised in the Group's statement of financial position.



Operating Leases as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The future non-cancellable minimum lease payments of operating leases as lessor at balance date are detailed in the table below:

	2020 \$	2019 \$
Less than one year	242,500	242,400
Between one and five years	385,617	575,017
Later than 5 years	198,750	251,750
Total Non-cancellable operating lease payments	826,867	1,069,167

Operating Leases as Lessee

Payments made under operating leases are recognised in revenue or expense on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The future non-cancellable minimum lease payments of operating leases as lessee at balance date are detailed in the table below:

	2020 \$	2019 \$
Less than one year	5,750	5,750
Between one and five years	11,500	17,249
Total Non-cancellable operating lease payments	17,250	22,999

23. Reserves**Foreign Currency Translation Reserve**

Te Ngakinga o Whanganui Investment Trust hold a number of investments in managed funds and cash denominated in foreign currencies. The foreign currency translation reserve reflects the unrealised net gain or loss made through movements in the exchange rate in converting the investments and cash back to the Groups functional currency.

Asset Revaluation Reserve

The Asset Revaluation Reserve relates to the revaluation of the Fisheries Quota and Commercial Property to fair value at balance date as follows:

	Fisheries Quota	Commercial Property	Total \$
As at 1 April 2018	1,562,246	-	1,562,246
Revaluation Gain/(Loss)	240,426	1,682,862	1,923,288
As at 31 March 2019	1,802,672	1,682,862	3,485,534
As at 1 April 2019	1,802,672	1,682,862	3,485,534
Revaluation Gain/(Loss)	-	-	-
As at 31 March 2020	1,802,672	1,682,862	3,485,534

24. Treaty Settlement

The Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 came into force on 20 May 2017. The Act has recorded the acknowledgements and the apology offered by the Crown to Whanganui Iwi in the deed of settlement dated 5 August 2014 as well as gave affect to certain provisions of the deed of settlement, which is the deed that settles the Whanganui Iwi historical claims.

Financial redress from the settlement comprised of \$80 million together with interest from March 2014 as well as a \$1 million payment for transitional and implementation matters relating to establishment costs. The final \$1 million was received on 5 May 2017 along with the outstanding interest.

On the 21 March 2017, Te Whiringa Muka Trust, Pākaitore Trust and Whanganui River Māori Trust Board dissolved as standalone entities with their net assets being passed to Ngā Tāngata Tiaki o Whanganui Trust. The net asset fair value and net surplus or loss for each entity was recorded as a revenue item for the purpose of prior year Financial Statements. The assets and liabilities have been recorded at fair value within the balance sheet.

Upon Settlement, Whanganui Iwi Fisheries Limited was also granted to Ngā Tāngata Tiaki o Whanganui through a 100% ownership of the entity as at 21 March 2017. The net asset fair value and net surplus was recorded as a revenue item for the purpose of Consolidated Financial Statements. The assets and liabilities have been consolidated to the balance sheet at fair value. The investment recognised for Ngā Tāngata Tiaki o Whanganui and the corresponding equity balance for Whanganui Iwi Fisheries Limited have been eliminated upon consolidation for Group purposes.

The total amount received of \$98,948,471 comprises of \$81,000,000 for Settlement principal, \$13,404,315 of income from transition entities and \$4,544,156 of interest received on settlement funds.

Financial Year	Date	Amount Received	Nature
2015	5 August 2014	1,000,000	Establishment costs
	5 August 2014	15,000,000	Settlement principal part payment
2017	10 June 2016	64,000,000	Settlement principal part payment
	21 March 2017	13,404,315	Income from transitioning entities
2018	5 May 2017	1,000,000	Settlement principal final payment
		4,544,156	Interest received on settlement funds
Total		98,948,471	

The final Settlement principal interest payment was accrued in the 2017 financial year and received during the 2018 financial year.

25. Contingent Assets and Liabilities

There were no known material contingent assets or liabilities to disclose at balance date (2019: \$Nil).

26. Capital and Other Commitments

There are no known material capital commitments at year end (2019: \$Nil).

27. Events Subsequent to Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced.

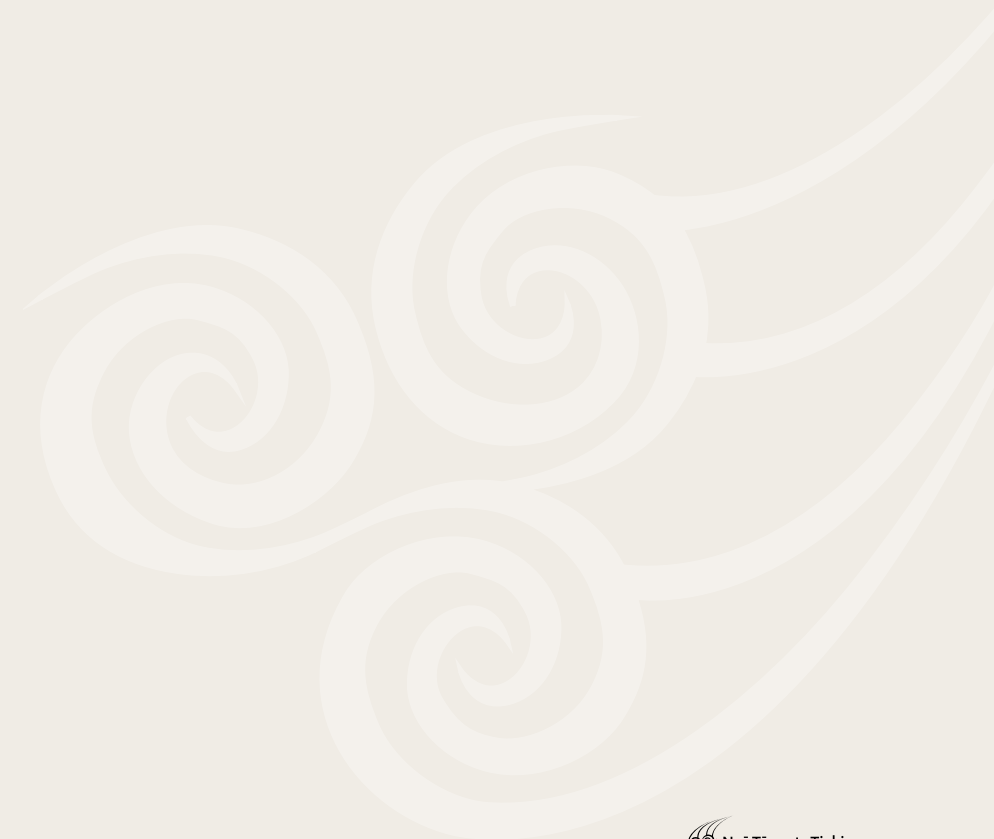
At the date of issuing the financial statements, the Group has been able to absorb the majority of the impact from the nationwide lockdown and global financial downturn. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it could have the following possible effects on the Group:

- a significant fall in the value of the Group's portfolio managed funds,
- an increase in the required level of support provided to whānau.

The valuation of the portfolio managed funds as at 30 June 2020 (the latest valuation available) is as follows:

	30 June 2020	31 March 2020
	\$	\$
AMP Capital NZ Fixed Interest Fund	20,193,790	19,635,814
ANZ Investments Wholesale	10,742,984	11,023,581
Aviva Investors Multi-Strategy Target Return Fund	4,171,155	4,089,376
BlackRock - iShares	1,326,491	1,978,662
Devon Trans-Tasman Funds	6,264,021	5,523,496
GQG Overseas Investment	2,683,279	2,383,235
ICG Australia Senior Loan Fund	3,602,793	3,530,455
Magellan Investment Fund	7,575,198	7,169,123
Milford Trans-Tasman Equity Fund	6,353,938	5,352,488
PIMCO Funds Global Investors Series plc	6,694,809	6,443,910
RWC Global Investment Fund	5,394,629	5,031,583
TIM Group Investment Funds	8,707,189	8,602,352
Schroders Investment Management	3,825,529	3,548,851
Total Investments - Portfolio Managed Funds	87,535,805	84,312,926

The Trust is not aware of any other material events subsequent to balance date that require disclosure.



Chair's Report

Tēnā koutau

Before reporting on the progress of Te Ngakinga o Whanganui Investment Trust (*Te Ngakinga*) over the past financial year, I would firstly like to acknowledge the stress and anxiety that all iwi members would no doubt have suffered through the Covid-19 pandemic – I know, however, just how resilient we are and that we as a people will come out of this stronger and more resilient. In many ways, this mirrors my thoughts with respect to our investment activity over the financial year - evidence that Te Ngakinga's investment strategies and principles have served it reasonably well during this time of crisis.

Progress Toward Achievement of Investment Goals

Te Ngakinga's investment goals through FY19-20 were two-fold – to complete the final prescribed managed fund investments and to pursue its first direct investment transactions. Progress with respect to each is detailed below.

Managed Fund Investments

Te Ngakinga's Statement of Investment Policies and Objectives (*SIPO*) requires between 50-70%, with a target 60%, of its investment portfolio to be Growth Asset investments and between 30-50%, with a target 40%, to be Defensive Asset investments – definitions of each are appended. Under these two broad categories, the SIPO records specific asset class investments and associated weightings. The table below details each of these, their SIPO range and target weighting together with Te Ngakinga's actual investment weightings at both the start and end of FY20.

	SIPO Weighting Range	SIPO Weighting Target	Actual Weighting at Start of FY20	Actual Weighting at End of FY21	SIPO Weighting Movement FY20
Growth Assets					
Australasian Equities	8% to 18%	13%	14%	12%	-2%
Global Equity	17% to 37%	27%	27%	26%	-1%
Emerging Market Equity	2% to 8%	5%	5%	5%	0%
Diversifiers	5% to 15%	8%	7%	9%	1%
Real Assets / PE / Direct Investments	2% to 12%	7%	9%	1%	-9%
Total Growth Assets	50% to 70%	60%	62%	52%	-10%
Defensive/Income Assets					
Defensive Core Real Estate	6% to 20%	13%	N/A	13%	13%
NZ Fixed Income	10% to 20%	15%	21%	22%	1%
Global Fixed Income	0% to 20%	10%	9%	11%	2%
Cash	0% to 5%	2%	9%	2%	-7%
Total Defensive/Income Assets	30% to 50%	40%	38%	48%	10%

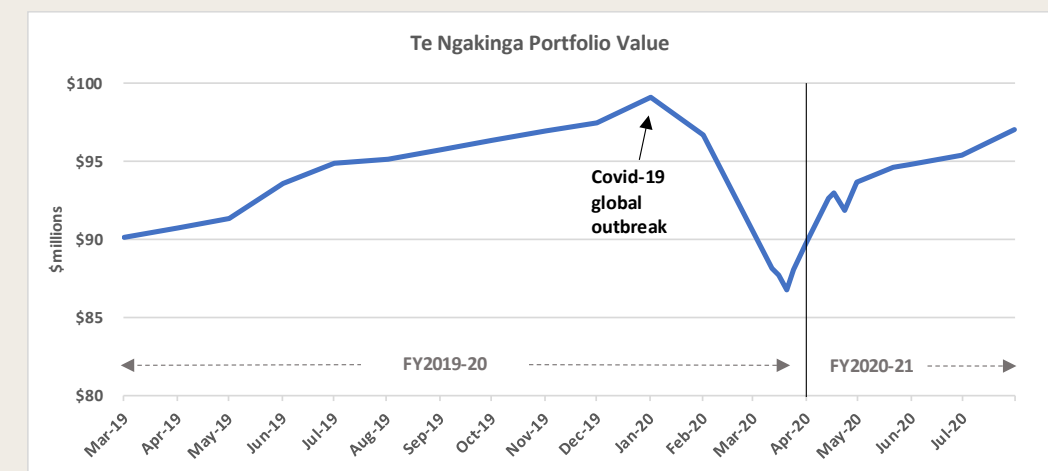
Two matters drove the movement to a 52% / 48% Growth versus Defensive asset split by year end from the starting 62% / 38%, noting this starting point was in line with SIPO target:

1. Firstly, the reclassification of Te Ngakinga's investment in Trust Investment Property Fund (TIP) from a Growth asset to a new asset class, Defensive Core Real Estate, under Defensive assets. TIP invests in commercial investment property and Trustees determined its investment characteristics were aligned to a defensive asset, hence the reclassification. (Note, this had no impact to the overall portfolio value).

2. Secondly, the impact of Covid-19 through the final quarter of the financial year resulted in a value fall for Te Ngakinga's Growth assets and, in particular, its global equities investments. Subsequent to FY20 year end, Trustees determined it prudent to further reduce its exposure to global equities, given their ongoing volatility, moving the portfolio to the most conservative end of the risk range whilst maintaining compliance with SIPO, i.e. – movement to a 50% Growth and 50% Defensive split.

At year end, Te Ngakinga remained marginally outside asset class ranges for *Real Estate / Private Equity / Direct Investments*, at 1% below the 2% bottom end of SIPO range, and *NZ Fixed Interest*, at 2% above the 20% top end of SIPO range. This resulted from a direct investment, anticipated to complete during the year, ultimately being determined by trustees not to meet Te Ngakinga's investment strategy and risk / return requirements. This will correct through FY21.

As it was for many investors, Covid-19 resulted in significant value declines for Te Ngakinga's portfolio. The following graph illustrates the portfolio value over the course of FY20 and the early part of FY21.



Prior to Covid-19, i.e. – up to the end of January 2020, Te Ngakinga's portfolio had increased from \$90m at the commencement of FY20 to \$99m, an excellent 10% appreciation over 10 months and well in excess of its SIPO target. However, over the 7 weeks from 1 February 2020 to 23rd March 2020, the portfolio value fell 12% from \$99m to \$87m before recovering strongly over the final week of the year to end almost on par with the FY20 starting \$90m value.

Pleasingly, the strong finish to the year continued through the early part of FY21. As at 31 July 2020, the portfolio value had increased to \$97m, a \$10m / 11% increase on FY20 closing value and only \$2m short of the \$99m portfolio high achieved in January 2020.

Notwithstanding the strong recovery experienced to date, Covid-19's unrelenting spread is continuing to significantly impact global economies. Current government stimulus packages are propping up jobs and businesses for now. How long these packages continue is unknown. Regardless, it is inevitable the world is entering a deep and potentially lengthy recession which will create uncertainty within global markets.

Te Ngakinga has no influence on investment markets, however the diversity of its portfolio, particularly now that it is positioned at the conservative end of SIPO risk range, together with the quality fund managers it has invested with, will ensure value is protected better than most. Additionally, Te Ngakinga's strategy remains concentrated on identifying and investing in high quality direct investments, most of which will be less directly exposed to global volatilities. This direct investment strategy will be a key focus through FY21.

Direct Investments

Te Ngakinga completed its first two direct investments through FY20. While it had hoped to have completed one to two more, Te Ngakinga continues to remain patient and diligent, ensuring only premium investments are pursued. To this end, a number of opportunities were considered during the year but failed to meet Te Ngakinga's investment criteria and/or risk/return requirements.

As reported last year, Te Ngakinga's first direct investment was the acquisition of the St George's head lease and buildings on Grey Street, Whanganui in August 2019. This property was purchased via a 50/50 joint venture with Whanganui District Council Holdings Ltd (WDCHL) with the intention for NZ's first independent flight simulator centre and aviation school to be eventually situated on the site with the opportunity for locally based iwi to co-invest alongside Te Ngakinga and WDCHL. The global aviation sector has been one of the hardest hit by Covid-19 casting uncertainty over the viability of the simulator centre. This opportunity has been put on hold until the post Covid-19 aviation sector and, in particular, pilot demand is better understood. Te Ngakinga's investment to date has been small at approximately \$600k or 0.6% of its portfolio.

Te Ngakinga's second direct investment was a \$3m two-year (unless agreed to be extended by the parties) debt instrument to property developer, The Wellington Company (TWC), for a central Wellington city office to apartments conversion project they are progressing. Notwithstanding Covid-19, based on current financial projections and progress on the development, Te Ngakinga will attain a significant profit margin on this investment.

SIPO Review

Te Ngakinga together with Ngā Tāngata Tiaki o Whanganui Trust have commenced a comprehensive review of the SIPO. This review has been driven from:

1. The desire to have a SIPO that incorporates all group assets rather than just Te Ngakinga and Whanganui Iwi Fisheries Ltd assets (as is currently the case) to ensure a Group approach to investment.
2. Timeliness, given Te Whawhaki is now established and operative as well as Te Ngakinga being fully invested and moving to a greater direct investment focus.
3. The current SIPO being managed funds-centric with only limited direct investment capacity, i.e. – up to a maximum 12% of the portfolio value, all of which must be within Growth assets. This provides a significant constraint on Te Ngakinga's ability to pursue and grow a high quality direct investment portfolio.

The review is expected to be completed and the amended SIPO approved / adopted during the 3rd quarter of FY21.

Financial Performance

Te Ngakinga delivered a \$722k loss for FY20 driven from the impact of Covid-19 to global markets and, in particular, equity markets. The following provides a summary of the financial performance result with comparison to last year.

\$000s	This Year	Last Year	Variance
Managed Fund Investments Value Gains	-\$54	\$5,003	-\$5,057
Interest Earnings from Cash Reserves / Term Deposits	\$245	\$235	\$10
Other Income	\$24	\$36	-\$12
Total Earnings	\$215	\$5,274	-\$5,059
Interest to NTT	-\$611	\$0	-\$611
Operating Expenses	-\$326	-\$283	-\$44
Profit for 2019-20	-\$722	\$4,991	-\$5,713

Te Ngakinga's \$0.7m loss equates to a negative 0.8% return on the \$90.3m opening funds employed. Interest and Other Income earnings remained largely on par with last year however managed funds fell \$5.1m short of FY19's value gain. Interest on NTT loans was called for the first time at \$0.6m. Operating Expenses increased \$44k / 16% being costs associated with due diligence undertaken for those direct investment opportunities considered during the year.

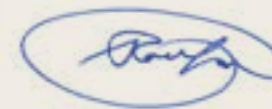
I wish to acknowledge the significant contribution of Russell Bell, who acted as an interim trustee for a great part of the financial year under review. We also welcomed Peter Halligan, a new trustee to the Trust whose significant investment experience is a great addition to the team.

Finally, thank you to my fellow trustee, Dr Rāwiri Tinirau, for his continued diligence and wise counsel through the year, and to the other NTT trustees for their continued support.

We look forward to continuing to work for our iwi and growing the pūtea for both today's and our future generations to enjoy.

Ka whakatō ngā purapura, ka ngaki i te māra, kia puāwai ngā hua

Kia ora



Simon Karipa, Chairman.

Glossary

Growth Assets

These investments are designed to grow the capital value of the investment portfolio and include investments such as equities (shares) in both domestic and global entities, alternative investments such as private equity, infrastructure, etc and property. They tend to have higher levels of risk but with the potential to deliver higher returns over longer investment timeframes, generally in the form of capital growth. For example, shares often deliver income by way of dividends however the majority of the return (gains or losses) usually comes from changes in the value of the company reflected in share price. These returns are influenced by market fluctuations and can therefore vary, a little or a lot, over shorter term timeframes. These shorter term changes in return (or value of the investment), known as volatility, is the reason growth assets are considered higher risk investments. However, the objective of growth assets is to negate the short term volatility by holding the investments for long periods to deliver overall net value growth.

Defensive Assets

These investments are designed to provide returns in the form of income / cash rather than capital growth. They tend to be lower risk investments with more stable but reduced levels of return over the long term. Defensive assets include short-term cash deposits, fixed interest investments (eg – secured loans to government or corporate entities).

Direct Investments

Those investments in which the investor, either individually or within a co-investment collective, directly acquires the particular assets rather than investing managed fund vehicles. Notably, a direct investor (or collective of investors) is wholly responsible for the asset, has control over it, reaps all of the rewards and assumes all of the risks.



Te Ngakinga o Whanganui Investment Trust

ANNUAL PLAN

FOR THE YEAR ENDING 31 MARCH 2021

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1. OVERVIEW

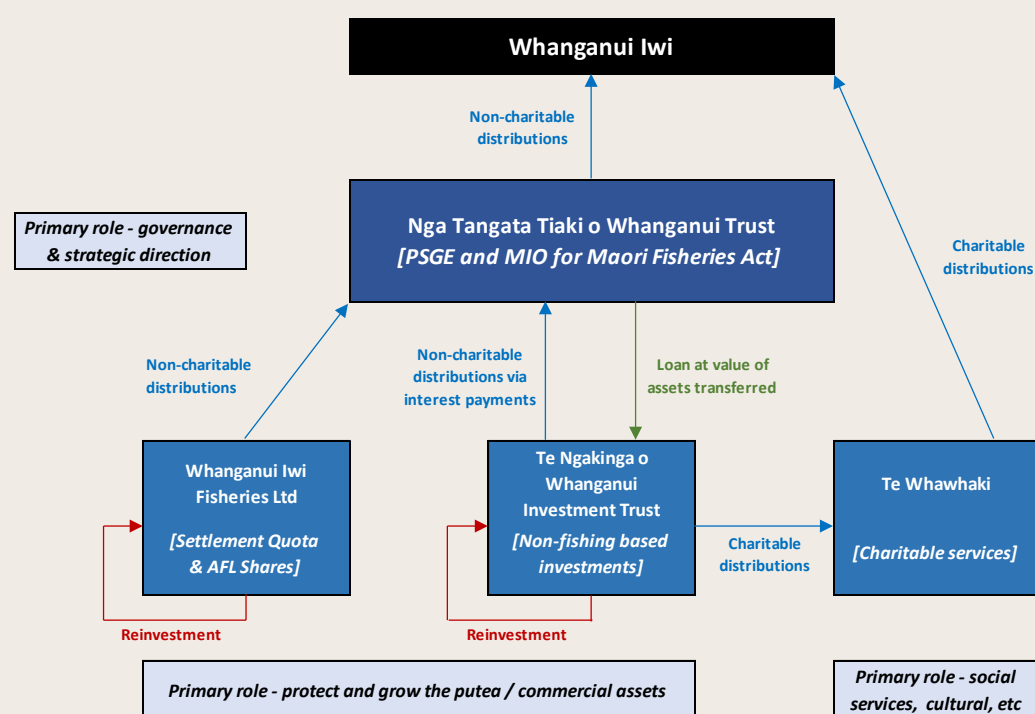
Te Ngakinga o Whanganui Investment Trust (*Te Ngakinga*) is an incorporated charitable trust settled by Ngā Tāngata Tiaki o Whanganui Trust (*NTT*) to manage assets received from the Whanganui River Settlement, as well as other assets previously owned by a number of pre-settlement Whanganui Iwi entities.

The principal purposes of Te Ngakinga are to grow its assets over time for the benefit of NTT and its beneficiaries (Te Awa Tupua and its people), to meet ongoing spending needs for NTT and to maintain equity between present and future beneficiaries into perpetuity.

Te Ngakinga has its own specialist board of trustees who are appointed by NTT trustees. The majority of trustees must be adult members of Whanganui iwi and no more than 40% of trustees may be current elected NTT trustees at any time. There are currently three trustees, one of whom is also an NTT trustee.

While NTT trustees directly oversee their representative and distribution responsibilities, it delegates its asset management duties to Te Ngakinga. Te Ngakinga provides NTT with annual distributions, by way of interest payments on loans, required to fund its charitable activities and reinvests the remaining funds into growing the Iwi asset base.

The Group structure can be summarised as follows:



The current Te Ngakinga board is:

- Simon Karipa, Chair
- Rāwiri Tinirau (also an NTT Trustee)
- Peter Halligan

Koau Capital Partners Ltd is contracted by Te Ngakinga as Investment Manager.

Cambridge Associates is contracted by Te Ngakinga to oversee and provide advice regarding the passive managed fund portfolio.

At 31 March 2020, Te Ngakinga's Net Assets totalled \$5.65m.

Assets (Total \$89.64m)

- Managed Funds \$84.31m
- Boulcott Street \$3.00m
- St George's \$0.55m
- Cash \$1.65m
- Other \$0.13m

Liabilities (\$83.98m)

- Loans from NTT \$83.10m
- NTT Intercompany account \$0.88m

2. NTT GROUP SIPO

NTT Investment Framework

The Statement of Investment Policies & Objectives (SIPO) is derived from an Investment Framework prescribed by NTT's application of Tupua Te Kawa as it relates to investing for and on behalf of Whanganui Iwi. The Investment Framework incorporates the values of Tupua Te Kawa and aligns with NTT Group's Strategic objectives. These are:

- Kawa Tuatahi: Ko te Awa te mātāpuna o te ora

Te Awa Tupua is a spiritual and physical entity that supports and sustains both the life and natural resources within the Whanganui River and the health and wellbeing of the iwi, hapū and other communities of the River.

A percentage of profits may be distributed to increase the health and well-being of Te Awa Tupua and Whanganui Iwi including health, education, employment and recreation, through distributions from Te Ngakinga and WIFL to NTT and the Whanganui Iwi Development Trust, but only after administration costs and reinvestment targets have been met.

- Kawa Tuarua: E rere kau mai te Awanui, mai i Te Kāhui Maunga ki Tangaroa

Te Awa Tupua is an indivisible and living whole from the mountains to the sea, incorporating the Whanganui River and all of its physical and metaphysical elements.

Taonga Assets (including Pakaitore lands) are to be protected and can never be mortgaged or sold.

Whanganui Iwi has aspirations to commercially invest in our own rohe but our priority is firstly to maximise the return to Whanganui Iwi. Commercial investments must be able to be bought and sold for the purposes of achieving such returns.

(iii) Kawa Tuatoru: Ko au te Awa, ko te Awa ko au

The iwi and hapū of the Whanganui River have an inalienable interconnection with, and responsibility to, Te Awa Tupua and its health and wellbeing.

We are inseparably connected to Te Awa Tupua as will be our mokopuna and their mokopuna. Our investment approach is long term and intergenerational. The Whanganui River settlement provides an opportunity to provide for Whanganui Iwi for generations to come. Therefore, no principal from the settlement will be distributed, though income may be distributed after administration costs and reinvestment targets are met.

(iv) Ngā manga iti, ngā manga nui e honohono kau ana, ka tupu hei Awa Tupua

Te Awa Tupua is a singular entity comprised of many elements and communities, working collaboratively to the common purpose of the health and wellbeing of Te Awa Tupua.

Te Ngakinga/WIFL understand that investing and financial returns are a means to help Whanganui Iwi achieve our greater strategic aspirations. Te Ngakinga and WIFL are parts of the NTT group and have specific roles to play within that group. Investment decisions will be supported by due process and expert advice.

Investment Beliefs

Te Ngakinga's approach to investing is framed by a set of clearly defined, over-arching beliefs that drive the investment decisions. These investment beliefs are:

- Strong governance and well-defined decision-making structures enable sound investment decision making.
- The investment horizon is long-term and intergenerational. Setting an asset allocation that is appropriate to the objectives and risk tolerance is the most important decision to be made as it is the primary driver of long-term success. A broadly diversified portfolio both across and within asset classes improves the risk to return ratio over time.
- Active managers can add excess return over benchmarks, particularly in shallow or Emerging Markets. In many markets/asset classes (e.g. Developed Markets and/or deep markets), manager structures that include a passive approach may be more appropriate.
- Costs matter and, in some asset classes, low-cost passive strategies can be blended with higher cost active strategies to minimise the overall cost of investing. The primary goal is to maximise net of fees returns (return on investment after management and/or performance fees) at an acceptable level of risk.
- To achieve the desired level of distribution to NTT while preserving and enhancing Te Ngakinga's purchasing power over time, the real return target for Te Ngakinga's portfolio should be greater than the distribution rate.

- Responsible investors should have regard to the environmental, social and governance issues of companies in which they invest and Te Ngakinga will strive to identify managers who include a review of and consideration for ESG issues in investment analyses and decision making.
- The base currency of the Te Ngakinga is New Zealand dollars and it is appropriate to measure the portfolio performance (including the impact of currency and currency hedging) in NZD.
- Te Ngakinga has a preference to initially invest via managed funds moving, over time, to consider Direct Investments within the parameters of the Direct Investment Policy.

Te Ngakinga Investment Objectives

The overarching objective of Te Ngakinga's investment portfolio is to earn an average annual inflation-adjusted (real) total return before spending of 4.0% over a full market cycle (rolling five-year period) at an acceptable level of risk. Risk is multi-faceted and the governance of risk is addressed and managed specifically through policies contained within the SIPO.

More specifically, Te Ngakinga's long-term objectives are to:

- (i) Grow the real market value of Te Ngakinga's investment portfolio in perpetuity.
- (ii) Consistently provide the required income to NTT Group.
- (iii) Maintain equity between present and future beneficiaries in perpetuity.

Te Ngakinga's investment objectives are established to support the values of Tupua Te Kawa as outlined above.

Asset Allocation

The asset allocation targets were agreed following portfolio modelling by Cambridge Associates in 2017 to determine the appropriate allocations to deliver the cashflow and investment returns required by Te Ngakinga. These are recorded in the group Statement of Investment Policy & Objectives (SIPO). A comprehensive review of these asset categories and targets was completed prior to the start of FY21.

Specific allocations are categorised under two broad asset groups according to the primary roles that each asset class plays within the portfolio:

- Growth Assets
- Defensive Assets

Te Ngakinga's initial asset allocation is set at a 60/40 growth/defensive split as set out below.

Asset Classes	Policy Target	Ranges
Growth Assets	60.0%	50.0 – 70.0%
Australasian Equity	13.0%	8.0% - 18.0%
Global Equity	27.0%	17.0% - 37.0%
Emerging Market Equity	5.0%	2.0% - 8.0%
Diversifiers	8.0%	5.0% - 15.0%
Real Assets/Private Investments/Direct Investments	7.0%	2.0% - 12.0%

Defensive Assets	40.0%	30.0% - 50.0%
Defensive Core Real Estate	13.0%	6.0% - 20.0%
New Zealand Fixed Income	15.0%	10.0% - 20.0%
Global Fixed Income	10.0%	0.0% - 15.0%
Cash	2.0%	0.0% - 5.0%
Total	100.0%	

A new defensive asset category – Defensive Core Real Estate – has been added to the portfolio following the pre-FY21 review. This is to enable Te Ngakinga’s direct investments to be assessed and allocated to either RA/PI/DI under growth assets or the new Defensive Core Real Estate category under defensive assets based on each investment’s risk / return profile. Overall the 40% defensive asset class remains unchanged with allocation to Defensive Core Real Estate being offset by decreases in Te Ngakinga’s other defensive assets, ie – NZ Fixed Income and Global Fixed Interest.

The SIPO allows for the portfolio to be amended to a 70/30 growth/defensive split after 31 March 2018. Te Ngakinga trustees have opted to retain the more conservative 60/40 split for the time being.

3. TE NGA KINGA FIVE YEAR STRATEGIC DIRECTION

The following table summarises Te Ngakinga’s 5-year strategic plan.

KEY FOCI	OBJECTIVES <i>Specific outcomes sought</i>	KEY PERFORMANCE INDICATORS <i>Indicators that monitor success</i>
<p>NGĀ UARA</p> <p>KA WHAKATŌ NGĀ PURAPURA PROTECT THE ASSETS OF TE NGA KINGA FOR FUTURE GENERATIONS</p> <p>KA NGAKI I TE MĀRA TO GROW AND DEVELOP THE ASSETS OF TE NGA KINGA SO THEY PROVIDE FOR TODAY AND TOMORROW</p> <p>KA PUĀWAI NGĀ HUA THAT THE IWI HAVE THE BENEFITS OF OUR WORK</p> <p>This strategic plan aligns with the Five Year Strategic Plan of Ngā Tāngata Tiaki o Whanganui Trust. Te Ngakinga is committed to delivering the strategic directions described in this plan and in doing so meeting its accountability to Ngā Tāngata Tiaki and ngā Iwi of Whanganui. This plan recognises that the Te Ngakinga is in its establishment phase and is building its investment approach.</p>		
Clarity and understanding across all communities of Te Awa Tupua	<ul style="list-style-type: none"> Te Ngakinga strategy and plans aligned with NTT Group Communications Plan. Te Ngakinga’s SIPO, DIP, Strategic & Annual Plans all aligned to NTT Strategic Goals and available to all uri. Te Ngakinga profile amongst uri is raised. 	<ul style="list-style-type: none"> Te Ngakinga contributes to NTT Group communications regularly. Te Ngakinga corporate documentation available for review by uri.

		<ul style="list-style-type: none"> Te Ngakinga communicates in a way accessible to uri, including by providing accessible reporting of progress.
Whanganuitanga	<ul style="list-style-type: none"> Te Ngakinga upholds Whanganuitanga. Te Ngakinga contributes (where possible) to hapū development. 	<ul style="list-style-type: none"> Te Ngakinga seen to behave in accordance with Tupua Te Kawa. Te Ngakinga investigates investment opportunities that have the potential to benefit hapū.
A prosperous Tribal Nation	<ul style="list-style-type: none"> Te Ngakinga contribute to NTT Group wealth creation. Contributes towards iwi having the knowledge, capability and opportunity to ensure that iwi assets are managed prudently and grow to provide for current priorities and future prosperity. Direct Investment Policy completed and implemented. 	<ul style="list-style-type: none"> Te Ngakinga trustees participate in NTT Group asset management workshops. Te Ngakinga developed, along with NTT, appropriate structures and processes to assess investment opportunities as they arise (including environmental impacts). Te Ngakinga assesses investment opportunities from within the iwi against relevant investment criteria and processes. Where appropriate, Te Ngakinga assists in the development of investment capability and understanding within the iwi. Te Ngakinga Direct Investment Policy completed, approved and being implemented.
Trust and confidence	<ul style="list-style-type: none"> Continual improvement of governance, management and organisational performance, proficiency, effectiveness and excellence. 	<ul style="list-style-type: none"> Te Ngakinga adopts best practice Governance Guidelines. Te Ngakinga meets its benchmark return objectives over rolling 3-year periods.

4. TE NGA KINGA 2020-21 OBJECTIVES & OUTPUTS

Te Ngakinga’s objectives and associated outputs for FY21 are detailed below.

KEY FOCI	OBJECTIVES / WORKSTREAMS	OUTPUTS
Governance, Management & Reporting	<ul style="list-style-type: none"> Clear shareholder objectives, expectations and accountabilities established for Te Ngakinga. Effective, expert and strategic Te Ngakinga governance. 	<ul style="list-style-type: none"> LoE between NTT and Te Ngakinga. 2020-21 Annual Plan & Budget approved by NTT.

	<ul style="list-style-type: none"> ○ Suitably experienced and skilled management. ○ Effective, timely and transparent relationship with, and reporting to, NTT. 	<ul style="list-style-type: none"> ○ Te Ngakinga board meets at least 6 times through 2020-21, being: <ul style="list-style-type: none"> - 4 quarterly reporting hui - 1 strategic and annual planning hui - 1 annual statutory reporting hui ○ Te Ngakinga reports at least quarterly to NTT including having a representative report directly to NTT hui. ○ Te Ngakinga provides all monthly fund performance reports to NTT for review. ○ Experienced and expert management support contracted allowing Te Ngakinga to perform its duties and deliver on its annual objectives.
Alignment with NTT Group	<ul style="list-style-type: none"> ○ Te Ngakinga works in a complementary and fully aligned manner with all other members of NTT Group and in accordance with NTT's vision, values and strategies. 	<ul style="list-style-type: none"> ○ Te Ngakinga upholds Tupua te Kawa and NTT values in everything it does. ○ Te Ngakinga activities and investments are fully aligned with NTT Group's vision, strategy and strategic objectives. ○ Regular / ongoing dialogue and hui between Te Ngakinga board/management and NTT management with each keeping the other suitably informed of relevant matters. ○ No surprises.
Strategic & Investment Review	<ul style="list-style-type: none"> ○ Te Ngakinga's 5 Year Strategic Plan remains relevant and supported by appropriate policies. ○ Te Ngakinga's SIPO remains relevant and appropriate including distribution / reinvestment requirements and asset allocation policies. ○ Te Ngakinga has visibility of its long term portfolio growth potential based on a range of investment variables and macro-economic factors enabling robust 	<ul style="list-style-type: none"> ○ 5 Year Strategic Plan fully reviewed & updated at expiry, ie - prior to conclusion of 2020-21 financial year. ○ SIPO reviewed and updated prior to commencement of 2020-21 financial year.

	and prudent investment decision making.	
Managed Funds Investment Portfolio	<ul style="list-style-type: none"> ○ Continued implementation and maintenance of SIPO requirements. ○ Continuous oversight of asset allocations, fund performance and fund management. ○ Prudent management of all treasury operations ensuring sufficient liquidity is maintained while optimising cash fund returns. 	<ul style="list-style-type: none"> ○ Managed funds investment portfolio asset allocations remain compliant with SIPO requirements. ○ Managed funds investment portfolio returns pursuant to SIPO targets are achieved. ○ Sufficient cash/liquidity is maintained to meet Te Ngakinga's operating cash flow requirements, distributions to NTT and to pursue/complete direct investment opportunities.
Direct Investment Portfolio	<ul style="list-style-type: none"> ○ Build a portfolio of high quality direct investments in accordance with Te Ngakinga's approved Direct Investment Policy and SIPO asset allocation and target return requirements. 	<ul style="list-style-type: none"> ○ Te Ngakinga completes due diligence on the Advanced Aviation Hub & St George's accommodation investment opportunity together with other local iwi investment partners with a final decision to invest or not to be completed by the end of Q3-21. ○ Te Ngakinga continues to seek out, assess and complete further quality direct investment opportunities in accordance with its SIPO and Direct Investment Policy – target to complete due diligence on at least 2 quality direct investments during 2020-21.
Investment Relationships	<ul style="list-style-type: none"> ○ Establish strong and connected relationships with other aligned iwi commercial entities, Māori land incorporations/trusts, etc. ○ Establish wider investment networks with mainstream investors. ○ Te Ngakinga maintains a watching brief over activities within the Manawatū-Whanganui area that might lead to investment opportunities. 	<ul style="list-style-type: none"> ○ Te Ngakinga has an established network of iwi and mainstream investment networks with Te Ngakinga considered a strong co-investment partner. ○ Te Ngakinga attends as many relevant iwi co-investment meetings as considered appropriate. ○ Te Ngakinga has a profile within the Manawatū-Whanganui area as a potential local investor of choice.

5. FINANCIAL BUDGET FOR YEAR ENDED 31 MARCH 2021

Asset Allocations

As at 31 March 2020, Te Ngakinga's managed funds investment portfolio was fully invested with each asset allocation complying with the applicable SIPO stipulated range except for Real Assets/Private Equity/Direct Investments, which is underweight by 1.4% to bottom end of range, and NZ Fixed Income, which is overweight by 1.9% to top end of range. The total allocation ratio, at 52.1% Growth Assets and 47.9% Defensive Assets, is outside the target 60%/40% ratio, although with planned direct investments in FY21, this will be realigned.

	SIPO Target (Range)	SIPO Target (Midpoint)	At 31 March 2020	GAP to SIPO Midpoint
Growth Assets				
Australian Equities	8% to 18%	13.0%	12.1%	-0.9%
Global Equity	17% to 37%	27.0%	25.9%	-1.1%
Emerging Market Equity	2% to 8%	5.0%	4.9%	-0.1%
Diversifiers	5% to 15%	8.0%	8.5%	0.5%
Real Assets / Private Equity / Direct Investments	2% to 12%	7.0%	0.6%	-6.4%
Total Growth Assets	60.0%	60.0%	52.1%	-7.9%
Defensive/Income Assets				
Defensive Core Real Estate	6% to 20%	13.0%	12.9%	-0.1%
NZ Fixed Income	10% to 20%	15.0%	21.9%	6.9%
Global Fixed Income	0% to 15%	10.0%	11.1%	1.1%
Cash	0% to 5%	2.0%	1.9%	-0.1%
Total Defensive/Income Assets	40.0%	40.0%	47.9%	7.9%

Budget Assumptions

The specific assumptions underpinning the financial budget are set out below, both in relation to proposed investment activity and assumed investment returns for each investment category.

- AMP Fixed Interest Fund (*NZ Fixed Income*) will be partially liquidated with the funds used to complete the remaining AUD1.2m AUD investment in the ICG Senior Loan Fund (*Global Fixed Income*). Earnings will commence immediately following investment.
- The two current Direct Investments of Boulcott Street (*NZ Fixed Income*) and St Georges (*RA/PE/DI*) will have no cash returns through FY21.
- One direct investment of \$5m is expected to occur in Q3 of FY21 and will sit within the RI/PE/DI asset category. This will be funded by partially liquidating the AMP Fixed Interest Fund (*NZ Fixed Income*). No return has been budgeted for this investment for FY21.
- Te Ngakinga will actively consider 1-2 other direct investment opportunities however, for conservative purposes, no return is expected for FY21.

- Te Ngakinga will move to the bottom end of its SIPO range for Growth Assets in order to take a more conservative approach during the Covid-19 impacted global market environment. It will do this by redeeming \$2m from ANZ Wholesale International Share Fund and \$750k from Blackrock EM IMI Equity Index Fund in May and hold in Cash.
- The average cash return is assumed at 1.5%, being a mix of short term (3-12 months) TDs and on-call deposits. Cash reserves are required to fund NTT interest payments and Te Ngakinga operating expenditure.
- The following table provides the budget return assumptions for Te Ngakinga's cash and each of its defensive investments, all of which are lower risk / volatility assets and hence able to be more accurately forecast. These assumed returns were supported by Cambridge Associates advice.

Given short term volatilities that typically occur within growth assets, it is difficult to accurately forecast the average return across Te Ngakinga's portfolio of growth asset investments over a single year. The current Covid-19 environment has made this forecasting an even more difficult prospect. For the purposes of taking a conservative approach in these uncertain times, the return against Te Ngakinga's growth assets is assumed at 5% for FY21, down from 8% assumed for the FY20 budget.

Investment Returns	Budgeted Return	Comment
Cash / Term Deposits	1.5%	Cash is assumed to be managed by way of TDs and cash on call to fund operations. TDs will be short term. Overall assume an average return on cash holdings at 1.5%.
AMP Capital NZ Fixed Interest	1.5%	Average FYTD (31 Mar '20) return is 4.4% versus benchmark 4.7%. Cambridge Associates project a significant reduction to 1.5% through FY21.
PIMCO Global Bond ESG Fund	2.0%	Average FYTD (31 Mar '20) return is 3.7% versus benchmark 6.0%. Cambridge Associates project a significant reduction to 2.0% through FY21.
Trust Property Investment	6.0%	Average FYTD (31 Mar '20) return is 5.4% versus benchmark 6.7%. Cambridge Associates project an increase to 6.0% through FY21.
ICG Australia Senior Loan Fund	5.5%	ICG presentation (Sep '19) recorded a running yield of 5.7%. Cambridge Associates project a 5.5% return through FY21.
Growth Assets	5.0%	Average FYTD (31 Mar '20) return is -2.7%. Covid-19 has resulted in extreme volatility within global markets. Cambridge do not provide near term projections as it is difficult to make a reasonable estimate with any certainty, particularly in the current environment. However, for the purposes of completing the budget a return needs to be assumed. Given this highly uncertain environment, an average 5% return over FY21 is assumed. Note, last year's budget assumed 8%, hence this is a more conservative position.

(viii) The FY21 opening balances at 1 April 2020 for Defensive Assets within the managed funds portfolio are the closing 31 March 2020 Defensive Asset values as provided by Cambridge Associates.

(ix) The FY21 opening balances at 1 April 2020 for Growth Assets within the managed fund portfolio are the closing 31 March 2020 Growth Asset values as provided by Cambridge Associates.

(x) The FY21 closing balances at 31 March 2021 for each investment within the managed fund portfolio are the opening values at 1 April 2020 multiplied by the budgeted return assumptions per (vii) above and adjusted for the assumed liquidation of AMP Capital NZ Fixed Interest investment to fund ICG Australia Senior Loan Fund and the \$5m direct investment together with the \$2.75m movement from ANZ Wholesale International Share Fund and Blackrock EM IMI Equity Index Fund to Cash.

(xi) The table below outlines the FY21 opening and closing values for the managed funds portfolio.

Fund	Managed Funds (\$'000s)		
	Closing Balance 31-Mar-20	Opening Balance 1-Apr-20	Budget Closing Balance 31-Mar-21
Defensive / Income			
AMP Capital NZ Fixed Interest Fund	\$19,636	\$19,636	\$14,912
Trust Investments - Property Fund	\$8,602	\$8,602	\$9,118
PIMCO Global Bond ESG Fund	\$6,444	\$6,444	\$6,573
ICG Australia *	\$3,530	\$3,530	\$5,042
Total Defensive / Income	\$38,213	\$38,213	\$35,645
Growth			
Devon Trans-Tasman Wholesale Fund	\$5,523	\$5,523	\$5,800
Milford Trans-Tasman Equity Fund	\$5,352	\$5,352	\$5,620
Magellan Global Fund	\$7,169	\$7,169	\$7,528
ANZ Wholesale International Share Fund	\$11,024	\$11,024	\$9,483
RWC Global Horizon Fund	\$5,032	\$5,032	\$5,283
GQG Partners Emerging Markets Equity Fund	\$2,383	\$2,383	\$2,502
Blackrock EM IMI Equity Index Fund	\$1,979	\$1,979	\$1,293
Aviva Investors Multi-Strategy Target Return	\$4,089	\$4,089	\$4,294
Schroders ISF Global Target Return	\$3,549	\$3,549	\$3,726
Total Growth	\$46,100	\$46,100	\$45,529
Total	\$84,313	\$84,313	\$81,174

Note – overall managed fund portfolio return is \$3.33m however, after funding the budgeted \$5m direct investment and movement of \$2.75m to Cash, the net downward movement in managed funds is c \$3.14m

(xii) Te Ngakinga's total portfolio of assets includes its Managed Funds (per xi above) plus Cash and Direct Investments of St Georges and Boulcott Street. The total portfolio of assets is reflected in the table below.

Portfolio Assets	(\$0000's)		
	Closing Balance 31-Mar-20	Opening Balance 1-Apr-20	Budget Closing Balance 31-Mar-21
Managed Funds - Growth Assets	\$46,100	\$46,100	\$45,529
Direct Investments - Growth	\$550	\$550	\$5,550
Managed Funds - Defensive / Income Assets	\$38,213	\$38,213	\$35,645
Direct Investments - Defensive / Income	\$3,000	\$3,000	\$3,000
Cash / TDs	\$1,773	\$1,773	\$2,953
Total	\$89,636	\$89,636	\$92,677

Note – the Cash / TDs balance at 31 March 2021 is the opening 1 April 2020 balance plus \$2.75m redemptions during the year less payment of all Te Ngakinga expenses and NTT interest / distribution.

(xiii) Income of \$2k/month to be generated from services provided to Whanganui Iwi Fisheries Ltd pursuant to the SLA between the parties.

(xiv) Operating cost assumptions are as follows:

- Accountancy Fees, Audit Fees, Insurance, Legal Expenses, Travel & Accommodation, and Trustee Training increased by inflation on FY20 actuals.
- Cambridge Associates fee at \$160k. It is assumed Te Ngakinga will hold on average ~\$80m in Managed Funds across FY21 against which Cambridge Associates charges a 0.2% fee.
- Koau Consultancy Fee increase to \$10k/month.
- \$20k for *Special Projects* relating to uncapitalized due diligence costs associated with direct investment opportunities.
- Trustee remuneration to be \$90k for FY21.
- No budgeted expenses for Interest Expense or Forex Gains or Losses that were incurred through FY20
- All other expenses remain unchanged from FY20 budget

(xv) Interest payable by Te Ngakinga to NTT against the loans from NTT is set at \$317.6k for Q1-21 pursuant NTT's Letter of Expectation. Interest for Q2-21, Q3-21 and Q4-21 will be set at the conclusion of each quarter following an assessment of Te Ngakinga's financial state and before the preceding quarter's loan interest recall is made. However, for the purposes of Te Ngakinga's budget, these are assumed to be at equivalent levels to Q1-21, i.e. – a total FY21 interest payment to NTT of \$1.27m.

The FY21 distribution to Te Whawhaki has also been set for Q1-20 only, at \$70k. This is assumed to be funded by Whanganui Iwi Fisheries Ltd (WIFL) for tax efficiency reasons. If the same \$70k is required by Te Whawhaki over Q2-21, Q3-21 and Q4-21, there will be a c \$76k shortfall unable to be funded by WIFL based on WIFL's FY21 budget. This is assumed to be funded by Te Ngakinga by way of distribution, although the likely approach will be for NTT to increase its interest charge.

Budget Profit & Loss

Te Ngakinga's FY21 Profit and Loss budget based on the Section 5 assumptions is summarised below.

Te Ngakinga o Whanganui Investment Trust Budget Financial Performance 2020-21			
	FY21B	FY20	Variance FY21B vs FY20
INCOME			
Interest Income	\$47,538	\$40,861	\$6,677
Movement in Managed Funds - INCOME	\$1,155,939	\$1,603,764	-\$447,825
Movement in Managed Funds - GROWTH	\$2,178,978	-\$1,314,985	\$3,493,963
Other Revenue - WIFL SLA	\$24,000	\$24,000	\$0
TOTAL INCOME	\$3,406,455	\$353,640	\$3,052,815
OPERATING EXPENSES			
NTT Administration Fees	\$48,000	\$48,000	\$0
Consultancy Fees	\$280,000	\$311,297	\$31,297
Special Projects	\$20,000	\$41,068	\$21,068
Legal Expenses	\$7,500	\$29,280	\$21,780
Travel & Accommodation - General	\$2,500	\$24	-\$2,476
TOTAL OPERATING EXPENSES	\$358,000	\$429,669	\$71,669
OVERHEADS			
Accountancy Fees	\$9,000	\$6,000	-\$3,000
Audit Fees	\$6,000	\$5,195	-\$805
Bank Fees	\$500	\$314	-\$186
Catering	\$1,000	\$550	-\$450
General Expenses	\$600	\$214	-\$386
Insurance	\$11,000	\$10,306	-\$694
Iwi Leaders Forum	\$0	\$0	\$0
Travel & Accommodation - Trustee	\$4,000	\$5,262	\$1,262
Trustee Training	\$0	\$0	\$0
Trustee Remuneration	\$90,000	\$59,218	-\$30,782
Forex Gains and Losses	\$0	\$20,725	\$20,725
TOTAL OVERHEADS	\$122,100	\$107,784	-\$14,316
TOTAL EXPENSES	\$480,100	\$537,453	\$57,353
NET OPERATING PROFIT	\$2,926,355	-\$183,813	\$2,995,462
Interest on NTT Loan	\$1,270,556	\$685,000	\$585,556
NTT Distribution (WIFL Shortfall)	\$76,226	\$0	\$76,226
NET OPERATING SURPLUS	\$1,579,573	-\$868,813	\$2,409,906

Te Ngakinga is budgeting a Net Operating Profit (ie – before interest on loans and distributions to NTT) of \$2.93m. This is generated against an opening asset value of \$89.64m (\$84.31m managed fund investments, \$3.55m direct investments, and \$1.77m cash) equating to a Return on Opening Assets of 3.25%.

Based on the assumption that NTT's interest charge to Te Ngakinga through FY21 is \$1.27m plus \$76k distribution to cover WIFL's shortfall, the interest/distribution to opening asset value rate is 1.5% with interest/distribution to Net Operating Profit at 46%. These are both within typical iwi distribution and reinvestment bands of 1.5-2.0% assets / 30-50% of profit.

Schedule 1 details the monthly FY21 Profit & Loss budget.

Budget Sensitivities

Te Ngakinga is operating within a period of extreme and sustained global volatility from, in particular, Covid-19 together with ongoing geo-political uncertainties (from, for example, the China-USA trade issues, Iran-USA tension, Brexit, etc). With a large component of its growth assets invested into global funds, this volatility has the potential to significantly impact Te Ngakinga's earnings through FY21.

The following table details Te Ngakinga's earnings movement for each of Defensive Assets and the combined Growth Assets from a +/-1% movement of the budgeted returns for each. There is minimal risk of any material movement in the budgeted cash returns.

Investment Returns	Budgeted Returns (%)	Budgeted Return (\$'000s)	+/- 1% Change in Investment Return (\$'000s)
Term Deposits	0.5%	\$0	No Change
AMP Capital NZ Fixed Interest	1.5%	\$276	\$184
Trust Investments - Property Fund	6.0%	\$516	\$86
PIMCO Global Bond ESG Fund	2.0%	\$129	\$64
ICG Australia Senior Loan Fund	5.5%	\$235	\$43
Growth Assets	5.0%	\$2,179	\$436
		\$3,335	\$813

By way of example, a 3% upwards of downwards shift in Growth Asset returns with all other Defensive Asset returns remaining on budget, would result in a ~\$1.3m earnings increase / decrease.

6. RISK MANAGEMENT

Until Te Ngakinga's direct investment portfolio is developed, its risks are largely focused around the specific asset class volatilities within its managed fund portfolio. Te Ngakinga has little control over these volatilities however they are appropriately managed / mitigated through the asset allocation policy set out in the SIPO.

Te Ngakinga currently carries \$83.1m of term debt, being loans from NTT. As an early investor and not having had the time to build significant value reserves across its investment portfolio coupled with the current extreme volatility in global markets, the risk exists for Te Ngakinga's liabilities to exceed asset values periodically, a situation of technical Balance Sheet insolvency. This risk is managed through the NTT loan agreements and, specifically, two limitations that apply to NTT's ability to call in the loans and/or interest, as follows:

- *The principal sum is repayable upon demand, on or before the term expiry date. The aggregate of demand amounts may not exceed 15% of the outstanding principal sum within a rolling sixty-month period commencing on the date of this agreement. The parties agree to review this limitation on or about each five-year anniversary of this agreement with the first review in 2021. The demanding and repayment of the principal sum is always subject to clause 5.*
- *If Te Ngakinga, acting reasonably, advise NTT that the proposed demand cannot be met by Te Ngakinga without placing it and/or any of its material investments at serious financial risk or will be likely to result in Te Ngakinga, whether directly or indirectly, incurring a material loss, then the parties agree that the demand will be modified to the extent necessary, whether in quantum, timing or both, to avoid such outcome.*

Schedule 1 – Te Ngakinga FY21 Budget Month Profit and Loss

Te Ngakinga o Whanganui Investment Trust
Budget Financial Performance
2020-21

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY21B	FY20	Variance FY21B vs FY20
INCOME															
Interest Income	\$2,216	\$1,900	\$5,260	\$4,835	\$4,800	\$4,722	\$4,289	\$4,255	\$4,177	\$3,744	\$3,709	\$3,631	\$47,238	\$40,861	\$6,677
Movement in Managed Funds - INCOME	\$94,478	\$94,478	\$94,478	\$94,478	\$94,478	\$100,329	\$100,329	\$100,329	\$100,329	\$94,079	\$94,079	\$94,079	\$1,155,939	\$1,603,764	-\$447,825
Movement in Managed Funds - GROWTH	\$192,085	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$180,627	\$2,178,978	-\$1,314,985	\$3,493,963
Other Revenue - WFLSIA	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$24,000	\$0
TOTAL INCOME	\$290,779	\$279,005	\$282,364	\$281,939	\$281,904	\$287,677	\$287,245	\$287,210	\$287,132	\$280,449	\$280,415	\$280,337	\$3,406,455	\$3,533,640	\$3,052,815
OPERATING EXPENSES															
NTT Administration Fees	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$48,000	\$48,000	\$0
Consultancy Fees	\$50,000	\$10,000	\$10,000	\$50,000	\$10,000	\$10,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$280,000	\$311,297	-\$31,297
Special Projects	\$5,000	\$0	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$20,000	\$41,068	-\$21,068
Legal Expenses	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$7,500	\$29,280	-\$21,780
Travel & Accommodation - General	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$2,500	\$24	-\$2,476
TOTAL OPERATING EXPENSES	\$54,833	\$14,833	\$19,833	\$54,833	\$14,833	\$19,833	\$54,833	\$14,833	\$19,833	\$54,833	\$14,833	\$19,833	\$38,000	\$429,669	\$71,669
OVERHEADS															
Accountancy Fees	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000	\$6,000	-\$3,000
Audit Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$5,195	-\$805
Bank Fees	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500	\$314	-\$186
Catering	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$1,000	\$550	-\$450
General Expenses	\$90	\$50	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$600	\$214	-\$386
Insurance	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$11,000	\$10,306	-\$694
Iwi Leaders Forum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel & Accommodation - Trustee	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$4,000	\$5,262	-\$1,262
Trustee Remuneration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Remuneration	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000	\$59,218	-\$30,782
Forex Gains and Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,725	-\$20,725
TOTAL OVERHEADS	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$9,675	\$122,100	\$107,784	-\$14,316
TOTAL EXPENSES	\$64,508	\$24,508	\$29,508	\$64,508	\$24,508	\$29,508	\$64,508	\$24,508	\$29,508	\$64,508	\$24,508	\$29,508	\$480,100	\$537,453	\$57,353
NET OPERATING PROFIT	\$226,270	\$254,496	\$252,856	\$217,430	\$251,396	\$258,169	\$222,736	\$262,702	\$257,624	\$215,941	\$255,906	\$250,828	\$2,226,355	-\$183,813	\$2,995,462
Interest on NTT Loan	\$0	\$0	\$317,639	\$0	\$0	\$317,639	\$0	\$0	\$317,639	\$0	\$0	\$317,639	\$1,270,556	\$685,000	-\$585,556
NTT Distribution (WFL Shortfall)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,961	\$76,226	\$0	-\$69,961
NET OPERATING SURPLUS	\$226,270	\$254,496	-\$64,783	\$217,430	\$251,396	-\$59,470	\$222,736	\$262,702	-\$66,280	\$215,941	\$255,906	-\$136,772	\$1,579,573	-\$868,813	\$2,409,906

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7. COMPLIANCE

Te Ngakinga must operate in accordance with its SIPO, Direct Investment Policy and other applicable NTT group policies.

In addition, Te Ngakinga must ensure it complies with all applicable aspects of the Charities Act 2005 including ensuring its activities remain consistent with its charitable objects to maintain its charitable status (including tax exemption) and all relevant financial reporting standards are adhered to. This will continue to be regularly monitored throughout FY21.

8. REPORTING

Te Ngakinga has a responsibility to report quarterly in arrears to NTT. Te Ngakinga board will meet at least 6 times during FY21 with the Chair and management subsequently preparing quarterly reports for distribution by Te Ngakinga board to NTT as well as attendance at the applicable NTT board meetings to present the quarterly reports.

Additionally, Te Ngakinga will prepare and deliver audited annual financial statements and an annual report to NTT in advance of the NTT AGM. Trustees will be available to present on Te Ngakinga's operations and results at the NTT AGM.

The investigation of significant investment opportunities will involve continual communication between Te Ngakinga and NTT.

Finally, Te Ngakinga will communicate major, particularly potentially adverse, developments to the Trustees on an immediate and no surprises basis.

Te Ngakinga o Whanganui Investment Trust

Financial Statements for the Year ended 31 March 2020

Te Ngakinga o Whanganui Investment Trust

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INDEPENDENT AUDITORS REPORT

To the Trustees of Te Ngakinga o Whanganui Investment Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Te Ngakinga o Whanganui Investment Trust on pages 7 to 18, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Trust.

Emphasis of Matter: Subsequent Events – Covid 19 impact

We draw attention to note 22 of the financial statements which notes the World Health Organisation's declaration of the Covid-19 outbreak as a global pandemic and how this has been considered by the Trustees in the preparation of the financial statements. As set out in note 22 the full financial impact of the Covid-19 pandemic is not able to be determined. Our opinion is not modified in respect to this matter.

Other information

The trustees are responsible on behalf of the Trust for the other information. The other information comprises the Supplementary Documents but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SILKS AUDIT

Chartered Accountants Limited

Trustees Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Trust for assessing the Trust'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 those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Restriction on Distribution or Use

This report is made solely to the trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 27 July 2020

Directory

Nature of Business

Te Ngākinga o Whanganui Investment Trust is a charitable arm of the Ngā Tāngata Tiaki o Whanganui Group and was established to receive, invest, and administer the Group's funds exclusively for charitable purposes that benefit Whanganui Iwi or Te Awa Tupua.

Date of Trust Deed

23 May 2016

Registered Office

357 Victoria Avenue
Whanganui 4500

Directors

Simon Karipa - Chairperson
Dr Rāwiri Tinirau
Peter Halligan
Russell Bell
Declan Millin

(Appointed 2 March 2020)
(Temporary Appointment 30 July 2019 - 31 March 2020)
(Resigned 22 July 2019)

Contact Person Details

Simon Karipa
simon.karipa@gmail.com
357 Victoria Avenue
Whanganui

Chartered Accountants

Deloitte Private
20 Customhouse Quay
Wellington 6011

Auditors

Silks Audit Chartered Accountants Ltd
156 Guyton Street
Whanganui

Bankers

BNZ Bank
84 The Square
Palmerston North

ANZ Bank
87 Victoria Avenue
Whanganui

IRD Number

121-511-231

Charities Services Number

CC53926

Settlers

Ngā Tāngata Tiaki o Whanganui Trust

Approval of Financial Report

The Trustees are pleased to present the approved financial report including the historical Financial Statements of Te Ngākinga o Whanganui Investment Trust for the period ended 31 March 2020.

Approved

For and on behalf of the Board of Trustees



Trustee

27 July 2020

Date



Trustee

27 July 2020

Date

Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 March 2020

	Notes	2020 \$	2019 \$
Revenue From Exchange Transactions			
Dividend Received		1,738,209	828,383
Interest Received	10	244,775	235,025
Sundry Income	17	24,000	35,575
Total Revenue From Exchange Transactions		2,006,984	1,098,983
Expenses			
Administration Costs	11	146,212	95,270
Consulting Fees		121,010	128,473
Interest Expense	17	611,000	2,502
Portfolio Management Fees		186,620	174,104
Trustee Remuneration	18	59,218	56,500
Total Expenses		1,124,060	456,849
Net Surplus/(Deficit) for the Year		882,924	642,134
Other Gains/(Losses)			
Gain/(Loss) On Managed Funds Portfolio		(1,584,683)	3,981,682
Total Other Gains/(Losses)		(1,584,683)	3,981,682
Total Surplus/(Deficit) for the Year		(701,759)	4,623,816
Other Comprehensive Revenue and Expenses			
Foreign Currency Translation		(20,725)	367,056
Total Other Comprehensive Revenue and Expenses		(20,725)	367,056
Total Comprehensive Revenue and Expenses for the Year		(722,484)	4,990,872

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Movements in Equity

For the Year Ended 31 March 2020

	Share Capital \$	Foreign Currency Translation Reserve \$	Accumulated Comprehensive Revenue and Expenses \$	Total \$
Balance as at 1 April 2018	10	173,897	1,355,691	1,529,598
Capital Contributions	-	-	-	-
Surplus/(Deficit) for the Year	-	-	4,623,816	4,623,816
Other Comprehensive Income	-	367,056	-	367,056
Balance as at 31 March 2019	10	540,953	5,979,507	6,520,470
Balance as at 1 April 2019	10	540,953	5,979,507	6,520,470
Capital Contributions	-	-	-	-
Surplus/(Deficit) for the Year	-	-	(701,759)	(701,759)
Other Comprehensive Income	-	(20,725)	-	(20,725)
Balance as at 31 March 2020	10	520,228	5,277,748	5,797,986

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Financial Position

As at 31 March 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	12	1,646,106	289,276
Prepayments		6,608	6,164
Receivables From Exchange Transactions		198,755	126,168
Current Investments	13	-	7,295,126
Total Current Assets		1,851,469	7,716,734
Non-Current Assets			
Equity Accounted Investment	14	550,000	-
Investments – Portfolio Managed Funds	15	84,312,926	82,576,155
Loan	16	3,000,000	-
Total Non-Current Assets		87,862,926	82,576,155
Total Assets		89,714,395	90,292,889
Current Liabilities			
Trade and Other Payables		11,257	20,017
Interest Payable	17	152,750	-
Advance - Ngā Tāngata Tiaki o Whanganui Trust	17	652,402	652,402
Total Current Liabilities		816,409	672,419
Non-Current Liabilities			
Loans	17	83,100,000	83,100,000
Total Non-Current Liabilities		83,100,000	83,100,000
Total Liabilities		83,916,409	83,772,419
Net Assets		5,797,986	6,520,470
Equity			
Accumulated Comprehensive Revenue and Expenses		5,277,748	5,979,507
Foreign Exchange Reserve		520,228	540,953
Trust Capital		10	10
Total Equity		5,797,986	6,520,470

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Cash Flows

For the Year Ended 31 March 2020

	Notes	2020 \$	2019 \$
Cash Flows From Operating Activities			
Interest Received		131,941	163,808
Net GST Received		5,213	(8,639)
Sundry Income		24,000	12,575
Cash Paid To Suppliers		(521,757)	(497,868)
Interest Paid		-	(2,466)
Net Cash Inflow/(Outflow) from Operating Activities		(360,603)	(332,590)
Cash Flows From Investing Activities			
Loan Advances		(3,000,000)	-
Net Redemption of Term Deposits		7,295,126	(2,574,505)
Purchase of Investments		(5,559,176)	(23,399,815)
Purchase of Investments in Associates		(550,000)	-
(Investment)/Withdrawal of Investment Funds		4,010,458	1,870,605
Net Cash Inflow/(Outflow) from Investing Activities		2,196,408	(24,103,716)
Cash Flows From Financing Activities			
Interest Paid on Loan		(458,250)	-
Net Cash Inflow/(Outflow) from Financing Activities		(458,250)	-
Net Inflow/(Outflow) in Cash		1,377,555	(24,436,305)
Effect of Exchange Rate Fluctuations on Cash		(20,725)	367,056
Opening Balance Cash		289,276	24,358,525
Closing Balance Cash	12	1,646,106	289,276

These Financial Statements should be read in conjunction with the accompanying notes and audit report. 10

Notes to Financial Statements

For the Year Ended 31 March 2020

1. Reporting Entity

Te Ngākinga o Whanganui Investment Trust is a Charitable Trust formed 23 May 2016.

Te Ngākinga o Whanganui Investment Trust (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

2. Basis of Preparation

The Financial Statements for the Trust have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust has under \$30m of expenses and is not publically accountable. They have elected to report under Tier 2.

3. Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars (NZD). There has been no change in functional currency of the Trust during the year.

4. Measurement Basis

The Financial Statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated.

5. Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are disclosed where applicable in the relevant notes to the Financial Statements.

Judgements made by management in the application of the PBE Standards RDR that have significant effects on the Financial Statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the notes to the Financial Statements.

6. Comparatives

Comparative amounts are from the audited Financial Statements for the year ended 31 March 2019.

7. Going Concern

The Financial Statements have been prepared on a going concern basis. The Trustees, based on support from Ngā Tāngata Tiaki o Whanganui Trust, do not believe there is any risk around the Trusts continuity into the foreseeable future.

8. Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in Other Comprehensive Revenue and Expenses.

Te Ngākinga o Whanganui Investment Trust

9. Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Revenue is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Dividend Income

Dividend income from investments is recognised when the Trust's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the Trust and the amount of income can be measured reliably).

Goods and Services Tax

The Trust is registered for goods and services tax (GST). All amounts are stated exclusive of GST except for trade payables and trade receivables which are stated inclusive of GST.

Loans

Loans are classified as other non-derivative financial instruments and are stated at amortised cost.

Advances

Advances are classified as other non-derivative financial instruments and are stated at cost.

Trade Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Trade Receivables

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in the Statement of Comprehensive Revenue and Expenses.

Equity Method

Under the equity method of accounting, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Trust's share of the post-acquisition Surplus or Deficit of the investee in Surplus or Deficit and the Trust's share of movements in Other Comprehensive Revenue and Expenses of the investee in Other Comprehensive Revenue and Expenses. Dividends received or receivable from equity accounting investments are recognised as a reduction in the carrying amount of the investment.

When the Trust's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Trust does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Trust and its equity accounted investments are eliminated to the extent of the Trust's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in the impairment note below.

Impairment

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses. There have been no impairment losses recognised in the current year.

Determination of Fair Value

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on market value.

Portfolio Managed Funds are subsequently measured at fair value with gains and losses recognised in the Statement of Comprehensive Revenue and Expenses. Any foreign exchange differences are recognised in the Other Comprehensive Revenue and Expenses and presented in the Foreign Currency Translation reserve. Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Taxation

As a registered charity, the Trust is not subject to income tax and no income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses.

10. Interest Revenue

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

	2020 \$	2019 \$
Interest Revenue from Cash & Cash Equivalents and Term Deposits	40,861	235,025
Interest Revenue from Investments – Portfolio Managed Funds	131,585	-
Interest Revenue from Loans	72,329	-
Total Interest Revenue	244,775	235,025

11. Administration Costs

Administrative Costs includes the following expenses:

	2020 \$	2019 \$
Accountancy	6,000	3,500
Administrative Fees	48,000	54,000
Audit Fee	5,195	4,950
Bank Service Charges	314	4,673
General Expenses	764	5,737
Insurance	10,306	9,734
Legal Fees	29,280	8,821
Special Projects	41,068	-
Travel Expenses	5,285	3,855
Total Administration Costs	146,212	95,270

12. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

	2020 \$	2019 \$
Cash at bank	1,646,106	289,276
Total Cash and Cash Equivalents	1,646,106	289,276

13. Current Investments

	2020 \$	2019 \$
Short Term Deposits with Maturities of greater than 3 months and less than 12 months	-	7,295,126
Total Current Investments	-	7,295,126

14. Equity Accounted Investment

The Trust has a 50% interest in Kākaho Limited Partnership (the "Partnership"), a Limited Liability Partnership which is incorporated and has its principal place of business in New Zealand. The other 50% interest is held by Whanganui District Council Holdings Limited.

The Partnership holds the leasehold interest in the property situated at 125 Grey Street, Whanganui (locally identifiable as "St George's Preparatory School"). Per the Partnership agreement in place, Whanganui District Council Holdings Limited pays for all upkeep required.

As the Trust has joint control of the Partnership, and must act together with Whanganui District Council Holdings Limited to direct its activities, it has accounted for its investment in the Partnership using the equity method per PBE IPSAS 36 as required by PBE IPSAS 35. No revenue or expenses have been recorded by the Partnership in the year to 31 March 2020. Further information about the equity method can be found in the 'Equity Method' note 2 under '9. Significant Accounting Policies.'

15. Investments - Portfolio Managed Funds

	2020 \$	2019 \$
AMP Capital NZ Fixed Interest Fund	19,635,814	18,800,514
ANZ Wholesale International Share Fund	11,023,581	12,398,432
Aviva Investors Multi-Strategy Target Return	4,089,376	6,417,511
Devon Trans-Tasman Wholesale Fund	5,523,496	6,074,334
GQG Partners Emerging Markets Equity Fund	2,383,235	2,344,115
ICG Australia Senior Loan Fund	3,530,455	1,690,018
iShares EM IMI Equity Index Fund	1,978,662	2,118,271
Magellan Global Fund	7,169,123	6,282,604
Milford Trans-Tasman Equity Fund	5,352,488	6,727,342
PIMCO Global Bond ESG Fund	6,443,910	6,211,966
RWC Global Horizon Fund	5,031,583	5,252,771
Schroders Investment Management	3,548,851	-
Trust Investments - Property Fund	8,602,352	8,258,277
Total Investments - Portfolio Managed Funds	84,312,926	82,576,155

In the 2020 financial year there was one new investment, which was in Schroders Investment Management.

The Board of Trustees and the Portfolio Management Entity monitor the performance of all funds. The results of the year in the Statement of Comprehensive Revenue and Expenses show a net decrease of the value of the portfolio of \$1,584,683 (2019: net increase of \$3,981,682) and a foreign currency transaction loss of \$20,725 (2019: gain of \$367,056).

The Trust also incurred Portfolio Management Fees of \$186,620 (2019: \$174,104).

The Trust recognises these funds and their movements at fair value through surplus or deficit as this allows for more relevant information on their performance to be documented and reported to the Board of Trustees per the Trust's risk and investment strategy (e.g. it allows a comparison of returns since inception against prevailing market rates).

16. Loan

On 7 October 2019 the Trust entered into a loan agreement with Shares 59 Limited to lend \$3,000,000 for the purpose of redeveloping the commercial property located at 53 Boulcott Street into residential apartments. Interest income at a rate of 5% accrues per month on this loan each year and is capitalised at the end of each 12 month period from the date of the loan agreement. On completion of the development the Trust may be entitled to an additional return of up to \$1,000,000 depending on the profit achieved on the redevelopment as calculated under the agreement. Interest accrued on the loan as at 31 March 2020 totals \$72,329 (2019: \$Nil).

17. Related Party Transactions

Ngā Tāngata Tiaki o Whanganui Trust (NTT)

NTT is the settlor and parent entity of Te Ngākinga o Whanganui Investment Trust.

Loans (\$83,100,000) are presented in the Statement of Financial Position as per the Trust Deed and Loan contracts. The term of the loan is 30 years and is repayable on demand. The interest rate is calculated based on the one year swap rate at 31 December of the preceding year. The NTT Trustees resolved to accrue \$611,000 of interest during the year, of which \$458,250 was paid and \$152,750 remains as interest payable at 31 March 2020 (2019: \$Nil).

An advance of \$652,402 is presented in the Statement of Financial Position as per the Trust Deed. The advance is measured at cost and is repayable on demand (2019: \$652,402).

NTT and Te Ngākinga o Whanganui Investment Trust have a service agreement for NTT to provide office and administrative services to Te Ngākinga o Whanganui Investment Trust. The value of this agreement is \$48,000 (GST exclusive) annually. As at 31 March 2020 \$Nil of the \$11,257 Trade and Other Payables balance on the Statement of Financial Position relates to this service agreement (2019: \$Nil of \$20,017).

Whanganui Iwi Fisheries Limited (WIFL)

NTT, the parent entity of Te Ngākinga o Whanganui Investment Trust, holds 100% of the shares in Whanganui Iwi Fisheries Limited and thus has 100% ownership of the Company.

WIFL and Te Ngākinga o Whanganui Investment Trust have a service agreement for Te Ngākinga o Whanganui Investment Trust to provide office and administrative services to WIFL. The value of this agreement is \$24,000 (GST exclusive) annually. As at 31 March 2020 \$23,000 of the \$126,426 Receivables from Exchange Transactions balance on the Statement of Financial Position relates to this service agreement (2019: \$23,000 of \$126,168).

Trustees

Former Trustee Declan Millin (resigned 22 July 2019) was also a Director of Tin Town Consulting which was paid \$11,554 for the provision of Consultancy services prior to his resignation.

18. Key Management Personnel

The Key Management Personnel are the members of the Board of Trustees. Their remuneration was as follows:

	2020 \$	2019 \$
Declan Millin	5,000	15,000
Keria Ponga	-	10,000
Nancy Tuaine	-	2,500
Peter Halligan	1,934	-
Dr Rāwiri Tinirau	15,684	5,000
Russell Bell (Temporary)	10,684	-
Simon Karipa	25,916	24,000
Total Remuneration	59,218	56,500

19. Financial Instruments

Non-derivative financial instruments comprise investments in equity securities measured at fair value through surplus or deficit, trade receivables, cash and cash equivalents, short term borrowings and trade payables.

Non-derivative financial instruments are recognised initially at fair value through Surplus or Deficit unless they are measured at amortised cost or at fair value through other Comprehensive Revenue and Expenses or are designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expenses when incurred. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially removing all the risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date i.e. the date that the Trust commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020 \$	2019 \$
Financial Assets		
Loans and Receivables		
Cash and Cash Equivalents	1,646,106	289,276
Current Investments	-	7,295,126
Loan	3,000,000	-
Prepayments	6,608	6,164
Receivables from Exchange Transactions	198,755	126,168
Financial Assets at Cost		
Equity Accounted Investment	550,000	-
Financial Assets at Fair Value through Surplus or Deficit		
Investments - Portfolio Managed Funds	84,312,926	82,576,155
Total Financial Assets	89,714,395	90,292,889
Financial Liabilities		
Financial Liabilities at Amortised Cost		
Advance - Ngā Tāngata Tiaki o Whanganui Trust	652,402	652,402
Interest Payable	152,750	-
Loans - Ngā Tāngata Tiaki o Whanganui Trust	83,100,000	83,100,000
Trade & Other Payables	11,257	20,017
Total Financial Liabilities	83,916,409	83,772,419

20. Contingent Assets & Liabilities

There were no known material contingent liabilities or assets to disclose at balance date (2019: \$Nil).

21. Capital and Other Commitments

There were no known material capital or other commitments to disclose at balance date (2019: \$Nil).

22. Events Subsequent To Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced.

At the date of issuing the financial statements, the Trust has been able to absorb the majority of the impact from the nationwide lockdown and global financial downturn. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it could result in a significant fall in the value of the Trust's portfolio managed funds.

The valuation of the portfolio managed funds as at 30 June 2020 (the latest valuation available) is as follows:

	30 June 2020 \$	31 March 2020 \$
AMP Capital NZ Fixed Interest Fund	20,193,790	19,635,814
ANZ Wholesale International Share Fund	10,742,984	11,023,581
Aviva Investors Multi-Strategy Target Return	4,171,155	4,089,376
Devon Trans-Tasman Wholesale Fund	1,326,491	5,523,496
GQG Partners Emerging Markets Equity Fund	6,264,021	2,383,235
ICG Australia Senior Loan Fund	2,683,279	3,530,455
iShares EM IMI Equity Index Fund	3,602,793	1,978,662
Magellan Global Fund	7,575,198	7,169,123
Milford Trans-Tasman Equity Fund	6,353,938	5,352,488
PIMCO Global Bond ESG Fund	6,694,809	6,443,910
RWC Global Horizon Fund	5,394,629	5,031,583
Schroders Investment Management	3,825,529	3,548,851
Trust Investments - Property Fund	8,707,189	8,602,352
Total Investments - Portfolio Managed Funds	87,535,805	84,312,926

The Trust is not aware of any other material events subsequent to balance date that require disclosure.

Tēnā koutau

Covid-19 had minimal impact on Whanganui Iwi Fisheries Limited's (WIFL) FY20 earnings given the outbreak occurred during the latter two months of the financial year, with the majority of earnings having been already realised. However, FY21 is shaping up to be a considerably more challenging year in that regard.

As reported last year, WIFL has committed to a number of iwi-based collectives across various sectors of the seafood industry. Given its lack of scale to develop its own fisheries-based operations, these types of collectives enable WIFL to participate in the full value chain with the objective to maximise earnings over the long term. The collectives committed to are:

- (i) Port Nicholson Fisheries for WIFL's crayfish ACE.
- (ii) Ngā Tapuwae o Māui, a joint venture with Sealord, for WIFL's deep sea ACE.
- (iii) Iwi Collective Partnership for WIFL's inshore ACE. Note, this is a one-year trial which concludes 30 September 2020. WIFL will reassess its longer-term commitment at this time.

The three collectives consume the vast majority of WIFL's ACE with only scampi and pāua outside of these holding any significant value. WIFL remain focused on pursuing similar collectives for these species as well which will be a focus over the next year.

WIFL continue to not commercially participate in the freshwater sector. Eel is the only freshwater species within the quota management system, however WIFL opts each year not to take up or utilise this ACE. WIFL will continue to support Ngā Tāngata Tiaki o Whanganui (NTT) with respect to its freshwater fisheries strategy.

In addition to the impact that Covid-19 will have on WIFL's FY21 earnings, predominantly crayfish, scampi, pāua and deep sea based, the government also recently announced increased commercial fishing restrictions on the North Island's west coast inshore fishery (arguably) in order to provide further protections to the Hector's and Maui dolphin populations. All WIFL's inshore ACE is based in this region of the country. These additional restrictions are likely to have significant negative effects on the commercial sector and prevent large amounts of inshore ACE in these areas from being harvested. WIFL's earnings from its inshore ACE are therefore expected to be detrimentally impacted.

WIFL delivered a \$187k operating profit before tax for FY20. The following provides a summary of the financial performance result with comparison to last year.

\$000s	This Year	Last Year	Variance
ACE Revenue	\$203	\$227	-\$24
Dividend Income	\$157	\$120	\$38
Interest Earnings	\$3	\$37	-\$34
Total Earnings	\$363	\$384	-\$20
Donation to Te Whawhaki	-\$74	\$0	-\$74
Operating Expenses	-\$103	-\$95	-\$8
Operating Profit Before Tax for 2019-20	\$187	\$289	-\$102

Earnings were derived from a combination of ACE, Moana NZ dividend income and interest. ACE fell short of last year largely due to a timing delay on earnings being realised from WIFL's deep sea ACE via the Ngā Tapuwae o Māui profit share agreement. This shortfall was fully offset by a 32% increase in Moana NZ dividend. WIFL held large cash reserves through much of FY19 which were subsequently distributed to within NTT Group. Only limited cash was held through FY20 resulting in the \$34k year on year reduction in interest earnings.

WIFL's operating costs remain well managed – the \$8k increase over last year relates entirely to increased government levies on WIFL's quota holdings.

WIFL is the primary funding entity for Te Whawhaki across the NTT group with its first donation made through FY20 at \$74k. Given the limited need to hold excess cash within WIFL, the expectation is for the majority of WIFL's pre-tax operating profit to be provided to Te Whawhaki in future years.

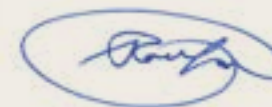
I wish to acknowledge the significant contribution of Russell Bell, who acted as an interim director for a great part of the financial year under review. We also welcomed Peter Halligan, a new director to WIFL whose significant investment experience is a great addition to the team.

Finally, thank you to my fellow director, Dr Rāwiri Tinirau, for his continued diligence and wise counsel through the year, and to the other NTT trustees for their continued support.

We look forward to continuing to work for our iwi and growing the pūtea for both today's and our future generations to enjoy.

Nāu te rourou, nāku te rourou, ka ora ai te iwi

Kia ora



Simon Karipa, Chairman.



Whanganui Iwi Fisheries Limited

ANNUAL PLAN

FOR THE YEAR ENDING 31 MARCH 2021

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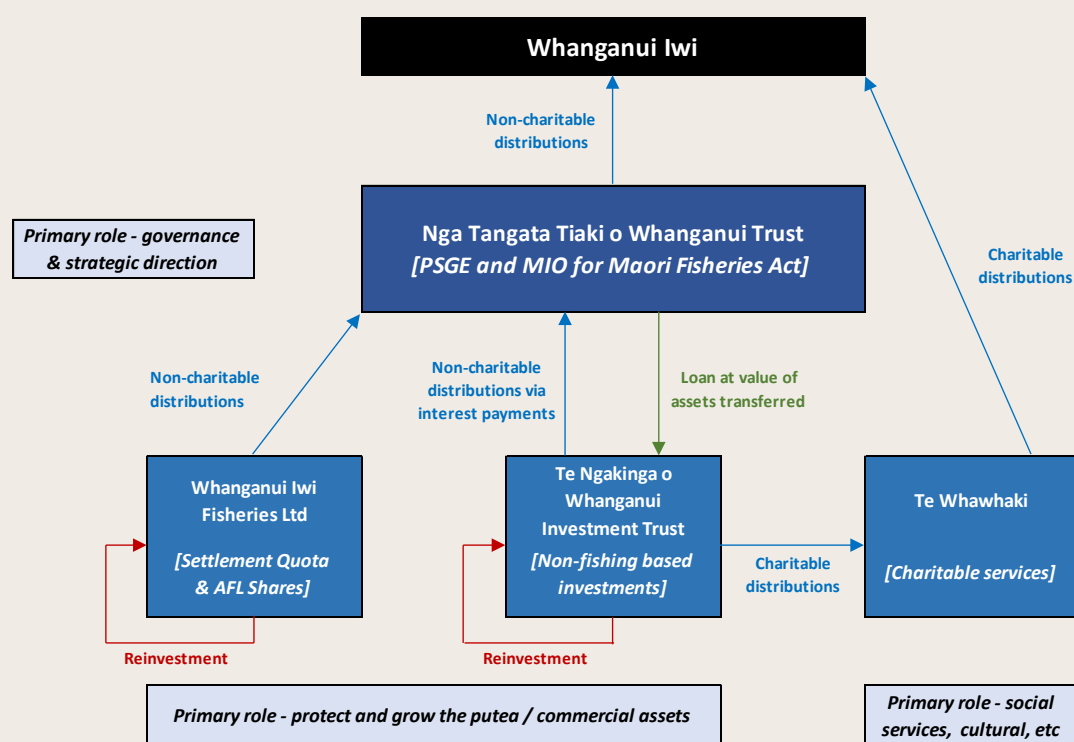
1. OVERVIEW

Whanganui Iwi Fisheries Limited (WIFL) was established in accordance with the Māori Fisheries Act to initially receive and manage Ngā Tāngata Tiaki o Whanganui Trust's (NTT) fisheries interests received as a result of the Māori Fisheries Settlement.

The purpose of WIFL is to grow its fishing assets over time for the benefit of NTT and its beneficiaries (Te Awa Tupua and its people), to meet ongoing spending needs for NTT and to maintain equity between present and future beneficiaries into perpetuity. WIFL has its own specialist board of directors who are appointed by NTT trustees. The majority of trustees must be adult members of Whanganui iwi and no more than 40% of trustees may be current elected NTT trustees at any time. There are currently three directors, one of whom is also an NTT trustee.

While NTT trustees directly oversee their representative and distribution responsibilities, it delegates its fisheries management duties to WIFL. WIFL provides NTT with annual distributions required to fund its charitable activities.

The Group structure can be summarised as follows:



(i)

The current WIFL board is:

- Simon Karipa, Chair
- Rāwiri Tinirau (also an NTT Trustee)
- Peter Halligan

Koau Capital Partners is contracted by WIFL as Manager.

At 31 March 2020, WIFL's Net Assets totalled \$7.63m. This was divided between three main asset types:

Assets (\$7.78m)

- Quota \$3.68m
- AFL Shares \$3.64m
- Cash, TD's and Other Current Assets \$0.45m

Liabilities (\$0.1m)

- Current liabilities \$0.15m

2. NTT GROUP INVESTMENT & OPERATING FRAMEWORK

The Statement of Investment Policies & Objectives (SIPO) is derived from an Investment and Operating Framework prescribed by NTT's application of Tupua Te Kawa as it relates to investing for and on behalf of Whanganui Iwi and subsequent operations. The Investment and Operating Framework incorporates the values of Tupua Te Kawa and aligns with NTT Group's Strategic objectives. These are:

- (i) Kawa Tuatahi: Ko te Awa te mātāpuna o te ora

Te Awa Tupua is a spiritual and physical entity that supports and sustains both the life and natural resources within the Whanganui River and the health and wellbeing of the iwi, hapū and other communities of the River.

A percentage of profits may be distributed to increase the health and well-being of Te Awa Tupua and Whanganui Iwi including health, education, employment and recreation, through distributions from Te Ngakanga and WIFL to NTT and the Whanganui Iwi Development Trust, but only after administration costs and reinvestment targets have been met.

- (ii) Kawa Tuarua: E rere kau mai te Awanui, mai i Te Kāhui Maunga ki Tangaroa

Te Awa Tupua is an indivisible and living whole from the mountains to the sea, incorporating the Whanganui River and all of its physical and metaphysical elements.

Taonga Assets (including Pakaitore lands) are to be protected and can never be mortgaged or sold.

Whanganui Iwi has aspirations to commercially invest in our own rohe but our priority is firstly to maximise the return to Whanganui Iwi. Commercial investments must be able to be bought and sold for the purposes of achieving such returns.

- (iii) Kawa Tuatoru: Ko au te Awa, ko te Awa ko au

The iwi and hapū of the Whanganui River have an inalienable interconnection with, and responsibility to, Te Awa Tupua and its health and wellbeing.

We are inseparably connected to Te Awa Tupua as will be our mokopuna and their mokopuna. Our investment approach is long term and intergenerational. The Whanganui River settlement provides an opportunity to provide for Whanganui Iwi for generations to come. Therefore, no principal from the settlement will be distributed, though income may be distributed after administration costs and reinvestment targets are met.

(iv) Ngā manga iti, ngā manga nui e honohono kau ana, ka tupu hei Awa Tupua

Te Awa Tupua is a singular entity comprised of many elements and communities, working collaboratively to the common purpose of the health and wellbeing of Te Awa Tupua.

Te Ngakinga/WIFL understand that investing and financial returns are a means to help Whanganui Iwi achieve our greater strategic aspirations. Te Ngakinga and WIFL are parts of the NTT group and have specific roles to play within that group. Investment decisions will be supported by due process and expert advice.

3. WIFL 2020-21 OBJECTIVES & OUTPUTS

WIFL's objectives and associated outputs for FY21 are detailed below.

KEY FOCI	OBJECTIVES / WORKSTREAMS	OUTPUTS
Governance, Management & Reporting	<ul style="list-style-type: none"> Clear shareholder objectives, expectations and accountabilities established for WIFL. Effective, expert and strategic WIFL governance. Suitably experienced and skilled management. Effective, timely and transparent relationship with, and reporting to, NTT. 	<ul style="list-style-type: none"> LoE between NTT and WIFL. 2020-21 Annual Plan & Budget approved by NTT. WIFL board meets at least 6 times through 2020-21, being: <ul style="list-style-type: none"> 4 quarterly reporting meetings 1 strategic and annual planning meeting 1 annual statutory reporting meeting WIFL reports at least quarterly to NTT including having a representative report directly to NTT meetings. Experienced and expert management support contracted allowing Te Ngakinga to perform its duties and deliver on its annual objectives.
Alignment with NTT Group	<ul style="list-style-type: none"> WIFL works in a complementary and fully aligned manner with all other members of NTT Group and in accordance with NTT's vision, values and strategies. NTT Group strategy developed for fresh water fisheries. 	<ul style="list-style-type: none"> WIFL upholds Tupua te Kawa and NTT values in everything it does. WIFL activities and investments are fully aligned with NTT Group's vision, strategy and strategic objectives. Fresh water fisheries strategy developed and implemented. Regular / ongoing dialogue and meetings between WIFL board/management and NTT management with each keeping the other suitably informed of relevant matters. No surprises.

Strategic & Investment Review	<ul style="list-style-type: none"> WIFL has implemented a Strategic Plan supported by appropriate policies. WIFL's component of the SIPO remains relevant and appropriate including distribution / reinvestment requirements. 	<ul style="list-style-type: none"> Strategic Plan developed and approved for implementation prior to 2021-22 financial year. SIPO reviewed and updated prior to commencement of 2020-21 financial year.
Commercial Activities	<ul style="list-style-type: none"> Long term profit sharing agreements / joint ventures implemented with aligned parties with relevant expertise for each of WIFL's key fisheries' sectors. Maximise long term earnings from WIFL's fisheries assets. 	<ul style="list-style-type: none"> Deepwater – continue Ngā Tapuwae o Māui profit share agreement with Sealord. Crayfish – continue limited partnership interest with Port Nicholson Fisheries. Inshore / HMS / Paua – commit to one year trial year with Iwi Collective Partnership. Ongoing monitoring of performance of limited partnership / profit share partners. Submissions on relevant fisheries matters impacting WIFL and wider NTT group are completed and submitted.
Fisheries Relationships	<ul style="list-style-type: none"> Establish strong and connected relationships with other aligned iwi commercial entities and industry bodies re fisheries based matters. 	<ul style="list-style-type: none"> WIFL has an established network of iwi and industry body networks. WIFL attends as many relevant iwi and industry meetings as considered appropriate.

4. FINANCIAL BUDGET FOR YEAR ENDED 31 MARCH 2021

In the context of the above objectives and priorities for the year, a financial budget has been prepared detailed below.

Key Assumptions

The key assumptions underpinning the financial budget are set out below.

- (i) Deepwater ACE earnings to increase \$15k on FY20 to \$140k based on Nga Tapuwae o Maui – (Sealord) plan provided to WIFL.
- (ii) Moana NZ (MNZ) Dividend reduces to \$100k due to the coronavirus impact with a large proportion of MNZ's earnings derived from lobster via PNF. This is a circa \$60k reduction on FY20.
- (iii) PNF Income at equivalent level to FY20 (forecast), i.e. - \$2.4k, due to the coronavirus impact. This equates to a \$35/kg ACE price with nil share of profits.
- (iv) Other ACE Sales to remain unchanged from FY20.
- (v) Operating cost assumptions are as follows:

- NTT Administration Fees unchanged from FY20 at \$2k per month pursuant to NTT's SLA.
- Te Ngakinga services to be charged at \$2k per month pursuant to the SLA between the parties.
- Accountancy, Audit Fees and Insurance to increase by inflation of 2% on FY20.
- Levies to remained at FY20's budget \$33k with a similar level of fisheries management projected.
- Conferences expense to remain unchanged at \$2k

(vi) WIFL's distribution to the NTT Group will be directed through to Te Whawhaki and paid by way of donation for tax efficiency reasons. The distribution/donation is set at c \$70k for Q1-21 pursuant NTT's Letter of Expectation. Distributions/donations for Q2-21, Q3-21 and Q4-21 will be set at the conclusion of Q1-21 however, for the purposes of WIFL's budget, these are assumed to be at equivalent levels to Q1-21, i.e. – a total FY21 distribution/donation to Te Whawhaki of c \$280k. Given WIFL's Net Operating Profit is budgeted at c \$204k, there will be a shortfall of c \$76k which will be covered by Te Ngakinga.

Profit & Loss Budget

WIFL's FY21 Profit and Loss budget, based on the Section 4 assumptions, is set out below.

Whanganui Iwi Fisheries Limited Budget Financial Performance 2020-21			
	FY21B	FY20	Variance FY21B vs FY20
INCOME			
Interest Income	\$0	\$3,082	-\$3,082
Deep Sea - Nga Tapuwae o Maui	\$140,000	\$147,271	-\$7,271
Other ACE Sales	\$65,000	\$53,809	\$11,191
Port Nicholson Fisheries Income	\$2,423	\$2,423	\$0
Moana NZ Dividend	\$100,000	\$157,370	-\$57,370
TOTAL INCOME	\$307,423	\$363,955	-\$56,532
OPERATING EXPENSES			
NTT Administration Fees	\$24,000	\$24,000	\$0
Te Ngakinga Services	\$24,000	\$24,000	\$0
TOTAL OPERATING EXPENSES	\$48,000	\$48,000	\$0
OVERHEADS			
Accountancy Fees	\$7,344	\$6,000	\$1,344
Audit Fees	\$2,703	\$2,650	\$53
Bank Fees	\$600	\$107	\$493
Levies	\$33,100	\$30,793	\$2,307
Insurance	\$6,426	\$6,030	\$396
TOKM / AFL AGM / Fisheries Conferences	\$2,000	\$1,021	\$979
General Expenses	\$3,600	\$4,253	-\$653
TOTAL OVERHEADS	\$55,773	\$50,854	\$4,919
TOTAL EXPENSES	\$103,773	\$98,854	\$4,919
NET OPERATING PROFIT BEFORE DONATIONS	\$203,650	\$265,101	-\$61,451
Te Whawhaki Donation	\$203,650	\$74,000	\$129,650
NET OPERATING PROFIT BEFORE TAX	\$0	\$191,101	-\$191,101

Note the c \$61k variance to Net Operating Profit before Donations from FY20 is primarily the impact a lower than expected Moana NZ Dividend.

Schedule 1 provides the monthly Profit and Loss budget.

5. OPERATIONAL RISK MANAGEMENT

WIFL's key operating risks relate to its fishing assets including:

- Fishing operations
- The health of the fishing resource

WIFL does not currently engage in any fishing operations, with all such risks transferred to fishers and industry operators.

WIFL will continue to take a proactive position to encourage optimal fisheries resource management by industry and Ministry of Primary Industries. This will be coordinated principally through Te Ohu Kaimoana but also directly through WIFL submissions and local fisheries' stakeholder groups.

6. COMPLIANCE

In addition to operating under the agreed Statement of Investment Strategy and Policy, WIFL is bound to comply with the Maori Fisheries Act which places restrictions on the sale and lease of settlement quota.

The Act holds settlement quota to be different in nature than other purchased quota and puts in place restrictions on how it can be disposed of to recognise that it is a core part of the asset base to provide for both current and future generations of Iwi. Even if an Iwi does dispose of the settlement quota there are rules that mean it can only be disposed of to another recognised Maori Iwi group.

NTT's policy to apply for the year ended 31 March 2021 (or such time as it is reviewed) is that there be no sales or exchanges of settlement quota within this period. There are no proposed changes to the policy on sales and exchanges of settlement quota this year.

7. REPORTING

WIFL has a responsibility to report quarterly in arrears to NTT. The WIFL board will meet at least 6 times during FY21 with the Chair and management subsequently preparing quarterly reports for distribution by the WIFL board to NTT as well as attendance at the applicable NTT board meetings to present the quarterly reports.

Additionally, the WIFL board will be prepared to deliver audited annual financial statements and an annual report to NTT in advance of the NTT AGM. Additionally, the WIFL board will be available to present on the WIFL operations and results at the NTT AGM.

The investigation of significant investment opportunities will involve continual communication between the WIFL board and NTT.

Finally, WIFL will communicate major, particularly potentially adverse, developments to the Trustees on an immediate and no surprises basis.

Schedule 1 – WIFL FY20 Budget Month Profit and Loss

Whanganui Iwi Fisheries Limited
Budget Financial Performance
2020-21

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY21B	FY20	Variance FY21B vs FY20
INCOME															
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,082	-\$3,082
Deep Sea - Nga Tapuwae o Maui	\$28,000	\$0	\$0	\$28,000	\$0	\$0	\$56,000	\$0	\$0	\$28,000	\$0	\$0	\$140,000	\$147,271	-\$7,271
Other ACE Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$65,000	\$53,809	\$11,191
Port Nicholson Fisheries Income	\$0	\$0	\$606	\$0	\$0	\$606	\$0	\$0	\$606	\$0	\$606	\$0	\$2,423	\$2,423	\$0
Moana NZ Dividend	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	\$157,370	-\$57,370
TOTAL INCOME	\$28,000	\$0	\$606	\$28,000	\$0	\$606	\$56,000	\$0	\$165,606	\$28,000	\$606	\$0	\$307,423	\$363,955	-\$56,532
OPERATING EXPENSES															
NTT Administration Fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$24,000	\$0
Te Ngākinga Services	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$24,000	\$0
TOTAL OPERATING EXPENSES	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$48,000	\$48,000	\$0
OVERHEADS															
Accountancy Fees	\$0	\$0	\$0	\$7,344	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,344	\$6,000	\$1,344
Audit Fees	\$0	\$0	\$0	\$0	\$2,703	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,703	\$2,650	\$53
Bank Fees	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$107	\$493
Levies	\$3,000	\$2,500	\$3,025	\$2,500	\$2,500	\$3,025	\$3,000	\$2,500	\$3,025	\$2,500	\$2,500	\$3,025	\$30,793	\$30,793	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,426	\$6,030	\$396	
TOKM / AFL AGM / Fisheries Conferences	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$1,021	\$979
General Expenses	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	\$4,253	-\$653
TOTAL OVERHEADS	\$3,350	\$2,850	\$3,375	\$12,194	\$5,553	\$3,375	\$3,350	\$2,850	\$3,375	\$2,850	\$2,850	\$9,801	\$55,773	\$50,854	\$4,919
TOTAL EXPENSES	\$7,350	\$6,850	\$7,375	\$16,194	\$9,553	\$7,375	\$7,350	\$6,850	\$7,375	\$6,850	\$6,850	\$13,801	\$103,773	\$98,854	\$4,919
NET OPERATING PROFIT BEFORE DONATIONS	\$20,650	-\$6,850	-\$6,769	\$11,806	-\$9,553	-\$6,769	\$48,650	-\$6,850	\$158,231	\$21,150	-\$6,244	-\$13,801	\$203,650	\$245,101	-\$61,451
Te Whāwhāki Donation	\$0	\$0	\$69,961	\$0	\$0	\$69,961	\$0	\$0	\$63,728	\$0	\$0	\$0	\$203,650	\$74,000	\$129,650
NET OPERATING PROFIT BEFORE TAX	\$20,650	-\$6,850	-\$76,730	\$11,806	-\$9,553	-\$76,730	\$48,650	-\$6,850	\$94,503	\$21,150	-\$6,244	-\$13,801	\$0	\$191,101	-\$191,101

Whanganui Iwi Fisheries Limited

Financial Statements for the Year Ended 31 March 2020

Whanganui Iwi Fisheries Limited

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Shareholder Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Company for assessing the Company'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 those charged with governance either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Restriction on Distribution or Use

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



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 27 July 2020

INDEPENDENT AUDITORS REPORT

To the Shareholder of Whanganui Iwi Fisheries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Whanganui Iwi Fisheries Limited on pages 7 to 16, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Company.

Emphasis of Matter: Subsequent Events – Covid 19 impact

We draw attention to note 17 of the financial statements which notes the World Health Organisation's declaration of the Covid-19 outbreak as a global pandemic and how this has been considered by the Trustees in the preparation of the financial statements. As set out in note 17 the full financial impact of the Covid-19 pandemic is not able to be determined. Our opinion is not modified in respect to this matter.

Other information

The Shareholder are responsible on behalf of the Company for the other information. The other information comprises the Supplementary Documents but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directory

Nature of Business

Receiving, holding and managing Settlement Quota and Income Shares resulting from the Māori Fisheries Settlement and Māori Fisheries Act 2004.

Date of Incorporation

18 August 2006

Registered Office

357 Victoria Avenue
Whanganui 4500

Directors

Simon Karipa- Chairperson
Dr Rāwiri Tinirau
Peter Halligan
Russell Bell
Declan Millin

(Appointed 2 March 2020)
(Temporary Appointment 30 July 2019 - 31 March 2020)
(Resigned 22 July 2019)

Contact Person Details

Simon Karipa
simon.karipa@gmail.com
357 Victoria Avenue
Whanganui

Chartered Accountants

Deloitte Private
20 Customhouse Quay
Wellington 6011

Auditors

Silks Audit Chartered Accountants Ltd
156 Guyton Street
Whanganui

Bankers

BNZ Bank
84 The Square
Palmerston North

Approval of Financial Report

For the Year Ended 31 March 2020

The Directors are pleased to present the approved financial report including the historical Financial Statements of Whanganui Iwi Fisheries Limited for period ended 31 March 2020.

APPROVED

For and on behalf of the Board of Directors



Director

27 July 2020

Date



Director

27 July 2020

Date

Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 March 2020

Notes	2020 \$	2019 \$
Revenue from Exchange Transactions		
Fisheries Income	202,927	227,129
Dividend Received	157,370	119,578
Interest Received	3,036	36,941
Total Revenue from Exchange Transactions	363,333	383,648
Expenses		
Accountancy Fees	6,000	4,000
Administrative Expenses	13 55,067	55,940
Audit Fees	2,650	3,150
Donations	13 74,000	-
Fisheries Levies and Expenses	32,872	25,932
Insurance	6,030	5,644
Total Expenses	176,619	94,666
Net Surplus/(Deficit) for the Year	186,714	288,982
Taxation and Adjustments		
Income Tax Expense	11 33,014	50,624
Total Taxation and Adjustments	33,014	50,624
Total Surplus/(Deficit) for the Year after Taxation and Adjustments	153,700	238,358
Other Comprehensive Revenue and Expenses		
Revaluation of Fisheries Quota	-	240,426
Total Other Comprehensive Revenue and Expenses	-	240,426
Total Comprehensive Revenue and Expenses for the Year	153,700	478,784

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Movements in Equity

For the Year Ended 31 March 2020

	Share Capital \$	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance as at 1 April 2018	7	1,562,246	7,084,654	8,646,907
Distribution to Owners	-	-	(1,642,470)	(1,642,470)
Other Comprehensive Revenue and Expenses	-	240,426	-	240,426
Surplus/(Deficit) for the year after Taxation and Adjustments	-	-	238,358	238,358
Balance as at 31 March 2019	7	1,802,672	5,680,542	7,483,221
Balance as at 1 April 2019	7	1,802,672	5,680,542	7,483,221
Distribution to Owners	-	-	-	-
Other Comprehensive Revenue and Expenses	-	-	-	-
Surplus/(Deficit) for the year after Taxation and Adjustments	-	-	153,700	153,700
Balance as at 31 March 2020	7	1,802,672	5,834,242	7,636,921

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Financial Position

As at 31 March 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	9	101,088	1,927,187
Receivables from Exchange Transactions	10	34,188	42,498
Term Deposits		251,491	-
Total Current Assets		386,767	1,969,685
Non-current Assets			
Moana New Zealand Limited		3,643,698	3,643,698
Fisheries Quota	12	3,683,058	3,683,058
Total Non-current Assets		7,326,756	7,326,756
Total Assets		7,713,523	9,296,441
Current Liabilities			
Trade and Other Payables		10,425	2,377
Income Tax Payable/(Receivable)	11	(63,111)	39,555
Related Party Payables	13	129,288	1,771,288
Total Current Liabilities		76,602	1,813,220
Total Liabilities		76,602	1,813,220
Net Assets		7,636,921	7,483,221
Equity			
Share Capital		7	7
Accumulated Comprehensive Revenue and Expenses		5,834,242	5,680,542
Revaluation Reserve		1,802,672	1,802,672
Total Equity		7,636,921	7,483,221

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Cash Flows

For the Year Ended 31 March 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from Providing Goods or Services		212,373	216,223
Dividend Receipts		157,370	119,578
Interest Receipts		2,184	44,780
Cash Paid to Suppliers and Employees		(98,498)	(156,074)
Grants and Donations Paid		(74,000)	-
Net Income Tax Paid		(135,656)	(20,925)
Net GST Received/(Paid)		7,103	(1,010)
Interest Paid		(3,484)	-
Net Cash Inflow/(Outflow) from Operating Activities		67,392	202,572
Cash Flows from Investing Activities			
Net Proceeds from Term Deposit Maturities		-	1,642,203
Net Purchase of Term Deposits		(251,491)	-
Net Cash Inflow/(Outflow) from Investing Activities		(251,491)	1,642,203
Cash Flows from Financing Activities			
Capital Distribution		(1,642,000)	-
Net Cash Inflow/(Outflow) from Financing Activities		(1,642,000)	-
Net Inflow/(Outflow) in Cash		(1,826,099)	1,844,775
Opening Balance Cash		1,927,187	82,412
Closing Balance Cash	9	101,088	1,927,187

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Notes to the Financial Statements

For the Year Ended 31 March 2020

1. Reporting Entity

Whanganui Iwi Fisheries Limited (the "Company") is a company incorporated under the Companies Act 1993. The Company is a public benefit entity for the purpose of financial reporting in accordance with the Financial Reporting Act (2013).

2. Basis of Preparation

The Company has opted to present these Financial Statements in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Company has under \$30m of expenses and is not publically accountable. They have elected to report under Tier 2.

3. Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars (NZD) which is the Company's functional currency. There has been no change in the functional currency of the Company during the year. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

4. Measurement Basis

The Financial Statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated.

5. Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are disclosed where applicable in the relevant notes to the Financial Statements.

Judgments made by management in the application of the PBE Standards RDR that have significant effects on the Financial Statements and estimates with a significant risk of material adjustments in next year are disclosed, where applicable, in the notes to the Financial Statements.

6. Comparatives

Comparative amounts are from the audited Financial Statements for the year ended 31 March 2019.

7. Going Concern

The Financial Statements have been prepared on a going concern basis. The Directors, based on support from Ngā Tāngata Tiaki o Whanganui Trust, do not believe there is any risk around the Company's continuity into the foreseeable future.

8. Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Revenue is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Fisheries Income

Fisheries income is recognised when the Company's right to receive payment is established and the amount can be measured reliably.

Dividend Income

Revenue from dividends are recognised when the Company's right to receive payment is established and the amount can be measured reliably.

Goods and Services Tax

The Company is registered for goods and services tax (GST). All amounts are stated exclusive of GST except for trade payables and trade receivables which are stated inclusive of GST.

Financial Instruments

Non-derivative financial instruments comprise investments in equity securities accounted for as available for sale financial assets, trade receivables, cash and cash equivalents, short term borrowings and trade payables.

Non-derivative financial instruments are recognised initially at fair value through Surplus or Deficit unless they are measured at amortised cost or at fair value through other Comprehensive Revenue and Expenses or are designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expenses when incurred. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a part of the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or the Company transfers the financial asset to another party without retaining control or substantially removing all the risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Advances

Advances are classified as other non-derivative financial instruments and are stated at cost.

Trade Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Moana New Zealand Limited

Shares in Moana New Zealand Limited have been recorded in the Financial Statements of the Company (the Mandated Asset Holding Company) at their settlement value in October 2006 of \$3,643,698.

Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses. There have been no impairment losses recognised in the current year (2019: \$Nil).

Determination of Fair Value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Changes in Accounting Policies

The previous Financial Statements were also prepared under the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") and there has been no changes in accounting policies applied.

9. Cash and Cash Equivalents

Cash and cash equivalents include bank accounts, call deposits, credit cards, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2020	2019
	\$	\$
BNZ First	75,384	1,901,508
BNZ On Call	25,704	25,679
Total Cash and Cash Equivalents	101,088	1,927,187

10. Receivables from Exchange Transactions

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in profit and loss.

	2020	2019
	\$	\$
Accounts Receivable	30,096	13,013
Accrued Interest	853	-
GST Receivable	(3,098)	5,183
Prepayments	6,337	-
Ihu To Mai	-	24,302
Total Receivables from Exchange Transactions	34,188	42,498

11. Taxation

Income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses except to the extent that it relates to items recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

No deferred tax has been recognised as there were no material movements at balance date. This is a departure from PBE IAS 12.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2020	2019
	\$	\$
Operating Surplus Before Tax	186,691	288,982
Prima facie tax expense at 17.5%	32,671	50,571
Income Tax effects of:		
Non-Deductible Expenses	343	53
Total Income Tax Expense For the Year	33,014	50,624
Opening Balance Refundable	39,555	9,857
Prior Period Adjustment	(23)	-
Māori Authority Tax Credits Received	(27,539)	(20,926)
Withholding Tax Paid	(580)	-
Taxation Paid	(107,538)	-
Tax Expense For The Year	33,014	50,624
Tax Payable/(Receivable) at 31 March	(63,111)	39,555

12. Fisheries Quota

Shares in the Fisheries Quota are measured at fair value as per PBE IPSAS 31.

The value of the quota shares held by the Whanganui Iwi Fisheries Limited as at 31 March 2020 is \$3,683,058 (2019: \$3,683,058)

	2020	2019
	\$	\$
Opening Balance	3,683,058	3,442,632
Revaluation	-	240,426
Closing Balance Fisheries Quota	3,683,058	3,683,058

The fisheries quota was most recently revalued at 31 March 2019 and the carrying amount of the revalued quota is \$3,683,058 as determined by Quota Management Systems Limited.

This valuation is deemed by management to still faithfully represent the fair value of the fisheries quota as at 31 March 2020 under per PBE IPSAS 31.

This revaluation with the effective date of 31 March 2019 was determined by assessing each fish stock individually and estimating the likely market price for each if it were to be offered for sale on the open market. Where fish stocks are thinly traded or where it is difficult to gauge a market valuation Quota Management Systems Limited applied their knowledge of the market to determine a valuation.

It has been assumed that this quota has an indefinite useful life given the renewable nature of sustainably-managed fish stocks. This renewability is the primary factor used in determining that the quota has an indefinite useful life.

Revaluation Reserve

The revaluation reserve wholly relates to the revaluation of the Fisheries Quota. There have been 3 revaluations since the quota was bought in at settlement value. The increase in the value of asset as a result of these increases was as follows:

Revaluations	
July 2011	809,948
September 2016	752,298
March 2019	240,426
Total Revaluations	1,802,672

13. Related Party Transactions

Ngā Tāngata Tiaki o Whanganui Trust (the Parent) holds all 7 shares in Whanganui Iwi Fisheries Limited and thus has 100% ownership of the Company. Further, Ngā Tāngata Tiaki o Whanganui Trust is the settlor of Te Ngākinga o Whanganui Investment Trust. The related party transactions and payables that the Company had with its Parent and controlled entities for the year ended 31 March 2020 are as follows:

Account	Type	2020 \$	2019 \$
Ngā Tāngata Tiaki o Whanganui Trust	Payable	104,246	104,246
Ngā Tāngata Tiaki o Whanganui Trust Advance Account	Payable	2,042	1,644,042
Te Ngākinga o Whanganui Investment Trust Advance Account	Payable	23,000	23,000
Total Related Party Payables		129,288	1,771,288
Te Whawhaki Trust Charitable Donations	Expense	74,000	-
Ngā Tāngata Tiaki o Whanganui Trust Administration Fees	Expense	24,000	30,000
Te Ngākinga o Whanganui Investment Trust Administration Fees	Expense	24,000	23,000
Total Related Party Expenses		122,000	53,000
Total Related Party Transactions		251,288	1,824,288

Whanganui Iwi Fisheries Limited (WIFL) has part ownership of Port Nicholson Fisheries of 0.0193%. This year WIFL received \$3,550 income from ACE sales made to Port Nicholson Fisheries (2019: \$4,039)

14. Key Management Personnel

The Company has a related party relationship with its key management personnel. The key management personnel are the Directors who were as follows during the year:

Simon Karipa	
Dr Rāwiri Tinirau	
Peter Halligan	Appointed 2 March 2020
Russell Bell (Temporary)	Appointed 30 July 2019 - 31 March 2020
Declan Millin	Resigned 22 July 2019

The Directors were remunerated via the Te Ngākinga o Whanganui Investment Trust and received no payments from Whanganui Iwi Fisheries Limited.

15. Capital and Other Commitments

There were no known material capital or other commitments to disclose as at balance date (2019: \$0).

16. Contingent Assets & Liabilities

There were no known material contingent asset or liabilities to disclose as at balance date (2019: \$0).

17. Events Subsequent To Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced.

At the date of issuing the financial statements, the Company has been able to absorb the majority of the impact from the nationwide lockdown and global financial downturn. At this time the full financial impact of the COVID-19 pandemic is not able to be determined.

Te Whawhaki Trust Report for year ending 31 March 2020

WHIRIA NGĀ KĀKAHO, E KORE E WHATI!
Nā Te Atawhai Taiaroa

Mauriora ki a tātou katoa te taura whiri o Hinengakau.

This year has been an establishment year for Te Whawhaki Trust (Te Whawhaki).

Chris Kumeroa, Hayden Turoa and I as Trustees of Te Whawhaki have spent the majority of the year coming to terms with our role and prioritising the work to be completed as part of our establishment phase.

A roadmap was developed to guide our work and the primary focus for the year has been to develop the Strategic Intent and submit a Distribution Policy to Ngā Tāngata Tiaki for ratification. Due to establishment nature of Te Whawhaki activities the distribution policy confirmed that no distribution would be made at this time. The immediate focus was on developing the strategic intentions the foundations of the trust.

Initially Te Whawhaki developed a Strategic Intent document based on information available from the Whanganui Iwi Statistical Profile and other sources. Early discussions on the first draft felt that there was a need to engage more broadly and the idea of holding a hui-a-iwi, He Waka Pakoko was born. He Waka Pakoko was held on the 14th and 15th of March 2020, this hui and other opportunities enabled approximately 200 people to contribute their aspirations for Te Awa Tupua for the next 20 years. The information from the hui is presented in the He Waka Pakoko Summary Report. This information has also been used to help shape Te Rautaki o Te Whawhaki setting out the strategic intentions of the Trust for the next 20 years. The strategic plan will describe the focus for the next five years and an annual plan will confirm the immediate focus of the Trust.

Financially there have been minimal transactions over this financial year. It is envisaged that financial activity will increase once the strategic direction is confirmed and the investment to be made in iwi development has been set by Ngā Tāngata Tiaki.

Nō reira, anei ngā hua o te tau nei, nā Nancy Te Urumanao Tuaine, Chair

Te Whawhaki Trust

Financial Statements for the Year ended 31 March 2020

Te Whawhaki Trust

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INDEPENDENT AUDITORS REPORT

To the Trustees of Te Whawhaki Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Te Whawhaki Trust on pages 7 to 15, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive revenue and expenses, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Trust.

Emphasis of Matter: Subsequent Events – Covid 19 impact

We draw attention to note 16 of the financial statements which notes the World Health Organisation's declaration of the Covid-19 outbreak as a global pandemic and how this has been considered by the Trustees in the preparation of the financial statements. As set out in note 16 the full financial impact of the Covid-19 pandemic is not able to be determined. Our opinion is not modified in respect to this matter.

Other information

The trustees are responsible on behalf of the Trust for the other information. The other information comprises the Supplementary Documents but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SILKS AUDIT

Chartered Accountants Limited

Trustees Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Trust for assessing the Trust'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 those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Restriction on Distribution or Use

This report is made solely to the trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 27 July 2020

Te Whawhaki Trust

Directory

Nature of Operations

Te Whawhaki Trust is a charitable arm of the Ngā Tāngata Tiaki o Whanganui Group and was established to receive, use and administer the Group's funds exclusively for charitable purposes that benefit Whanganui Iwi or Te Awa Tupua.

Registered Office

357 Victoria Avenue
Whanganui 4500

Trustees

Nancy Tuaine - Chairperson
Chris Kumeroa
Hayden Turoa

Contact Person Details

Nancy Tuaine
Nancy@ngatangatatiaki.co.nz
357 Victoria Avenue
Whanganui

Chartered Accountants

Deloitte Private
20 Customhouse Quay
Wellington 6011

Auditors

Silks Audit Chartered Accountants Ltd
156 Guyton Street
Whanganui

Bankers

BNZ Bank
84 The Square
Palmerston North

Charities Services Number

CC56854

Settlers

Ngā Tāngata Tiaki o Whanganui Trust

Te Whawhaki Trust

Approval of Financial Report

The Trustees are pleased to present the approved financial report including the historical Financial Statements of Te Whawhaki Trust for the period ended 31 March 2020.

Approved

For and on behalf of the Board of Trustees



Trustee

27 July 2020

Date



Trustee

27 July 2020

Date

Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 March 2020

	Notes	2020 \$
Revenue from Non-Exchange Transactions		
Donations	11	74,000
Total Revenue from Non-Exchange Transactions		74,000
Expenses		
Administration Costs	10	375
Insurance		1,250
Training Costs		3,620
Travel		5,279
Trustee Remuneration	12	27,500
Total Expenses		38,024
Net Surplus/(Deficit) for the Year		35,976
Total Comprehensive Revenue and Expenses for the Year		35,976

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Movements in Equity

For the Year Ended 31 March 2020

	Trust Capital	Accumulated Comprehensive Revenue and Expenses	Total
	\$	\$	\$
Balance as at 1 April 2019	-	-	-
Surplus/(Deficit) for the Year	10	35,976	35,986
Balance as at 31 March 2020	10	35,976	35,986

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Financial Position

As at 31 March 2020

	Notes	2020 \$
Current Assets		
Cash and Cash Equivalents	9	74,000
Total Current Assets		74,000
Total Assets		
		74,000
Current Liabilities		
Advance - Ngā Tāngata Tiaki o Whanganui Trust	11	38,014
Total Current Liabilities		38,014
Total Liabilities		
		38,014
Net Assets		
		35,986
Equity		
Trust Capital		10
Accumulated Comprehensive Revenue and Expenses		35,976
Total Equity		35,986

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Statement of Cash Flows

For the Year Ended 31 March 2020

	Notes	2020 \$
Cash Flows from Operating Activities		
Grants and Donations Received		74,000
Net Cash Inflow/(Outflow) from Operating Activities		74,000
Net Inflow/(Outflow) in Cash		
		74,000
Opening Balance Cash		
		-
Closing Balance Cash	9	74,000

These Financial Statements should be read in conjunction with the accompanying notes and audit report.

Notes to the Financial Statements

For the Year Ended 31 March 2020

1. Reporting Entity

Te Whawhaki Trust (the "Trust") is a public benefit entity for the purpose of financial reporting in accordance with the Financial Reporting Act (2013). The Trust is a charity registered with Charity Services (Charity Registration CC56854).

2. Basis of Preparation

These Financial Statements have been presented in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Trust is eligible to report in accordance with Tier 2 PBE Standards RDR as it has under \$30m of expenses and is not publically accountable.

3. Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars (NZD) which is the Trust's functional currency. There has been no change in the functional currency of the Trust during the year. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

4. Measurement Basis

The Financial Statements have been prepared on the historical cost basis.

5. Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are disclosed, where applicable, in the relevant notes to the Financial Statements.

Judgments made by management in the application of the PBE Standards RDR that have significant effects on the Financial Statements and estimates with a significant risk of material adjustments in next year are disclosed, where applicable, in the notes to the Financial Statements.

6. Comparatives

This is the first year of operation for the Trust and as such there are no comparative figures to present.

7. Going Concern

The Financial Statements have been prepared on a going concern basis. The Trustees, based on support from Ngā Tāngata Tiaki o Whanganui Trust, do not believe there is any risk around the Trusts continuity into the foreseeable future.

8. Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Determination of Fair Value

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Goods and Services Tax

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- for receivables and payables which are recognised inclusive of GST (The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

Trade Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Trade Receivables

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in the Statement of Comprehensive Revenue and Expenses.

Impairment

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount, impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expenses. There have been no impairment losses recognised in the current year.

Revenue

Revenue from non-exchange transactions

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where:

- it is probable that the associated future economic benefit or service potential will flow to the entity; and
- fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions where:

- it is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- the amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Trust's non-exchange transaction revenue streams must also be met before revenue is recognised.

The recognition of non-exchange revenue from grants and donations depends on the nature of any stipulations attached to the inflow of resources received and whether this created a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are "conditions" specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the "conditions" are satisfied.

Stipulations that are "restrictions" do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Funds received are recognised when the Trust's right to receive the payment has been established.

Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

As a registered charity, the Trust is not subject to income tax and no income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses.

Any current tax is comprised of refundable tax credits received by the Trust for the year and any adjustment to current tax in respect of previous years.

Changes in Accounting Policies

The current year is the first year of operation for the Trust and these policies have been applied consistently throughout the year.

9. Cash and Cash Equivalents

Cash and cash equivalents include bank accounts, call deposits, credit cards, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2020
	\$
Bank Accounts	74,000
Total Cash and Cash Equivalents	74,000

10. Administration Costs

Administration Expenses include the following expenses:

	2020
	\$
Catering	316
Office Expenses	59
Total Administration Costs	375

11. Related Party Disclosures**Donations Received**

Donations are recognised as revenue when it is probable that the future economic benefit or service potential will flow to the Trust, and the fair value of the donation can be measured reliably (usually upon receipt of the donation). Donations are recognised as revenue at their fair value at the date of recognition.

Ngā Tāngata Tiaki o Whanganui Trust is the settlor and parent entity of Te Whawhaki Trust. It is also the sole shareholder of Whanganui Iwi Fisheries Limited which made total cash donations of \$74,000 to the Trust during the year.

Related Party Revenue	Type	2020
		\$
Cash Donation from Whanganui Iwi Fisheries Limited	Revenue	74,000
Total Related Party Revenue		74,000

Advances

Advances are classified as other non-derivative financial instruments and are stated at amortised cost.

Ngā Tāngata Tiaki o Whanganui Trust is the settlor and parent entity of Te Whawhaki Trust. An advance of \$38,024 from Ngā Tāngata Tiaki o Whanganui Trust, as below, is presented in the Statement of Financial Position. The advance is repayable on demand.

Related Party Payables	Type	2020
		\$
Advance - Ngā Tāngata Tiaki o Whanganui Trust	Payable	38,014
Total Related Party Payables		38,014

12. Key Management Personnel

The Trust has a related party relationship with its key management personnel. The Key Management Personnel are the members of the Board of Trustees. Their remuneration was as follows:

Key Management Remuneration	2020
	\$
Nancy Tuaine	11,000
Chris Kumeroa	8,250
Hayden Turoa	8,250
Total Key Management Remuneration	27,500

13. Financial Instruments

A financial asset is classified as fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expenses or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expenses when incurred. Subsequent to initial recognition, financial instruments at fair value through surplus or deficit are measured at fair value, and changes therein are recognised in the Statement of Comprehensive Revenue and Expenses.

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020
	\$
Financial Assets at Amortised Cost	
Cash and Cash Equivalents	74,000
Total Financial Assets at Amortised Cost	74,000
Financial Liabilities at Amortised Cost	
Advance - Ngā Tāngata Tiaki o Whanganui Trust	38,014
Total Financial Statements at Amortised Cost	38,014

14. Capital and Other Commitments

There were no known material capital or other commitments to disclose as at balance date.

15. Contingent Assets & Liabilities

There were no known material contingent asset or liabilities to disclose as at balance date.

16. Events Subsequent To Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced.

At the date of issuing the financial statements, the Trust has been able to absorb the majority of the impact from the nationwide lockdown and global financial downturn. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it could have a material impact on the required level of support provided to whānau.

Te Whawhaki Trust

On April 1, 2020, \$2,400,768 was received from Ngā Tāngata Tiaki o Whanganui Trust which constituted the balance of funds restricted for Te Mana o Te Awa Projects held by Ngā Tāngata Tiaki o Whanganui Trust at 31 March 2020. The Trust will utilise these funds in the coming year.

