



# Ngā Tāngata Tiaki o **WHANGANUI**

**SUPPLEMENTARY  
DOCUMENTS  
2018-2019**

**Ngā Tāngata Tiaki o Whanganui Trust Annual General Meeting  
For the period 1 April 2018 to 31 March 2019**

**Te Ngakinga o Whanganui Investment Trust**

**Whanganui Iwi Fisheries Limited**

**Ngapuwaiwaha Marae, Taumarunui  
Street, Taumarunui  
Sunday 22 September 2019  
11am Pōwhiri  
11.30am – 1pm AGM**

# CONTENTS



## **ANNUAL GENERAL MEETING**

Agenda	4
Ngā Tāngata Tiaki Group Structure	4
Minutes of previous AGM	5
Appointment of Auditor	9
Trustee Remuneration	10

## **NGĀ TĀNGATA TIAKI O WHANGANUI TRUST**

Tupua Te Kawa	11
2016-2021 Strategic Plan	12
2018-2019 Annual Plan	14
Performance Review - Annual Plan	16
Performance Review - Key Projects	20
Financial Statements	22

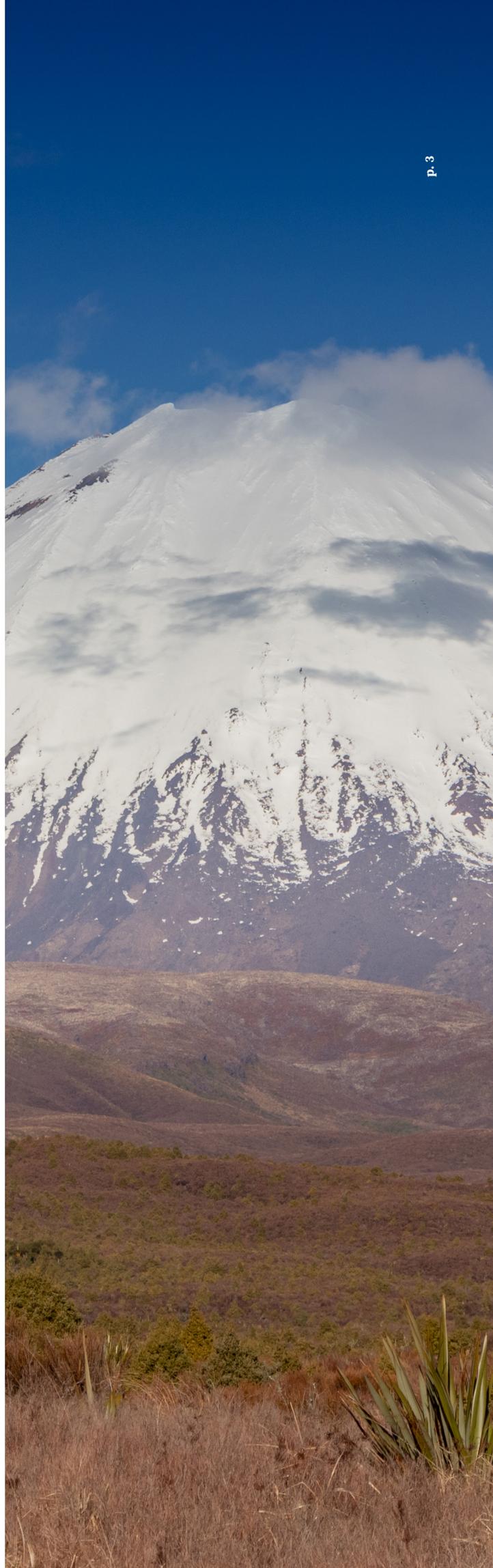
# CONTENTS



Chair's Report	49
Strategic Plan	53
Annual Plan	54
Financial Statements	71



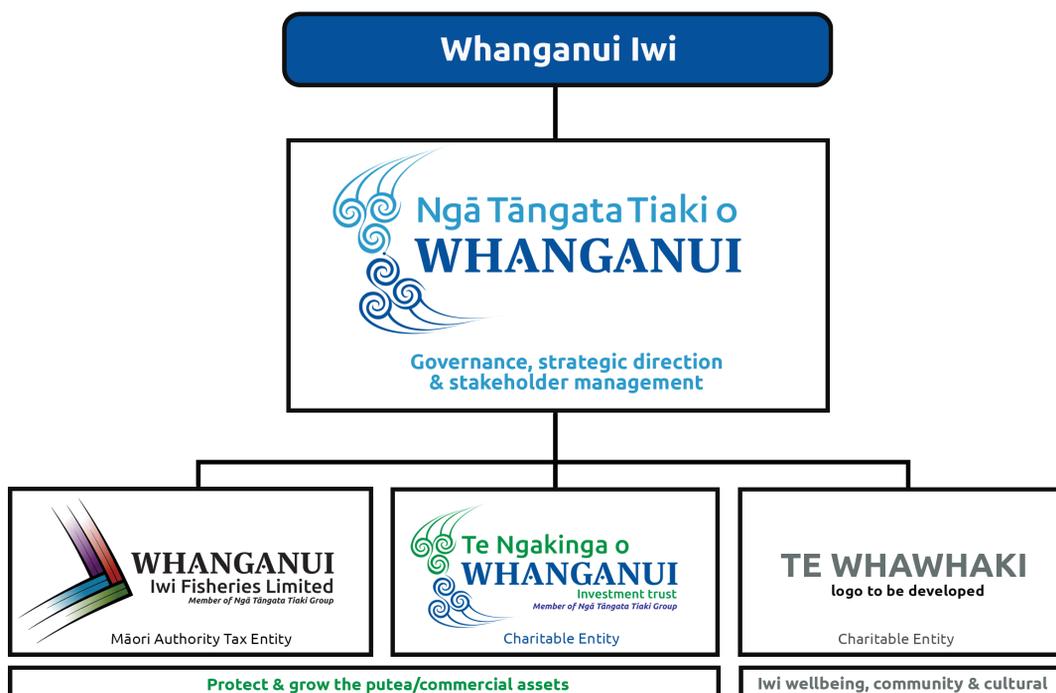
Chair's Report	87
Annual Plan	90
Financial Statements	99



# AGENDA

1. Karakia
2. Apologies
3. Minutes of 23 September 2018 Annual General Meeting
4. Annual Report
  - Video & Presentation*
5. Appointment of Auditor
6. Trustee Remuneration
7. Te Ngakinga o Whanganui Investment Trust
8. Whanganui Iwi Fisheries Limited
9. General Business
10. Te Pou Tupua
11. Karakia Whakamutunga

## NGĀ TĀNGATA TIAKI O WHANGANUI STRUCTURE



# MINUTES OF THE AGM HELD 23 SEPTEMBER 2018

## Ngā Tāngata Tiaki o Whanganui Trust Minutes of the Annual General Meeting

Held at Te Ao Hou Marae, Whanganui  
Commencing at 11.40am

1. **Karakia** John Maihi
2. **Mihi** Gerrard Albert (Chairperson)
3. **Present** Refer to the attached Attendance Register.
4. **Apologies** The Chairperson received apologies from the floor and the Register.
5. **Minutes of the last meeting**

**Resolution:** THAT the minutes from the last AGM held on 24 September 2017 be approved as true and correct with the following amendments:

- Add Cheri van Schravendijk-Goodman as being in attendance; and
- Correct the spelling of Piki Waretini's name on the attendance register.

**[MOVED]** John Maihi **[SECONDED]** Mariana Waitai **[CARRIED]**

### 6. Annual Report

The Annual Report for 2018 was presented by the Trust including the video. Oral presentations were provided by:

- Hannah Rainforth on the Kākahi Restoration at Rānana
- Jacob Robinson on Sediment in the Whanganui River
- Blair Anderson on the Resource Consent Assessment Framework & Salvaging Timber from Te Awa Tupua

Te Rūnanga o Te Awa Tupua were asked to let our people know when their hui are on so that they can participate in those processes.

**Resolution:** THAT the Annual Report be received  
**[MOVED]** Marilyn Kairimu **[SECOND]** Turama Hawira **[CARRIED]**.



## 7. Appointment of Auditor

**Resolution:** THAT Silks Audit Chartered Accountants be appointed as the Trust's Auditor for the 2018-2019 financial year.

[MOVED] Che Wilson [SECOND] Don Robinson [CARRIED].

## 8. Trustee Remuneration

**Resolution:** THAT the annual remuneration of the Chairperson, Deputy Chairperson and Trustees for 2018-2019 be set in line with that resolved at the 2017 Annual General meeting as follows:

- Chairperson \$69,000
- Deputy Chairperson \$51,750; and
- Trustees \$28,750

[MOVED] Pirihiro Cribb [SECOND] Anton McKay [CARRIED].

## 9. Te Ngakinga o Whanganui Investment Trust & Whanganui Iwi Fisheries Limited

Simon Karipa presented his Chairperson's Report for Te Ngakinga o Whanganui Investment Trust and Whanganui Iwi Fisheries Limited including the Five Year Strategic Plan 2016-2021, the Annual Plan 2016-2017 and the Financial Statements.

## 10. General Business

### Te Pou Tupua

Turama Hawira and Dame Tariana Turia gave an update by way of a powerpoint presentation on Tupua Te Kawa, Te Pou Tupua role and function and an outline of their work plan ahead of them.

Mariana Waitai invited Te Pou Tupua and the Trust to utilise Awa Fm as a way to communicate with the Iwi.



## 11. Trust Elections

John Maihi gave a formal mihi and announced the results of the Trust elections confirming the following Trustees as being appointed to the Trust:

- Gerrard Albert
- Joey Allen Jnr
- Rāwiri Tinirau
- Che Philip Wilson
- Hannah Rainforth
- Alaina Teki-Clark
- Nancy Tuaine
- Siani Walker (Advisory Trustee)
- Tracey Waitokia (Advisory Trustee)

The Chairperson, Gerrard Albert and John Maihi acknowledged the work of the retiring Trustees including Miriama Cribb, Chris Kumeroa, Keria Ponga and Reneti (Ned) Tapa.

## 12. Karakia Whakamutunga

As there was no further business the Chairperson declared the meeting closed at 2.21 pm with Karakia Whakamutunga.

## 13. Sunday 23 September 2018 AGM Attendance:

Rāwiri Tinirau	John Niko Maihi	Keria Ponga	Betty Anderson	Javell Pereka
Connor Pauro	Ken Mair	Siani Walker	Tania Anderson	Royce Ponga
Cruz Pauro	Thomas Hyland	Piki Waretini	Sandy Nepia	Haven Mathews
Carol Tyson Rameka	Uru Gardiner	Miriama Cribb	Waimarie Pou	Sheena Maru
Angeline Haami	Dyana Patea	Chris Kumeroa	Hannah Rainforth	Cassy Titter
Kahupounamu Potaka	Elise Adams	Turama Hawira	Moewai Hyland	Julie Herewini
Erena Mete-Kingi Anson	Jenny Allen	Piri Cribb	Jula Teki	Kahureremoa Aki
Stephen McLeod	Mere Millar	Anton McKay	Alaina Teki-Clark	Rangimarie Hall
Terence August Tyson	Garry Davis	Kahureremoa Aki	Che Wilson	Des Canterbury
Olive Kawana Te Patu	Gerrard Albert	Gail Imhoff	Hine Maraku	Geoff Hipango
Hakopa Ruru-Canterbury	Lisa Warbrick	Amiria Beamsley	Andrew Sharrock	Tracey Waitokia
Dougie Broughton	Marilyn Kairimu	Joey Allen	Cecelia Kumeroa	Don Robinson
Retihiamatikei Cribb	Tasman Lindsay	Charmaine Puru	Margie Brown	Jake Robinson
Merengahoe Ranginui	Dyan Lindsay	J.J. Hall-McIlroy	Hera Smith	Renee Tamehana
Donald Te Koau McLeod	Mariana Waitai	Betty Tipu	Racquel McKenzie	Niwaniwa Tamehana
Jamie Ferguson	Russell Bell	Simon Karipa	Hineotera Mako	Jill Sheehy



#### 14. Sunday 23 September 2018 AGM Apologies:

Chantel Whale-Ratana	Aria Tauroa	Declan Millin	Gina Maihi
Rangimarie A.K Waetford	Elijah Pue	Riatana Tapa	Cameron Town
Soraya Peke-Mason	Esther Tinirau	Novena McGucken	Ned Tapa
Daryn Te Uamairangi	Ngaire Etana	Melody Te Patu	Robert Cribb
Ramari Te Uamairangi	Marilyn Kingi	Vera Wilson	Aiden Gilbert
Rakeipoho Tairoa	Ben Potaka	Willie Wilson	Kemp Dryden
Josephine Takarangi-Firmin	Geneva Paora	Willie Huch	Wahi Teki
Angela Ann Tipu	Graeme Bell	Brett Te Kene	Beryl Miller
Maraki Ross Tipu	Turuhira Mohi	Sonny Clark	Nancy Tuaine
Cheri van Schravendijk-Goodman	Greg Ratana	Raymond Tuuta	Elaine Budd
Jill Whanarere	Bubby Kumeroa	Evelon Kumeroa	Sonny Kumeroa
Evon Kumeroa	Aimee Simon	Tex Spain	Norma Barkle

#### Proposed Resolution:

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



## APPOINTMENT OF AUDITOR FOR 2019-2020

The Trust recommends to the Annual General Meeting that Silks Audit Chartered Accountants be appointed as the Trust's Auditor for the 2019-2020 financial year.

As a best practice measure, the Trust undertook an RFP (Request for Proposals) process for audit services in 2017. Of the two proposals received, Silks Audit (the incumbent) was clearly the preferred option having been assessed against capability, flexibility, professionalism, timeliness and costs.

The Trust resolved to repeat the RFP process every three years with the next review due in 2020.

### Proposed Resolution:

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



## TRUSTEE REMUNERATION FOR 2019-2020

In providing a Trustee remuneration recommendation to the Annual General Meeting, the Trust sought independent advice from EY Tahi in July 2019 which has formed the basis of this recommendation.

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 be increased as follows:

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

### Factors considered in making this recommendation included:

1. EY Tahi provided a remuneration range for each of the positions (Chairperson; \$58,000 - \$103,125, Deputy Chairperson; \$45,000 - \$56,000 and Trustees; \$30,000 - \$42,000);
2. Both the Chairperson and Deputy Chairperson recommended fees are within the remuneration range and align to the market median for a similar profile organisation with assets between \$100m and \$200m noting the increase of the Chairperson remuneration from \$69,000 to \$80,000;
3. The Trustees recommended fee increase from \$28,750 to \$30,000 brings their fee into the bottom of the remuneration range for a similar profile organisation with assets between \$100m and \$200m;
4. A high workload is maintained by the Trustees including the full implementation of Te Awa Tupua framework, Trust and subsidiary entity planning and monitoring, the establishment of Te Whawhaki Trust and considering Direct Investments being made by Te Ngakinga o Whanganui Investment Trust; and
5. Apart from the regular monthly meetings and special meetings, there are numerous additional meetings, hui, workshops and events that Trustees attend.

### Proposed Resolution:

That 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

# 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.



## 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**

# 2016-2021 STRATEGIC PLAN

STRATEGIC GOALS	Clarity and understanding across all communities of Te Awa Tupua	Empowered whānau hapū & iwi through Tupua te Kawa, and Ruruku Whakatupua	Whanganuitanga
<b>KEY FOCI</b> 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
<b>STRATEGIC OBJECTIVES</b> 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. Whakawhānaungatanga
<b>OUTCOMES:</b> 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 Awa Tupua in their respective rohe	g. Whanganui hapū are increasing their active participation and contributions to tribal forums - Te Pae Matua, 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

# Mouri Ora, Mouri Awa, Mouri Tangata

All hapū, iwi and communities of Te Awa Tupua are included and participating in the advancement of the Te Awa Tupua Strategy; and are empowered to lead and uphold our responsibilities to Te Awa Tupua in line with our Whanganuitanga, Kawa and

A prosperous Tribal Nation	A robust Te Tiriti o Waitangi relationship with the Crown	Trust and Confidence
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
<p>9. Realising our intergenerational potential through Te Awa Tupua</p> <p>10. Prudent management of tribal assets</p>	11. The Crown is proactively implementing Tupua te Kawa	<p>12. Supporting Te Pou Tupua</p> <p>13. Connected &amp; robust Ngā Tāngata Tiaki subsidiaries</p>
<p>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</p> <p>l. Successful Te Awa Tupua partnerships, and more effective regional and/or local integration of programmes and effort as compared to the current state</p> <p>m. Increased confidence of our people in the planning and mapping of their own destinies for asset and resource management</p> <p>n. Realised opportunities for the Trust to grow and develop the tribal assets are increasing</p> <p>o. Assets are being managed prudently and successfully as evidenced by the provision for current priorities and future prosperity</p>	<p>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)</p> <p>q. The implementation of Ruruku Whakatupua (Te Mana o te Awa and Te Mana o te Iwi) are KPIs of the key agencies</p> <p>r. Whanganui hapū and increasingly whānau, iwi are reporting positive improvements to the implementation of key mechanisms of Ruruku Whakatupua</p>	<p>s. Te Awa Tupua has an effective and strong voice through the whānau, hapū and iwi of Whanganui.</p> <p>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.</p> <p>u. Whanganui uri, whānau, hapū and iwi report increasing confidence in the provision of agreed services from NTT to their work programmes</p> <p>v. Whānau, hapū and Iwi are involved in and contribute actively to the NTT Trust Deed review.</p>

*Continue to support the management and administration of the Te Mana o Te Awa Programme.*

*Continue to distribute the provision of kaimoana for significant events, tangihanga and other agreed events.*

*This year we will...*

## 2018-2019 ANNUAL PLAN



### RESEARCH & DEVELOPMENT

Develop a comprehensive strategy to focus research towards meeting the goals and outcomes under the strategic plan and vision of the Trust



### ENVIRONMENTAL MANAGEMENT

Investigate the establishment of an environmental hub that co-ordinates environmental development.



### CULTURAL AND HISTORICAL MAPPING

Complete the statutory overview and cultural and historic mapping projects (phase 2) to inform Te Kōpuka nā Te Awa Tupua (the Te Awa Tupua Strategy Group) in drafting Te Heke Ngahuru ki Te Awa Tupua (Te Awa Tupua Strategy).



### TE AWA TUPUA TRAINING PROGRAMME

Refine the Te Awa Tupua training resource for full implementation to whānau, hapū and Iwi and communities of Te Awa Tupua.



### WĀNANGA

Support the facilitation of Wānanga that empower whānau, hapū and Iwi to uphold Tupua Te Kawa, Ruruku Whakatupua – Te Awa Tupua.



### AMBASSADORIAL PROGRAMME

Facilitate the Te Awa Tupua ambassadorial programme for emerging whānau and hapū leaders to undertake and deliver the training programme.



Create opportunities for communities and partners to engage with and create wider understanding of Tupua te Kawa.

### ENGAGEMENT



Facilitate opportunities for Te Awa Tupua Iwi leadership to hui collectively.

### LEADERSHIP



Collaborate with other Whanganui Iwi entities and experts to develop a concerted effort that drives positive stories in relation to the health and wellbeing of Te Awa Tupua – Mouri Ora, Mouri Awa, Mouri Tangata.

### COMMUNICATIONS



Continue to provide direct initiatives to marae through the Te Mana o Te Awa initiative to support Whanganui marae to remain cultural, social, political and environmental hubs for Whanganui whānau and hapū.

### MARAE INFRASTRUCTURE

## IMPLEMENTATION

### WHANGANUI IWI AND CROWN RELATIONSHIP



Develop high level relationship agreements with relevant Government Agencies towards the Implementation of Te Pākurukuru. Meet with relevant Ministers and Ministries/agencies to bring focus to Te Awa Tupua.

### ACTIVITY COORDINATION



Establish the relevant groups to ensure voices with interest in **Fisheries, Surface Water Activities** and **Customary Activities** are heard to contribute to the management of these activities.

### TRUST SUBSIDIARIES



Provide high-level support to **Te Whawhaki Trust** including connection between relevant workstreams (communication, Te Mana o Te Awa & Whanganui Iwi and Crown relationship discussions).

Remain connected and provide support to **Te Ngakinga o Whanganui Trust** to implement the Trusts Strategic plan.

### TE POU TUPUA



Provide Technical advice and administration assistance to the office of Te Pou Tupua.

Provide high-level support to Te Karewao and Te Kōpuka nā Te Awa Tupua.

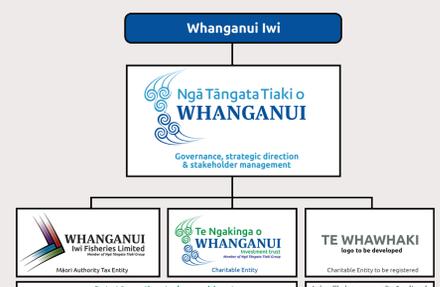


## GOVERNANCE

### Uphold:

- Whanganuitanga
- Ruruku Whakatupua
- Te Awa Tupua Act
- Trust Deeds/Constitutions
- The Te Awa Tupua Strategy and the 5 Year Strategic Plan
- Trust and Group fiduciary duty
- Strategic orientation
- Integrity and accountability, informed and independent judgement, financial literacy
- Industry and sector knowledge
- Inclusion and responsiveness to uri, hapū, tupuna rohe and Whanganui Iwi.

### NGĀ TĀNGATA TIAKI O WHANGANUI STRUCTURE



*"The Trust will continue to build confidence in services provided to enable each group to work effectively and efficiently, avoiding duplication of effort and purpose."*

# PERFORMANCE REVIEW - OPERATIONAL PLAN

## Strategic Goal: Clarity & understanding across all communities of Te Awa Tupua

### Objective: Leadership

- Facilitate opportunities for Iwi leadership to hui
- Complete the appointment process for Te Karewao and Te Kōpuka

### Performance:

Te Ripo, a representative group of all iwi of Te Awa Tupua was formed with the initial task to fill vacancies on Te Kōpuka and Te Karewao but also provide an iwi leadership forum to provide strategic advice and support to members. It has agreed to meet regularly and has appointed representatives to Te Kōpuka and Te Karewao. Te Awa Tupua remains its core responsibility.

### Objective: Fisheries Co-ordination Group & Customary Activities

- Build Relationships with relevant Government Agencies/Groups

### Performance:

Relationships continue to be developed with the Ministry for Primary Industries, the Department of Conservation and the Ministry for the Environment in preparation for the formal establishment of the working groups.

### Objective: Engagement

- Facilitate opportunities for communities and partners to engage with and bring understanding of Tupua te Kawa

### Performance:

The Trust meets throughout the rohe on a quarterly basis and takes the opportunity to meet with uri, hapū and iwi providing opportunity to engage with local communities. Opportunities are taken to socialise and promote Te Awa Tupua and Tupua te Kawa in regular interactions with central and local government, organisations and river users. Te Pou Tupua also continues to engage with hapū and iwi improving awareness of Tupua Te Kawa.

### Objective: Research & Development

- Conclude the Scoping Study
- Implement the second stage to support the Scoping Study
- Develop a guiding document that assists with advice and decision making in regard to a research strategy development

### Performance:

Phase 1 of the Scoping Study has been completed and Phase 2 on Cultural and Historical Mapping has been approved to proceed. Interim research protocols were implemented providing the basis of the research strategy development. Te Pou Tupua also continue to engage with hapū and iwi improving awareness of Tupua Te Kawa.



Photo: Quentin Bedwell, iStudios.

## Strategic Goal: Empowered whānau, hapū and iwi through Tupua Te Kawa and Ruruku Whakatupua

### Objective: Communications

- Support the strategic communications work of the Trust
- Support the facilitation of Wānanga that empower whānau, hapū or Iwi to uphold Tupua Te Kawa, Ruruku Whakatupua – Te Awa Tupua

### Performance:

Communications support including promotion and media responses has been provided to Te Pou Tupua and Te Kōpuka. Communications relating to local authority dealings have been facilitated with professional communications advice. Monthly e-panui providing updates on Trust activities and pertinent issues were sent to hapū and individual uri throughout the year.

### Objective: Training

- Facilitate opportunities for whānau, hapū and Iwi – Trustees and NTT staff to attend training and other relevant hui to socialize and improve our collective understanding of Tupua Te Kawa, Ruruku Whakatupua – Te Awa Tupua

### Performance:

Trustees have undergone an initial induction programme and will continue hui inclusive of staff on various aspects of Ruruku Whakatupua.

Engagement hui have been held with uri, hapū and iwi in the development of a Te Awa Tupua resource tool kit.

### Objective: Communication Planning and tools

- Review of public relations strategy and advice to Trust
- Review the Trust communications plan
- NTT website completed

### Performance:

The review of the public relations strategy and the communications plan has been ongoing. Strategic objectives were developed and ready for implementation. Development is well underway with the completion of the first step of rebuilding the website framework.



## Strategic Goal: Whanganuitanga

### Objective: Wānanga

- Support the facilitation of Wānanga that empower whānau, hapū and iwi to uphold Tupua Te Kawa, Ruruku Whakatupua – Te Awa Tupua

### Performance:

Continued support has been provided for wānanga through Tira Hoe Waka, Pākaitore Day, Raukotahi and Pae Matua. Various other wānanga have been supported via Te Mana o Te Awa.



## Strategic Goal: A Prosperous Tribal Nation

### Objective: Hapū Support

- Support hapū to uphold their place – ‘as people at place’ when it comes to decision making over their parts of Te Awa Tupua
- Te Awa Tupua consents process tool is reviewed

### Performance:

The Trust promoted a resource consent process tool making it available to hapū and iwi as requested.

### Objective: Technical Advisory Group

- Facilitate regular Technical Advisory Group meetings with key groups and agencies to assist understanding and progress towards implementing necessary change for the collective benefit of Te Awa Tupua

### Performance:

The Technical Advisory Group has met regularly and discussed and supported Phase 2 of the Scoping Study.

### Objective: Te Mana o Te Awa – Te Mana o Te Iwi

- Establishment of Iwi Development Trust

### Performance:

The Iwi Development Trust, known as Te Whawhaki Trust was set up completing the full establishment of Ngā Tāngata Tiaki Group.

Through an Expressions of Interest (EoI) process, Whanganui Iwi representatives were appointed to Te Whawhaki Trust and the Whanganui Iwi/Genesis Energy Relationship Group.

**Objective: Te Mana o Te Awa Programme**

- Undertake to complete the agreed Te Mana o Te Awa roadmap
- Relationship and Governance Group membership and management

**Performance:**

Through Te Mana o Te Awa, funding has been made available for scholarships, Marae grants and tupuna rohe grants. Concurrently, the relationship agreements review has commenced and will be completed in the next financial year.

**Objective: NTT Trust Deed Review**

- Review of the NTT Trust Deed in accordance to the Trust Deed is planned for

**Performance:**

Discussions have been initiated, inclusive of Te Matua a Rohe, to commence the Trust Deed Review next year.

**Objective: Pātaka**

- Deliver Pātaka in line with the Trust policy

**Performance:**

Pātaka Kai requests are being managed in accordance with policy.



**Strategic Goal: A Robust Tiriti o Waitangi Relationship with the Crown**

**Objective: Engagement**

- Ministerial engagements
- Government Agency engagements

**Performance:**

Relationships are being developed with the Ministry for Primary Industries, the Department of Conservation and the Ministry for the Environment and a meeting held with the Minister for the Environment and Trade & Export Growth.

## Strategic Goal: Trust and Confidence

### Objective: Office of Te Pou Tupua

- Technical advice and administration assistance provided to the office of Te Pou Tupua
- Support Te Pou Tupua to engage with the communities of Te Awa Tupua – whānau/hapū – iwi and the relevant Ministers and Government agencies
- Te Korotete Investment Strategy
- Te Korotete criteria/administration process

### Performance:

The Office of Te Pou Tupua is fully functional with technical and administrative support being provided to enable Te Pou Tupua to fulfil their duties. This has included engagement with tribal leadership and representative bodies and meeting with the Minister for the Environment and Trade & Export Growth.

Te Pou Tupua have identified investment principles in preparation of developing the Statement of Investment Policy and Objectives (SIPO).

### Objective: Management – Administration & Communication

- Effective support to Governance & NTT subsidiaries and other groups – including robust financial and secretarial services
- Timely and relevant advice is provided to Governance, NTT subsidiaries and other groups

### Performance:

The Operations Team have provided timely and effective administration, advice and support to the Ngā Tāngata Tiaki Governance, subsidiary organisations and supporting groups.



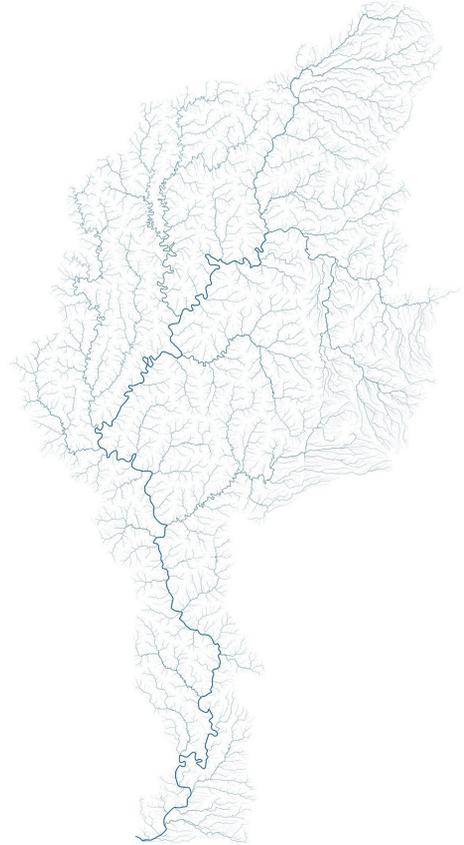
# PERFORMANCE REVIEW - KEY PROJECTS

## Strategic Goal: Clarity & understanding across all communities of Te Awa Tupua

### Cultural and Historic Mapping

- The Trust will initiate a cultural and historic mapping project to complement the data and information collected as part of the Te Awa Tupua Scoping Study.
- This mapping is intended to starkly portray the environmental, cultural and political impacts that have been wrought on Te Awa Tupua over the past century and a half.
- The objective of the mapping is to compel national and local communities to implement Tupua te Kawa and the Te Awa Tupua Strategy actively.

A robust process was followed by the Technical Advisory Group in the development and assessment of Stage 2 of the Scoping Study i.e. the Cultural and Historic Mapping project. This has resulted in the project being approved and ready for implementation.



## Strategic Goal: Whanganuitanga

### Leadership & Succession

- The Trust will organise and run a two-day Rangatakapū Summit for emerging whānau and hapū leaders (i.e. young adults) as a precursor to an Ambassadorial Programme for Te Awa Tupua that will launch in 2019.
- The Ambassadorial Programme will provide pathways and opportunities for Rangatakapū (young adults both resident at home and living further afield) to be the active face of Te Awa Tupua that will inspire, influence and effect change across local, national and international audiences.

In order to progress the Rangatakapū Summit a representative Steering Group was formed to support the development of this initiative. With detailed planning and commitment, two Rangatakapū Summits were held. A programme is under development via ongoing Rangatakapū hui in the 2019-2020 year with another planned in November.



## Strategic Goal: Clarity & understanding across all communities of Te Awa Tupua



### Te Awa Tupua Resource Kits and Training for hapū

- The Trust will design resource kits and run pilot training courses for whānau and hapū environmental practitioners to assist the practical application of the Te Awa Tupua framework in dealing with planning and resource consent matters.

The development of Te Awa Tupua resource kits commenced with a pilot training tool for whānau and hapū being trialled with Ngāti Haua, Uenuku, Tūpoho and Tamaupoko Rūnanga. This was built on with presentations being made to uri, hapū and iwi hui.

## Strategic Goal: A prosperous Tribal Nation

### Marae Infrastructure

- In addition to direct initiatives, the Trust will initiate a marae infrastructure project that will coordinate pathways with key agencies for Whanganui marae.

A series of marae seminars were undertaken in Taumarunui, Ohakune and Whanganui providing marae with a pathway to connect to key agencies.





# Ngā Tāngata Tiaki o Whanganui Group

Financial Statements for the Year Ended  
31 March 2019

Deloitte Wellington

# Contents

Directory	3
Audit Report	5
Approval of Financial Statements	7
Consolidated Statement of Comprehensive Revenue and Expense	8
Consolidated Statement of Changes in Net Assets	9
Consolidated Statement of Financial Position	10
Consolidated Cash Flow Statement	11
Consolidated Notes to Financial Statements	12



## Directory

### Trustees

Gerrard Albert	- Chairperson
Dr Rāwiri Tinirau	- Deputy Chairperson
Nancy Tuaine	- started on 23 September 2018
Che Wilson	- started on 23 September 2018
Hannah Rainforth	- started on 23 September 2018
Alaina Teki-Clark	- started on 23 September 2018
Joey Allen	- started on 26 February 2018
Siani Walker	- Advisory Trustee
Sandy Nepia	- Advisory Trustee started on 25 February 2019
Tracey Waitokia	- Advisory Trustee ceased on 25 February 2019
Miriama Cribb	- ceased on 23 September 2018
Reneti Tapa	- ceased on 23 September 2018
Christopher Kumeroa	- ceased on 23 September 2018
Keria Ponga	- ceased on 23 September 2018

### Registered Office

357 Victoria Ave  
Whanganui

### Head Office

357 Victoria Ave  
Whanganui

### Solicitors

Kahui 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 Ave  
Whanganui

BNZ Bank  
84 The Square  
Palmerston North

Westpac Bank  
312 Broadway Ave  
Palmerston North



## 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 8 to 27, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated and the statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity 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 2019, 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.

#### 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**

**Date: 9 September 2019**

# 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 2019.

## APPROVED

For and on behalf of the Beneficiaries



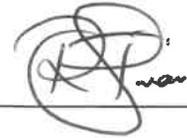
---

Trustee

9 September 2019

---

Date



---

Trustee

9 September 2019

---

Date

# Statement of Comprehensive Revenue and Expense

For the Year Ended 31 March 2019

	Notes	Group	
		2019 \$	2018 \$
<b>Revenue from Non-exchange transactions</b>			
Funding Received		12,575	1,345,038
Grants and Donations		800	200
<b>Total Revenue from Non-exchange Transactions</b>		<b>13,375</b>	<b>1,345,238</b>
<b>Revenue from exchange transactions</b>			
Finance Income	3	305,544	1,952,288
Other Income	4	1,474,213	1,027,536
<b>Total Revenue from exchange Transactions</b>		<b>1,779,757</b>	<b>2,979,824</b>
<b>Total Revenue</b>		<b>1,793,132</b>	<b>4,325,062</b>
<b>Expenses</b>			
Administrative Costs	6	1,470,597	1,197,733
Employee Related Expenses		913,501	783,457
Operating Expenses	5	406,265	715,097
<b>Total Expenses</b>		<b>2,790,363</b>	<b>2,696,287</b>
<b>Net (Deficit)/Surplus for the year</b>		<b>(997,231)</b>	<b>1,628,775</b>
<b>Other Gains/(Losses)</b>			
Gain/(loss) on Investments		1,202	-
Gain/(loss) on Managed Funds Portfolio		3,981,682	(293,950)
Revaluation Gain on Commercial Properties	13	1,682,862	-
<b>Total Surplus/(Deficit) for the year</b>		<b>4,668,515</b>	<b>1,334,825</b>
Taxation Expense	7	50,624	53,588
<b>Total Surplus/(Deficit) for the year after taxation</b>		<b>4,617,891</b>	<b>1,281,237</b>
<b>Other Comprehensive Revenue and Expense for the year</b>			
Foreign currency translation		367,056	173,897
Revaluation Gain on Fisheries Quota		240,426	-
<b>Total Comprehensive Revenue and Expenses for the year</b>		<b>5,225,373</b>	<b>1,455,134</b>

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.



# Statement of Changes in Net Assets

For the Year Ended 31 March 2019

	Trust Capital	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Accumulated Comprehensive Revenue and Expense	Total
	\$	\$	\$	\$	\$
<b>Balance as at 1 April 2017</b>	10	-	1,562,246	97,901,951	<b>99,464,207</b>
Total Surplus/(Deficit) for the year after taxation	-	-	-	1,281,237	<b>1,281,237</b>
Other Comprehensive Revenue and Expense	-	173,897	-	-	<b>173,897</b>
<b>Balance as at 31 March 2018</b>	<b>10</b>	<b>173,897</b>	<b>1,562,246</b>	<b>99,183,188</b>	<b>100,919,341</b>
<b>Balance as at 1 April 2018</b>	<b>10</b>	<b>173,897</b>	<b>1,562,246</b>	<b>99,183,188</b>	<b>100,919,341</b>
Total Surplus/(Deficit) for the year after taxation	-	-	-	4,617,891	<b>4,617,891</b>
Transfers	-	-	1,682,862	(1,682,862)	-
Other Comprehensive Revenue and Expense	-	367,056	240,426	-	<b>607,482</b>
<b>Balance as at 31 March 2019</b>	<b>10</b>	<b>540,953</b>	<b>3,485,534</b>	<b>102,118,217</b>	<b>106,144,714</b>

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

# Statement of Financial Position

As at 31 March 2019

	Notes	Group 2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9	2,426,104	27,386,359
GST Receivable/(Payable)		16,681	32,377
Prepayments		6,164	36,308
Receivables from Exchange Transactions	10	176,264	56,730
Taxation Refund Due	7	172,995	197,155
Term Deposits		8,195,126	6,362,823
<b>Total Current Assets</b>		<b>10,993,334</b>	<b>34,071,752</b>
<b>Non-Current Assets</b>			
Non-Current Receivables		38,110	60,110
Investments -Shares	11	3,651,138	3,643,698
Investment -Portfolio Managed Fund	12	82,576,155	56,236,880
Commercial Property	13	5,315,000	3,566,715
Property, Plant and Equipment	15	147,360	192,134
Fisheries Quota	14	3,683,058	3,442,632
<b>Total Non-Current Assets</b>		<b>95,410,821</b>	<b>67,142,169</b>
<b>Total Assets</b>		<b>106,404,155</b>	<b>101,213,921</b>
<b>Current Liabilities</b>			
Accounts Payable		196,233	270,637
Employee Liabilities		63,208	23,943
<b>Total Current Liabilities</b>		<b>259,441</b>	<b>294,580</b>
<b>Total Liabilities</b>		<b>259,441</b>	<b>294,580</b>
<b>Net Assets</b>		<b>106,144,714</b>	<b>100,919,341</b>
<b>Equity</b>			
Equity		106,144,714	100,919,341
<b>TOTAL EQUITY</b>		<b>106,144,714</b>	<b>100,919,341</b>

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

# Statement of Cash Flows

For the Year Ended 31 March 2019

	Notes	Group 2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers		589,560	530,670
Interest, Dividends & Other Investment Receipts		239,470	7,159,920
Grants & Donations Received		13,375	1,345,238
Cash Paid to Suppliers and Employees		(2,435,850)	32,178
Grants & Donations Paid		(264,475)	12,820
Interest Paid		-	(2,448,534)
Net Income Tax Received		(26,464)	(331,237)
Net GST Paid		6,903	-
<b>Net Cash From Operating Activities</b>		<b>(1,877,481)</b>	<b>6,301,055</b>
<b>Cash Flows from Investing Activities</b>			
Loan Receivable		22,001	22,000
Proceeds on Redemption of Investments		1,870,605	43,943,146
Purchase of Property, Plant & Equipment and Commercial Property		(110,316)	(90,629)
Net Proceeds From Term Deposit Maturities		(1,832,303)	-
Payments for purchase of investments		(23,399,815)	(56,184,259)
<b>Net Cash Used in Investing Activities</b>		<b>(23,449,828)</b>	<b>(12,309,742)</b>
<b>Cash Flows from Financing Activities</b>			
Funds Received from Settlement		-	1,000,000
<b>Net Cash From Financing Activities</b>		<b>-</b>	<b>1,000,000</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>(25,327,309)</b>	<b>(5,008,687)</b>
Effect of Exchange Rate Fluctuations on Cash Held		367,056	173,896
<b>Opening Balance Cash</b>		<b>27,386,359</b>	<b>32,221,149</b>
<b>Closing Balance Cash</b>	<b>9</b>	<b>2,426,104</b>	<b>27,386,359</b>

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

# Consolidated Notes to Financial Statements

For the Year Ended 31 March 2019

## 1. Statement of Accounting Policies

### Reporting Entity

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

Ngā Tāngata Tiaki o Whanganui (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 2019 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 Te Whawhaki Trust was established on the 5 December 2018, however no transactions have taken place up to the 31 March 2019.

The Financial Statements were authorised for issue by the Trustees on 9 September 2019.

### 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 income in the period in which they arise.

### Comparatives

Comparative figures included in the Financial Statements relate to the financial year ended 31 March 2018.

### 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.

## 2. Significant Accounting Policies

The significant accounting policies adopted by the Group are set out below and except for the changes noted below 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 Expense and Other Comprehensive Revenue and Expense from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Revenue and Expense are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Revenue and Expense 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.

#### **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 both:

- 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 both:

- 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 & Donations

The recognition of non-exchange revenue from Grants & 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.

#### Treaty Settlement Income & Treaty Settlement Income from Transitioning Entities

Treaty Settlement Income & Treaty Settlement Income from Transitioning Entities is recognised when the Group's right to receive the payment has been established.

#### 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.

#### **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 Expense.

#### **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 Expense. 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.

Portfolio Managed Funds are subsequently measured at fair value with gains and losses recognised in the Comprehensive Revenue and Expense. Any foreign exchange differences are recognised in the Other Comprehensive Revenue and Expense 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 except for:

- The Group applying the Fair Value Model under PBE IPSAS 16 to measure all of its investment and commercial property at fair value (2018: Cost) and adopting PBE IPSAS 40 to classify financial instruments (2018: PBE IPSAS 29).
- In 2018 shares in the Fisheries Quota were measured at cost whereas in 2019 an independent valuer assessed the fair value of the Fisheries Quota as at 31 March 2019. Measuring the Fisheries Quota at fair value compared to cost increases the value by \$240,426 in 2019 and provides a more representative estimate of the Quota's actual value. No adjustment has been made to the value of the Quota in prior periods.

There have been no other changes in accounting policies applied.

### 3. Finance Income

Finance income comprises interest income on funds invested, interest on settlement funds 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.

	2019	2018
	\$	\$
Interest from Term Investments	305,544	1,952,288
<b>Total Finance Income</b>	<b>305,544</b>	<b>1,952,288</b>

### 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).

	2019	2018
	\$	\$
Rent Received	242,560	246,583
ACE Sales Income	72,530	44,399
Fisheries Income	154,599	165,002
Dividend Income	947,961	483,176
Other Income	56,563	88,376
<b>Total Other Income</b>	<b>1,474,213</b>	<b>1,027,536</b>

### 5. Operating Expenses

	2019	2018
	\$	\$
Depreciation	-	3,240
Grants Paid	218,555	330,687
Rates	25,470	33,959
Repairs and Maintenance	19,373	129,084
Settlement Implementation	142,867	218,127
<b>Total Operating Expenses</b>	<b>406,265</b>	<b>715,097</b>

## 6. Administrative Expenses

	2019 \$	2018 \$
Accounting and Consultancy	453,491	274,567
Audit & Risk Committee Fees and Expenses	16,521	33,167
Audit Fees	13,600	6,750
Communications	15,680	43,923
Contingency	3,347	71,259
Depreciation	87,424	71,964
Donations Made	1,900	550
Elections	67,001	-
Fisheries Levies and Expenses	25,864	34,783
Insurance	36,343	22,704
Leasing Costs	24,613	18,188
Marae Infrastructure Grants	44,020	-
Meeting Expenses	27,716	32,310
Motor Vehicle Expenses	8,840	6,261
Other Expenses	88,644	27,738
Pātaka Kai	36,552	39,524
Rent	-	4,500
Te Pou Tupua	-	42,375
Te Mana o Te Awa Expenses	117,989	130,834
Te Whawhaki Trust Expenses	12,918	-
Travel Expenses	61,454	29,282
Trustees/Director Fees	326,680	307,054
<b>Total Administrative Expenses</b>	<b>1,470,597</b>	<b>1,197,733</b>

During the year expenditure was reclassified from 'Other Expenses' under Administrative expenses to Employee Related Expenses. This reclassification has been applied retroactively to the 2018 comparatives by reducing 'Other Expenses' under 'Administrative Expenses', and increasing Employee Related Expenses, by \$77,845.

## 7. Taxation

Income tax expense is recognised in the Statement of Comprehensive Revenue and Expense 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:

	2019 \$	2018 \$
Operating Surplus Before Tax	4,908,943	1,334,825
Prima facie tax expense at 17.5%	859,065	233,594
<b>Income Tax effects of:</b>		
Timing Differences	-	(1,495)
Assessable Income	-	-
Non-Assessable Income	(808,441)	(191,542)
Non-Deductible Income	-	13,031
<b>Total Income Tax Expense For the Year</b>	<b>50,624</b>	<b>53,588</b>
Unutilised Tax Losses Carried Forward	-	-
Tax Losses Utilised	-	-
<b>Tax Expense per Profit and Loss</b>	<b>50,624</b>	<b>53,588</b>
Opening Balance Refundable	197,155	257,585
Resident Withholding Tax Paid	26,464	157,225
Taxation Refund Received	-	(164,067)
Tax Expense For The Year	(50,624)	(53,588)
<b>Tax Refundable/(Payable) at 31 March</b>	<b>172,995</b>	<b>197,155</b>

## 8. Māori Authority Credit Account (MACA)

	2019 \$	2018 \$
Opening Balance	464,741	471,583
Tax Refund	-	(164,067)
RWT Paid	26,464	157,225
<b>Closing Māori Authority Credit Account (MACA)</b>	<b>491,205</b>	<b>464,741</b>

## 9. Cash and Cash Equivalents

### 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

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

	2019 \$	2018 \$
Cash Accounts	2,426,104	21,628,821
Term Deposits With Maturities Less Than 90 days	-	5,757,538
<b>Total Cash and Cash Equivalents</b>	<b>2,426,104</b>	<b>27,386,359</b>

## 9a. Restricted Funds

Included in Cash and Cash Equivalents is an amount of \$669,241 of income received from Genesis which is ring fenced for Te Mana o Te Awa Projects. The entity will utilise the funds against expenses in the coming year. The breakdown of this restricted fund is detailed below:

	2019	2018
	\$	\$
Funds Brought Forward	1,118,286	348,759
Income Received	45,953	1,345,038
Funds Spent	(494,998)	(575,511)
<b>Total Restricted Funds</b>	<b>669,241</b>	<b>1,118,286</b>

## 10. Receivables from Exchange Transactions

### 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 profit and loss.

	2019	2018
	\$	\$
Trade Receivables	81,978	28,518
Accrued Interest	94,286	28,212
<b>Total Receivables from Exchange Transactions</b>	<b>176,264</b>	<b>56,730</b>

## 11. Investments – Shares

### Moana New Zealand Limited

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.

	2019	2018
	\$	\$
Moana New Zealand Limited	3,643,698	3,643,698
Contact Energy Limited	7,440	-
<b>Total Investments - Shares</b>	<b>3,651,138</b>	<b>3,643,698</b>

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'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 upon settlement. They were not recognised until 2019 due to insufficient records being available until confirmation of the holding was received by Link Market Services in 2019. The total value of the Moana New Zealand Limited shares is \$3,643,698 (2018: \$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 \$7,440 which is their price as quoted on the NZX as at 31 March 2019.

## 12. Investment in Portfolio Managed Funds

	2019 \$	2018 \$
AMP Capital NZ Fixed Interest Fund	18,800,514	19,388,108
ANZ Investments Wholesale	12,398,432	11,625,928
Aviva Investors Multi-Strategy Target Return Fund	6,417,511	6,433,911
BlackRock - iShares	2,118,271	-
Devon Trans-Tasman Funds	6,074,334	5,112,894
GQG Overseas Investment	2,344,115	2,397,043
ICG Australia Senior Loan Fund	1,690,018	-
Magellan Investment Fund	6,282,604	5,278,995
Milford Trans-Tasman Equity Fund	6,727,342	-
PIMCO Funds Global Investors Series plc	6,211,966	6,000,000
RWC Global Investment Fund	5,252,771	-
TIM Group Investment Funds	8,258,277	-
<b>Total Investments -Shares</b>	<b>82,576,155</b>	<b>56,236,880</b>

In the 2019 financial year there was an initial application of funds invested in various fund manager portfolios as part of the ordinary course of business of Ngā Tāngata Tiaki o Whanganui Group. The performance of all funds are monitored by the Board of Trustees and the Portfolio Management Entity. The results of the year in the Statement of Comprehensive Revenue and Expense show a net increase of the value of the portfolio of \$3,981,682 (2018: loss of \$293,950) and a foreign currency transaction gain of \$367,056 (2018: \$173,897). Ngā Tāngata Tiaki o Whanganui Group also incurred Portfolio Management Fees of \$174,104 (2018: \$160,454).

Ngā Tāngata Tiaki o Whanganui 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's risk and investment strategy (e.g. it allows a comparison of returns since inception against prevailing market rates).

## 13. Commercial Property

Commercial property is property held either to earn rental income or for capital appropriation 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 also 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 \$
<b>As at 1 April 2017</b>	<b>1,231,000</b>	<b>2,360,588</b>	<b>3,591,588</b>
Additions	-	22,855	22,855
Disposals	-	-	-
Depreciation	-	(47,728)	(47,728)
<b>As at 31 March 2018</b>	<b>1,231,000</b>	<b>2,335,715</b>	<b>3,566,715</b>
<b>As at 1 April 2018</b>	<b>1,231,000</b>	<b>2,335,715</b>	<b>3,566,715</b>
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)
<b>As at 31 March 2019</b>	<b>1,231,000</b>	<b>4,084,000</b>	<b>5,315,000</b>

Commercial Property includes Land and Buildings at 357 Victoria Avenue, 116 Liverpool Street, 114 Liverpool Street, 61 Taupō Quay, and 10 Market Place. At year end furniture and fittings and computer equipment assets with a net book value of \$33,198 were reclassified as Commercial Property (previously Property, Plant and Equipment).

All land & buildings were independently registered valued at reporting date by Morgan's Property Advisors to comply with Property Institute New Zealand Professional Practice Standards and International Valuation Standards. The principal valuer was Rob Boyd.

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.

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.

## 14. Fisheries Quota

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

	2019 \$	2018 \$
Opening Balance	3,442,632	3,442,632
Revaluation	240,426	-
<b>Closing Balance Fisheries Quota</b>	<b>3,683,058</b>	<b>3,442,632</b>

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 has been 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 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.

## 15. Property, Plant and Equipment

### Recognition and measurement

Items of property, plant and equipment are 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 as acquisition cost.

#### (i) Cost

	Furniture & Fittings \$	Computer Equipment \$	Taonga \$	Motor Vehicles \$	Total \$
<b>As at 1 April 2017</b>	<b>64,308</b>	<b>22,483</b>	<b>84,880</b>	<b>13,672</b>	<b>185,343</b>
Additions	1,071	1,729	-	64,957	67,757
Disposals	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>65,379</b>	<b>24,212</b>	<b>84,880</b>	<b>78,629</b>	<b>253,100</b>
<b>As at 1 April 2018</b>	<b>65,379</b>	<b>24,212</b>	<b>84,880</b>	<b>78,629</b>	<b>253,100</b>
Additions	12,401	5,487	-	-	17,888
Disposals	(3,015)	(3,018)	-	-	(6,033)
Reclassification to Commercial Property	(38,435)	(8,089)	-	-	(46,524)
<b>As at 31 March 2019</b>	<b>36,330</b>	<b>18,592</b>	<b>84,880</b>	<b>78,629</b>	<b>218,431</b>

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 Expense. 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

**(ii) Accumulated Depreciation**

	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Taonga</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 1 April 2017</b>	<b>13,736</b>	<b>16,152</b>	<b>-</b>	<b>3,620</b>	<b>33,508</b>
Depreciation	6,051	3,776	-	17,631	27,458
<b>As at 31 March 2018</b>	<b>19,787</b>	<b>19,928</b>	<b>-</b>	<b>21,251</b>	<b>60,966</b>
<b>As at 1 April 2018</b>	<b>19,787</b>	<b>19,928</b>	<b>-</b>	<b>21,251</b>	<b>60,966</b>
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)
<b>As at 31 March 2019</b>	<b>17,236</b>	<b>15,371</b>	<b>-</b>	<b>38,464</b>	<b>71,071</b>

**(iii) Net Book Value**

	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Taonga</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 31 March 2017	50,572	6,332	84,880	10,053	151,836
Balance as at 31 March 2018	45,592	4,284	84,880	57,378	192,134
<b>Balance as at 31 March 2019</b>	<b>19,094</b>	<b>3,222</b>	<b>84,880</b>	<b>40,165</b>	<b>147,360</b>

At year end furniture and fittings and computer equipment assets with a net book value of \$33,198 were reclassified as Commercial Property (previously Property, Plant and Equipment).

**16. Trustees/ Directors/ Key Personnel Remuneration**

**Key Management Personnel**

The Parent and Group have a related party relationship with its key management personnel. Key management personnel include the senior management team.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Key Management Remuneration	343,531	518,012
	<b>343,531</b>	<b>518,012</b>
<b>Number of Key Management Personnel (FTE)</b>	<b>3</b>	<b>5</b>

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

Trustee/Director/Advisory	Ngā Tāngatia Tiaki o Whanganui	Whanganui Iwi Fisheries Limited	Te Ngakinga o Whanganui Investment Trust
ALBERT, Gerrard	✓		
TINIRAU, Dr Rāwiri	✓	✓	✓
TUAINÉ, Nancy	✓	✓	✓
WILSON, Che Philip	✓		
RAINFORTH, Hannah	✓		
TEKI-CLARK, Alaina	✓		
ALLEN, Joey	✓		
MILLIN, Declan		✓	✓
KARIPA, Simon		✓	✓
TAPA, Reneti	✓		
CRIBB, Miriama	✓		
KUMEROA, Chris	✓		
PONGA, Keria	✓	✓	✓
WALKER, Siani (Advisory)	✓		
WAITOKIA, Tracey (Advisory)	✓		
<b>Total Trustees/Directors</b>	<b>13</b>	<b>5</b>	<b>5</b>

The fees paid to each respective Board was as follows:

	2019 \$	2018 \$
Ngā Tāngatia Tiaki o Whanganui Trust	258,407	237,920
Te Matua a Rohe Meeting Fees	11,773	16,618
Whanganui Iwi Fisheries Limited	-	-
Te Ngakinga o Whanganui Investment Trust	56,500	52,516
<b>Total</b>	<b>326,680</b>	<b>307,054</b>

## 17. 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
<b>Total</b>		<b>98,948,471</b>	

The final Settlement principal payment and the Interest were accrued into 2017 Financial Year however got received during the 2018 Financial Year.

## 18. Related Party Information

Former Trustee Keria Ponga was a Committee Member of Te Reo Irirangi o Whanganui Incorporated. Included in the Group's Net Assets at balance date is a Loan Receivable owing from Te Reo Irirangi o Whanganui Incorporated and the amount owing at balance date is \$38,109 (2018: \$60,109).

Trustee Dr Rāwiri Tinirau is a co-director of Te Atawhai o Te Ao Charitable Trust and former Trustee Miriama Cribb was also an employee of the Trust. During 2017, the Trust engaged Te Atawhai o Te Ao Charitable Trust to undertake a scoping study to the value of \$50,000 (GST Excl). In 2017, \$30,000 was accrued into expenses and the amount paid in the 2018 year. No further payments for the scoping study were made.

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

Former General Manager Blair Anderson and wife, Tania Anderson, are Directors of Whānau Arataha Ltd which was a recipient of Te Mana o te Awa grant funding for piupiu wānanga. The grant totalled \$5,000 and was fully paid in 2019.

Former 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. \$3,000 of the grant was paid in 2019 with the remaining \$2,000 still to be paid.

Trustee Alaina Teki-Clark is the Chairperson of the Koriniti Marae Māori Reservation Trust which received \$3,500 during the 2019 year for catering and koha in relation to the 2019 Tire Hoe Waka event.

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

All inter-entity loans and account balances have been eliminated on consolidation.

No other material related party transactions were noted (2018: \$Nil)

## 19. Financial Instruments

### **Financial Assets at Amortised Cost**

Financial Assets at Amortized Cost are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any impairments losses and foreign exchange differences are recognised in the Statement of Comprehensive Revenue and Expense. Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

### **Financial assets at fair value through surplus or deficit**

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 expense or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expense 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 Expense.

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

	2019 \$	2018 \$
<b>Financial Assets</b>		
<b>Financial Assets at Fair Value through Surplus or Deficit</b>		
Investment -Portfolio Managed Fund	82,576,155	56,236,880
Investments –Shares in Contact Energy Ltd	7,440	-
<b>Financial Assets at Cost</b>		
Investments -Shares in Moana New Zealand Ltd	3,643,698	3,643,698
<b>Financial Assets at Amortised Cost</b>		
Cash and Cash Equivalents	2,426,104	27,386,359
Term Deposits	8,195,126	6,362,823
Receivables from Exchange Transactions	176,264	56,730
Non-Current Receivables	38,110	60,110
<b>Total Financial Assets</b>	<b>97,062,897</b>	<b>93,746,599</b>
<b>Financial Liabilities at Amortised Cost</b>		
Accounts Payable	196,233	270,637
Employee Liabilities	63,208	23,943
<b>Total Financial Liabilities</b>	<b>259,441</b>	<b>294,580</b>

## 20. Operating Leases

### (i) Leases as Lessee

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

	2019 \$	2018 \$
Less than one year	5,750	3,152
Between one and five years	17,249	2,364
<b>Total Non-cancellable operating lease payments</b>	<b>22,999</b>	<b>5,516</b>

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

### (ii) Leases as lessor

	2019 \$	2018 \$
Less than one year	242,400	199,431
Between one and five years	575,017	552,417
Later than 5 years	251,750	-
<b>Total Non-cancellable operating lease payments</b>	<b>1,069,167</b>	<b>751,848</b>

## 21. 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 \$
<b>As at 1 April 2017</b>	<b>1,562,246</b>	-	<b>1,562,246</b>
Revaluation Gain/(Loss)	-	-	-
<b>As at 31 March 2018</b>	<b>1,562,246</b>	-	<b>1,562,246</b>
<b>As at 1 April 2018</b>	<b>1,562,246</b>	-	<b>1,562,246</b>
Revaluation Gain/(Loss)	240,426	1,682,862	1,923,288
<b>As at 31 March 2019</b>	<b>1,802,672</b>	<b>1,682,862</b>	<b>3,485,534</b>

## 22. Contingent Assets and Liabilities

There were no known material contingent assets or liabilities to disclose at balance date (2018: \$Nil).

## 23. Capital and Other Commitments

There are no known material capital commitments at year end (2018: \$Nil).

## 24. Events Subsequent to Balance Date

On the 23 April 2019, the Trust issued an invoice to Genesis for the balance of the residual funds held by Genesis on behalf of Whanganui Iwi in relation to the relationship agreement between the Trust and Genesis. The total amount invoiced was \$2,023,746.

On 1 May 2019 the Trust invested a further \$1,268,885 in the ICG Australia Senior Loan Fund.

Te Ngakinga o Whanganui is undertaking due diligence on direct investment opportunities which are, at the time of writing, subject to documentation. Cashflow requirements have been planned and Trustees are informed of progress.

On 9th August 2019, the head lease of the former St George's School was bought by a partnership between Te Ngakinga o Whanganui, the investment arm of Ngā Tāngata Tiaki o Whanganui, and Whanganui District Council Holdings Ltd (Holdings).

The Trust is not aware of any other material events following reporting date that require disclosure.



## Tēnā kautau

It is my privilege to report on the progress of Te Ngakinga o Whanganui Investment Trust (Te Ngakinga) over the past financial year. The global geopolitical instability through FY19 created a very uncertain investment environment. It has been, at times, a quite anxious period for trustees, however the investment portfolio has stood up well against these global volatilities – evidence that Te Ngakinga’s investment strategies and principles have served it well.

### Progress Toward Achievement of Investment Goals

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

### Managed Fund Investments

Te Ngakinga’s Statement of Investment Policies and Objectives (SIPO) requires 60% of its investment portfolio to be Growth Asset investments (which includes direct investments) and 40% 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 FY19.

	SIPO weighting (range)	SIPO weighting (target)	Actual weighting at start of FY19	Actual weighting at end of FY19	Progress through FY19
<b>Growth Assets</b>					
Australian Equities	8% to 18%	13%	6%	14%	8%
Global Equities	17% to 37%	27%	20%	27%	7%
Emerging Market Equities	2% to 8%	5%	3%	5%	2%
Diversifiers	5% to 15%	8%	8%	7%	0%
Real Assets/PE/Direct Investments	2% to 12%	7%	0%	9%	9%
<b>TOTAL GROWTH ASSETS</b>	<b>60.0%</b>	<b>60%</b>	<b>36%</b>	<b>62%</b>	<b>26%</b>
<b>Defensive/Income Assets</b>					
NZ Fixed Income	15% to 35%	23%	23%	21%	-2%
Global Fixed Income	0% to 20%	14%	7%	9%	2%
Cash	1% to 5%	2%	34%	9%	-26%
<b>TOTAL DEFENSIVE/INCOME ASSETS</b>	<b>40.0%</b>	<b>40%</b>	<b>64%</b>	<b>38%</b>	<b>-26%</b>

## CHAIRPERSON'S REPORT 2018-2019

Te Ngakinga contracts an independent international investment advisor, Cambridge Associates, to assess the numerous managed fund options, determine those that align best with Te Ngakinga's investment strategy, ensure compliance with its investment framework and SIPO and invest the requisite level of settlement funds into those selected managed fund investments. On the back of this advice, Te Ngakinga made substantial progress through FY19 to achieve its SIPO target weightings as clearly highlighted in the table above.

A key FY19 focus was to increase Growth Assets and decrease Defensive Assets, volatility in Growth Assets notwithstanding (acknowledging Te Ngakinga's long-term investment strategy). Growth Assets started the year at 36% which was 24% under weighted to the SIPO's 60% target with Defensive Assets a similar 24% over weighted. The portfolio rebalancing resulted from utilising Cash (Defensive Asset) and reinvesting into both established and emerging market equities and property funds (Growth Assets).

By year end, Te Ngakinga's portfolio met the 60%/40% Growth versus Defensive mix, within SIPO range for all asset classes (other than Cash) and at, or close to, the target SIPO weightings. This required substantial effort across the year and trustees are pleased with the year end outcome.

The over weighting of Cash is to be invested into Fixed Income assets during the early period of FY20. This will ensure the current Growth/Defensive split remains unchanged. Once completed, Te Ngakinga will be fully invested as required under the SIPO.

**As at 31 March 2019, Te Ngakinga's investment portfolio had a value of \$90.2m with \$55.9m Growth assets and \$34.3m Defensive assets. The \$90.2m was an increase of \$4.9m or 5.7% over FY19 from last year's \$85.3m closing investment portfolio value.**



### **Direct Investments**

The SIPO precluded Te Ngakinga undertaking any direct investments until a specific Direct Investment Policy had been developed and adopted by the boards of both Te Ngakinga and Ngā Tāngata Tiaki o Whanganui. This Direct Investment Policy was completed and adopted during FY19.

Te Ngakinga immediately turned its focus to identifying quality direct investment opportunities. Like it did with its managed fund investments, Te Ngakinga will remain patient, diligent and ensure only premium investments are pursued.

No direct investments were completed during FY19 however Te Ngakinga commenced active due diligence on three potential opportunities. One of these, the St George's head lease and buildings on Grey Street, Whanganui, was ultimately acquired with the transaction completing early August 2019. St George's is Te Ngakinga's first direct investment and was acquired by way of a 50/50 joint venture with Whanganui District Council Holdings Ltd with the intention for Whanganui's advanced aviation hub to be eventually situated on the site. The opportunity exists for Te Ngakinga and other regional iwi to be co-investors in this opportunity in our rohe, which we expect to deliver both strong investment returns and other benefits to our iwi community.

The other two direct investment opportunities are in the final stages of due diligence and will likely complete during FY20.

Given the number of quality direct investments presenting, Te Ngakinga and Cambridge Associates are to review the SIPO targets to ensure they remain relevant during FY20.

### **Financial Performance**

Te Ngakinga delivered a \$4.6m profit for FY19 almost all of which was derived from value increases in its managed funds portfolio.

The global instability mentioned earlier led to both upward and downward swings in global equity markets across the year to greater and lesser degrees. Te Ngakinga generated \$4.3m in portfolio value gains and other earnings through the April to September 2018 period however this was then followed up by a \$4.4m value loss during the October to December 2018. A strong last quarter saw the portfolio value rebound by \$5.0m, finishing the year \$4.9m up on the start of FY19. These were highly volatile times.

Te Ngakinga's operating costs were well managed coming in 3% under budget.

The following is a summary of the financial performance result for Te Ngakinga through the 2018-19 financial year.

	\$000s
Managed Fund investments Value Gains	\$4,636
Interest Earnings from Cash Reserves/Term Deposits	\$235
Other Income	\$36
<b>Total Earnings</b>	<b>\$4,907</b>
Operating Expenses	-\$283
<b>Profit for 2018-2019</b>	<b>\$4,624</b>

Te Ngakinga's \$4.6m FY19 profit equates to a 5.4% return on the \$85.3m opening funds employed. The SIPO requires an average 4.0% + CPI return over a rolling 3-year period. Average inflation through FY19 was 1.7%, therefore the FY19 target return for Te Ngakinga is 5.7%. The 5.4% falls marginally short of target requiring better than 4.0% + CPI returns to be generated in FY20 in order to achieve the rolling 3 year target. It is expected that Te Ngakinga's direct investments will assist with this and, in particular, lessen its exposure to global volatility.

I wish to acknowledge Declan Millin who recently resigned as Te Ngakinga trustee. Declan brought a valuable skill set to the table and will be missed. Finally, thank you to my fellow trustee Dr Rāwiri Tinirau for his continued diligence and counsel through the year and welcome to Russell Bell who has stepped in as interim trustee following Declan's resignation until Ngā Tāngata Tiaki is able to make further permanent appointments. We look forward to continuing to work for our iwi and growing the pūtea for both today's and our future generations to enjoy.

Nāku te rourou nau te rourou ka ora ai te iwi

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 time frames. 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 directly acquires the particular assets rather than investing in collective investment vehicles (such as managed funds) that pool investor money to buy or sell assets. A direct investor is wholly responsible for the asset, has control over it, reaps all of the rewards and assumes all of the risks.

# TE NGA KINGA O WHANGANUI INVESTMENT TRUST FIVE YEAR STRATEGIC PLAN 2016-2021

(Updated for the 2018-19 Financial Year: Year 3 Stabilise)



## NGĀ UARA

**KA WHAKATŌ NGĀ PURAPURA** PROTECT THE ASSETS OF TE NGA KINGA FOR FUTURE GENERATIONS  
**KA NGAKI I TE MĀRA** TO GROW AND DEVELOP THE ASSETS OF TE NGA KINGA SO THEY PROVIDE FOR TODAY & TOMORROW  
**KA PUĀWAI NGĀ HUA** THAT THE IWI HAVE THE BENEFITS OF OUR WORK

This strategic plan aligns with the Five Year Strategic Plan of Ngā Tāngata Tiaki o Whanganui (NTTOW). 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 Trust is in its establishment phase and is building its investment approach.



### KEY FOCI

**Clarity and Understanding across all communities of Te Awa Tupua**

### OBJECTIVE

*Specific outcomes sought*

- Te Ngakinga strategy and plans aligned with Ngā Tāngata Tiaki Group Communications Plan
- Te Ngakinga's SIPO, DIP, Strategic & Annual Plans all aligned to Ngā Tāngata Tiaki Strategic Goals and available to all uri
- Te Ngakinga profile amongst uri is raised

### KEY PERFORMANCE INDICATORS

*Indicators that monitor success*

- Te Ngakinga contributes to NTT Group communications regularly
- Te Ngakinga corporate documentation available for review by uri
- Te Ngakinga's role is understood by uri
- Te Ngakinga communicates in a way accessible to uri, including by providing accessible reporting of progress

**Whanganuitanga**

- Te Ngakinga upholds Whanganuitanga
- Te Ngakinga contributes (where possible) to hapū development

- 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**

- Te Ngakinga contribute to Ngā Tāngata Tiaki 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

- Te Ngakinga trustees participate in Ngā Tāngata Tiaki 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 implements Direct Investment Policy

**Trust and confidence**

- Continual improvement of governance, management and organisational performance, proficiency, effectiveness and excellence

- Te Ngakinga adopts Governance Guidelines
- Te Ngakinga meets its benchmark return objectives over rolling 3-year periods





# **Te Ngakinga o Whanganui Investment Trust**

## **ANNUAL PLAN**

**FOR THE YEAR ENDING 31 MARCH 2020**

## CONTENTS

1. Overview .....	3
2. NTT Group SIPO .....	4
3. Te Ngakinga five year strategic direction .....	7
4. Te Ngakinga 2019-20 Objectives and Outputs .....	8
5. Financial budget for year ended 31 March 2020 .....	10
6. Risk Management.....	15
7. Compliance .....	16
8. Reporting.....	16
9. Schedule 1 .....	17

## 1. OVERVIEW

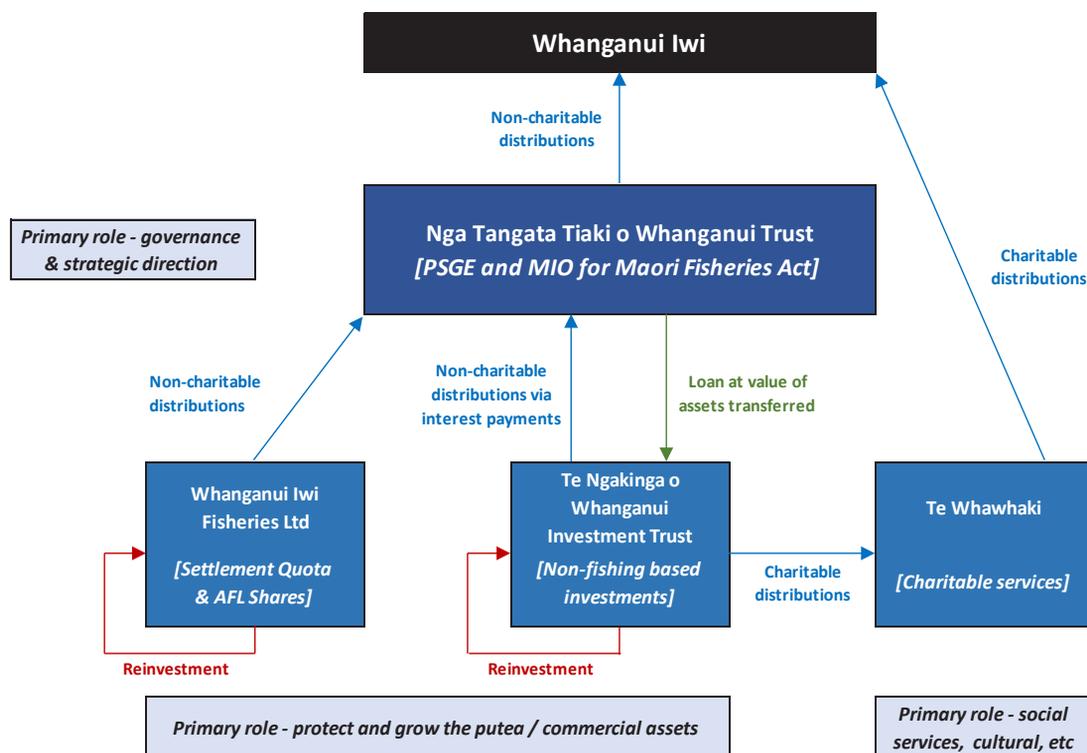
Te Ngakinga o Whanganui Investment Trust (*Te Ngakinga*) is an incorporated charitable trust settled by Ngā Tāngata Tiaki o Whanganui Trust (*NTT*) to manage assets received from the Whanganui River Settlement, as well as other assets previously owned by a number of pre-settlement Whanganui Iwi entities.

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
- Declan Millin
- Rāwiri Tinirau (also an NTT Trustee)

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

At 31 January 2019, Te Ngakinga's Net Assets totalled \$3.6m

#### *Assets*

- Managed Funds \$81.1m
- Term Deposits \$7.3m
- Cash \$0.3m

#### *Liabilities*

- Loans from NTT \$83.1m
- Short term advance from Whanganui Iwi Fisheries Limited (WIFL) \$1.2m
- Current liabilities \$0.7m

Note – the interest on loans due from Te Ngakinga to NTT for FY19 is fully forgiven.

## **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:

- (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 Ngakinga 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.

### **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 undertaken to determine the appropriate allocations to deliver the cashflow and investment returns required by Te Ngakinga. 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	Range
<b>Growth Assets</b>	<b>60.0%</b>	
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%
<b>Defensive Assets</b>	<b>40.0%</b>	
New Zealand Fixed Income	24.0%	15.0% - 35.0%
Global Fixed Income	14.0%	0.0% - 20.0%
Cash	2.0%	1.0% - 5.0%
<b>Total</b>	<b>100.0%</b>	

Te Ngakinga has largely achieved the asset allocation proportions within the prescribed ranges.

The SIPO allows for the asset group 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 NGAKINGA FIVE YEAR STRATEGIC DIRECTION

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

<b>NGĀ UARA</b>		
KA WHAKATŌ NGĀ PURAPURA	PROTECT THE ASSETS OF TE NGAKINGA FOR FUTURE GENERATIONS	
KA NGAKI I TE MĀRA	TO GROW AND DEVELOP THE ASSETS OF TE NGAKINGA SO THEY PROVIDE FOR TODAY AND TOMORROW	
KA PUĀWAI NGĀ HUA	THAT THE IWI HAVE THE BENEFITS OF OUR WORK	
<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 Tangata 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>		
KEY FOCI	OBJECTIVES <i>Specific outcomes sought</i>	KEY PERFORMANCE INDICATORS <i>Indicators that monitor success</i>
<b>Clarity and understanding across all communities of Te Awa Tupua</b>	<ul style="list-style-type: none"> <li>Te Ngakinga strategy and plans aligned with NTT Group Communications Plan.</li> <li>Te Ngakinga’s SIPO, DIP, Strategic &amp; Annual Plans all aligned to NTT Strategic Goals and available to all uri.</li> </ul>	<ul style="list-style-type: none"> <li>Te Ngakinga contributes to NTT Group communications regularly.</li> <li>Te Ngakinga corporate documentation available for review by uri.</li> <li>Te Ngakinga’s role is understood by uri.</li> </ul>

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

#### 4. TE NGA KINGA 2019-20 OBJECTIVES & OUTPUTS

Te Ngakinga’s objectives and associated outputs for FY20 are detailed below.

KEY FOCI	OBJECTIVES / WORKSTREAMS	OUTPUTS
<b>Governance, Management &amp; Reporting</b>	<ul style="list-style-type: none"> <li>Clear shareholder objectives, expectations and accountabilities established for Te Ngakinga.</li> <li>Effective, expert and strategic Te Ngakinga governance.</li> <li>Suitably experienced and skilled management.</li> </ul>	<ul style="list-style-type: none"> <li>LoE between NTT and Te Ngakinga.</li> <li>5 Year Strategic Plan and 2019-20 Annual Plan &amp; Budget approved by NTT.</li> <li>Te Ngakinga board meets at least 6 times through 2019-20, being: <ul style="list-style-type: none"> <li>4 quarterly reporting meetings</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Effective, timely and transparent relationship with, and reporting to, NTT.</li> </ul>	<ul style="list-style-type: none"> <li>- 1 strategic and annual planning meeting</li> <li>- 1 annual statutory reporting meeting</li> <li>○ Te Ngakinga reports at least quarterly to NTT including having a representative report directly to NTT meetings.</li> <li>○ Te Ngakinga provides all monthly fund performance reports to NTT for review.</li> <li>○ Management support contracted allowing Te Ngakinga to perform its duties and deliver on its annual objectives.</li> </ul>
<b>Alignment with NTT Group</b>	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>	<ul style="list-style-type: none"> <li>○ Te Ngakinga upholds Tupua te Kawa and NTT values in everything it does.</li> <li>○ Te Ngakinga activities and investments are fully aligned with NTT Group's vision, strategy and strategic objectives.</li> <li>○ Regular / ongoing dialogue and meetings between Te Ngakinga board/management and NTT management with each keeping the other suitably informed of relevant matters.</li> <li>○ No surprises.</li> </ul>
<b>Strategic &amp; Investment Review</b>	<ul style="list-style-type: none"> <li>○ Te Ngakinga's 5 Year Strategic Plan remains relevant and supported by appropriate policies.</li> <li>○ Te Ngakinga's SIPO remains relevant and appropriate including distribution / reinvestment requirements and asset allocation policies.</li> <li>○ Te Ngakinga has visibility of its long term portfolio growth potential based on a range of investment variables and macro-economic factors enabling robust and prudent investment decision making.</li> </ul>	<ul style="list-style-type: none"> <li>○ 5 Year Strategic Plan reviewed &amp; updated prior to 2020-21 financial year.</li> <li>○ SIPO reviewed and updated prior to 2020-21 financial year.</li> <li>○ Detailed 10 year financial model developed.</li> </ul>

<b>Passive Investment Portfolio</b>	<ul style="list-style-type: none"> <li>○ Continued implementation and maintenance of SIPO requirements.</li> <li>○ Continuous oversight of asset allocations, fund performance and fund management.</li> <li>○ Prudent management of all treasury operations ensuring sufficient liquidity is maintained while optimising cash fund returns.</li> </ul>	<ul style="list-style-type: none"> <li>○ Passive investment portfolio asset allocations pursuant to SIPO are achieved.</li> <li>○ Passive investment portfolio returns pursuant to SIPO targets are achieved.</li> <li>○ Sufficient cash/liquidity is maintained to meet Te Ngakinga’s operating cash flow requirements, distributions to NTT and pursue/complete direct investment opportunities.</li> </ul>
<b>Direct Investment Portfolio</b>	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>	<ul style="list-style-type: none"> <li>○ Te Ngakinga seeks out, assesses and completes quality direct investment opportunities in accordance with its SIPO and Direct Investment Policy.</li> <li>○ Due diligence completed on at least 3 quality direct investments during 2019-20.</li> </ul>
<b>Investment Relationships</b>	<ul style="list-style-type: none"> <li>○ Establish strong and connected relationships with other aligned iwi commercial entities, Māori land incorporations/trusts, etc.</li> <li>○ Establish wider investment networks with mainstream investors.</li> <li>○ Te Ngakinga maintains a watching brief over activities within the Manawatū-Whanganui area that might lead to investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>○ Te Ngakinga has an established network of iwi and mainstream investment networks with Te Ngakinga considered a strong co-investment partner.</li> <li>○ Te Ngakinga attends as many relevant iwi co-investment meetings as considered appropriate.</li> <li>○ Te Ngakinga has a profile within the Manawatū-Whanganui area as a potential local investor of choice.</li> </ul>

## 5. FINANCIAL BUDGET FOR YEAR ENDED 31 MARCH 2020

### Asset Allocations

As at 31 January 2019, Te Ngakinga’s passive investment portfolio was fully invested with each asset allocation complying with the applicable SIPO stipulated range other than Cash and Global Fixed Interest as set out in the following table.

	SIPO Target (Range)	SIPO Target (Midpoint)	At 31 January 2019	GAP to SIPO Midpoint
<b>Growth Assets</b>				
Australian Equities	8% to 18%	13.0%	13.4%	0.4%
Global Equity	17% to 37%	27.0%	25.9%	-1.1%
Emerging Market Equity	2% to 8%	5.0%	4.8%	-0.2%
Diversifiers	5% to 15%	8.0%	7.1%	-0.9%
Real Assets / Private Equity / Direct Investments	2% to 12%	7.0%	9.2%	2.2%
<b>Total Growth Assets</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.4%</b>	<b>0.4%</b>
<b>Defensive/Income Assets</b>				
NZ Fixed Income	15% to 35%	24.0%	22.9%	-1.1%
Global Fixed Income	0% to 20%	14.0%	8.2%	<b>-5.8%</b>
Cash	1% to 5%	2.0%	8.5%	<b>6.5%</b>
<b>Total Defensive/Income Assets</b>	<b>40.0%</b>	<b>40.0%</b>	<b>39.6%</b>	<b>-0.4%</b>

### **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.

- (i) A fund reallocation within the Global Fixed Interest asset class will be completed. AMP Fixed Interest Fund will be partially liquidated with the funds used to invest in ICG Senior Debt Fund as capital calls are progressively made. It is anticipated the remaining \$3.2m ICG capital calls will be made through FY20, \$1.6m during Q1-20 and \$1.6m by end of Q2-20. Earnings will commence immediately following investment.
- (ii) No other material investments or divestments of the passive investment portfolio will occur during FY20.
- (iii) Te Ngakinga will complete its first direct investment during Q1-20. \$3m will be invested in the currently proposed Boulcott Street property development opportunity, fully funded by cash (term deposits). No return from the investment will be generated until FY22.
- (iv) Te Ngakinga will actively consider at least 2-3 other direct investment opportunities however, for conservative purposes, no return has been budgeted from these for FY20.
- (v) Te Ngakinga will start the year with \$7.3m cash in term deposit investments. Following the direct investment detailed under (iii) above, \$4.3m will remain on term deposit. These funds will be marked for:
  - FY20 operating costs; ~\$0.5m
  - Future direct investment opportunities; and/or
  - Reinvestment into term deposits.

The closing term deposit portfolio at the end of FY20 is anticipated to be \$3.8m.

The average term deposit interest rate across FY20 is assumed at 3% pa.

(vi) Te Ngakinga’s target return as stipulated within its SIPO is 4% + CPI, assessed on a rolling 5 year basis. CPI is assumed at the current 1.9% resulting in a total target return for FY20 of 5.9%. The following table provides the budget return assumptions for Te Ngakinga’s term deposits and each of its defensive investments, all of which are lower risk / volatility assets and hence able to be more accurately forecast. The average return across its portfolio of growth asset investments therefore becomes the balancing metric which for Te Ngakinga requires in order to achieve its target 5.9%, noting these investments are materially more volatile and therefore more difficult to accurately assess.

Investment Returns	Budgeted Return	Comment
Term Deposits	3.0%	Weighted average rate for current TDs is 3.15%. TD’s in FY20 assumed to be reinvested for shorter durations in order to fund direct investment opportunities that may arise through the year. Therefore assume 3% average return.
AMP Capital NZ Fixed Interest	5.0%	Average FYTD (31 Jan ’19) return is 4.5% versus benchmark 4.8%. Assume improvement through FY20 to 5%.
PIMCO Global Bond ESG Fund	3.0%	Average FYTD (31 Jan ’19) return is 1.7% versus benchmark 2.8%. Assume improvement to 3%.
ICG Australia Senior Loan Fund	6.5%	Cambridge Associates recommendation (Aug ’18) recorded ICG’s current running yield of 6.7%. Assume 6.5%.
Growth Assets	8.0%	Average FYTD (31 Jan ’19) return is 3.9%. At end of Sep ’19, returns were at ~5% (~10% annualised). Highly volatile October and December resulting in large swings in returns. Volatility likely to continue through FY20. An average 8% across the Growth Asset portfolio required in order for Te Ngakinga to achieve its SIPO target of 4% + CPI.

(vii) The FY20 opening balances at 1 April 2019 for each investment within the managed fund portfolio are the 31 January 2019 values adjusted by an annualised 4% over the final two months of FY19 (ie – an increase of circa 0.67% for each being 4% / 12 months x 2 months).

(viii) The FY20 closing balances at 31 March 2020 for each investment within the managed fund portfolio are the opening values at 1 April 2019 multiplied by the budgeted return assumptions per (vi) above and adjusted for the assumed liquidation of AMP Capital NZ Fixed Interest investment to fund ICG Australia Senior Loan Fund.

(ix) The table below outlines the FY20 opening and closing values for the managed funds portfolio.

Fund	Managed Funds (\$'000s)		
	Actual Closing Balance 31-Jan-19	Forecast Opening Balance 1-Apr-19	Budget Closing Balance 31-Mar-20
<b>Defensive / Income</b>			
AMP Capital NZ Fixed Interest Fund *	\$19,090	\$18,530	\$16,202
PIMCO Global Bond ESG Fund	\$6,111	\$6,151	\$6,336
ICG Australia *	\$1,185	\$1,715	\$5,115
<b>Total Defensive / Income</b>	<b>\$26,386</b>	<b>\$26,396</b>	<b>\$27,652</b>
<b>Growth</b>			
Devon Trans-Tasman Wholesale Fund	\$5,575	\$5,612	\$6,061
Milford Trans-Tasman Equity Fund	\$6,252	\$6,294	\$6,798
Magellan Global Fund	\$5,893	\$5,932	\$6,407
ANZ Wholesale International Share Fund	\$11,903	\$11,982	\$12,941
RWC Global Horizon Fund	\$5,121	\$5,155	\$5,567
GQG Partners Emerging Markets Equity Fund	\$2,176	\$2,190	\$2,365
iShares EM IMI Equity Index Fund	\$2,061	\$2,075	\$2,241
Aviva Investors Multi-Strategy Target Return	\$6,328	\$6,370	\$6,880
Trust Investments - Property Fund	\$8,112	\$8,166	\$8,819
<b>Total Growth</b>	<b>\$53,420</b>	<b>\$53,776</b>	<b>\$58,078</b>
<b>Total</b>	<b>\$79,806</b>	<b>\$80,172</b>	<b>\$85,730</b>

\* Adjusted from CA January Report as AMP Capital Fund used to Fund ICG.

- (x) Income of \$2k/month to be generated from services provided to Whanganui Iwi Fisheries Ltd pursuant to the SLA between the parties.
- (xi) Operating cost assumptions are as follows:
- Accountancy, Audit Fees and Insurance increased by inflation on FY19 actuals.
  - Administration Fees to NTT decrease from \$4.5k/month to \$4k/month pursuant to the SLA between the parties.
  - Cambridge Associates fee at \$184k. It is assumed Te Ngakinga will hold on average ~\$92m in both Managed Funds and Term Deposits across FY20 against which Cambridge Associates charges a 0.2% fee.
  - Koau Consultancy Fee to remain unchanged at \$7k/month.
  - \$40k for *Special Projects* relating to uncapitalized due diligence costs associated with direct investment opportunities.
  - Trustee Remuneration, Travel & Accommodation, Legal Expenses and Training to remain unchanged from FY19.
  - No budgeted expenses for Interest Expense or Forex Gains or Losses that were incurred through FY19
- (xii) Interest payable by Te Ngakinga to NTT against the loans from NTT to Te Ngakinga to be \$685k pursuant NTT's Letter of Expectation.

## Budget Profit & Loss

Te Ngakinga's FY20 Profit and Loss budget based on the Section 5 assumptions is summarised below.

Te Ngakinga o Whanganui Investment Trust Budget Financial Performance 2019-20			
	FY20B	FY19F	Variance FY20B vs FY19F
<b>INCOME</b>			
Interest Income	\$146,556	\$232,822	-\$86,265
Movement in Managed Funds - INCOME	\$1,255,902	\$1,163,510	\$92,391
Movement in Managed Funds - GROWTH	\$4,302,101	\$1,288,765	\$3,013,336
Other Revenue - WIFLSLA	\$24,000	\$36,575	-\$12,575
<b>TOTAL INCOME</b>	<b>\$5,728,559</b>	<b>\$2,721,672</b>	<b>\$3,006,887</b>
<b>OPERATING EXPENSES</b>			
NTT Administration Fees	\$48,000	\$54,000	-\$6,000
Consultancy Fees	\$268,000	\$296,317	-\$28,317
Special Projects	\$40,000	\$0	\$40,000
Legal Expenses	\$5,000	\$0	\$5,000
Travel & Accommodation - General	\$4,500	\$0	\$4,500
<b>TOTAL OPERATING EXPENSES</b>	<b>\$365,500</b>	<b>\$350,317</b>	<b>\$15,183</b>
<b>OVERHEADS</b>			
Accountancy Fees	\$6,120	\$6,000	\$120
Audit Fees	\$5,100	\$4,950	\$150
Bank Fees	\$360	\$250	\$110
Catering	\$1,000	\$710	\$290
General Expenses	\$600	\$112	\$488
Insurance	\$11,220	\$9,565	\$1,655
Iwi Leaders Forum	\$2,500	\$2,500	\$0
Travel & Accommodation - Trustee	\$7,500	\$6,054	\$1,446
Trustee Training	\$9,000	\$0	\$9,000
Trustee Remuneration	\$54,000	\$58,981	-\$4,981
Interest Expense	\$0	\$2,466	-\$2,466
IRD Penalties & UOMI	\$0	\$2,638	-\$2,638
Forex Gains and Losses	\$0	\$1,295	-\$1,295
<b>TOTAL OVERHEADS</b>	<b>\$97,400</b>	<b>\$95,521</b>	<b>\$1,879</b>
<b>TOTAL EXPENSES</b>	<b>\$462,900</b>	<b>\$445,838</b>	<b>\$17,062</b>
<b>NET OPERATING PROFIT</b>	<b>\$5,265,659</b>	<b>\$2,275,834</b>	<b>\$2,989,825</b>
Interest on NTT Loan	\$685,000	\$0	\$685,000
<b>NET OPERATING SURPLUS</b>	<b>\$4,580,659</b>	<b>\$2,275,834</b>	<b>\$2,304,825</b>

Te Ngakinga is budgeting a Net Operating Profit (ie – before interest on loans to NTT) of \$5.3m. This is generated against an opening asset value of \$87.5m (\$7.3m term deposits plus \$80.2m managed fund investments) equating to a Return on Assets of 6.0%.

NTT's LoE requires Te Ngakinga to pay interest to NTT of \$685k through FY20. This equates to 0.8% of Te Ngakinga's opening asset value and 13% of its Net Operating Profit. These are both well within typical iwi distribution and reinvestment rates of 1.6-2.0% assets / 40-50% of profit.

Schedule 1 details the monthly Profit & Loss budget.

## Budget Sensitivities

Te Ngakinga is operating within a period of extreme and sustained global volatility and uncertainty. The political tension between the USA and Russia, USA and China with regards trade, the Brexit impact

and a potential economic slowdown in China being the key drivers of this current environment. With a large component of its growth assets invested into global funds, this current global volatility has the potential to significantly impact Te Ngakinga’s earnings through FY20. This volatility makes budgeting a difficult process.

The following table details Te Ngakinga’s earnings movement for each of the three 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 term deposit rate.

Investment Returns	Budgeted Returns	Budgeted \$k Return	\$k Movement with +/- 1% Change in Investment Return
Term Deposits	3.0%	\$147	No Change
AMP Capital NZ Fixed Interest	5.0%	\$815	\$163
PIMCO Global Bond ESG Fund	3.0%	\$185	\$62
ICG Australia Senior Loan Fund	6.5%	\$256	\$39
Growth Assets	8.0%	\$4,302	\$538
		<b>\$5,558</b>	<b>\$802</b>

By way of example, a 3% downwards shift in Growth Asset returns, ie – from the budgeted 8% to 5%, with all other defensive asset returns remaining on budget would result in a \$1.6m earnings reduction.

## 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 passive 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.*

## **7. COMPLIANCE**

Te Ngakinga must operate in accordance with its SIPO.

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 FY20.

## **8. REPORTING**

Te Ngakinga has a responsibility to report quarterly in arrears to NTT. Te Ngakinga board will meet at least 6 times during FY20 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, the Te Ngakinga board will be prepared to deliver audited annual financial statements and an annual report to NTT in advance of the NTT AGM. Additionally, the Te Ngakinga board will be available to present on the Te Ngakinga operations and results at the NTT AGM.

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

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

**Schedule 1 – Te Ngakinga FY20 Budget Month Profit and Loss**

Te Ngakinga o Whanganui Investment Trust Budget Financial Performance 2019-20															
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	FY20B	FY19F	Variance FY20B vs FY19F
<b>INCOME</b>															
Interest Income	\$18,463	\$18,463	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$10,963	\$146,556	\$232,822	-\$86,265
Movement in Managed Funds - INCOME	\$101,875	\$101,875	\$103,840	\$103,840	\$103,840	\$103,840	\$105,804	\$105,804	\$105,804	\$105,804	\$105,804	\$105,804	\$1,255,902	\$1,163,510	\$92,391
Movement in Managed Funds - GROWTH	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$358,508	\$4,302,101	\$1,288,765	\$3,013,336
Other Revenue - WFLSLA	\$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	\$36,575	-\$12,575
<b>TOTAL INCOME</b>	<b>\$480,847</b>	<b>\$480,847</b>	<b>\$475,311</b>	<b>\$475,311</b>	<b>\$475,311</b>	<b>\$477,276</b>	<b>\$5,728,559</b>	<b>\$2,721,672</b>	<b>\$3,006,887</b>						
<b>OPERATING EXPENSES</b>															
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	\$54,000	-\$6,000
Consultancy Fees	\$53,000	\$7,000	\$7,000	\$53,000	\$7,000	\$7,000	\$53,000	\$7,000	\$7,000	\$53,000	\$7,000	\$7,000	\$268,000	\$296,317	-\$28,317
Special Projects	\$0	\$0	\$10,000	\$0	\$0	\$10,000	\$0	\$0	\$10,000	\$0	\$0	\$0	\$40,000	\$0	\$40,000
Legal Expenses	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000	\$0	\$5,000
Travel & Accommodation - General	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$4,500	\$0	\$4,500
<b>TOTAL OPERATING EXPENSES</b>	<b>\$57,792</b>	<b>\$11,792</b>	<b>\$21,792</b>	<b>\$365,500</b>	<b>\$350,317</b>	<b>\$15,183</b>									
<b>OVERHEADS</b>															
Accountancy Fees	\$0	\$0	\$0	\$6,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,120	\$6,000	\$120
Audit Fees	\$0	\$0	\$0	\$0	\$5,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,100	\$4,950	\$150
Bank Fees	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$360	\$250	\$110
Catering	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$1,000	\$710	\$290
General Expenses	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$112	\$488
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,220	\$0	\$0	\$0	\$0	\$11,220	\$9,565	\$1,655
Iwi Leaders Forum	\$0	\$417	\$0	\$417	\$0	\$417	\$0	\$417	\$0	\$417	\$0	\$417	\$2,500	\$0	\$2,500
Travel & Accommodation - Trustee	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$7,500	\$6,054	\$1,446
Trustee Training	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000	\$0	\$9,000
Trustee Remuneration	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$54,000	\$58,981	-\$4,981
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,466	-\$2,466
IRD Penalties & UOMI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,638	-\$2,638
Forex Gains and Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,295	-\$1,295
<b>TOTAL OVERHEADS</b>	<b>\$6,038</b>	<b>\$6,455</b>	<b>\$6,038</b>	<b>\$12,575</b>	<b>\$11,138</b>	<b>\$6,455</b>	<b>\$6,038</b>	<b>\$17,675</b>	<b>\$6,038</b>	<b>\$6,455</b>	<b>\$6,038</b>	<b>\$6,455</b>	<b>\$97,400</b>	<b>\$95,521</b>	<b>\$1,879</b>
<b>TOTAL EXPENSES</b>	<b>\$63,830</b>	<b>\$18,247</b>	<b>\$27,830</b>	<b>\$70,367</b>	<b>\$22,930</b>	<b>\$28,247</b>	<b>\$63,830</b>	<b>\$29,467</b>	<b>\$27,830</b>	<b>\$64,247</b>	<b>\$17,830</b>	<b>\$28,247</b>	<b>\$462,900</b>	<b>\$445,838</b>	<b>\$17,062</b>
<b>NET OPERATING PROFIT</b>	<b>\$417,017</b>	<b>\$462,600</b>	<b>\$447,481</b>	<b>\$404,945</b>	<b>\$452,381</b>	<b>\$449,029</b>	<b>\$413,446</b>	<b>\$447,809</b>	<b>\$449,446</b>	<b>\$413,029</b>	<b>\$459,446</b>	<b>\$449,029</b>	<b>\$5,265,659</b>	<b>\$2,275,834</b>	<b>\$2,989,825</b>
Interest on NTT Loan	\$0	\$0	\$171,250	\$0	\$0	\$171,250	\$0	\$0	\$171,250	\$0	\$0	\$171,250	\$685,000	\$0	\$685,000
<b>NET OPERATING SURPLUS</b>	<b>\$417,017</b>	<b>\$462,600</b>	<b>\$276,231</b>	<b>\$404,945</b>	<b>\$452,381</b>	<b>\$277,779</b>	<b>\$413,446</b>	<b>\$447,809</b>	<b>\$278,196</b>	<b>\$413,029</b>	<b>\$459,446</b>	<b>\$277,779</b>	<b>\$4,580,659</b>	<b>\$2,275,834</b>	<b>\$2,304,825</b>

# Financial Statements

Te Ngakinga o Whanganui Investment Trust  
For the period ended 31 March 2019

# Contents

Auditors Report	3
Directory	5
Approval of Financial Statements	6
Statement of Comprehensive Revenue and Expense	7
Statement of Changes in Net Assets	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11



## 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 16, which comprise the statement of financial position as at 31 March 2019, 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 2019, 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.

#### 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.

**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: 9 September 2019**

## Directory

<b>Nature of Business</b>	To receive, use and administer the Trust Funds exclusively for Charitable Purposes	
<b>Date of Formation</b>	23 May 2016	
<b>Charities Number</b>	CC53926	
<b>Contact Person</b>	Simon Karipa	
<b>Contact Details</b>	<a href="mailto:simon.karipa@gmail.com">simon.karipa@gmail.com</a> 357 Victoria Ave Whanganui	
<b>Registered Office</b>	357 Victoria Ave Whanganui	
<b>Trustees</b>	Simon Karipa Declan Millin Dr Rāwiri Tinirau Keria Ponga	(appointed 23 April 2018) (appointed 19 November 2018) (resigned 19 November 2018)
<b>Bankers</b>	BNZ Bank 84 The Square Palmerston North	
	ANZ Bank 87 Victoria Ave Whanganui	
<b>Auditors</b>	Silks Audit Chartered Accountants Ltd 156 Guyton St Whanganui	
<b>IRD Number</b>	121-511-231	
<b>Settlers</b>	Ngā Tāngata Tiaki o Whanganui	

## Approval of Financial Statements

The Trustees are pleased to present the approved Financial Statements for the year ended 31 March 2019

### APPROVED

For and on behalf of the Trustees

  
Trustee

9 September 2019  
Date

  
Trustee

9 September 2019  
Date

# Statement of Comprehensive Revenue and Expense

For the Year Ended 31 March 2019

	Notes	2019 \$	2018 \$
<b>Revenue From Exchange Transactions</b>			
Dividends		828,383	346,571
Interest	3	235,025	1,637,051
Sundry Income		35,575	18,724
<b>Total Revenue From Exchange Transactions</b>		<b>1,098,983</b>	<b>2,002,346</b>
<b>Expenses</b>			
Administration Expense	4	95,270	61,681
Consulting Fees		128,473	5,456
Interest Expense		2,502	-
Portfolio Management Fees		174,104	160,454
Trustee Remuneration	8	56,500	52,516
<b>Total Expenses</b>		<b>456,849</b>	<b>280,107</b>
<b>Net Surplus / (Deficit) for the Year</b>		<b>642,134</b>	<b>1,722,239</b>
<b>Other Gains/(losses)</b>			
Gain / (loss) On Managed Funds Portfolio		3,981,682	(293,950)
<b>Total Surplus / (Deficit) for the Year</b>		<b>4,623,816</b>	<b>1,428,289</b>
<b>Other Comprehensive Revenue and Expense for the Year</b>			
Foreign Currency Translation		367,056	173,897
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>4,990,872</b>	<b>1,602,186</b>

## Statement of Changes in Net Assets

For the Year Ended 31 March 2019

	Share Capital	Foreign Currency Translation Reserve	Accumulated Comprehensive Revenue and Expense	Total
	\$	\$	\$	\$
<b>Balance as at 1 April 2017</b>	10	-	(72,598)	(72,588)
Capital Contributions	-	-	-	-
Surplus / (Deficit) for the Year	-	-	1,428,289	1,428,289
Other Comprehensive Income	-	173,897	-	173,897
<b>Balance as at 31 March 2018</b>	<b>10</b>	<b>173,897</b>	<b>1,355,691</b>	<b>1,529,598</b>
<b>Balance as at 1 April 2018</b>	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
<b>Balance as at 31 March 2019</b>	<b>10</b>	<b>540,953</b>	<b>5,979,507</b>	<b>6,520,470</b>

# Statement of Financial Position

As at 31 March 2019

	Notes	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	289,276	24,358,525
Prepayments		6,164	5,898
Receivables From Exchange Transactions		126,168	23,661
Current Investments	6	7,295,126	4,720,621
<b>Total Current Assets</b>		<b>7,716,734</b>	<b>29,108,704</b>
<b>Non-current Assets</b>			
Non-current Investments	7	82,576,155	56,236,880
<b>Total Non-current Assets</b>		<b>82,576,155</b>	<b>56,236,880</b>
<b>Total Assets</b>		<b>90,292,889</b>	<b>85,345,584</b>
<b>Current Liabilities</b>			
Trade and Other Payables		20,017	63,585
Advance - Ngā Tāngata Tiaki o Whanganui	8	652,402	652,401
<b>Total Current Liabilities</b>		<b>672,419</b>	<b>715,986</b>
<b>Non-current Liabilities</b>			
Loans	8	83,100,000	83,100,000
<b>Total Non- Current Liabilities</b>		<b>83,100,000</b>	<b>83,100,000</b>
<b>Total Liabilities</b>		<b>83,772,419</b>	<b>83,815,986</b>
<b>Net Assets</b>		<b>6,520,470</b>	<b>1,529,598</b>
<b>Equity</b>			
Accumulated Comprehensive Revenue and Expense		5,979,507	1,355,691
Foreign Exchange Reserve		540,953	173,897
Trust Capital		10	10
<b>Total Equity</b>		<b>6,520,470</b>	<b>1,529,598</b>

These financial statements should be read in conjunction with the notes to the financial statements.

# Statement of Cash Flows

For the Year Ended 31 March 2019

	Notes	2019 \$	2018 \$
<b>Cash Flows From Operating Activities</b>			
Interest Received		163,808	1,640,975
Net GST Received		(8,639)	4,811
Sundry Income		12,575	-
Cash Paid To Suppliers		(497,868)	(230,520)
Interest Paid		(2,466)	-
<b>Net Cash Inflow / (outflow) From Operating Activities</b>		<b>(332,590)</b>	<b>1,415,266</b>
<b>Cash Flows From Investing Activities</b>			
Net Redemption of Term Deposits		(2,574,505)	-
Purchase of Investments		(23,399,815)	(60,904,880)
Withdrawal of Investment Funds		1,870,605	
<b>Net Cash Inflow / (outflow) From Investing Activities</b>		<b>(24,103,716)</b>	<b>(60,904,880)</b>
<b>Cash Flows From Financing Activities</b>			
Funds Introduced from Financing Activities		-	55,174,242
<b>Net Cash Inflow / (outflow) From Investing Activities</b>		<b>-</b>	<b>55,174,242</b>
<b>Net Increase / (decrease) In Cash</b>		<b>(24,436,305)</b>	<b>(4,315,372)</b>
Effect of Exchange Rate Fluctuations on Cash		367,056	173,896
Opening Balance Cash		24,358,525	28,500,000
<b>Closing Balance Cash</b>	<b>5</b>	<b>289,276</b>	<b>24,358,525</b>

# Notes to Financial Statements

## 1. Statement of Accounting Policies

### Reporting Entity

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

Te Ngakinga 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).

### Statement of Compliance

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.

### 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.

### Going Concern

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

### 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.

### 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.

### Comparatives

Comparative amounts are from the audited Financial Statements for the year ended 31 March 2018.

### 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.

## 2. Significant Accounting Policies

The significant accounting policies adopted by the Trust noted below have been consistently applied to all periods presented in these Financial Statements.

### 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 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.

### **Goods and Services Tax**

The Trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### **Financial Instruments**

#### *Non-derivative 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 plus, for instruments not at fair value through Statement of Comprehensive Revenue and Expense, any directly attributable transaction costs.

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.

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.

### **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 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 profit and loss.

### **Trade Payables**

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

### **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 Expense.

### **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 Comprehensive Revenue and Expense. Any foreign exchange differences are recognised in the Other Comprehensive Revenue and Expense 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.

### 3. Interest Revenue

	2019 \$	2018 \$
Interest Revenue from Cash & Cash Equivalents and Term Deposits	235,025	1,637,051
<b>Total Interest Revenue</b>	<b>235,025</b>	<b>1,637,051</b>

### 4. Administrative Expenses

Administrative Expenses includes the following expenses:

	2019 \$	2018 \$
Accountancy	3,500	1,000
Administrative Fee	54,000	54,000
Audit Fee	4,950	1,750
Bank Service Charges	4,673	313
General Expenses	5,737	255
Insurance	9,734	3,628
Professional Fees	8,821	-
Travel Expenses	3,855	735
<b>Total Administrative Expenses</b>	<b>95,270</b>	<b>61,681</b>

### 5. Cash and Cash Equivalents

	2019 \$	2018 \$
Cash at bank	289,276	20,907,577
Short Term Deposits with Maturities of less than 3 months	-	3,450,948
<b>Total Cash and Cash Equivalents</b>	<b>289,276</b>	<b>24,358,525</b>

### 6. Current Investments

	2019 \$	2018 \$
Short Term Deposits with Maturities of greater than 3 months and less than 12 months	7,295,126	4,720,621
<b>Total Current Investments</b>	<b>7,295,126</b>	<b>4,720,621</b>

## 7. Non-Current Investments

	2019 \$	2018 \$
AMP Capital NZ Fixed Interest Fund	18,800,514	19,388,108
ANZ Wholesale International Share Fund	12,398,432	11,625,928
Aviva Investors Multi-Strategy Target Return	6,417,511	6,433,911
Devon Trans-Tasman Wholesale Fund	6,074,334	5,112,894
GQG Partners Emerging Markets Equity Fund	2,344,115	2,397,043
ICG Australia Senior Loan Fund	1,690,018	-
iShares EM IMI Equity Index Fund	2,118,271	-
Magellan Global Fund	6,282,604	5,278,995
Milford Trans-Tasman Equity Fund	6,727,342	-
PIMCO Global Bond ESG Fund	6,211,966	6,000,000
RWC Global Horizon Fund	5,252,771	-
Trust Investments - Property Fund	8,258,277	-
<b>Total Non-Current Investments</b>	<b>82,576,155</b>	<b>56,236,880</b>

In the 2019 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 Trust. The performance of all funds are monitored by the Board of Trustees and the Portfolio Management Entity. The results of the year in the Statement of Financial Performance show a net increase of the value of the portfolio of \$3,981,682 (2018: loss of \$293,950) and a foreign currency transaction gain of \$367,056 (2018: \$173,897). The Trust also incurred Portfolio Management Fees of \$174,104 (2018: \$160,454).

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).

## 8. Related Party Transactions

### Ngā Tāngata Tiaki o Whanganui (NTT)

NTT is the settlor and parent entity of Te Ngakinga 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 not to accrue any interest to 31 March 2019, therefore the interest accrued to 31 March 2019 has subsequently been written off.

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 (2018: \$652,401).

NTT and Te Ngakinga o Whanganui Investment Trust have a service agreement for NTT to provide office and administrative services to Te Ngakinga o Whanganui Investment Trust. The value of this agreement is \$54,000 (GST exclusive) annually. As at 31 March 2019 \$Nil of the \$20,017 Trade and Other Payables balance on the Statement of Financial Position relates to this service agreement (2018: \$62,100 of \$63,585).

### Whanganui Iwi Fisheries Limited (WIFL)

NTT, as the parent entity of Te Ngakinga 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 Ngakinga o Whanganui Investment Trust have a service agreement for Te Ngakinga 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 2019 \$23,000 of the \$126,168 Receivables from Exchange

Transactions balance on the Statement of Financial Position relates to this service agreement (2018: Nil of \$23,661).

### Key Management Personnel

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

	2019 \$	2018 \$
Declan Millin	15,000	-
Keria Ponga	10,000	14,588
Nancy Tuaine	2,500	14,588
Dr Rāwiri Tinirau	5,000	
Simon Karipa	24,000	23,340
<b>Total Remuneration</b>	<b>56,500</b>	<b>52,516</b>

## 9. Financial Instruments

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

	2019 \$	2018 \$
<b>Loans and Receivables</b>		
Cash and Cash Equivalents	289,276	24,358,525
Current Investments	7,295,126	4,720,621
Receivables from Exchange Transactions	126,168	23,661
Prepayments	6,164	5,898
<b>Total Loans and Receivables</b>	<b>7,716,734</b>	<b>29,108,704</b>
	-	-
<b>Financial Assets at Fair Value through Surplus or Deficit</b>		
Non-Current Investments	82,576,155	56,236,880
<b>Total Financial Assets at Fair Value through Surplus or Deficit</b>	<b>82,576,155</b>	<b>56,236,880</b>
	-	-
<b>Total Financial Assets</b>	<b>90,292,889</b>	<b>85,345,584</b>
<b>Financial Liabilities at Amortised Cost</b>		
Loans - Ngā Tāngata Tiaki o Whanganui	83,100,000	83,100,000
Advance - Ngā Tāngata Tiaki o Whanganui	652,402	652,401
Trade & Other Payables	20,017	63,585
<b>Total Financial Liabilities at Amortised Cost</b>	<b>83,772,419</b>	<b>83,815,986</b>

## 10. Contingent Assets & Liabilities

There were no known material contingent liabilities or assets to disclose at balance date (2018: \$Nil).

## 11. Capital and Other Commitments

There were no known material capital or other commitments to disclose at balance date (2018: Nil).

## 12. Events subsequent to balance date

On 1 May 2019 the Trust invested a further \$1,268,885 in the ICG Australia Senior Loan Fund.

Te Ngakinga o Whanganui Trust is undertaking due diligence on direct investment opportunities which are, at the time of writing, subject to documentation. Cashflow requirements have been planned and Trustees are informed of progress.

On 9th August 2019, the head lease of the former St George's School was bought by a partnership between Te Ngakinga o Whanganui, the investment arm of Ngā Tāngata Tiaki o Whanganui, and Whanganui District Council Holdings Ltd (Holdings).

The Trust is not aware of any other material events following reporting date that require disclosure.



## CHAIR'S REPORT 2018-2019

### **Tēnā kautau**

It is my privilege to report on the performance of Whanganui Iwi Fisheries Limited (WIFL) for the 2018-19 financial year. It has been another pleasing year both in terms of the financial result as well as progress made with the longer term strategies we are looking to implement to further improve and optimise WIFL's returns.

### **Iwi Collectives Strategy**

Given the very small volumes of quota owned, WIFL does not (and probably never will) have the scale required to develop its own fisheries based value chain operations. In order to maximise earnings, WIFL's focus has instead been on committing to iwi based collectives across various sectors of the seafood industry. Such collectives ensure scale can be developed to a level where either:

- i. Full value chain operations can be implemented directly by the collective such as Port Nicholson Fisheries (crayfish operation). WIFL has held a direct limited partnership interest in Port Nicholson Fisheries under a rolling 5 year term since 2015. This arrangement has been financially very successful for WIFL, albeit against a small base of only 69kgs; or
- ii. Premium profit share partnerships with larger existing operators can be negotiated such as the Sealord-Iwi partnership (deep sea operation). WIFL has been in a profit share contract with Sealord since 2013 via a Taranaki/Whanganui iwi collective. This contract was renewed in October 2018 for a rolling 5 year term, now named Ngā Tapuwae o Māui.

With crayfish and deep sea arrangements implemented, consideration has been given during the year to developing similar arrangements for WIFL's other quota sectors.

Multiple options have been considered with directors' preference being to take up a limited partnership interest within the Iwi Collective Partnership (ICP) limited partnership structure. ICP is a collective of some 17 iwi who have commercial profit sharing agreements in place with key fishing industry operators across inshore, scampi and highly migratory species sectors. WIFL would simply plug into the ICP structure and enjoy the same value chain earnings that the existing ICP iwi currently enjoy. In order to fully assess the returns generated under this arrangement, ICP have offered WIFL a 1 year no obligation trial which directors are likely to take up for the 2019-20 fishing year.

One area in which WIFL does not, and will not, commercially participate is 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 quota. WIFL will continue to support Ngā Tāngata Tiaki o Whanganui Trust (NTT) with respect to its freshwater fisheries strategy.

### Financial Performance

WIFL delivered a \$479k profit for FY19 which was derived from a combination of ACE revenue, Moana NZ dividend income and revaluations of quota.

WIFL's operating costs were well managed at 14% under budget, largely due to lower than expected MPI regulatory levies.

The following provides a high level summary of the financial performance result for WIFL through the 2018-19 financial year.

	<b>\$000s</b>
ACE Revenue	\$227.1
Dividend Income	\$119.6
Interest Earnings from Cash Reserves/Term Deposits	\$36.9
Quota Revaluations	\$240.4
<b>Total Earnings</b>	<b>\$624.1</b>
Operating Expenses	-\$145.3
<b>Profit for 2018-2019</b>	<b>\$478.8</b>

In addition to its operating performance, WIFL paid a circa \$1.6m distribution to NTT during the year pursuant to its Letter of Expectation. Going forward the distribution to NTT will be set at 80% of WIFL profits.

I wish to acknowledge Declan Millin who recently resigned as WIFL Director. Declan brought a valuable skill set to the table and will be missed.

Finally, thank you to my fellow trustee Dr Rāwiri Tinirau for his continued diligence and counsel through the year and welcome to Russell Bell who has stepped in as interim trustee following Declan's resignation until Ngā Tāngata Tiaki is able to make further permanent appointments.

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

Nāku te rourou nāu te rourou ka ora ai te iwi

Kia ora



Simon Karipa, Chairman.



# **Whanganui Iwi Fisheries Limited**

## **ANNUAL PLAN**

**FOR THE YEAR ENDING 31 MARCH 2020**

## CONTENTS

1. Overview.....	3
2. NTT Group Investment & Operational Framework.....	4
3. WIFL 2019-20 Objectives & Outputs .....	5
4. Financial Budget for Year Ended 31 March 2020 .....	6
5. Risk Management.....	8
6. Compliance.....	8
7. Reporting.....	8
8. Schedule 1 .....	10

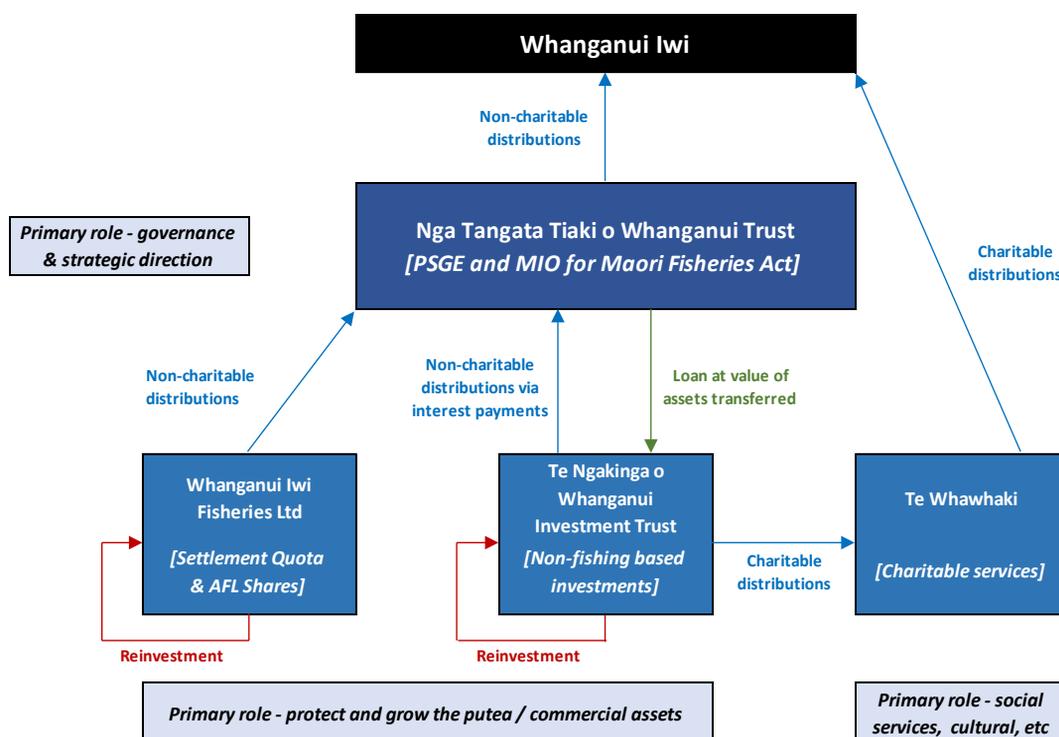
## 1. OVERVIEW

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:



The current WIFL board is:

- Simon Karipa, Chair
- Declan Millin
- Rāwiri Tinirau (also an NTT Trustee)

Koau Capital Partners is contracted by WIFL as Manager.

At 31 January 2019, WIFL's Net Assets totalled \$9.0m. This was divided between three main asset types:

#### Assets

- Quota \$3.4m
- AFL Shares \$3.7m
- Short term advance to Te Ngakinga \$1.2m – to be repaid prior to 31 March 2019
- Cash \$0.8m

#### Liabilities

- Current liabilities \$0.1m

## 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 Ngakinga 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 2019-20 OBJECTIVES & OUTPUTS

WIFL’s objectives and associated outputs for FY20 are detailed below.

KEY FOCI	OBJECTIVES / WORKSTREAMS	OUTPUTS
<b>Governance, Management &amp; Reporting</b>	<ul style="list-style-type: none"> <li>○ Clear shareholder objectives, expectations and accountabilities established for WIFL.</li> <li>○ Effective, expert and strategic WIFL governance.</li> <li>○ Suitably experienced and skilled management.</li> <li>○ Effective, timely and transparent relationship with, and reporting to, NTT.</li> </ul>	<ul style="list-style-type: none"> <li>○ LoE between NTT and WIFL.</li> <li>○ 2019-20 Annual Plan &amp; Budget approved by NTT.</li> <li>○ WIFL board meets at least 6 times through 2019-20, being:               <ul style="list-style-type: none"> <li>- 4 quarterly reporting meetings</li> <li>- 1 strategic and annual planning meeting</li> <li>- 1 annual statutory reporting meeting</li> </ul> </li> <li>○ WIFL reports at least quarterly to NTT including having a representative report directly to NTT meetings.</li> <li>○ Management support contracted allowing WIFL to perform its duties and deliver on its annual objectives.</li> </ul>
<b>Alignment with NTT Group</b>	<ul style="list-style-type: none"> <li>○ 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.</li> <li>○ NTT Group strategy developed for fresh water fisheries.</li> </ul>	<ul style="list-style-type: none"> <li>○ WIFL upholds Tupua te Kawa and NTT values in everything it does.</li> <li>○ WIFL activities and investments are fully aligned with NTT Group’s vision, strategy and strategic objectives.</li> <li>○ Fresh water fisheries strategy developed and implemented.</li> </ul>

		<ul style="list-style-type: none"> <li>○ Regular / ongoing dialogue and meetings between WIFL board/management and NTT management with each keeping the other suitably informed of relevant matters.</li> <li>○ No surprises.</li> </ul>
<b>Strategic &amp; Investment Review</b>	<ul style="list-style-type: none"> <li>○ WIFL has implemented a Strategic Plan supported by appropriate policies.</li> <li>○ WIFL’s component of the SIPO remains relevant and appropriate including distribution / reinvestment requirements.</li> </ul>	<ul style="list-style-type: none"> <li>○ Strategic Plan developed and approved for implementation prior to 2020-21 financial year.</li> <li>○ SIPO reviewed and updated prior to 2020-21 financial year.</li> </ul>
<b>Commercial Activities</b>	<ul style="list-style-type: none"> <li>○ Long term profit sharing agreements / JVS implemented with aligned parties with relevant expertise for each of WIFL’s key fisheries’ sectors.</li> <li>○ Maximise long term earnings from WIFL’s fisheries assets.</li> </ul>	<ul style="list-style-type: none"> <li>○ Deepwater – achieved via Ihu to Mai agreement with Sealord.</li> <li>○ Crayfish – achieved via limited partnership interest with Port Nicholson Fisheries.</li> <li>○ Profit share agreement pursued and executed with Moana NZ for paua.</li> <li>○ Taranaki/Whanganui iwi collective to pursue and consider inshore profit share agreements.</li> <li>○ Ongoing monitoring of performance of profit share partners.</li> <li>○ Submissions on relevant fisheries matters impacting WIFL and wider NTT group are completed and submitted.</li> </ul>
<b>Fisheries Relationships</b>	<ul style="list-style-type: none"> <li>○ Establish strong and connected relationships with other aligned iwi commercial entities and industry bodies re fisheries based matters.</li> </ul>	<ul style="list-style-type: none"> <li>○ WIFL has an established network of iwi and industry body networks.</li> <li>○ WIFL attends as many relevant iwi and industry meetings as considered appropriate.</li> </ul>

#### 4. FINANCIAL BUDGET FOR YEAR ENDED 31 MARCH 2020

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 decrease \$5k on FY19 to \$125k due to the additional costs to be incurred under the renewed Ihu to Mai (now Hourua Waka) agreement.
- (ii) AFL Dividend, PNF Income and Other ACE Sales to remain unchanged from FY19.

- (iii) No Interest Income as a result of the proceeds from the FY19 term deposit being paid out by way of distribution to NTT.
- (iv) WIFL's distribution to NTT to remain at 80% of Net Operating Profit pursuant to NTT's Letter of Expectation.
- (v) Operating cost assumptions are as follows:
- NTT Administration Fees decrease from \$2.5k per month to \$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 FY19.
  - Levies to increase from FY19's forecast \$30k to \$33k with a greater level of fisheries management projected.
  - Conferences expense to remain unchanged at \$2k
- (vi) WIFL's distribution to NTT to remain at 80% of Net Operating Profit pursuant to NTT's Letter of Expectation

### **Profit & Loss Budget**

WIFL's FY20 Profit and Loss budget, based on the Section 4 assumptions, is set out below.

Whanganui Iwi Fisheries Limited Budget Financial Performance 2019-20			
	FY20B	FY19F	Variance FY20B vs FY19F
<b>INCOME</b>			
Interest Income	\$0	\$36,930	-\$36,930
Deep Sea - Ihu To Mai	\$125,000	\$130,000	-\$5,000
Other ACE Sales	\$65,000	\$64,155	\$845
Port Nicholson Fisheries Income	\$4,000	\$3,071	\$929
Moana NZ Dividend	\$100,000	\$98,652	\$1,348
<b>TOTAL INCOME</b>	<b>\$294,000</b>	<b>\$332,808</b>	<b>-\$38,808</b>
<b>OPERATING EXPENSES</b>			
NTT Administration Fees	\$24,000	\$30,000	-\$6,000
Te Ngakinga Services	\$24,000	\$24,000	\$0
<b>TOTAL OPERATING EXPENSES</b>	<b>\$48,000</b>	<b>\$54,000</b>	<b>-\$6,000</b>
<b>OVERHEADS</b>			
Accountancy Fees	\$6,120	\$6,000	\$120
Audit Fees	\$2,040	\$3,150	-\$1,110
Bank Fees	\$600	\$271	\$329
Levies	\$33,100	\$30,000	\$3,100
Insurance	\$5,610	\$5,500	\$110
TOKM / AFL AGM / Fisheries Conferences	\$2,000	\$0	\$2,000
General Expenses	\$1,200	\$204	\$996
<b>TOTAL OVERHEADS</b>	<b>\$50,670</b>	<b>\$45,125</b>	<b>\$5,545</b>
<b>TOTAL EXPENSES</b>	<b>\$98,670</b>	<b>\$99,125</b>	<b>-\$455</b>
<b>NET OPERATING PROFIT</b>	<b>\$195,330</b>	<b>\$233,683</b>	<b>-\$38,353</b>
NTT Distribution	\$156,264	\$186,946	-\$30,683
<b>NET OPERATING SURPLUS BEFORE TAX</b>	<b>\$39,066</b>	<b>\$46,737</b>	<b>-\$7,671</b>

Note the \$31k variance to Net Operating Surplus from FY19 (forecast) is primarily the impact of the term deposit proceeds having been distributed to NTT and no longer available for WIFL to invest.

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 2020 (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 FY20 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.

# Financial Statements

Whanganui Iwi Fisheries Limited

For the period ended 31 March 2019

# Contents

- 3 Audit Report
- 5 Directory
- 6 Approval of Financial Report
- 7 Statement of Comprehensive Revenue and Expenses
- 8 Statement of Movements in Equity
- 9 Statement of Financial Position
- 10 Statement of Cash Flows
- 11 Notes to the Financial Statements

## 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 15, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive revenue and expense, statement of changes 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 Company as at 31 March 2019, 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.

#### Other information

The directors 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.

**Directors 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: 9 September 2019**

# Directory

## Whanganui Iwi Fisheries Limited

For the period ended 31 March 2019

### **Nature of Business**

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

### **Date of Incorporation**

18 August 2006

### **Registered Office**

357 Victoria Ave  
Whanganui

### **Directors**

Simon Karipa	
Declan Millin	(appointed 23 April 2018)
Dr Rāwiri Tinirau	(appointed 19 November 2018)
Nancy Tuaine	(ceased 23 April 2018)
Keria Ponga	(ceased 19 November 2018)

### **Contact Person Details**

Simon Karipa  
simon.karipa@gmail.com  
357 Victoria Ave  
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

Whanganui Iwi Fisheries Limited

For the period ended 31 March 2019

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 2019.

APPROVED

For and on behalf of the Board of Directors



Chairperson

Date: 9 September 2019



Director

Date: 9 September 2019

# Statement of Comprehensive Revenue and Expense

## Whanganui Iwi Fisheries Limited

For the period ended 31 March 2019

	Notes	2019 \$	2018 \$
<b>Revenue from Exchange Transactions</b>			
Fisheries Income		227,129	209,401
Dividend Received		119,578	136,605
Interest Received		36,941	41,045
<b>Total Revenue from Exchange Transactions</b>		<b>383,648</b>	<b>387,051</b>
<b>Expenses</b>			
Accountancy Fees		4,000	604
Audit Fees		3,150	-
Insurance		5,644	5,660
Other Administrative Expenses		55,940	39,983
Fisheries Levies and Expenses		25,932	34,783
<b>Total Expenses</b>		<b>94,666</b>	<b>81,030</b>
<b>Net Surplus/ (Deficit) for the year</b>		<b>288,982</b>	<b>306,020</b>
<b>Taxation and Adjustments</b>			
Income Tax Expense	5	50,624	53,588
<b>Total Taxation and Adjustments</b>		<b>50,624</b>	<b>53,588</b>
<b>Net Surplus/(Deficit) for the Year after Taxation and Adjustments</b>		<b>238,358</b>	<b>252,432</b>
<b>Other Comprehensive Revenue and Expense</b>			
Revaluation of Fisheries Quota		240,426	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>240,426</b>	
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>478,784</b>	<b>252,432</b>

These financial statements should be read in conjunction with the accompanying notes and audit report. 7



# Statement of Movements in Equity

## Whanganui Iwi Fisheries Limited

For the period ended 31 March 2019

	Original Capital	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance as at 1 April 2017</b>	<b>7</b>	<b>1,562,246</b>	<b>6,832,222</b>	<b>8,394,475</b>
Surplus/(Deficit) for the Year after Taxation and Adjustments	-	-	252,432	252,432
<b>Balance as at 31 March 2018</b>	<b>7</b>	<b>1,562,246</b>	<b>7,084,654</b>	<b>8,646,907</b>
<b>Balance as at 1 April 2018</b>	<b>7</b>	<b>1,562,246</b>	<b>7,084,654</b>	<b>8,646,907</b>
Other Comprehensive Revenue and Expense	-	240,426	-	240,426
Surplus/(Deficit) for the Year after Taxation and Adjustments	-	-	238,358	238,358
Distribution to Owners	-	-	(1,642,470)	(1,642,470)
<b>Balance as at 31 March 2019</b>	<b>7</b>	<b>1,802,672</b>	<b>5,680,542</b>	<b>7,483,221</b>

# Statement of Financial Position

## Whanganui Iwi Fisheries Limited

As at 31 March 2019

	Notes	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	1,927,187	82,412
Trade and Other Receivables	4	42,498	38,421
Term Deposits		-	1,642,203
<b>Total Current Assets</b>		<b>1,969,685</b>	<b>1,763,036</b>
<b>Non-current Assets</b>			
Moana New Zealand Limited		3,643,698	3,643,698
Fisheries Quota	6	3,683,058	3,442,632
<b>Total Non-current Assets</b>		<b>7,326,756</b>	<b>7,086,330</b>
<b>Total Assets</b>		<b>9,296,441</b>	<b>8,849,366</b>
<b>Current Liabilities</b>			
Trade and Other Payables		2,377	86,314
Income Tax Payable/ (Receivable)	5	39,555	9,857
Related Party Payables	7	1,771,288	106,288
<b>Total Current Liabilities</b>		<b>1,813,220</b>	<b>202,459</b>
<b>Total Liabilities</b>		<b>1,813,200</b>	<b>202,459</b>
<b>Net Assets</b>		<b>7,483,221</b>	<b>8,646,907</b>
<b>Equity</b>			
Share Capital		7	7
Retained Earnings		5,680,542	7,084,654
Revaluation Reserve		1,802,672	1,562,246
<b>Total Equity</b>		<b>7,483,221</b>	<b>8,646,907</b>

These financial statements should be read in conjunction with the accompanying notes and audit report. 9

# Statement of Cash Flows

## Whanganui Iwi Fisheries Limited

As at 31 March 2019

	Notes	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Receipts From Providing Goods or Services		216,223	209,396
Interest, Dividends And other Investments Receipts		164,358	144,898
Net Income Tax Paid		(20,925)	17,336
Net GST Paid		(1,010)	(8,335)
Cash Paid To Suppliers And Employees		(156,074)	(5,454)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>202,572</b>	<b>357,841</b>
<b>Cash Flows from Investing Activities</b>			
Net Proceeds From Term Deposit Maturities		1,642,203	-
Net Purchase Of Term Deposits		-	(583,483)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>1,642,203</b>	<b>(583,483)</b>
<b>Cash Flows from Financing Activities</b>			
Cash Flows from Financing Activities		-	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>		<b>1,844,775</b>	<b>(225,642)</b>
Opening Balance Cash		82,412	308,054
<b>Closing Balance Cash</b>	<b>3</b>	<b>1,927,187</b>	<b>82,412</b>

# Notes to the Financial Statements

## Whanganui Iwi Fisheries Limited

As at 31 March 2019

### 1. Reporting Entity

Whanganui Iwi Fisheries Limited is a company incorporated under the Companies Act 1993.

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

#### Statement of Compliance

The Company has opted to present the 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.

#### 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.

#### Going Concern

The financial statements have been prepared on a going concern basis.

#### Comparatives

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.

Upon settlement, the Company was granted to Ngā Tāngata Tiaki o Whanganui through a 100% ownership. The settlement happened on the 21 March 2017. Prior to the settlement, the Entity used to have the balance date as at September.

Thus, the 2018 comparative figures are for the period 22 March 2017 to 31 March 2018 and the current year figures are for the period 1 April 2018 to 31 March 2019.

#### Functional and Presentation Currency

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

#### 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.

## 2. Significant Accounting Policies

The significant accounting policies adopted by the Company noted below have been consistently applied to all periods presented in these Financial Statements.

### **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 Entity's right to receive payment is established and the amount can be measured reliably.

### *Dividend Income*

Revenue from dividend is recognised when the entity's right to receive payments is established and the amount can be measured reliably.

### **Goods and Services Tax**

The Company is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### **Financial Instruments**

#### *Non-derivative 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 plus, for instruments not at fair value through Statement of Comprehensive Revenue and Expense, any directly attributable transaction costs.

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.

#### *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.

### **Advances**

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

### **Trade Payables**

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

**Fisheries Quota**

Shares in the Fisheries Quota are measured at fair value (2018: measured at cost). As per PBE IPSAS 29 they have been reclassified in the current year as per the latest fair value measurement.

**Taxation**

Income tax expense is recognised in the Statement of Comprehensive Revenue and Expense 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.

**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 Expense.

**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").

In 2018 shares in the Fisheries Quota were measured at cost whereas in 2019 an independent valuer assessed the fair value of the Fisheries Quota as at 31 March 2019

Measuring the Fisheries Quota at fair value compared to cost increases the value by \$240,426 in 2019 and provides a more representative estimate of the Quota's actual value. No adjustment has been made to the value of the Quota in prior periods.

There have been no other changes in accounting policies applied.

**3. Cash and Cash Equivalents**

	2019	2018
	\$	\$
BNZ First	1,901,508	56,758
BNZ On Call	25,679	25,654
<b>Total Cash and Cash Equivalents</b>	<b>1,927,187</b>	<b>82,412</b>

#### 4. Trade and Other Receivables

	2019	2018
	\$	\$
Accounts Receivable	13,013	20,765
Accrued Interest	-	7,839
GST Receivable	5,183	4,173
Prepayments	-	5,644
Ihu To Mai	24,302	-
<b>Total Trade and Other Receivables</b>	<b>42,498</b>	<b>38,421</b>

#### 5. Taxation

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

	2019	2018
	\$	\$
Operating Surplus Before Tax	288,982	306,020
Prima facie tax expense at 17.5%	50,571	53,554
<b>Income Tax effects of:</b>		
Non-Deductible Expenses	53	32
<b>Total Income Tax Expense For the Year</b>	<b>50,624</b>	<b>53,588</b>
Opening Balance Refundable	9,857	(35,731)
Māori Authority Tax Credits Received	(20,926)	(23,603)
Taxation Refund Received	-	15,603
Tax Expense For The Year	50,624	53,588
<b>Tax Refundable/(Payable) at 31 March</b>	<b>39,555</b>	<b>9,857</b>

#### 6. Fisheries Quota

	2019	2018
	\$	\$
Opening Balance	3,442,632	3,442,632
Revaluation	240,426	-
<b>Closing Balance Fisheries Quota</b>	<b>3,683,058</b>	<b>3,442,632</b>

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 has been 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 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.

#### Revaluation Reserve

The revaluation reserve relates to the revaluation of the FMA8 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
<b>Total Revaluations</b>	<b>1,802,672</b>

The value of the quota shares held by the Whanganui Iwi Fisheries Limited as at 31 March 2019 is \$3,683,058 (2018: \$3,442,632)

## 7. Related Party Transactions

Ngā Tāngata Tiaki o Whanganui (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 is the controlling entity of Te Ngakinga 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 2019 are as follows:

Account	Type	2019 \$	2018 \$
Ngā Tāngata Tiaki o Whanganui	Payable	104,246	104,246
Ngā Tāngata Tiaki o Whanganui Advance Account	Payable	1,644,042	2,042
Te Ngakinga o Whanganui Advance Account	Payable	23,000	-
<b>Total Related Party Payables</b>		<b>1,771,288</b>	<b>106,288</b>
Ngā Tāngata Tiaki o Whanganui Administration Fees	Expense	30,000	39,396
Te Ngakinga o Whanganui Administration Fees	Expense	23,000	-
<b>Total Related Party Expenses</b>		<b>53,000</b>	<b>39,396</b>
<b>Total Related Party Transactions</b>		<b>1,824,288</b>	<b>145,684</b>

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

### Key Management Personnel

The Company has a related party relationship with its key management personnel. The key management personnel are the Directors (who are remunerated via the Te Ngakinga o Whanganui Investment Trust) who were as follows during the year:

Dr. Rāwiri Tinirau  
Nancy Tuaine  
Declan Millin  
Simon Karipa  
Keria Ponga

## 8. Capital and Other Commitments

There were no known material capital or other commitments to disclose as at balance date (2018: \$0).

## 9. Contingent Assets & Liabilities

There were no known material contingent asset or liabilities to disclose as at balance date (2018: \$0).

## 10. Events Subsequent To Balance Date

There are no material subsequent events to disclose as at balance date (2018: \$0).

Schedule 1 – WIFL FY20 Budget Month Profit and Loss

Whanganui Iwi Fisheries Limited Budget Financial Performance 2019-20															
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	FY20B	FY19F	Variance FY20B vs FY19F
<b>INCOME</b>															
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,930	-\$36,930
Deep Sea - Ihu To Mai	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$50,000	\$0	\$0	\$25,000	\$0	\$0	\$125,000	\$130,000	-\$5,000
Other ACE Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$65,000	\$64,155	\$845
Port Nicholson Fisheries Income	\$0	\$0	\$768	\$0	\$0	\$0	\$0	\$0	\$768	\$0	\$768	\$929	\$4,000	\$3,071	\$929
Moana NZ Dividend	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	\$98,652	\$1,348
<b>TOTAL INCOME</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$768</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$768</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$165,768</b>	<b>\$25,000</b>	<b>\$768</b>	<b>\$929</b>	<b>\$294,000</b>	<b>\$332,808</b>	<b>-\$38,808</b>
<b>OPERATING EXPENSES</b>															
NIT 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	\$30,000	-\$6,000
Te Ngakanga 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
<b>TOTAL OPERATING EXPENSES</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$48,000</b>	<b>\$54,000</b>	<b>-\$6,000</b>								
<b>OVERHEADS</b>															
Accountancy Fees	\$0	\$0	\$0	\$6,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,120	\$6,000	\$120
Audit Fees	\$0	\$0	\$0	\$0	\$2,040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,040	\$3,150	-\$1,110
Bank Fees	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$271	\$329
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	\$33,100	\$30,000	\$3,100
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,610	\$5,500	\$110
TOKM / AFL AGM / Fisheries Conferences	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$2,000
General Expenses	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$204	\$996
<b>TOTAL OVERHEADS</b>	<b>\$3,150</b>	<b>\$2,650</b>	<b>\$3,175</b>	<b>\$10,770</b>	<b>\$4,690</b>	<b>\$3,175</b>	<b>\$3,150</b>	<b>\$2,650</b>	<b>\$3,175</b>	<b>\$2,650</b>	<b>\$2,650</b>	<b>\$8,785</b>	<b>\$50,670</b>	<b>\$45,125</b>	<b>\$5,545</b>
<b>TOTAL EXPENSES</b>	<b>\$7,150</b>	<b>\$6,650</b>	<b>\$7,175</b>	<b>\$14,770</b>	<b>\$8,690</b>	<b>\$7,175</b>	<b>\$7,150</b>	<b>\$6,650</b>	<b>\$7,175</b>	<b>\$6,650</b>	<b>\$6,650</b>	<b>\$12,785</b>	<b>\$98,670</b>	<b>\$99,125</b>	<b>-\$455</b>
<b>NET OPERATING PROFIT</b>	<b>\$17,850</b>	<b>-\$6,650</b>	<b>-\$6,407</b>	<b>\$10,230</b>	<b>-\$8,690</b>	<b>-\$6,407</b>	<b>\$42,850</b>	<b>-\$6,650</b>	<b>\$156,593</b>	<b>\$18,350</b>	<b>-\$5,882</b>	<b>-\$11,856</b>	<b>\$196,330</b>	<b>\$233,683</b>	<b>-\$36,353</b>
NIT Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$156,264	\$156,264	\$186,946	-\$30,683
<b>NET OPERATING SURPLUS BEFORE TAX</b>	<b>\$17,850</b>	<b>-\$6,650</b>	<b>-\$6,407</b>	<b>\$10,230</b>	<b>-\$8,690</b>	<b>-\$6,407</b>	<b>\$42,850</b>	<b>-\$6,650</b>	<b>\$156,593</b>	<b>\$18,350</b>	<b>-\$5,882</b>	<b>-\$168,120</b>	<b>\$39,066</b>	<b>\$46,737</b>	<b>-\$7,671</b>





© Ngā Tāngata Tiaki o Whanganui 2019