

The Whanganui Trust

Chairman's Report - 2019

Tēnā koutou Ngā Rangatira

Educational endeavours remain the major focus of the trust, with our shareholders' whānau accounting for the bulk of the overall support provided.

The achievement grades of our applicants continue to be concentrated in the upper quartile with many working towards post-graduate studies and professional careers. This can only be good for the future of our people.

A couple of years ago the trust, along with a handful of other Maori entities around the Motu, entered into a Memorandum of Understanding with Victoria University of Wellington whereby it will match whatever award we make for students attending the University. For these students, it doubles the value of their financial support. There were 8 recipients this year.

Our education awards for the year were as follows:

Morikaunui funded Scholarships

WR Metekingi Post-graduate Scholarship

\$5,000 for one year (*the recipient is entitled to reapply for another year*)

Elizabeth Hooker

Hera Scott-Wells Scholarship

\$1,000 pa for up to 3 years

Hope Tioro

Tamahina Roimata Sheridan

Grace Parkes

Nga Remu Huia Tahuarae

Hoeroa Marumarū Scholarship

\$1,000 pa for up to 3 years

Nicola Walsh

Malachi Ropata

Brittany Taylor

Taine Anthony Julian

The Whanganui Trust Scholarships

\$2,500 each for one year (recipients successfully completing their year are eligible to apply again)

Trust Trade/Agricultural Scholarship

Aaliyah Ranginui

Trust Agri-Business/Land-based Degree Scholarship

Jacob Robson

The Trust also paid out \$28,980 in Education and Year 13 Grants (63 and 6 respectively).

Finally, thank you to my fellow trustees and to the office staff for their contribution to the year's endeavours. Also, to Sue Anderson (for the last time, she is moving away from Whanganui) who makes the recommendations for all the Scholarships.

Kia tau aku pitopito korero ki konei tena koutou tena tatou katoa

Hari Benevides (Ms)

The Whanganui Trust

Contents of Performance Report

For the Year Ended 30 June 2019

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The Whanganui Trust

Entity Information

As at 30 June 2019

The Whanganui Trust is a Discretionary Trust, established by a trust deed dated 26 March 1965.

Entity's Purpose or Mission The support of the educational and cultural aims of the Maori people in the District. Operations are governed by its Rules that aligns to and supports the requirements of the Charities Act.

Address C/o Balance Chartered Accountants
P O Box 670
WHANGANUI

Entity Structure Trustees are the members of the Morikau Incorporation Committee of Management and one Trustee appointed by shareholders at Annual General Meeting.

Trustees Automatically appointed as Morikaunui Incorporation CoM members:
- Hari Benevides (Ms) - Chairperson
- Turama Hawira
- Jimmy Edmonds
- Robert Gray
- William Konui
- Kataraina Millin
- Harvey Bell
- Mariana Waitai (*shareholder appointee*)

Main Sources of Cash and Resources Koha and Grants, and yields from Investments

Main Methods Used to Raise Funds Apart from the above "Main Sources of Cash", the Trust does not fund raise.

Entity's Reliance on Volunteers and Donated Goods or Services
The Trust does not rely on Volunteers and Donated Goods or Services.

The Whanganui Trust

Entity Information (continued)

As at 30 June 2019

| | |
|----------------------------------|--|
| GST | Not Registered |
| Secretary | Harvey Bell |
| Accountants | Balance Chartered Accountants Limited Chartered Accountants 16 Bell Street, Whanganui |
| Auditor | Spooner Hood & Redpath Limited Chartered Accountants 162 Wicksteed Street Whanganui |
| Bankers | Bank of New Zealand Victoria Avenue Whanganui |
| Solicitors | Tripe Matthews & Feist Level 2, 38-42 Waring Taylor Street Wellington 6011 |
| Registered Charity Number | CC39278 |

The Whanganui Trust

Approval of Performance Report

For the Year Ended 30 June 2019

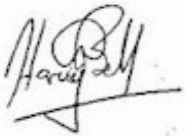
The Trustees are pleased to present the approved Performance Report including the historical Performance Report of The Whanganui Trust for the year ended 30 June 2019.

For and on behalf of the Trustees



Trustees

Date 16 October, 2019



Trustee

Date 16 October, 2019

The Whanganui Trust

Statement of Service Performance

For the Year Ended 30 June 2019

Description of Trust Outcomes

The Whanganui Trust will action the principles of the Mission Statement by:

- assisting participation in education and learning
- fostering self-development
- assisting in Community projects where they have the potential of benefiting Shareholders and Uri
- growing a capital base from which income is derived

| | Actual 2019 | Actual 2018 |
|---|----------------|----------------|
| Education Purposes & Scholarships Grants given (# of individuals) | 71 | 98 |
| Education Purposes & Scholarships Grants provided (\$ value of funding) | \$33,936 | \$33,987 |
| Other Grants (# of grants) | 11 | 14 |
| Other Grants (\$ value of grants) | 5,856 | \$11,950 |
| Total number of Applications | 82 | 113 |

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

The Whanganui Trust

Statement of Financial Performance

For the Year Ended 30 June 2019

| | Note | Actual 2019 \$ | Actual 2018 \$ |
|--|------|----------------------|----------------------|
| Revenue | | | |
| Donations, fundraising and other similar revenue | 2 | 12,500 | 12,500 |
| Interest & Dividends | 3 | 89,608 | 87,777 |
| Total Revenue | | 102,108 | 100,277 |
| Less Expenses | | | |
| Costs related to providing goods and services | 4 | 23,753 | 21,592 |
| Grants and donations | 5 | 39,792 | 45,937 |
| Other expenses | 6 | 4,082 | 4,077 |
| Total Expenses | | 67,627 | 71,606 |
| Surplus | | 34,481 | 28,671 |

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

The Whanganui Trust

Statement of Financial Position

As at 30 June 2019

| | Note | 2019 | 2018 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| Accumulated Funds | | | |
| Trust Capital | 7 | 914,830 | 880,349 |
| Total Accumulated Funds | | 914,830 | 880,349 |
| Represented by: | | | |
| Current Assets | | | |
| Bank of New Zealand - Current Account | | 4,547 | 3,401 |
| Bank of New Zealand - 23 Account | | 99,024 | 48,146 |
| Accrued Interest Receivable | | 5,279 | 17,201 |
| Morikaunui Incorporation - Advance | | 1,573,000 | 1,573,000 |
| Term Deposits | 8 | 155,640 | 150,000 |
| Other Current Assets | 9 | 54,799 | 23,761 |
| Total Current Assets | | 1,892,289 | 1,815,509 |
| Non-Current Assets | | | |
| Term Investments | 10 | 117,351 | 117,351 |
| Total Assets | | 2,009,640 | 1,932,860 |
| Non-Current Liabilities | | | |
| Unclaimed Monies - Morikaunui Incorporation | | 1,094,810 | 1,052,511 |
| Total Liabilities | | 1,094,810 | 1,052,511 |
| Net Assets | | 914,830 | 880,349 |

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

The Whanganui Trust

Statement of Cash Flows

For the Year Ended 30 June 2019

| Note | 2019 | 2018 |
|---|----------------|-----------------|
| | \$ | \$ |
| Cash Flows from Operating Activities | | |
| Cash was received from: | | |
| Donations, fundraising and other similar revenue | - | 12,500 |
| Interest, dividends and other investments | 95,890 | 83,068 |
| | 95,890 | 95,568 |
| Cash was applied to: | | |
| Payments to suppliers and employees | 27,835 | 25,894 |
| Donations and grants paid | 39,792 | 46,747 |
| | 67,627 | 72,641 |
| Net Cash Flows from Operating Activities | 28,263 | 22,927 |
| Cash Flows from Investing and Financing Activities | | |
| Cash was received from: | | |
| Morikaunui Incorporation (2018 unclaimed Dividends) | 23,761 | - |
| Cash was applied to: | | |
| Advance to Morikaunui Incorporation | - | 44,942 |
| Net Cash Flows from Investing and Financing Activities | 23,761 | (44,942) |
| Net Increase/(Decrease) in Cash Held | 52,024 | (22,015) |
| Cash at the Beginning of the Year | 51,547 | 73,562 |
| Cash at the End of the Year | 103,571 | 51,547 |
| This is represented by: | | |
| Cash & Bank Balances | 103,571 | 51,547 |

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

1 Statement of Accounting Policies

Statement of Compliance and Basis of Preparation

The Whanganui Trust is eligible to apply Tier 3 PBE Accounting Requirements : PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit), on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. The trust has elected to report in accordance with PBE SFR-A (NFP). All transactions in the Performance Report are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

(b) Expenses

Expenses have been classified by their business function.

(c) Trade Receivables

Trade Receivables are recognised at estimated realisable value.

(d) Income Tax

The Trust has charitable status and is exempt from income tax.

(e) Investments

Investments (including Shares and Bonds) are valued at cost.

(f) Goods and Services Taxation (GST)

The amounts recorded in the performance report are inclusive of GST (if any). The trust is not registered for GST.

(g) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous performance report.

The Whanganui Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2019

| | 2019 | 2018 |
|---|---------------|---------------|
| 2 Donations, fundraising and other similar revenue | \$ | \$ |
| Morikaunui Tribal Purposes Grant | 12,500 | 12,500 |
| Total Donations, fundraising and other similar revenue | 12,500 | 12,500 |
| 3 Interest & Dividends | \$ | \$ |
| Dividends Received | 3,583 | 3,242 |
| Interest Received | 86,025 | 84,535 |
| Total Interest & Dividends | 89,608 | 87,777 |
| 4 Costs related to providing goods and services | \$ | \$ |
| Accountancy & Administration | 13,737 | 12,291 |
| Committee Expenses | 2,432 | 1,072 |
| General Expenses | 1,042 | 912 |
| Secretarial Fees | 6,000 | 6,000 |
| Shareholder Meeting Expenses | 542 | 1,317 |
| Total Costs related to providing goods and services | 23,753 | 21,592 |
| 5 Grants and donations | \$ | \$ |
| Community Grants | - | 3,100 |
| Donations, Koha & General Grants | 5,856 | 8,850 |
| Education Purposes | 33,936 | 33,987 |
| Total Grants and donations | 39,792 | 45,937 |
| 6 Other expenses | \$ | \$ |
| Audit Fee | 4,082 | 4,077 |
| Total Other expenses | 4,082 | 4,077 |

These financial statements have been audited.

The Whanganui Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2019

| | 2019 | 2018 |
|--|-----------------------|-----------------------|
| 7 Trust Capital | \$ | \$ |
| Opening Balance | 880,350 | 849,698 |
| Plus: | | |
| Net Surplus | 34,481 | 28,671 |
| Waharangi 4 Block | - | 2,242 |
| | <u>34,481</u> | <u>30,913</u> |
| Less: | | |
| Dividend Reconciliation | - | 261 |
| Total Trust Capital | <u>914,831</u> | <u>880,350</u> |
| 8 Current Investments | \$ | \$ |
| Term Deposits | | |
| BNZ - TD 1015 @3.76% due 21/07/2019 | 155,640 | 150,000 |
| Total Current Investments | <u>155,640</u> | <u>150,000</u> |
| 9 Other Current Assets | \$ | \$ |
| Morikaunui Incorporation - Current Account | 12,500 | 500 |
| Morikaunui Incorporation - Unclaimed | 42,299 | 23,261 |
| Dividends (current yr) | | |
| Total Other Current Assets | <u>54,799</u> | <u>23,761</u> |
| 10 Term Investments | \$ | \$ |
| Fixed Interest Investments | | |
| NZ Post Group Finance Ltd - Bonds@ 6.35% due 15Nov39 | 100,000 | 100,000 |
| Shares | | |
| Atihau Whanganui Incorporation - 3407.38 Shares | 6,536 | 6,536 |
| Morikaunui Incorporation - 456.09877 Shares | 10,815 | 10,815 |
| Total | <u>17,351</u> | <u>17,351</u> |
| Total Term Investments | <u>117,351</u> | <u>117,351</u> |

These financial statements have been audited.

The Whanganui Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2019

| 11 Related Party Transactions with Morikaunui Incorporation | 2019 | 2018 |
|---|---------------|---------------|
| | \$ | \$ |
| Donations Received | 12,500 | 12,500 |
| Interest Received | 72,849 | 73,421 |
| Total Related Party Transactions with Morikaunui Incorporation | 85,349 | 85,921 |

| 12 Related Party Assets or (Liabilities) | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| Other Receivables from Morikaunui Incorporation | 54,799 | 23,761 |
| Advance to Morikaunui Incorporation | 1,573,000 | 1,573,000 |
| Unclaimed Dividends to Shareholders | (1,094,810) | (1,052,510) |
| Total Related Party Assets or (Liabilities) | 532,989 | 544,251 |

13 Related Party Information

Morikaunui Incorporation is the settlor of The Whanganui Trust (the Trust). Under the terms of the Trust Deed six appointed trustees are also members of the Morikaunui Incorporation board and the Trust holds shares in the Incorporation.

Distributions are made from the Incorporation to the Trust annually as disclosed in the Statement of Financial Performance.

Unclaimed dividends owing to Incorporation's shareholders are held in trust by the Trust as term liabilities. The advance to Morikaunui Incorporation is unsecured and repayable on demand.

From time to time Trustees have and disclose interests in, or a relationship with individual applicants and/or grantee organisations and abstain from those decisions.

14 Commitments

The trust has no commitments as at 30 June 2019, (2018 Nil).

15 Contingent Liabilities and Guarantees

The trust has no contingent liabilities and no guarantees as at 30 June 2019. (2018: Contingent Liabilities Nil. Guarantees Nil.)

16 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report. (Last Year - Nil).

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report 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' Responsibility for the Performance Report

The Trustees are responsible on behalf of the entity for determining that the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) framework is acceptable in the entity's circumstances and, for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) For such internal control as the Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

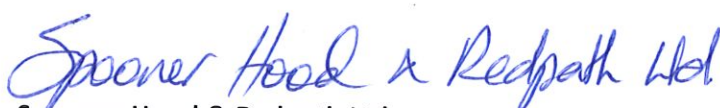
In preparing the performance report, the Trustees are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 this performance report.

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

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



Spooner Hood & Redpath Ltd

Whanganui

16 October 2019