

The Whanganui Trust

Chairman's Report

The major focus of the Trust continues to be on the educational endeavours of our shareholders' whanau, accounting for nearly all the support provided.

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

The number of applications other than for education continue to be low but this is not unexpected given the relatively modest sums available for such grants.

Our education awards for the year were as follows:

Morikaunui funded Scholarships

WR Metekingi Post-graduate Scholarship

\$5,000 pa for up to two years

Frith Teka (Roll-over)

Hera Scott-Wells Scholarship

\$1,000 pa for up to 3 years

Kayla Tyson-Tahana

Lace Neilson

Katie Scorrige (Roll-over)

Hoeroa Marumaru Scholarship

\$1,000 pa for up to 3 years

Michael Stewart (Roll-over)

Jack Potaka

The Whanganui Trust Scholarships

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

Trade Training Scholarship

Lonnie Kwocksun

Trust Agri-Business Scholarship

Christina-Rose Malcolm

The Trust also paid out \$29,764 in Education and Year 13 Grants (90 and 9 respectively).

While still disappointing, the incomplete applications that could not be considered were down to 27 this year (32 last) representing 17.1% of the total received (23%).

Finally, thank you to my fellow trustees and to the office staff for their contribution to the year's endeavours. Also to Sue Anderson who makes the recommendations for all the Scholarship.

Hari Benevides (Ms)

The Whanganui Trust

Approval of Performance Report

For the Year Ended 30 June 2017

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 2017.

For and on behalf of the Trustees

Hari Benevides

Chairperson

Date: 27 September 2017

Kataraina Millin

Trustee

Date: 27 September 2017

The Whanganui Trust

Statement of Service Performance

For the Year Ended 30 June 2017

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 2017	Actual 2016
Education Purposes & Scholarships Grants given (# of individuals)	126	102
Education Purposes & Scholarships Grants provided (\$ value of funding)	\$34,764	\$31,251
Other Grants (# of grants)	1	14
Other Grants (\$ value of grants)	\$600	\$10,800
Total number of Applications	158	137

The Whanganui Trust

Statement of Financial Performance

For the Year Ended 30 June 2017

	Note	Actual 2017 \$	Actual 2016 \$
Revenue			
Donations, fundraising and other similar revenue	2	12,500	12,500
Interest & Dividends	3	79,445	83,003
Total Revenue		91,945	95,503
Less Expenses			
Costs related to providing goods and services	4	25,907	25,890
Grants and donations	5	39,064	42,051
Other expenses	6	4,037	3,329
Total Expenses		69,008	71,270
Surplus		22,937	24,233

The Whanganui Trust

Statement of Financial Position

As at 30 June 2017

	Note	2017	2016
		\$	\$
Accumulated Funds			
Trust Capital	7	849,698	826,761
Total Accumulated Funds		849,698	826,761
Represented by:			
Current Assets			
Bank of New Zealand - Current Account		55,434	1,475
Bank of New Zealand - 23 Account		18,128	94,809
Accrued Interest Receivable		12,492	53,532
Morikaunui Incorporation - Advance	11, 12, 13	1,477,000	555,000
Term Deposits	8	150,000	900,000
Other Current Assets	9	51,558	90,765
Total Current Assets		1,764,612	1,695,581
Non-Current Assets			
Term Investments	10	117,351	117,351
Total Assets		1,881,963	1,812,932
Current Liabilities			
Accounts Payable		1,035	-
Non-Current Liabilities			
Unclaimed Monies - Morikaunui Incorporation		1,028,987	983,929
Unclaimed Monies - Waharangi 4 Block		2,243	2,242
Total Non-Current Liabilities		1,031,230	986,171
Total Liabilities		1,032,265	986,171
Net Assets		849,698	826,761

The Whanganui Trust

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Cash was received from:			
Interest, dividends and other investments		120,486	34,289
		120,486	34,289
Cash was applied to:			
Payments to suppliers and employees		22,909	27,599
Donations and grants paid		39,064	42,051
		61,973	69,650
Net Cash Flows from Operating Activities		58,513	(35,361)
Cash Flows from Investing and Financial Activities			
Cash was received from:			
Term Deposit Maturity		750,000	450,000
Proceeds from loans borrowed from other parties		-	3,094
Repayments of loans to Morikaunui Incorporation		90,765	-
		840,765	453,094
Cash was applied to:			
Advance to Morikaunui Incorporation		922,000	555,000
		922,000	555,000
Net Cash Flows from Investing and Financial Activities		(81,235)	(101,906)
Net Decrease in Cash Held		(22,722)	(137,267)
Cash at the Beginning of the Year		96,284	233,551
Cash at the End of the Year		73,562	96,284
This is represented by:			
Cash & Bank Balances		73,562	96,284

The Whanganui Trust

Notes to and forming part of the Performance Report

For the Year Ended 30 June 2017

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 \$.

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 2017

	2017	2016
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	2017	2016
	\$	\$
Dividends Received	3,242	3,242
Interest Received	76,203	79,761
Total Interest & Dividends	79,445	83,003
4 Costs related to providing goods and services	2017	2016
	\$	\$
Accountancy & Administration	16,355	15,372
Committee Expenses	2,007	2,706
General Expenses	780	905
Secretarial Fees	6,000	6,000
Shareholder Meeting Expenses	765	907
Total Costs related to providing goods and services	25,907	25,890
5 Grants and donations	2017	2016
	\$	\$
Community Grants	600	1,500
Donations, Koha & General Grants	3,700	8,300
Education Purposes	29,764	29,751
Scholarship	5,000	2,500
Total Grants and donations	39,064	42,051
6 Other expenses	2017	2016
	\$	\$
Audit Fee	4,037	3,329
Total Other expenses	4,037	3,329
7 Trust Capital	2017	2016
	\$	\$
Opening Balance	826,761	802,528
Plus:		
Net Surplus	22,937	24,233
Total Trust Capital	849,698	826,761

The Whanganui Trust

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

For the Year Ended 30 June 2017

8	Current Investments	2017	2016
		\$	\$
	Term Deposits		
	BNZ - TD 1015 @ 4.27% due 21/07/2017	150,000	150,000
	BNZ - TD 1016 @ 4.92% due 17/03/2017	-	500,000
	BNZ - TD 1017 @ 4.84% due 17/09/2016	-	250,000
	Total Current Investments	150,000	900,000
9	Other Current Assets	2017	2016
		\$	\$
	Morikaunui Incorporation - Current Account	6,500	53,983
	Morikaunui Incorporation - Unclaimed Dividends (current yr)	45,058	36,782
	Total Other Current Assets	51,558	90,765
10	Term Investments	2017	2016
		\$	\$
	Fixed Interest Investments		
	NZ Post Group Finance Ltd - Bonds@ 7.5% 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	17,351	17,351
	Total Term Investments	117,351	117,351
11	Related Party Transactions with Morikaunui Incorporation	2017	2016
		\$	\$
	Donations Received	12,500	12,500
	Interest Received	42,991	18,676
	Total Related Party Transactions with Morikaunui Incorporation	55,491	31,176
12	Related Party Assets or (Liabilities)	2017	2016
		\$	\$
	Other Receivables from Morikaunui Incorporation	51,558	90,765
	Advance to Morikaunui Incorporation	1,477,000	555,000
	Unclaimed Dividends to Shareholders	(1,028,987)	(983,929)
	Total Related Party Assets or (Liabilities)	499,571	(338,164)

The Whanganui Trust

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

For the Year Ended 30 June 2017

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 2017, (2016 Nil).

15 Contingent Liabilities and Guarantees

The trust has no contingent liabilities and no guarantees as at 30 June 2017. (2016: 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)

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Whanganui Trust

Opinion

We have audited the accompanying performance report of The Whanganui Trust on pages 5 to 11, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects, the financial position of The Whanganui Trust as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), issued in New Zealand by the New Zealand Accounting Standards Board, relevant to reporting financial position, financial performance and cash flows.

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 Performance Report section of our report. We are independent of The Whanganui 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 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 Whanganui Trust.

Restriction on Responsibility

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.

Other Information

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the performance report and our auditor's report thereon.

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

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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Spooner Hood & Redpath Ltd

Whanganui

28 September 2017