

The Whanganui Trust

Chairman's Report - 2018

Tēnā koutou Ngā Rangatira

The major focus remains on the educational endeavours of our shareholders' whanau, accounting for the bulk of 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 Tekā

Hera Scott-Wells Scholarship

\$1,000 pa for up to 3 years

Lace Neilson (Roll-over)

Joshua Firmin

Julia WiKeepa

Hoeroa Marumaru Scholarship

\$1,000 pa for up to 3 years

Michael Stewart (Roll-over)

Jack Potaka (Roll-over)

The Whanganui Trust Scholarships

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

Trust Agri-Business Scholarship

Ringapoto Taurerewa

There were no applicants for the Trade Scholarship this year, which was disappointing given the opportunities in the trades.

The Trust also paid out \$31,250 in Education and Year 13 Grants (90 and 7 respectively).

The incomplete applications that could not be considered were down to 13 this year (17 last year). We are at last making progress.

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.

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 2018

Contents of Performance Report	1
Entity Information	2 - 3
Approval of Performance Report	4
Statement of Service Performance	5
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to and forming part of the Performance Report	9 - 12
Audit Report	13 - 15

The Whanganui Trust

Entity Information

As at 30 June 2018

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
- Mariana Waitai

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 2018

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 2018

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 2018.

For and on behalf of the Trustees

Hari Benevides

Chairperson

26 September 2018

Kataraina Millin

Trustee

26 September 2018

The Whanganui Trust

Statement of Service Performance

For the Year Ended 30 June 2018

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 2018	Actual 2017
Education Purposes & Scholarships Grants given (# of individuals)	98	126
Education Purposes & Scholarships Grants provided (\$ value of funding)	\$33,987	\$34,764
Other Grants (# of grants)	14	1
Other Grants (\$ value of grants)	\$11,950	\$600
Total number of Applications	113	158

The Whanganui Trust

Statement of Financial Performance

For the Year Ended 30 June 2018

	Note	Actual 2018 \$	Actual 2017 \$
Revenue			
Donations, fundraising and other similar revenue	2	12,500	12,500
Interest & Dividends	3	87,777	79,445
Total Revenue		100,277	91,945
Less Expenses			
Costs related to providing goods and services	4	21,592	25,907
Grants and donations	5	45,937	39,064
Other expenses	6	4,077	4,037
Total Expenses		71,606	69,008
Surplus		28,671	22,937

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 2018

	Note	2018 \$	2017 \$
Accumulated Funds			
Trust Capital	7	880,350	849,698
Total Accumulated Funds		880,350	849,698
Represented by:			
Current Assets			
Bank of New Zealand - Current Account		3,401	55,434
Bank of New Zealand - 23 Account		48,146	18,128
Accrued Interest Receivable		17,201	12,492
Morikaunui Incorporation - Advance		1,573,000	1,477,000
Term Deposits	8	150,000	150,000
Other Current Assets	9	23,761	51,558
Total Current Assets		1,815,509	1,764,612
Non-Current Assets			
Term Investments	10	117,351	117,351
Total Assets		1,932,860	1,881,963
Current Liabilities			
Accounts Payable		-	1,035
Non-Current Liabilities			
Unclaimed Monies - Morikaunui Incorporation		1,052,510	1,028,987
Unclaimed Monies - Waharangi 4 Block		-	2,243
Total Non-Current Liabilities		1,052,510	1,031,230
Total Liabilities		1,052,510	1,032,265
Net Assets		880,350	849,698

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 2018

Note	2018 \$	2017 \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar revenue	12,500	-
Interest, dividends and other investments	83,068	120,486
	95,568	120,486
Cash was applied to:		
Payments to suppliers and employees	25,894	22,909
Donations and grants paid	46,747	39,064
	72,641	61,973
Net Cash Flows from Operating Activities	22,927	58,513
Cash Flows from Investing and Financial Activities		
Cash was received from:		
Term Deposit Maturity	-	750,000
Repayments of loans to Morikaunui Incorporation	-	90,765
	-	840,765
Cash was applied to:		
Advance to Morikaunui Incorporation	44,942	922,000
	44,942	922,000
Net Cash Flows from Investing and Financial Activities	(44,942)	(81,235)
Net Decrease in Cash Held	(22,015)	(22,722)
Cash at the Beginning of the Year	73,562	96,284
Cash at the End of the Year	51,547	73,562
This is represented by:		
Cash & Bank Balances	51,547	73,562

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 2018

2	Donations, fundraising and other similar revenue	2018	2017
		\$	\$
	Morikaunui Tribal Purposes Grant	12,500	12,500
	Total Donations, fundraising and other similar revenue	12,500	12,500
3	Interest & Dividends	2018	2017
		\$	\$
	Dividends Received	3,242	3,242
	Interest Received	84,535	76,203
	Total Interest & Dividends	87,777	79,445
4	Costs related to providing goods and services	2018	2017
		\$	\$
	Accountancy & Administration	12,291	16,355
	Committee Expenses	1,072	2,007
	General Expenses	912	780
	Secretarial Fees	6,000	6,000
	Shareholder Meeting Expenses	1,317	765
	Total Costs related to providing goods and services	21,592	25,907
5	Grants and donations	2018	2017
		\$	\$
	Community Grants	3,100	600
	Donations, Koha & General Grants	8,850	3,700
	Education Purposes	33,987	29,764
	Scholarship	-	5,000
	Total Grants and donations	45,937	39,064
6	Other expenses	2018	2017
		\$	\$
	Audit Fee	4,077	4,037
	Total Other expenses	4,077	4,037

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 2018

7 Trust Capital	2018	2017
	\$	\$
Opening Balance	849,698	826,761
Plus:		
Net Surplus	28,671	22,937
Waharangi 4 Block	2,242	-
	30,913	22,937
Less:		
Dividend Reconciliation	261	-
Total Trust Capital	880,350	849,698
8 Current Investments	2018	2017
	\$	\$
Term Deposits		
BNZ - TD 1015 @ 4.27% due 21/07/2018	150,000	150,000
Total Current Investments	150,000	150,000
9 Other Current Assets	2018	2017
	\$	\$
Morikaunui Incorporation - Current Account	500	6,500
Morikaunui Incorporation - Unclaimed	23,261	45,058
Dividends (current yr)		
Total Other Current Assets	23,761	51,558
10 Term Investments	2018	2017
	\$	\$
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

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 2018

	2018	2017
11 Related Party Transactions with Morikaunui Incorporation		
	\$	\$
Donations Received (Tribal Purposes Grant)	12,500	12,500
Interest Received	72,456	42,991
Total Related Party Transactions with Morikaunui Incorporation	84,956	55,491
12 Related Party Assets or (Liabilities)		
	\$	\$
Other Receivables from Morikaunui Incorporation	23,761	51,558
Advance to Morikaunui Incorporation	1,573,000	1,477,000
Loan re Unclaimed Dividends to Shareholders	(1,052,510)	(1,028,987)
Total Related Party Assets or (Liabilities)	544,251	499,571

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 2018, (2017 Nil).

15 Contingent Liabilities and Guarantees

The trust has no contingent liabilities and no guarantees as at 30 June 2018. (2017: 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 Members of Morikaunui Incorporation

Opinion

We have audited the financial statements of Morikaunui Incorporation, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by the New Zealand Institute of Chartered Accountants.

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 Morikaunui Incorporation 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, Morikaunui Incorporation.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of the entity's income tax requirements and for internal use. As a result, the financial statements may not be suitable for another purpose.

Restriction on Responsibility

This report is made solely to the Members of the Incorporation. Our audit work has been undertaken so that we might state to the Committee of Management 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 Committee of Management as a body, for our audit work, for this report, or for the opinions we have formed.

Committee of Management's Responsibility for the Financial Statements

The Committee of Management are responsible on behalf of the entity for determining that the SPFR for FPEs Framework adopted is acceptable in Morikaunui Incorporation's circumstances, the preparation of financial statements, and for such internal control as the Committee of Management 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, the Committee of Management 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 Committee of Management either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

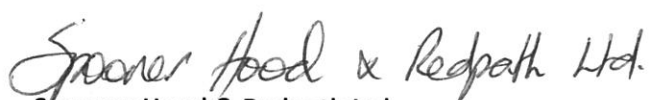
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

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 financial statements, 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 Committee of Management 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 financial statements 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of Management 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

26 September 2018