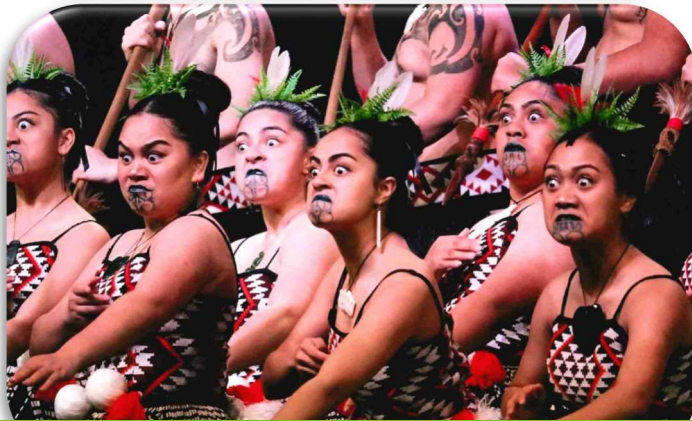




NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

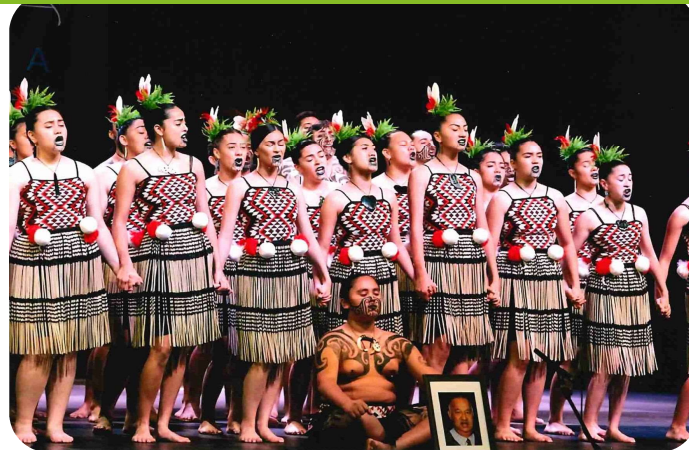
Te Toroihi Matauranga



MISSION STATEMENT

"To enhance the legacy of Ngati Whakaue Tupuna by

- The responsible and effective management of the endowment, and*
- The provision of financial support to the beneficiaries of the Trust for Education purposes, that add value and benefit to our community."*



**ANNUAL
REPORT
2019**



DIRECTORY - July 2019

BOARD MEMBERS

Malcolm Short (Chairman)
Violet Pelham
Jane Savage
Fred Whata
Aramoana Mohi
Monty Morrison
Alec Wilson
Bella Tait
Herby Ngawhika
Wynel Raureti-George
Colin Bennett

SECRETARY

Murray Patchell

ACCOUNTANTS

Deloitte

AUDITORS

Audit New Zealand

SOLICITORS

Tompkins Wake

BANKERS

Bank of New Zealand

REGISTERED OFFICE

Deloitte
Chartered Accountants
2/1176 Amohau Street
ROTORUA

PO Box 12003
ROTORUA

Phone (07) 343 1050
Fax (07) 343 1051

WEBSITE

www.ngatiwhakaue-eetb.org.nz

CONTENTS

PAGE	
1.	Directory
2.	Contents
	Board attendance
3.	Chairman's report
6.	Distributions & Statistics
8.	Education Consultant's report
13.	2019 Project Grants
15.	Grant Policies
17.	Annual Accounts to 31.12.18.

BOARD ATTENDANCE 12 MONTHS TO 30th JUNE 2019

MEMBER	MEETINGS ATTENDED					DATE JOINED BOARD
	BOARD	EDUCATION SUBCOMMITTEE	STRATEGIC PLANNING	PROPERTY	INVESTMENT	
Malcolm Short	10/11	-	1			11-6-96
Pita Anaru (resigned Dec 2018)	6/6	5/5	1			11-6-96 to 10-12-2018
Violet Pelham	11/11	10/11	1			11-6-96
Jane Savage	8/11	11/11	1			12-7-04
Bea Yates (Deceased)						13-2-06 to 6-9-2018
Fred Whata	8/11	8/11	1			9-5-09
Aramoana Mohi	8/11	9/11	-			11-10-10
Alec Wilson	6/11	-	-			1-7-11
Monty Morrison	9/11	10/11	1			1-7-11
Bella Tait	10/11	9/11	1			1-7-14
Herby Ngawhika	6/7	5/6	-			17-10-18
Wynel Raureti-George	5/5	5/5	-			23-1-19
Colin Bennett	3/4	-	-			13-2-19

*Board members are paid meeting attendance fees
at the following rates:*

Board & subcommittee meetings:	
Chairman	\$500.00
Deputy Chair	\$400.00
Board members	\$350.00

2019 CHAIRMAN'S REPORT

The Minister of Education
NZ Government
Wellington

Tena koe Minister

OPERATIONS REPORT

It gives me great pleasure to present my 23rd annual report for the Ngati Whakaue Education Endowment Trust Board.

2018 will be remembered as the year we lost one of our fondest community leaders with the passing of Bea Yates. Aunty Bea, as she was affectionately known to all, was a person of rare qualities who gave so much to the community whether providing food to hungry school children, writing children's books, singing her famous Tina Tuna concerts, supporting marae activities or sitting on Governance Boards. Aunty Bea served 12 years as a Trustee on the Endowment Board and her wisdom and energy will be missed. Rest in peace Aunty Bea.



We also farewelled an original Trustee Pita Anaru when he retired after 23 years on the Board in December 2018. Pita has had an outstanding career in the Army, as a School Principal, Justice of the Peace and a key driver of the Boards policies and processes. Pita was fully immersed in Board affairs participating on the Property, Investment and Education subcommittees. Along with his late wife Bev, Pita has been integral to the annual Project Grants to Schools for Literacy and Numeracy and Tertiary Grants. Likewise Pita will be missed for his passion, commitment and drive to achieving the Endowment goals.

New Trustees Herby Ngawhika, Wynel Raureti-George and Colin Bennett have been welcomed onto the Board in recent months.

The Board has continued its stable financial position. Gross income increased by 16.6% from \$2,596,272 in 2017 to \$3,028,987 in 2018 reflecting the rent reviews occurring in the last year. Operational costs increased from \$475,746 to \$663,464 and this was directly attributable to legal costs (\$194,783) incurred on the rating valuation case the Board has been battling the Rotorua Lakes Council over for a number of years. The Board won the Court of Appeal case brought by the Council and the matter has now gone back to the Land Valuation Tribunal. The Tribunal hearing has been held and a decision is expected in September 2019. This is an important case for rating valuations for properties with alienation restrictions and the outcome will establish an important precedent and put this issue to bed for the foreseeable future.

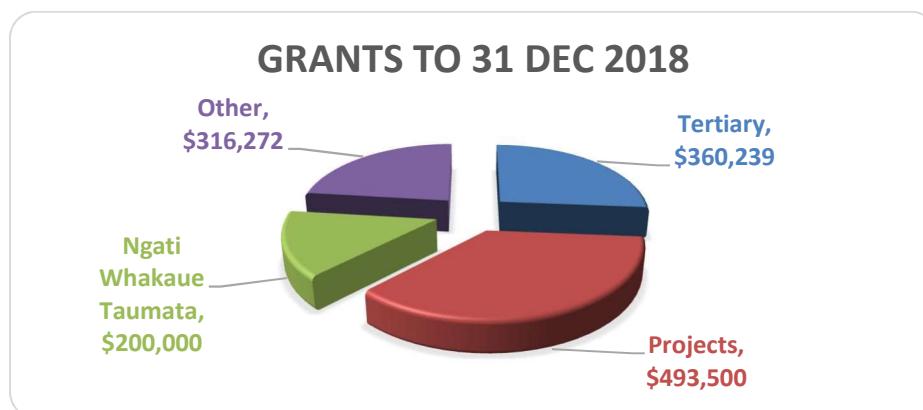
Back to the finances the overall net Surplus before grants was \$2,365,523 compared to \$2,120,527 in 2017.



The Board made grants totalling \$1,318,034 (\$1,370,011 in 2017). We have 20 active grant policy areas with the largest supported areas being Tertiary grants to students, numeracy and literacy projects in schools and the Ngati Whakaue Education Taumata initiatives. Detailed grants payments are included in the financial accounts at pages 22 and 23.

The total number of Tertiary students supported with grants this year is 169 compared to 157 in 2018. A total of \$321,576 has been allocated to these tertiary students in their second and higher years of study. Last year the Board set up a joint venture arrangement with Victoria University to jointly fund Ngati Whakaue students attending Vic Uni. Last year the sum of \$25,000 each was applied to Ngati Whakaue students attending Vic Uni. That arrangement has worked very well and this year the matched funding allocation has been increased to \$30,000 each for grants to 21 students. We congratulate Victoria University on their initiative to grow and support students from outlying areas.

Project grants in schools for numeracy and literacy continue to be the area of greatest demand and the Board has entered a Joint Venture with Rotorua Energy Trust to expand the funding to Rotorua Schools. A total 38 schools and organisations have approved projects this year for a total funding of \$750,000. We also congratulate the Energy Trust Trustees for coming on board with project grant funding and convey grateful appreciation to our Education Consultant Jackie Woodland who is doing an excellent job in monitoring the school projects and for accepting the increased workload.



The investment portfolio performance was flat during the calendar year to 31 December 2018 showing a small decline on value of a net 1%. However markets have been very strong since

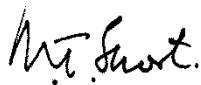
then and the portfolio is showing a return of 10.47% for the last 12 months and 8.49% since inception. At 31 December the Total equity of the Board was \$64,279,990 comprising Cash and investments of \$26,628,990 and land value of \$37,651,000.

The Board continues to prudently manage its 94 leases. All rents are up to date and we have had no defaults. 7 rent reviews were completed up to 30 June 2019 and 2 are still to be finalised. A further 46 leases are due for review in the next year.

Full audited financial statements are included in this report. The audit qualification remains due to the Board policy of not undertaking market valuation of the land due to the nature of the perpetually renewable leases.

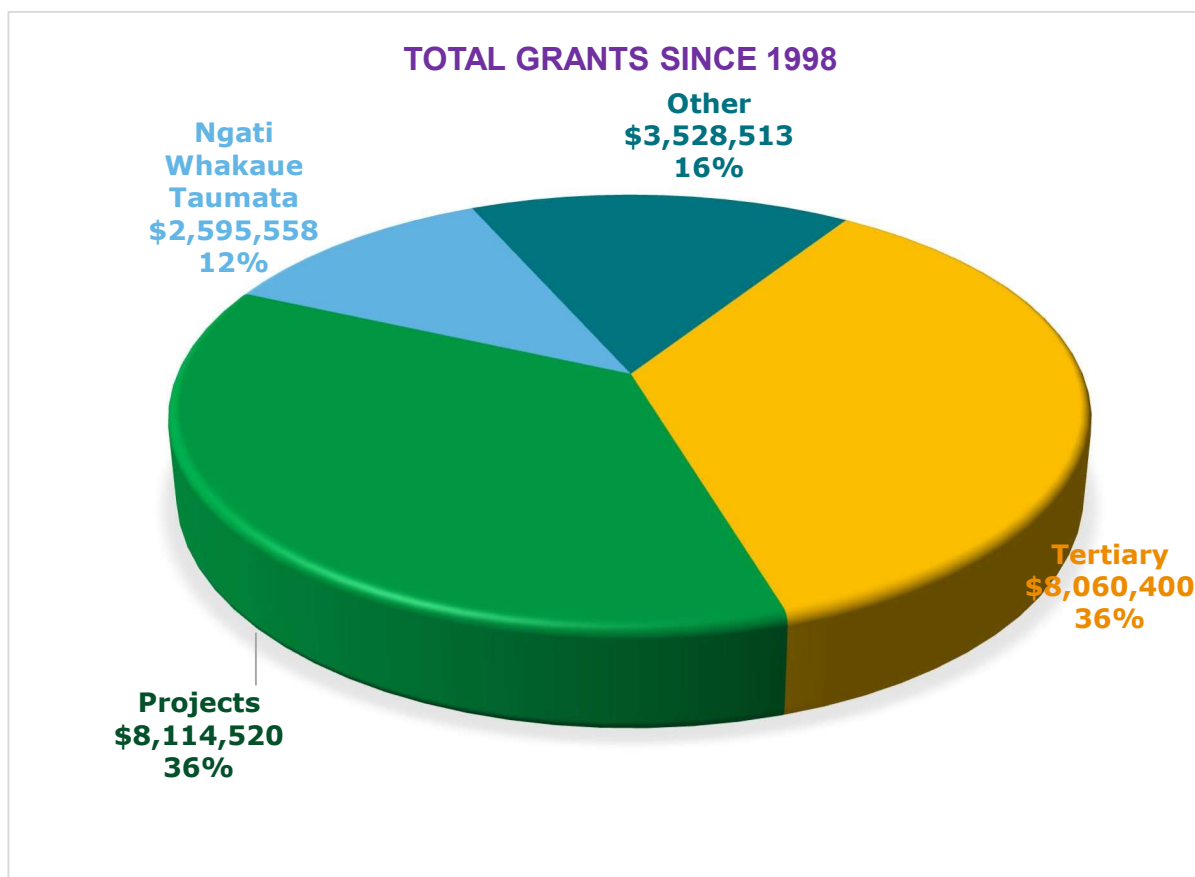
Our Board and management act responsibly and effectively in a united manner to manage the Endowment business and I take this opportunity to congratulate the Board on the outcomes achieved and thank them all for their hard work contributing to the ongoing success of our important Taonga.

Nga mihi

A handwritten signature in black ink, appearing to read 'M. Short'.

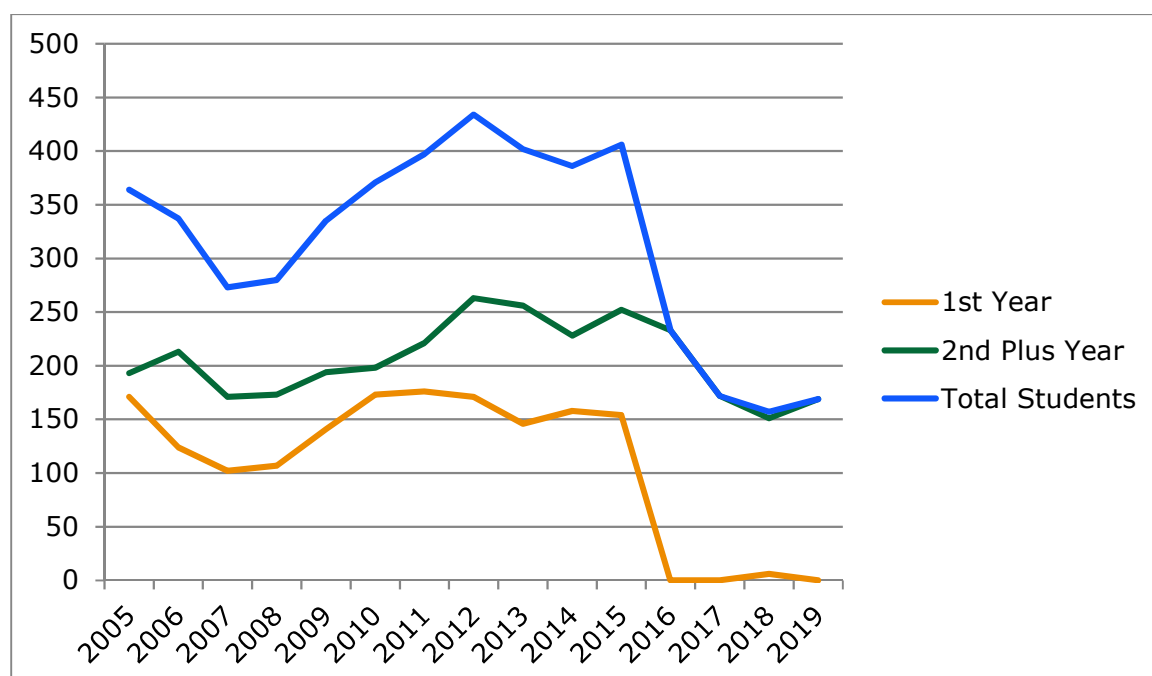
Malcolm Tukino Short, ONZM

CHAIRMAN



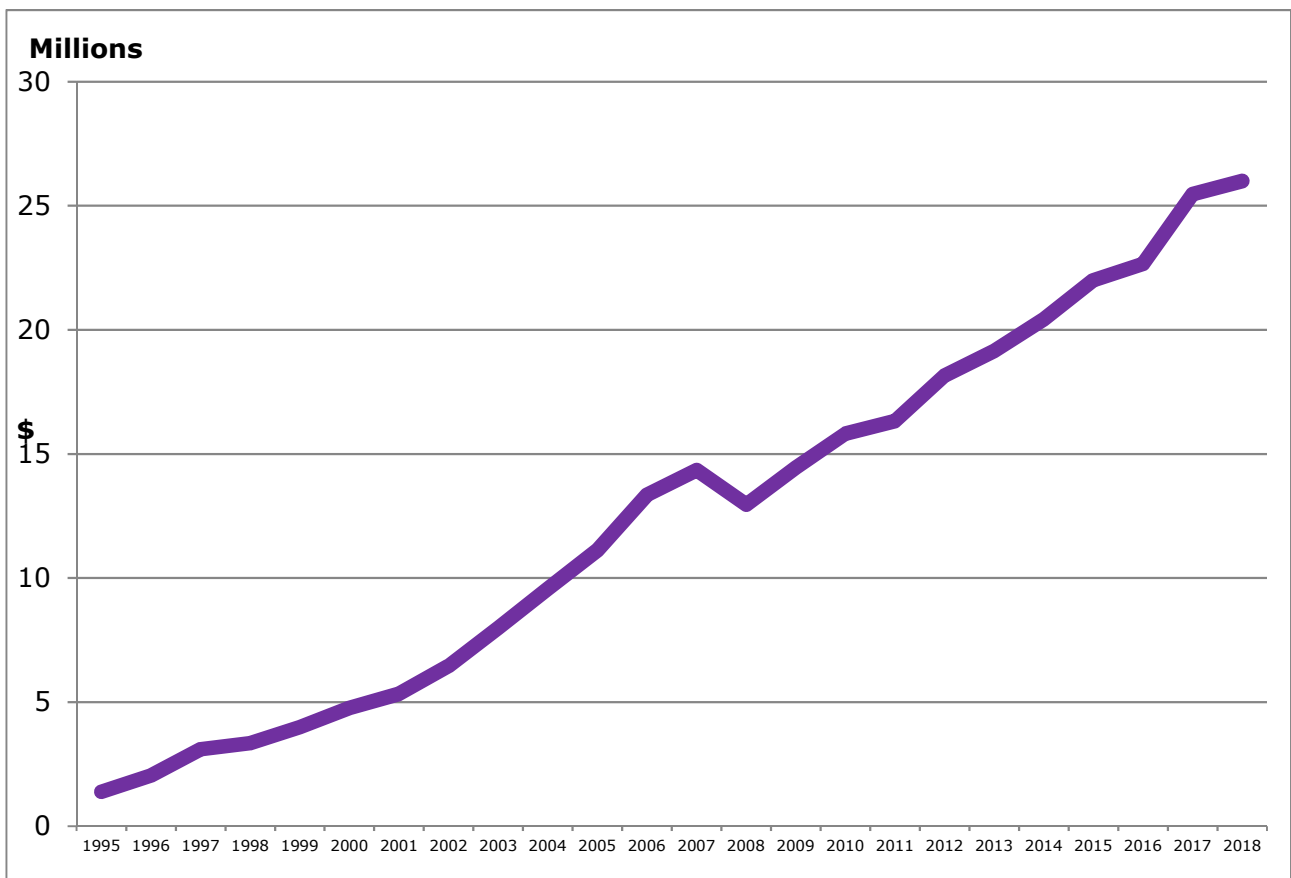
Total Grants Made to 31 December 2018 = \$22,298,991

TERTIARY STUDENTS – YEAR OF STUDY AND TOTAL TREND

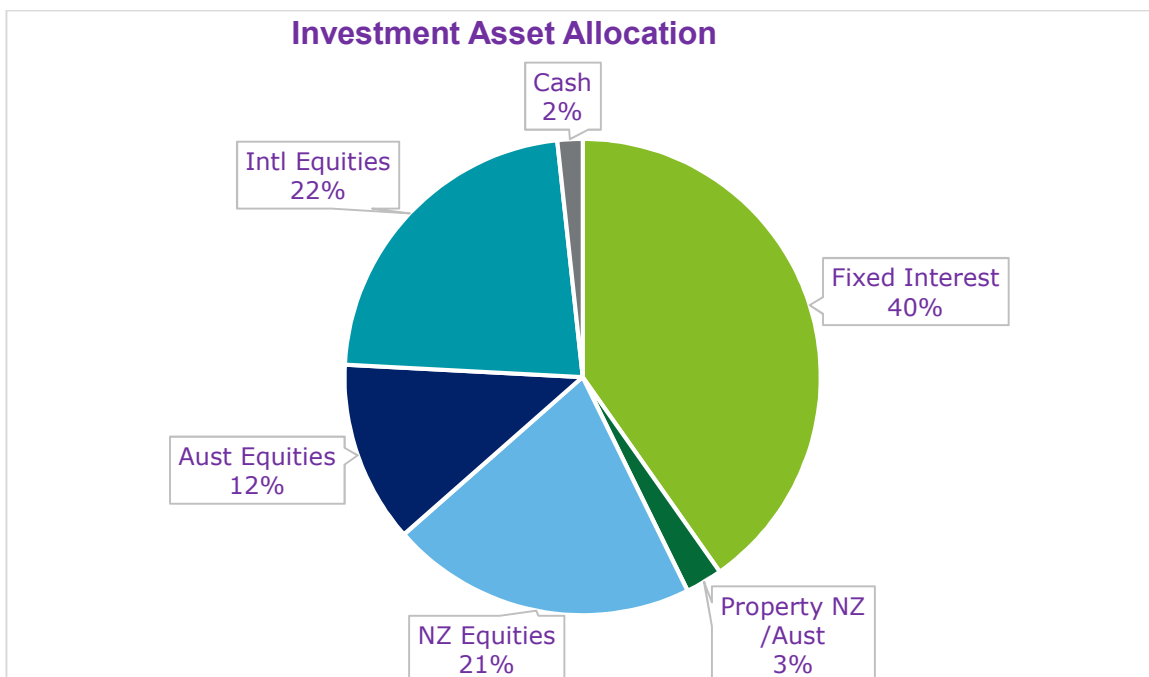


Note: Funding of first year students ceased after 2015 year.

VALUE OF INVESTMENT PORTFOLIO (Excluding Land)



The \$25m investment portfolio is managed by Craigs Investment Partners and has generated an 8.49% average annual return since inception. The current asset allocation is:



Education Consultants Annual Report

Projects 2018-2019

“Ngati Whakaue has always been a strong group who always want to have their finger deeply in the pie but they are actually giving away some responsibility to the so called experts. They are not willing to give away total responsibility because the quality control is really tight.” (Principal)

At the end of 2002 the Board undertook a project to determine the effectiveness of the Ngati Whakaue Education Endowment Trust Board (NWEETB). It was agreed that NWEETB deliver quality education outcomes to its beneficiaries. Policies were formed and grant funding was made available to schools across the sectors in the Rotorua district to design and implement literacy and numeracy projects that would target and accelerate priority learners of Ngati Whakaue descent. The priority learners are those who perform below their chronological age according to the levels which align the New Zealand Curriculum (NZC).

In September of 2018 a Joint Venture was formed between Ngati Whakaue Education Endowment Trust Board (NWEETB) and the Rotorua Electricity Charitable Trust (RECT). Together the Trusts formed a joint policy under the administrative guidelines of NWEETB which clearly set out how the funds of each Trust was to be allocated. Schools included were to be within both NWEETB/RECTs boundaries. The policy and purpose of this external funding is strictly adhered to when finalising the allocation for these grants. The policy is reviewed regularly and this will continue, in consultation with RECT.

With the NWEETB funding being \$500,000 and the addition of the RECT funding at \$250,000 the overall funding is increased to \$ 750,000. The RECT funding included allocations for new schools who would successfully access funds in 2019



Thirty eight (38) educational institutions access the NWEETB/RECT funding in 2019. There are over one hundred (100) personnel responsible for administering these programmes and over one thousand 1000 learners targeted. The majority being of Ngati Whakaue descent.

In 2019 NWEETB approved funding to twenty three (23) schools. Five (5) of which were secondary schools. RECT approved funding to thirteen (13) schools, one Rotary initiative and one Child Care Trust. Fifteen (15) institutions in all. RECT do not fund secondary schools. The programmes implemented for all schools are similar and are based around literacy and numeracy. All programmes are junior level focussed and are the scaffolding between the group focus and the classroom. This does not mean that the literacy and numeracy programmes had to be focussed in the junior school but the delivery had to be designed at the level of the curriculum for 6-9 year olds. The emphasis is on accelerating targeted learners.

Te Kura Kaupapa

- There are three Te Kura Kaupapa schools who are funded by NWEETB this includes a Kura Iwi
- There are three Kura
- There is one Kura which is designated a special character school (a newly established school)
- All these schools are Maori medium or Maori and English medium.

What the findings showed

All schools recognised the need to provide highly successful programmes in literacy and numeracy. They selected appropriate research which responded to learners needs and built strengths in early literacy and numeracy.

“They also focussed on the importance of using the latest research and strategies to accelerate literacy and numeracy and to inform teaching practice.” - Project Grant Application

Relationships and engagement

There were several common characteristics in the way these schools built relationships and engaged with whanau of the learners. Whanau are welcome any time to observe or work with their tamariki. Schools valued their parent’s whanau and wider community. They were inclusive of their learners and whanau and kept regular contact with them. Whanau and parents were appreciative and grateful for having their tamariki included in these groups.

“Very regular contact is maintained with most whanau. They often stay for the duration of the sessions “ - Principal

Accelerating learners

Assessment tools and programmes are trialled and the results reviewed until they are proven to give the best evidence that shows the shifts in achievement made by the learners when they enter the programmes and when they are transferred back into the classroom. This gives an awareness of where the targeted learners are at and what interventions are needed to accelerate their progress.

“It is our job to accelerate their learning and if not accelerate their learning then get them to a level where they can be independent.” – Principal.

Previous data collected proved the programmes worked and consequently these were reviewed and are still being implemented.

The following programmes selected are unique to each school.

They are:

- **Ngati Whakaue pre entry class**
- **Transition Class**
- **Foundation Class**

The purpose is: To provide pre-school classes for three to four year olds who will attend the school as new entrants at the age of five. The aim is to ensure that the transition to school is smooth and that all learners are supported emotionally into school life.



Reading and comprehension:

The purpose is: To create groups of learners with similar learning needs and at similar levels into the Ngati Whakaue units. The learning is based on knowledge and skills that support the learners in reading and build their confidence.



Ara Matauranga-Priority Learners

The purpose is: To provide highly successful programmes which assist learners throughout the school to strengthen their skills in oral written and visual language.



Aratiki literacy and Transition to school

The purpose is: Through a daily literacy programme all learners will build the foundations of literacy through selected intervention programmes.



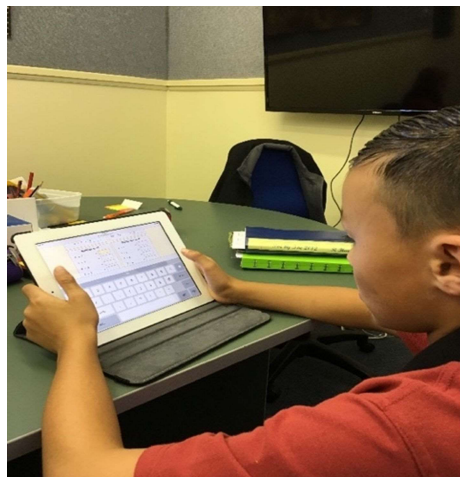
Play based Learning

The National curriculum identifies several values and key competencies that schools strive to teach their learners. Almost all of them can be developed through play-based learning activities: The purpose is to: Promote innovation, inquiry, curiosity, and sustainability, respect, thinking, using language and managing self, relating to others, participation and contributing.



Online Programmes

Numbers of online programmes are being resourced by schools. Programmes like Maths Wizz, Lexia and Learning eggs were introduced three years ago and schools are becoming more proficient in using them. The success of these programmes depends on how well the learners understand the process, how well they use the devices and how much they understand and discuss the assessment process.



The Museum Bus

Schools continue to utilize the museum bus which continues to be a successful and simple initiative. The museum bus is a “point of difference” between learners being able to afford accessing the exhibits or not being able to attend. The Museum officers keep schools informed about the present exhibits and while there is a variety of exhibits offered schools select topics that relate to their present learning focus. The museum staff skilfully integrate whakapapa and history of Ngati Whakaue in their exhibits.



Professional Development

Specific professional development in the areas of numeracy and literacy is shared by all staff. It is more useful for teachers and support staff who work with Ngati Whakaue learners to have specific professional development that links in to suit the needs of Maori learners. Positive outcomes of professional development for student achievement as specified by Timperley et al (2006) have identified the importance of developing explicit and shared goals at school level.

Unique to the teachers and support staff who work with the NWEETB/RECT funding will be the seminars and workshops hosted by NWEETB. Members of the Trust Kaumatua and Kuia share their knowledge in an outstanding professional development initiative. This year in Term three the venue will be at Rotorua's newly established Kura Te Rangihakahaka. This will give the facilitators and support staff an opportunity to share their successes and trials within a collaborative environment.

External expertise play an important role by challenging thinking and practices and providing support during the changes. This learning is transferred and delivered to the programmes designed for the targeted groups.

Accountability: Milestone reporting

A requirement from the NWEETB/RECT is the completion by schools of the milestone reports. The expectation is that the schools submit their milestone report by the due dates which are mid-year in June and finally in November. The guidelines of the milestone report are reviewed by the NWEETB and the hard evidence from the data collated will gauge the impact these programmes have on the learners and approves the next instalment of the funding to schools.

The majority of schools use quantitative data to report the shifts in the learner's progress. This data is crucial to forming groups. The common thread through the schools is that the importance of regular monitoring is evident and practiced.

"We're on a cycle of continual improvement you know so we are always looking at ways to improve what we do" – Principal.

The NWEETB have developed strong working relationships with all twenty three schools within the district of Rotorua. The schools consider the Ngati Whakaue tamariki to be disadvantaged if this financial investment was not released.

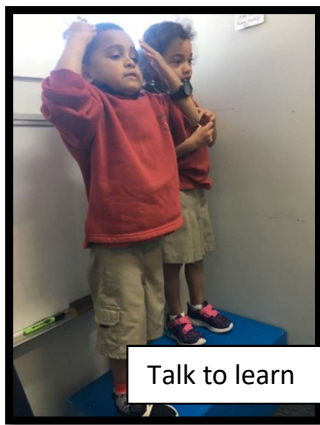
"I think by having this relationship with both parties having the same values in the programmes. I think that is one of the greatest benefits. There is actually no point in having money given to us and then no one caring about what happens to it." – Principal.

NWEETB is a strong iwi and providing schools with external funding is a unique concept. The trust expectations are that schools develop strategies that work for Ngati Whakaue learners. Principals know that NWEETB trusts schools to do everything possible to ensure NWEETB funding combined with RECT funding is making an impact in lifting the levels of achievement for all Rotorua learners.

Jacqueline Woodland
Education Consultant 2019

NWEETB / RECT
Project Grants 2019

No.	School	Project Title	Grant approved
1	Aorangi School	A)Ngati Whakaue Pre Entry Programme B)Ngati Whakaue Foundation Programme	\$25,000.00
2	Glenholme School	Glenholme Literacy and Numeracy in Fortification & Enhancement	\$37,000.00
3	Horohoro School	New Entrant Learning Initiative = NELI	\$15,000.00
4	John Paul College	Ko Ng? T?puna me te Whenua	\$8,000.00
5	Kaingaroa Forest School	Piki Ora 2019	\$9,000.00
6	Kaitao Intermediate School	Quick60 / Gaye Byers Spelling	\$17,000.00
7	Kawaha Point	Maori Student Achievement and Social Well being Enhancement Initiative	\$27,000.00
8	Kea Street Specialist	Play Based Learning to aide Literacy/Communication and Numeracy	\$15,000.00
9	Lake Rerewhakaaitu School	Dyslexia is a gift.	\$4,000.00
10	Lake Rotoma School	Lifting the Lid	\$4,000.00
11	Lynmore Primary School	Raising Maori Equity in Reading	\$20,000.00
12	Maketu School	PR1ME Mathematics	\$20,000.00
13	Malfroy School	Aratiki Literacy and 'Upane' Transition to School	\$23,000.00
14	Mamaku school	Accelerating Maths and Literacy	\$29,000.00
15	Mokoia Intermediate	Me Rata i Te Tatai e Noho Tahime Nga Panui Pukapuka	\$18,000.00
16	Ngongotaha Primary School	Whaowhia te kete matauranga	\$14,000.00
17	Otonga Primary School	Lifting Achievement in Maths	\$11,000.00
18	Owhata Primary School	Ngati Whakaue Pre Entry Transition and Junior Literacy programmes.	\$26,000.00
19	Rotary Club of Rotorua Sunrise	Te Wa Korero a nga Tamariki (TKT) Oral Language Programme	\$3,000.00
20	Rotokawa School	Rotokawa Literacy and Numeracy Support	\$23,000.00
21	Rotorua Boys High School	Raukura Literacy Project.	\$30,000.00
22	Rotorua Girls High School	Multi Literacy Programme	\$34,000.00
23	Rotorua Girls High School Childcare	Developing oral literacy in Te Reo	\$6,000.00
24	Rotorua Intermediate	Literacy Support Program	\$12,000.00
25	Rotorua Lakes High School	Junior Numeracy Development	\$30,000.00
26	Rotorua Primary School	Writing for the future	\$35,000.00
27	Selwyn School	Literacy - Reading and Writing	\$20,000.00
28	St Marys School	Manaakitanga	\$29,000.00
29	St Michaels Rotorua	Transition to School Support Programme / building achievement focussed partnerships with iwi	\$17,000.00
30	Sunset Primary	Maa te tuhituhi ka Angitu	\$20,000.00
31	Te Kura Kaupapa Maori o Te Rotoiti	Whakapiki i te reo Matatini	\$5,000.00
32	Te Kura O Te Koutu	Te Reo Kounga o Ng?ti Whakaue	\$20,000.00
33	Te Kura o te Whakarewarewa	Supporting students with additional needs in numeracy & literacy	\$10,000.00
34	Te Rangihakahaka Centre for Science	Te Rangihakahaka Accelerated Numeracy & Literacy	\$30,000.00
35	Te Wharekura o Ngati Rongomai	Ko te eke ki Angitu	\$12,000.00
36	Western Heights High School	Manaaki Tangata	\$40,000.00
37	Western Heights Primary	Pathways for Learning	\$40,000.00
38	Whangamarino School	Programme 1 : Multi Li Programme, 2 : Tuakana Teina Writing Programme, 3 : Te Huinga Raukura Rumaki (Yrs 1-3) 4 : English Transition Rumaki (Years 7-8)	\$12,000.00
			\$750,000.00



Talk to learn

Pause Prompt and Praise involving community members



PROJECTS IN ACTION



Whaowhia te kete ma tuaranga



Manaaki Tangata



Upane Stepping Up Transition into school



Aratiki literacy



Mums & Dads supporting their tamariki in a Transition class



Te Kura O Te Koutu Whakapapa



New Entrant Learning Initiative



Rainbow Reading



Me Rata I Te Tatai e noho Tahi me Nga Panui Puka puka



Science and Technology



Tuakana Teina. Paired writing learning with the support of your Peers.



GRANT POLICY INDEX

Policy	No.
Group Discretionary Grant To support recognised Educational Organisations to develop, implement and deliver innovative educational programmes that: <ul style="list-style-type: none"> • Are outside mainstream funding sources • Promote vocational and further learning opportunities, and outcomes and personal development of participants. • Encourage group study and participation 	601
Individual Discretionary Grant <ul style="list-style-type: none"> • To further develop the educational and development opportunities for individuals. • Assist individuals in obtaining qualifications and skills/knowledge for vocational purposes. • To engage individuals in educational endeavours that benefit Ngati Whakaue (including research). 	602
Nga Mahi a Rehia (Maori Performing Arts) Grant <ul style="list-style-type: none"> • To support the retention of all forms of Ngati Whakaue Waiata and Haka and consider applications from any Kapahaka Group, School, Marae or hapu. • The Board also supports the development and performance of contemporary song embodied in a Kapahaka performance. • The objective is to recognise collective cultural endeavours of Schools, Marae and hapu/iwi and promote and uphold Ngati Whakaue performing arts and tikanga a Marae. 	603
Taumata Funding Grant <ul style="list-style-type: none"> • To acknowledge the vision of Ngati Whakaue Iwi - “Ngati Whakaue iho ake” and to assist in developing our people towards tribal strength and global success through education. • To set the basis of intended funding arrangements between the Ngati Whakaue Education Endowment (Board) and Ngati Whakaue Education Taumata (Taumata). The Board supports the development of the Ngati Whakaue education strategy as promulgated through the Taumata. The Board is prepared to provide for ongoing funding to the Taumata as set out in this policy statement as part of its statutory obligation to fund the general purpose of education. 	604
Tertiary Grant <ul style="list-style-type: none"> • To provide individual tertiary grants to assist with tertiary education and encourage academic achievement. • To set out procedures for annual tertiary grant applications and checking processes. 	605
Sponsorships <ul style="list-style-type: none"> • To support recognised Providers promote education programmes or outcomes that encourage the recognition and/or raising of educational standards and values within the wider Rotorua Community. 	606
Haane Manahi Memorial Scholarship <ul style="list-style-type: none"> • To acknowledge the significance, efforts and heroism of Lance Sergeant Haane Manahi during the Second World War. • To provide a Scholarship in memory of Lance Sergeant Haane Manahi to assist Ngati Whakaue Students and/or Apprentices undertaking study, or an apprenticeship, cadetship, traineeship that specialises in either forestry, farming, trades or service industries. 	607
Marae Based Wananga Grants <ul style="list-style-type: none"> • To support ngā hapū o Ngati Whakaue to convene Marae based Wānanga in order to learn, maintain, uphold, develop and retain te reo me nga tikanga o Ngati Whakaue i raro i te kawa tapū o Te Arawa • To provide support for Wānanga that preserve and maintain Ngati Whakaue and Te Arawa cultural continuity. 	608
Project Grants <ul style="list-style-type: none"> • To identify under-achievement in the general areas of literacy and numeracy and promote programmes to address these areas targeting junior levels of schooling. 	609

Policy	No.
Post-graduate Scholarship <ul style="list-style-type: none"> To provide individual post graduate scholarships to assist with post graduate education and encourage academic achievement. 	610
Whakapapa Policy (2015) <ul style="list-style-type: none"> To ensure that all applicants for the Boards various grants provide accurate information and detail relating to Whakapapa. 	611
Emergency/Disaster Discretionary grant <ul style="list-style-type: none"> On hold. (The purpose of these grants was to support student victims of an emergency/disaster including the 4 Sept 2010 and 22 Feb 2011 Christchurch Earthquakes that have relocated to Rotorua District). 	612
Support of Rangahau (Research) ON HOLD <ul style="list-style-type: none"> The Trust Board's Research Fund has been established to support emerging and established Ngati Whakaue and Te Arawa researchers. 	613
Support of Ngati Whakaue-Te Arawa Writers <ul style="list-style-type: none"> To support, develop and nurture Ngati Whakaue-Te Arawa writers. 	614
Swimming programme sponsorship (RLC - Rotorua Lakes Swim School) <ul style="list-style-type: none"> The aim of Kia Maanu Kia Ora is to increase the safety of Ngati Whakaue children in and around water. 	615
NWEE- Sudima Hotel Joint Hospitality Scholarship <ul style="list-style-type: none"> Ngati Whakaue Education Endowment Trust Board and Sudima Lake Rotorua are Landlord and Tenant respectively of the site known and operated as Sudima Lake Rotorua Hotel. The Board and Sudima wish to develop and promote in partnership opportunities for Ngati Whakaue descendants for vocational development and educational qualifications in the Hospitality Industry. 	616
Peter Pomare Foundation – Learn to Swim – sponsorship (formerly Hinemoa Swim School) <ul style="list-style-type: none"> To increase the safety of Ngati Whakaue children in and around water. 	617
Dive Programme Sponsorship (DiveHQ Rotorua) <ul style="list-style-type: none"> To increase the diving capacity of Ngati Whakaue to gather kai moana for our local Marae 	618
Nga Pumanawa e Waru Education Trust Policy <ul style="list-style-type: none"> To provide terms of reference for the application of the grant approved for Nga Pumanawa e Waru Education Trust (NPEWET). 	620
NWEE and Rotorua Lakes Council Engineering Cadetship ON HOLD <ul style="list-style-type: none"> Ngati Whakaue Education Endowment Trust Board (The Board) and Rotorua Lakes Council have developed an opportunity for Ngati Whakaue descendants for vocational and educational qualifications in Civil Engineering 	621
NWEE and Toi Ohomai Institute and MDA Experiences <ul style="list-style-type: none"> Ngati Whakaue Education Endowment Trust Board (The Board)Toi Ohomai and MDA Experiences have developed an opportunity for Ngati Whakaue descendants to obtain employment, training and junior leadership positions within the Adventure Tourism industry and obtain qualifications in various hospitality areas including Certificate of Adventure Tourism and Diploma in Adventure Tourism. 	623

Financial Report

Ngati Whakaue Education Endowment Trust
For the year ended 31 December 2018

Contents

3	Audit Report
5	Statement of Comprehensive Revenue and Expense
7	Statement of Changes in Equity
8	Statement of Financial Position
9	Statement of Cash Flows
10	Notes to the Financial Statements

Independent Auditor's Report

To the readers of Ngāti Whakaue Education Endowment Trust's financial statements for the year ended 31 December 2018

The Auditor-General is the auditor of Ngāti Whakaue Education Endowment Trust (the Trust). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

Qualified Opinion – Valuation of investment property

We have audited the financial statements of the Trust on pages 5 to 20, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive Revenue and Expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, except for the matter described in the *Basis for our qualified opinion* section of our report, the financial statements of the Trust on pages 5 to 20:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, and we explain our independence.

Basis for our qualified opinion

As stated in the accounting policies on page 13, and note 11 on page 16, investment property is revalued every three years and the latest valuation at 1 July 2018 of \$37,651,000 (2017 \$37,651,000) is recorded at the value used for rating purposes.

This is a departure from PBE IPSAS 16 *Investment Property*, which requires investment property measured at fair value to be valued at its fair value at the reporting date and the movement in value

recognised in the surplus/deficit. The Board has not quantified the financial effects of this departure from PBE IPSAS 16 and we are unable to determine the amount of the required adjustments.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they 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 Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to wind-up the Trust or to cease operations, or have no realistic alternative but to do so.

Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We 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.
- We 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We 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 Trust'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 Trust to cease to continue as a going concern.
- We 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 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.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Statement of Comprehensive Revenue and Expense

Ngati Whakaue Education Endowment Trust
For the year ended 31 December 2018

	NOTES	2018	2017
Revenue			
Rental Revenue	7	2,072,344	1,653,451
Dividends Received		338,223	359,643
Interest Received		507,886	507,803
PIE Revenue		110,534	75,376
Total Revenue		3,028,987	2,596,272
Administration Expenses			
Advertising		11,862	8,240
Audit Fees	8	13,001	12,921
Bank Charges		211	267
Consultancy Fees		3,000	-
Education Consultant		41,032	34,735
Education Grant Expenses		42,079	45,996
Entertainment		-	2,416
General Expenses		1,795	1,452
Insurance		6,491	6,704
Legal Costs		194,783	16,946
Portfolio Management Fee		69,210	81,024
Printing, Stationery and Postage		3,553	8,604
Property Management		55,506	50,701
Website Maintenance		35,777	30,692
Secretarial & Accounting		93,531	82,094
Travel Expenses		1,439	1,976
Trustees Fees & Expenses		66,149	74,259
Valuation Fees		24,045	16,720
Total Administration Expenses		663,464	475,746
Net Surplus before Grants		2,365,523	2,120,527
Grants			
Ngati Whakaue Education Taumata		200,000	200,000
Tertiary Education Grants		276,099	360,239
Project Grants		495,000	493,500
Haane Manahi Scholarship		16,194	12,314
Discretionary Grants		104,179	111,157
Joint Hospitality Scholarship		-	13,946
Maths Whizz		3,370	1,993
Swimsation		42,156	39,221
Ngati Whakaue Authors		25,750	46,968
Tangi Grants		1,083	-

This statement should be read in conjunction with the Notes to the Financial Statements.

	NOTES	2018	2017
Rotorua Young Achievers Awards		5,000	5,000
Te Aka Mauri		-	40,000
Whakaue Whakanuia		20,000	20,000
RLC Cadetship		14,756	6,976
Nga Mahi A Rehia (Kpahaka) Grants		48,000	4,000
Sponsorship		64,979	14,699
Postgraduate Scholarships		1,470	-
Total Grants		1,318,034	1,370,011
Surplus for the year		1,047,488	750,515
Other Gains/(losses)			
Fair Value change in Investments		(217,504)	2,368,900
Net Gain/(Loss) on Disposal of Shares		(77,387)	44,088
Realised Foreign Currency Gains and Losses		12,275	11,697
Net Gain / (Loss) on Revaluation of Investment Property	12	-	8,827,000
Total Other Gains/(losses)		(282,616)	11,251,685
Surplus/(Deficit) for the year		764,872	12,002,201
Other Comprehensive Revenue			
Fair Value Change - Available for Sale Reserve	14	(169,968)	69,339
Total Other Comprehensive Revenue		(169,968)	69,339
Total Comprehensive Revenue for the year		594,904	12,071,540

This statement should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

Ngati Whakaue Education Endowment Trust

For the year ended 31 December 2018

	2018	2017
Equity		
Opening Balance		
Opening Balance	63,685,086	51,481,683
Restated Adjustment to Retained Earnings (Note 5)	-	131,863
Opening Balance Restated	63,685,086	51,613,546
Surplus/(Deficit) for the year	764,872	12,002,201
Increase/(Decrease) in Available for Sale Reserve	(169,968)	69,339
Total Equity	64,279,990	63,685,086

This statement should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

Ngati Whakaue Education Endowment Trust
As at 31 December 2018

	NOTES	31 DEC 2018	31 DEC 2017
Assets			
Current Assets			
Cash and Cash Equivalents	9	999,467	507,003
Trade Receivables from exchange transactions	10	308,571	245,310
Prepayments		5,006	4,722
Goods and services tax		(7,836)	17,727
Total Current Assets		1,305,207	774,762
Non-Current Assets			
Investments	11	25,999,175	25,471,787
Investment properties	12	37,651,000	37,651,000
Total Non-Current Assets		63,650,175	63,122,787
Total Assets		64,955,382	63,897,549
Liabilities			
Current Liabilities			
Trade payables under exchange transactions		152,409	33,331
Rents Received in Advance		522,984	179,132
Total Current Liabilities		675,392	212,463
Total Liabilities		675,392	212,463
Total Assets less Total Liabilities (Net Assets)		64,279,990	63,685,086
Equity			
Capital	13	22,418,108	22,418,108
Available for Sale Reserve	14	40,571	210,539
Retained Earnings	15	41,821,310	41,056,438
Total Equity		64,279,990	63,685,086

Malcolm Short

Chairman

Date 31.5.19

Alec Wilson

Board Member

Date

This statement should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

Ngati Whakaue Education Endowment Trust
For the year ended 31 December 2018

	2018	2017
Statement of Cash Flows		
Net change in cash for period		
Cash Flows from Operating Activities		
Cash was provided from:		
Cash Receipts from Operating Activities	2,250,680	1,556,843
Interest Received	482,877	507,803
Dividends Received	448,757	435,019
GST Received	42,163	5,222
Total Cash was provided from:	3,224,477	2,504,887
Cash was applied to:		
Payments to Suppliers and Employees	(434,005)	(625,522)
GST Paid	-	-
Payments of Grants	(1,318,034)	(1,370,011)
Total Cash was applied to:	(1,752,039)	(1,995,533)
Total Cash Flows from Operating Activities	1,472,438	509,354
Cash Flows from Investing Activities		
Purchase of Investments	(3,917,187)	(7,507,533)
Sale of investments	2,937,213	4,710,542
Total Cash Flows from Investing Activities	(979,974)	(2,796,991)
Total Net change in cash for period	492,464	(2,287,637)
Cash Balances		
Cash and Cash Equivalents at beginning of period	507,003	2,794,639
Net change in cash for period	492,464	(2,287,637)
Cash and Cash Equivalents at end of period	999,467	507,003

This statement should be read in conjunction to the Notes to the Financial Statements

Notes to the Financial Statements

Ngati Whakaue Education Endowment Trust For the year ended 31 December 2018

1. Reporting entity

The Ngati Whakaue Education Endowment Trust Board ("The Trust") is a Charity registered under the Charities Act 2005 and established under the Reserves and Other Land Disposals Act 1995. The Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

2. Basis of preparation

(a) Statement of compliance

The Trust's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with *Public Benefit Entity International Public Sector Accounting Standards* ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 Public Sector public benefit entities, for which all reduced disclosure regime exemptions, have been adopted.

The Trust qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by the Ngati Whakaue Education Endowment Trust board on 31st May 2019.

(b) Measurement basis

The Trust's financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Available for sale financial instruments
- Fair Value through surplus or deficit financial instruments
- Investment property

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars. There has been no change in the functional currency of the Trust or any significant foreign operations of the Trust during the year.

3. Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

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

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Trust except as explained in *Note 5* which addresses changes in accounting policies.

The significant accounting policies of the Trust are detailed below:

- (a) Revenue
- (b) Financial instruments
- (c) Impairment of non-derivative financial assets
- (d) Investment property
- (e) Impairment
- (f) Goods and Services Tax
- (g) Income Tax
- (h) Cash and Cash Equivalents
- (i) Grants

(a) Revenue

Revenue is recognised when the amount of revenue can be measure reliably and it is probable that economic benefits will flow to the Trust, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Trusts revenue streams must also be before revenue is recognised:

Rental Revenue

Rental revenue from investment property is recognised in surplus or deficit on a straight-line basis over the term of the lease.

Dividends

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

Interest Revenue

Interest revenue is recognised as it accrues in surplus or deficit, using the effective interest method.

PIE Revenue

PIE revenue is recognised when the Trust's right to receive payment is established, and the amount can be reliably measured.

(b) Financial Instruments

The Trust initially recognises financial instruments when the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset.

The Trust also derecognises financial assets when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

The Trust classifies financial assets into the following categories: *at fair value through profit and loss* and *available-for-sale*.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies below.

Fair value through surplus or deficit

A financial instrument is classified as *fair value through surplus or deficit* if it is:

Designated at initial recognition: If the Trust manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Trust's documented risk management or investment strategy.

The Trust's Investment strategy is to maximise the total sustainable income that can be provided by investments over the long term, subject to a prudent level of portfolio risk with particular emphasis on providing sufficient cash on annual basis to enable the Trust to fulfill its responsibilities and cover its operating costs.

The board of trustees have agreed on a balanced risk profile, an asset allocation and the range for which the investment manager is required to operate within. Trading of investments is authorised by the Investment subcommittee prior to any undertaking of investment activities.

Those *fair value through surplus or deficit* instruments sub-classified as *designated at initial recognition* comprise of fixed interest securities and Equity Securities.

Financial instruments classified as *fair value through surplus or deficits* are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense and presented in the *AFS fair value reserve* within net assets/equity, less impairment.

Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Available-for-sale financial assets comprise of equity securities not traded on national and internal stock exchanges.



(c) Impairment of non-derivative financial asset

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Trust, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an *available-for-sale* financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets classified as available-for-sale

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

The cumulative loss that is reclassified from net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired *available-for-sale* debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired *available-for-sale* equity security is recognised in other comprehensive revenue and expense.

(d) Investment property

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

Recognition and measurement

Investment property is measured at the Rateable Value dated 1 July 2017, as valued by Landmass Technology Limited and subsequently revalued every 3 years. The board considers this to be an indication of fair value. The net value is likely to be higher although this has not been quantified. This is not in compliance with PBE IPSAS 16 – Investment Property which requires Investment Properties to be included at Fair Value at the entities balance date.

(e) Impairment of non-financial assets

The carrying amounts of the Trust's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in surplus or deficit. Impairment losses an impairment loss in respect of goodwill is not reversed. For other assets, 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.

(f) Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis. Any GST due or recoverable at balance date is included as either a current asset or current liability.

(g) Income Tax

Ngati Whakaue Education Endowment Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(i) Grant Expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria. They are expensed when an application that meets the specified criteria for the grant has been received. Ngati Whakaue Education Endowment Trust's non-discretionary grants have no substantive conditions that need to be fulfilled to receive the grant.

Discretionary grants are those grants where Ngati Whakaue Education Endowment Trust has no obligation to award the grant on receipt of the grant application. For discretionary grants without substantive conditions, the total committed funding over the life of the grant is expensed when the grant is approved by the Board and the approval has been communicated to the applicant. Discretionary grants with substantive conditions are expensed at the earlier of the grant payment date or when the grant conditions have been satisfied. Conditions can include either:

- specification of how funding can be spent with a requirement to repay any unspent funds; or
- milestones that must be met to be eligible for funding.

5. Prior period error correction

The Ngati Whakaue Education Endowment Trust has adjusted its comparative year financial statements for the year ended 31 December 2017 for the correction of a prior period error.

Subsequent to balance date the Trustees were advised by the Investment Portfolio Manager, Craig's Investment Partners that they had undertaken an internal review and identified a discrepancy in the Portfolio Management Fee that the Ngati Whakaue Education Endowment Trust charged and what was agreed to and documented by Craig's Investments Partners. As a result of this review the Ngati Whakaue Education Endowment Trust will receive a refund of \$148,463 including GST.

The adjustments for the 31 December 2017 comparatives are shown in table below.

	As stated in the authorised audited accounts	Correction of error	Post adjustments
Accounts Receivable	25,224	148,463	173,687
GST	34,327	(16,600)	17,727
Retained Earnings	40,924,575	131,863	41,056,438

6. Changes in accounting policy

There have been no changes in accounting policies during the year. All policies have been applied consistently throughout the year.

	2018	2017
7. Rental Revenue		
Consent Fees	1,696	2,478
Legal Cost Recovery	17,108	-
Rental Received	2,052,672	1,650,973
Repairs & Maintenance Recovery	870	-
Total Rental Revenue	2,072,344	1,653,451

	2018	2017
8. Audit Fees		
Audit Fees	13,001	12,921
Total Audit Fees	13,001	12,921

2018 Audit Fees have been accrued.

	2018	2017
9. Cash and Cash Equivalents		
Craigs Call Account	411,886	424,962
2. BNZ - Call Account	119,421	5,217
1. BNZ - Current Account	468,160	76,824
Total Cash and Cash Equivalents	999,467	507,003

There are no restrictions over any of the cash and cash equivalent balances held by the Trust.

	2018	2017
10. Trade Receivables		
Accounts Receivable	190,740	173,687
Accrued Interest	117,831	71,623
Total Trade Receivables	308,571	245,310

11. Investments

Financial Assets at fair value through profit and loss

Debt Securities - New Zealand	8,350,481	7,897,583
Debt Securities - Australia	102,360	103,060
Equity Securities - New Zealand	4,758,509	5,141,037
Equity Securities - Australia	3,240,077	3,955,577
Equity Securities - UK	1,110,853	1,321,018
Equity Securities - USA	3,847,594	4,185,624
Total Financial Assets at fair value through profit and loss	21,409,874	22,603,899

Available for Sale Financial Assets

Equity Securities - New Zealand	2,204,500	824,314
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	2018	2017
Equity Securities - Australia	47,088	92,419
Equity Securities - Euro	81,291	-
Equity Securities - USA	226,086	-
Total Available for Sale Financial Assets	2,558,965	916,733
Financial Assets Held to Maturity		
ANZ Term Deposits	2,030,333	1,951,158
Total Financial Assets Held to Maturity	2,030,333	1,951,158
Total Investments	25,999,172	25,471,790

Per annum annual interest rate ranges applicable to debt securities

	2018	2017
Debt Securities - New Zealand	2.00% - 7.25%	2.87% - 7.25%
Debt Securities - Australia	5.15%	5.15%

Contractual Maturities of debt securities

	2018	2017
Debt Securities - New Zealand	1 Month - 69 Months	1 Month - 384 Months
Debt Securities - Australia	69 Months	332 Months

	2018	2017
12. Investment Properties		
Opening Balance	37,651,000	28,824,000
Revaluation per Rating Valuation 1 Jul 17	-	8,827,000
Total Investment Properties	37,651,000	37,651,000

Change in Fair Value

The fair value of investment properties is determined by the Rating Valuation completed every 3 years by Landmass Technology Limited. The latest valuation was completed at 1 July 2017.

Rating Valuation Objection

At balance date the Rating valuations completed at 1 July 2017 and 1 July 2014 are being objected to. The Trust is seeking a discount in the rating valuations issued at 1 July 2017 and 1 July 2014 to reflect the alienation restriction.

With no resolution sought on the original 1 July 2014 objection, the board and Rotorua Lakes Council were referred to the Land Valuation Tribunal.

On the 2 May 2016 the Land Valuation Tribunal issued its decision on the objection lodged by the board against the Rotorua Lakes Council rating valuation assessments for valuations 1 July 2014. The decision is that the objections by the board was declined.

The board resolved to appeal the decision and have the decision reconsidered by the High Court. On 2 February 2017 the Board was successful in overturning the decision of the Land Valuation Tribunal which supported the Rotorua Lakes Council that the rating valuations of the Board land could not be discounted notwithstanding the inability for the Board to sell the land. The High Court having come to a decision that a discount was justified but was not prepared to make the valuation to assess the amount of the discount.

The High court decision was then referred to each of the parties valuers to come to a consensus on the discount. The Valuer General and Rotorua Lakes Council lodged an appeal with the Court of Appeal against the High Court judgement.

The Court of Appeal hearing was held on the 20th March 2018 with a decision received on the 9th of May 2018. The Court of Appeal dismissed the appeal by the Rotorua Lakes Council and Valuer General. As the board was successful in the appeal the board is entitled to costs and disbursements which have been paid.

The Court of Appeal also noted that it was appropriate that the Tribunal consider expert valuation evidence directed to the issues of whether the restriction on the sale of land has an effect on the valuations and, if so, to what extent.

No contingent rents were recognised as revenue throughout the period.

	2018	2017
13. Capital		
Capital is established using the Government Valuations for land as at 01/09/1996	21,033,000	21,033,000
Funds held by Public Trustee as at 03/10/1995	1,385,108	1,385,108
Closing Balance	22,418,108	22,418,108
	2018	2017

14. Available for Sale Reserve

Opening Balance	210,539	141,200
Current Year Revaluations	(169,968)	69,339
Closing Balance	40,571	210,539
	2018	2017

15. Retained Earnings

Opening Balance	41,056,438	29,054,238
Net Surplus/(Deficit)	764,872	12,002,201
Closing Balance	41,824,310	41,056,438

16. Financial Instruments

The tables below show the carrying amount of the trusts financial assets and liabilities

(i) Financial Assets

2018 Asset per the Statement of Financial Position	FVTSD	Held to Maturity	Loans and Receivables	Available for Sale
Cash and Cash Equivalents			999,467	
Trade Receivables			173,907	
Financial Assets at fair value through profit and loss				
Debt Securities - New Zealand	8,350,481			
Debt Securities - Australia	102,360			
Equity Securities - New Zealand	4,758,511			
Equity Securities - Australia	3,240,077			
Equity Securities - UK	1,110,853			
Equity Securities - USA	3,847,594			
Available for Sale Financial Assets				
Equity Securities - New Zealand				2,204,500
Equity Securities - Australia				47,089
Equity Securities - Euro				81,291
Equity Securities - USA				226,086
Held to Maturity Financial Assets				
ANZ Term Deposits		2,030,333		
Total	21,409,876	2,030,333	1,173,374	2,558,966

2017 Asset per the Statement of Financial Position	FVTSD	Held to Maturity	Loans and Receivables	Available for Sale
Cash and Cash Equivalents			507,003	
Trade Receivables			96,847	
Financial Assets at fair value through profit and loss				
Debt Securities - New Zealand	7,897,583			
Debt Securities - Australia	103,060			
Equity Securities - New Zealand	5,141,037			
Equity Securities - Australia	3,955,577			
Equity Securities - UK	1,321,018			
Equity Securities - USA	4,185,624			
Equity Securities - International	-			
Available for Sale Financial Assets				
Equity Securities - New Zealand				824,314
Equity Securities - Australia				92,419
Held to Maturity Financial Assets				
ANZ Term Deposits		1,951,158		
Total	22,603,899	1,951,158	603,850	916,732

(ii) Financial Liabilities

	2018				2017		
	At amortised cost	Fair value through profit or loss	Total		At amortised cost	Fair value through profit or loss	Total
Trade & other payables	112,409	-	112,409		33,331	-	33,331
Rent Received in Advance	519,049	-	519,049		179,132	-	179,132
	631,458	-	631,458		212,463	-	212,463

(ii) Fair Values

Fair value determination for financial instruments subsequently measured at fair value are as follows:

Financial Assets at fair value through profit or loss*(a) Debt securities(listed) and Equity securities (listed)*

Fair values are based on the quoted market price in the active market of the security at reporting date.

Available for Sale Financial Assets*(b) Equity securities (non-listed)*

Available for Sale Financial Assets and the basis for fair value comprise of the following;

Fair values based on the sale transaction occurring for the security at or around balance date less any impairment;

- Pohutukawa Private Equity II LTD PP Staple
- Pohutukawa Private Equity Ltd Stapled
- Pohutukawa Private Equity V Fund PP LP
- Willis Bond Capital Partners Ltd pp
- Oriens Capital

Fair Values are based on cost less any impairment;

- New Zealand Social Infrastructure Fund
- Maui Capital
- PartsTrader Markets Ltd.
- New Zealand King Salmon Investment

Co-InvestorNo 3 Pipe Fund is an Australian Unit Trust and the values are provided on a regular basis by the company.

17. Related Party Transactions**Key Management personnel remuneration**

Members of the governing body are paid set meeting fees for each meeting attended. Details and amounts of these are as follows:

	Main Committee	Education Sub-Committee	Investment Sub-Committee
Chairman	\$ 500	\$ 500	\$ 500
Deputy Chairman	\$ 400	\$ 400	\$ 400
Board Members	\$ 350	\$ 350	\$ 350



The governing body comprises of 10 members (10 FTE) (2017: 10 FTE) with total remuneration paid of \$66,149 (2017: \$74,259). Each board member is recognised at 1 FTE.

The following Board members are appointed by schools which have received grants during the year as scheduled:

Board Member	School	This Year	Last Year
Jane McQuilkan	John Paul College	\$8,000	\$ 7,000
Aramoana Mohi	Rotorua Girls High School	\$30,000	\$ 31,000
Beatrice Yates	Rotorua Lakes High School	\$24,000	\$ 23,000
Fred Whata - ceased 17 October 2018 Herby Ngawhika - commended 17 October 2018	Rotorua Boys High School	\$30,000	\$ 29,000
Violet Pelham-Waerea	Western Heights High School	\$40,000	\$ 41,000

This year a grant of \$5,000 (2017: \$5,000) was paid towards the Rotorua Young Achievers which is an initiative run by the Rotorua Energy Charitable Trust. Beatrice Yates (Deceased) was also a trustee of the Rotorua Energy Charitable Trust.

During the year Bella Tait was appointed as a Trustee to Te Taumata o Ngati Whakaue Trust. The Ngati Whakaue Education Endowment Trust has approved and paid \$200,000 in grants (2017: \$200,000).

18. Commitments and Contingencies

At balance date the Trust has the following Grant and Scholarship Commitments:

- Haani Manahi Scholarships \$20,693 (2017: \$8,700)
- Post Graduate Tertiary Scholarships \$23,145 (2017: \$Nil)
- Research Grants \$3,000 (2017: \$3,000)
- Writer's Grants \$31,000 (2017: \$56,750)
- NWEF/Sudima JV Scholarship \$15,000 (2017: \$7,000)
- Cadet RLC JV Scholarship \$6,055 (2017: \$15,000)
- DiveHQ sponsorship \$7,013 (2017: \$4,537)
- Te Taumata O Ngati Whakaue \$80,000 (2017: \$80,000)

At balance date there was a contingent liability of \$500,000 for the payment of project grants (2017: \$500,000).

At balance date there was a contingent liability of \$20,000 for the payment of sponsorship (2017: \$Nil).

At balance date the endowment was committed to the following venture capital funds with outstanding commitments:

- Kowhai Private Equity \$167,500
- Maui Capital Indigo Fund Stapled PP \$21,000
- Oriens Capital Ltp Partnership Fund PP \$330,000
- Pohutakawa Private Equity II Ltd PP \$227,500
- Pohutakawa Private Equity V Fund PP \$54,000
- App NZD Public Infrastructure Partners Fund \$195,000

19. Events Subsequent Balance Date

Subsequent to balance date the Ngati Whakaue Education Endowment Board submitted its application to the Land Valuation Tribunal seeking a reduction in its Rating Valuation. (Refer to Note 12 for further details).

A two day hearing has been set down from the 20th May 2019 to hear expert evidence on behalf of the Endowment and Rotorua Lakes Council. A decision by the Land Valuation Tribunal is not expected before September 2019.



NGATI WHAKAUE EDUCATION ENDOWMENT TRUST BOARD

Te Toroihi Matauranga

