



Raukawa ki te Tonga Trust
ANNUAL REPORT 2021

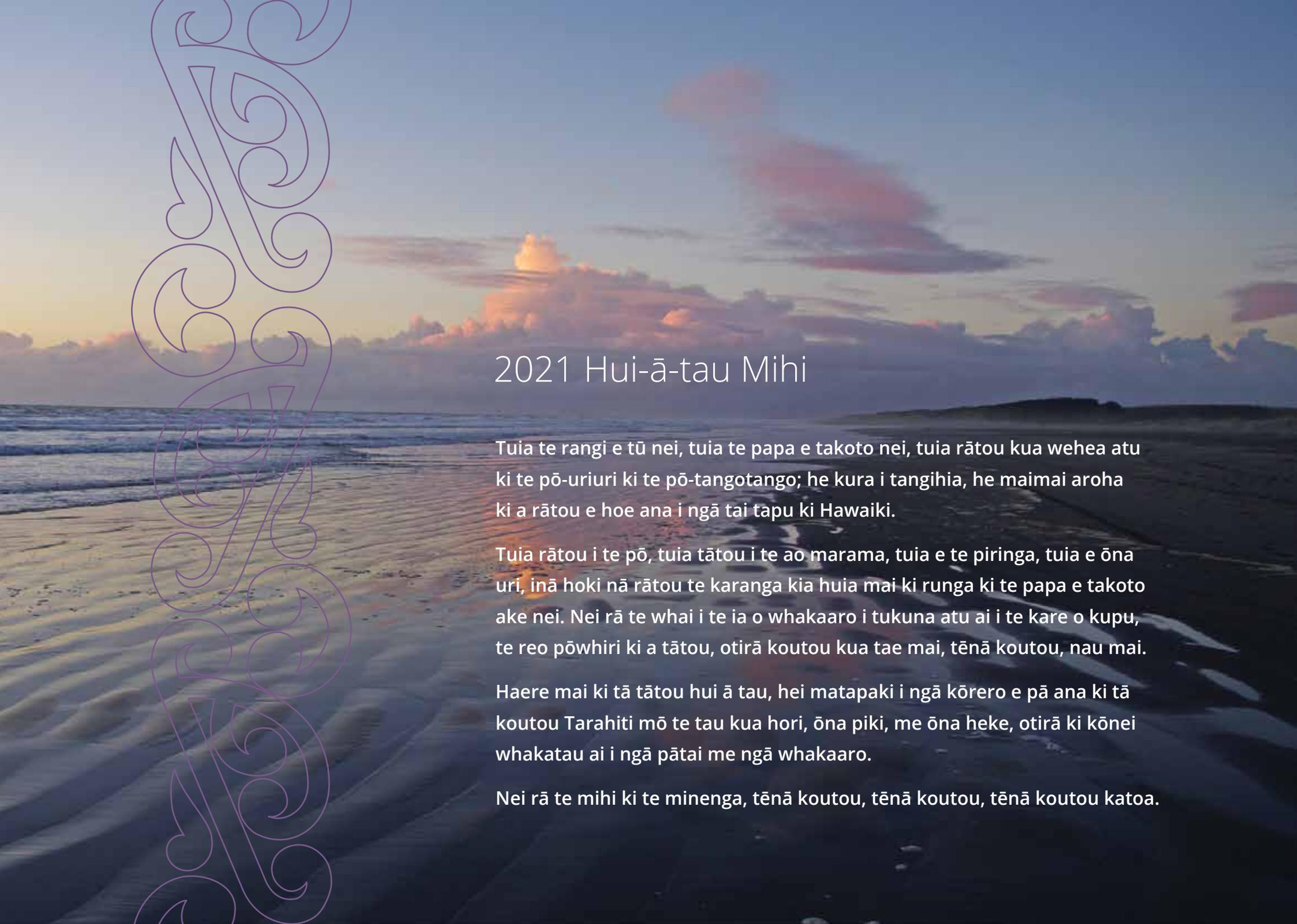


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NOTE: This is the Annual Report of the Raukawa ki te Tonga Trust (the Trust) the Mandated Iwi Organisation (MIO) of Ngāti Raukawa under the Māori Fisheries Act 2004, and Raukawa ki te Tonga AHC Limited (the AHC). The AHC is a wholly owned subsidiary of the Trust, the Trust's commercial arm and is responsible for managing and growing the fisheries settlement assets of the Trust.

This report covers the Financial Year Ended 30 September 2020.



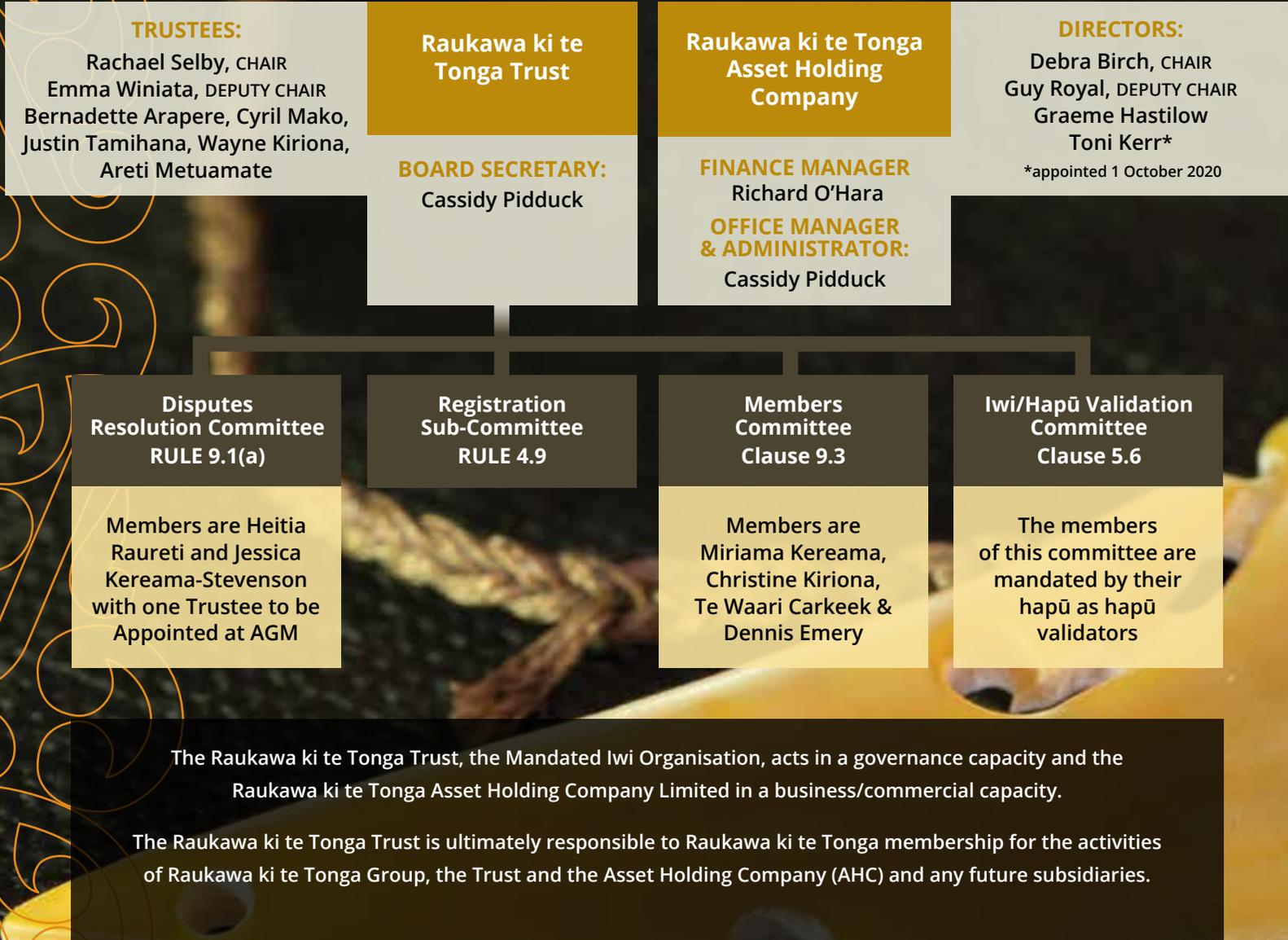
2021 Hui-ā-tau Mihi

Tuia te rangi e tū nei, tuia te papa e takoto nei, tuia rātou kua wehea atu ki te pō-uriuri ki te pō-tangotango; he kura i tangihia, he maimai aroha ki a rātou e hoe ana i ngā tai tapu ki Hawaiki.

Tuia rātou i te pō, tuia tātou i te ao marama, tuia e te piringa, tuia e ōna uri, inā hoki nā rātou te karanga kia huia mai ki runga ki te papa e takoto ake nei. Nei rā te whai i te ia o whakaaro i tukuna atu ai i te kare o kupu, te reo pōwhiri ki a tātou, otirā koutou kua tae mai, tēnā koutou, nau mai.

Haere mai ki tā tātou hui ā tau, hei matapaki i ngā kōrero e pā ana ki tā koutou Tarahiti mō te tau kua hori, ōna piki, me ōna heke, otirā ki kōnei whakatau ai i ngā pātai me ngā whakaaro.

Nei rā te mihi ki te minenga, tēnā koutou, tēnā koutou, tēnā koutou katoa.





**RACHAEL SELBY
CHAIRPERSON
RAUKAWA KI TE TONGA
TRUST**

RAUKAWA KI TE TONGA TRUST Chair's Report

This report is presented to the members of Raukawa ki te Tonga outlining key achievements of the Trust in the year 2019-2020 and comments on the performance of the Trust. This year has been a significant milestone as it is the tenth Annual Report of the Trust to its members. It is a reminder that the Trust Deed was signed on the 10th September 2010. That date marks the formation of the Mandated Iwi Organisation. It enabled Te Ohu Kaimoana to transfer the fisheries settlement assets to the Trust and its Asset Holding Company. Those assets were quota, shares and cash. The assets have been protected, have grown and with a decade of careful management have now become a significant asset. The Directors have reported on their tenth year to the Trust and to members in this report.

DIRECTORS

In September 2019, we welcomed former trustee Debra Birch as incoming Chair of the Asset Holding Company, and Guy Royal as a new Director. Guy has brought experience as a Commercial Corporate lawyer in NZ, Hong Kong, Vietnam and the UK. He has a broad governance experience with Māori entities such as Tuia Group Ltd, Toitu Te Waonui, Kiwirail, CFRT and others. We then appointed Graeme Hastilow who has been a member of Te Ohu Kaimoana's leadership team and a manager of Te Wai Māori. He brings a wealth of experience in fisheries and resource management to the company. At the end of the 2020 year we welcomed Toni Kerr (former Deputy Chair of Te Tikanga Marae) to be a non-Executive director. She brings experience in financial markets and private banking in NZ and internationally as well as experience in governance.

These four now make up an impressive team of Directors managing the Trust's assets working for the benefit of the iwi members. Jack Morris (AHC Chief Executive) was farewelled in September to a new position at Callaghan Innovation. Cassidy Pidduck moved into the Office Manager's role. Richard O'Hara has been appointed as a part-time Finance Manager. His background is in corporate finance with NZ and international experience.

COVID-19 2020

We could not report on the past year without noting the COVID-19 pandemic that has ravaged the world. It has had many and varied impacts on the Company that are outlined in this report. Some of the most obvious impacts are the interruption to fish being caught and sold; interruption to events that traditionally use particular species of NZ fish - such as Chinese New Year; interruption to major markets for fish; the inability of foreign fishermen to return to New Zealand and to trawlers for work. These events have been reported on widely and we monitor their impact on us.

Distributions to marae

In 2020 the government announced significant funding being available through a Provincial Growth Fund for marae projects, one of which is marae renovation and refurbishment. More than half the marae in our rohe sought quotations and were successful with funding applications that will result in more than \$2.0 million being injected into marae projects. This impacted on the applications to the Trust, who has prioritised marae for seven years. Distributions over that period have been almost \$600,000.

We have continued to purchase fish on behalf of the Trust to support manaakitanga at our marae within the rohe. This has reduced due to marae being closed for a period mid-year.

Annual Reporting to members

Our Annual Meeting and that of Te Ohu Kaimoana could not be held in March 2020 because New Zealand was in COVID-19 lockdown. Our reporting processes were interrupted. However, we were grateful to members for attending a re-scheduled Annual Meeting at Ngātokowaru Marae in June so that we could report to members on the activities of the Trust and the Company.

We are delighted with our new-look website. It provides an interesting and attractive space for members to catch up on current activities. It is a key area of communication to members and the wider iwi. We are pleased to have raised a positive profile through the new website.

Membership

A key achievement in the past year has been the increase in membership and the progress that has been made with registration. In 2010 we had just over 8,000 validated members. In the past year we have hit the 11,000 mark. We are always concerned that we lose touch with members who move from a residential address, although email addresses have become more stable and so we urge members to provide us with an email address so we can maintain contact through our epānui. It is important that we continue to build the numbers for each hapū, including children. We have committed additional resources to the register this year and this will continue into 2021.

Trustees and Elections

Jerald Twomey resigned from the Trust at the end of 2020 after making a valuable contribution to the organisation. He brought a strong background in governance, policy development, strategic planning, fisheries knowledge, regional and local government, kaupapa tuku iho, registration, Māori and iwi relationships. We thank Jerald for his contribution and expertise.

The results of the 2020 Election were that two current trustees and two new trustees were elected unopposed. Bernadette Arapere and Rachael Selby offered their services again, and now continue on the Trust. Areti Metuamate and Wayne Kiriona are new to the Board. These four members now serve a three year term to the end of 2023.

Legislative changes

The challenges for the future include the new Trusts Act 2019. We now have at least four pieces of legislation relevant to the Trust: Māori Fisheries Act 2004, MACSA 2004, Charities Act 2005, Charitable Trust Act 1957, and the 2019 Trusts Act coming into force in February 2021. The new legislation defines mandatory duties for trustees - which the Trust will now review.

Dispute Resolution Committee

Our thanks to Heitia Raureti and Jessica Kereama who continue to serve on this committee. We have not needed their services in this past year.

I acknowledge the work of the Trustees and the Directors in the past year and invite members to the next AGM in 2021. We welcome your support and the opportunity to present the annual report to members.

Ngā mihi nui ki a koutou katoa

RACHAEL SELBY

CHAIR, RAUKAWA KI TE TONGA TRUST



RAUKAWA KI TE TONGA TRUST Trustees

Raukawa ki te Tonga Trust Trustees – left to right:
Justin Tamihana, Emma Winiata, Bernadette Arapere,
Cyril Mako, Rachael Selby & Jerald Twomey.



During the 2019-2020 year six trustees provided governance of the Trust. We have had an active and committed team.

Jerald Twomey is an active hapū and iwi member, and a familiar figure on many marae including with Taumata o te Rā, home of Ngāti Manomano, at Ōhinepuhiawe, Ngāti Parewahawaha, and at Ngāti Huia marae. Jerald's contribution to the Trust has been particularly valuable in policy and procedural matters, strategic planning, fisheries and he has had a keen interest in iwi and hapū development. Jerald has served as Deputy Chair of the Trust and provided a link to other iwi organisations. Jerald's term ended in 2020 and he decided not to seek re-election.

Bernadette Arapere is a long-serving trustee having been one of the original trustees elected in 2011. She stood down for a period but was re-elected in 2017 and welcomed back with her governance, policy and legal experience being valuable to the Trust. She has close links with Ngati Pikiahu-Waewae, Ngāti Parewahawaha and Ngāti Whakatere. Bernadette has taken the opportunity in the past year to return to student life as a Heke Reo student at Te Wānanga o Raukawa in Ōtaki, balancing the demands of academia with parenting and working for Crown Law.

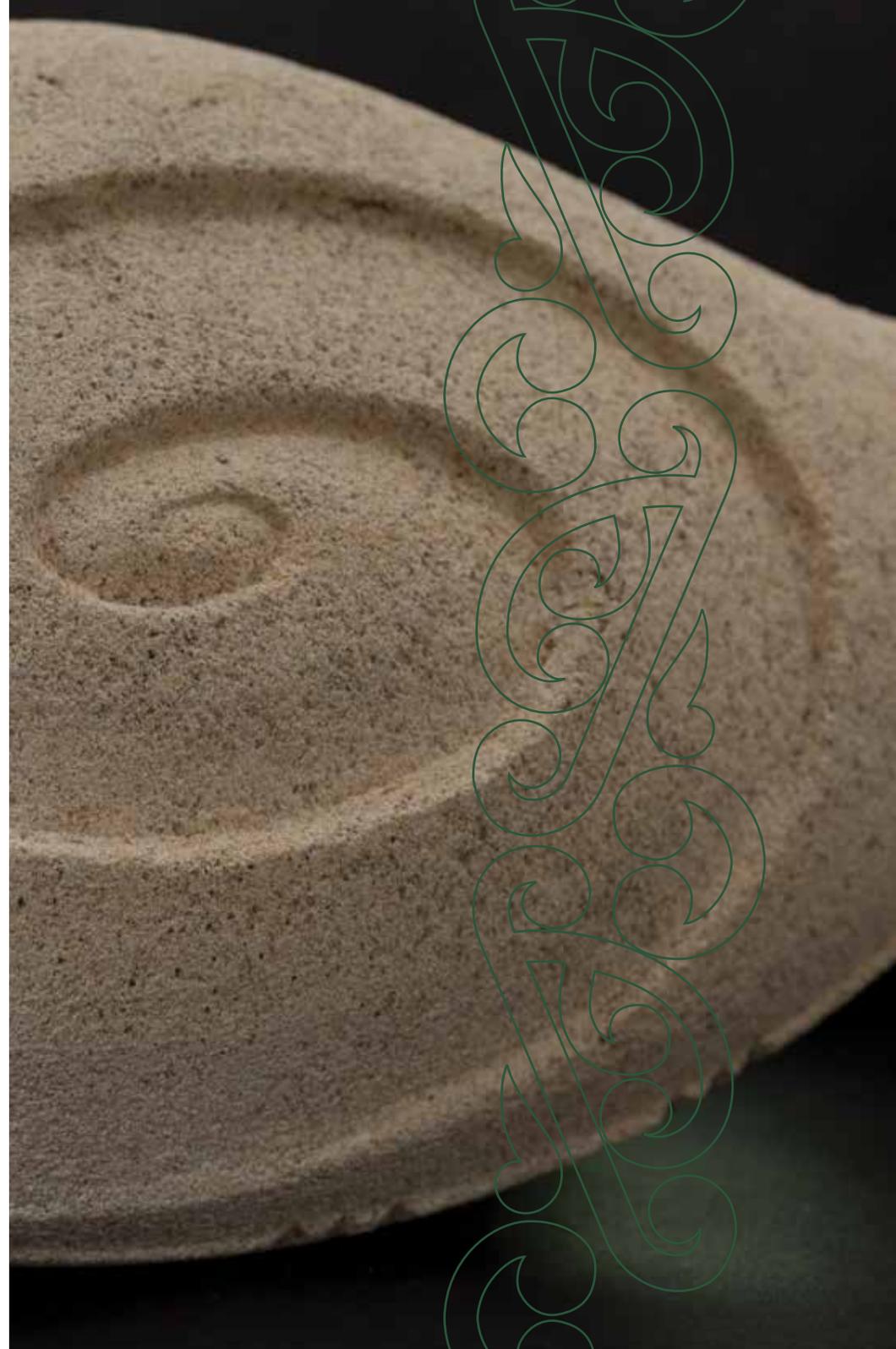
Justin Tamihana chairs the Ngāti Huia ki Poroutawhao Marae Committee and supports a range of iwi organisations and activities throughout the Horowhenua. He is a member of Te Rūnanga o Raukawa, active in the Manawatu Estuary Committee, the Manawatu River Loop Committee, and an advocate for environmental projects throughout the rohe. Justin is passionate about customary fisheries, taking a keen interest in toheroa research and the protection of tuna.

Emma Winiata is the Kaihautū of the Te Wananga o Raukawa Foundation based in Ōtaki. She has been the Deputy Chair of the Trust for the past two years playing a key role in Strategic Planning, Policy Development, the re-development of the website, effective use of technology, and developing effective communications. She has promoted effective trustee training and encouraged trustees to identify individual training needs.

Emma brings a strong legal and corporate governance background to the Trust, links to Ngāti Parewahawaha and Ngāti Pareraukawa and has a key role in promoting registration of members.

Cyril Mako from Ngāti Manomano works for the Ministry of Education in Wellington as a Chief Advisor. With a background in statistics, data analysis, education, Māori medium education, and business administration, Cyril has a particular interest in building a membership register that reflects the hapū and iwi. Cyril has taught Data Analysis at Te Wananga o Raukawa, has supported Māori medium education while continuing his own tertiary education journey. Cyril has also supported land trusts within his own hapū providing governance experience in various contexts.

Rachael Selby from Ngāti Huia, Ngāti Pareraukawa, Ngāti Parewahawaha is a retired academic researcher and oral historian. She has developed a governance background over several decades in both Māori and non-Māori contexts and an interest in the ways in which philanthropic trusts engage with Māori. She has been on the Ngātokowaru Marae Committee for more than forty years learning about Marae development and representing the hapū on iwi organisations. She is the current chair of the Trust.





RAUKAWA KI TE TONGA TRUST Key Achievements

Distribution 2020

Applications for Funding from the Trust are advertised at the Annual Meeting each year, through Te Rūnanga o Raukawa, the Trust website and communications sites such as social media and pānui.

Due to COVID-19 Lockdown the dates for applications for the 2020 year were postponed to enable applicants to develop projects further and seek quotations. The applications were therefore not considered until October.

We know that a lead-in time is needed so that a project can be adequately planned and established. Four of our recently funded projects are highlighted here.

KIKOPIRI MARAE

Kikopiri Marae undertook a number of different projects over the year. These included improvements to the driveway and carpark of the Marae to ensure safe access during winter. Internet capability was also provided for in the parking upgrade.

A new hāngi pit and re-grading of the orchard also took place over the summer of 2020.



KERERŪ MARAE

Kererū Marae completed the first part of a long-term refurbishment of Māhinaarangi. The project completed during 2020 saw the repiling and new flooring for their whare tupuna. This work is now complete.

HUIA MARAE

Huia Marae Committee have completed work to add additional storage for their Marae. This project also included a parking area and shelter for the hāngi pit.



POUPATATE MARAE

Poupatate Marae started a Kauta redevelopment project during the 2020 year. This work will see the replacement of the existing kauta building with a new kauta that is modern, safe and hygienic. Architectural plans have been drawn and building consents approved. They are now working with the architect and builder to progress their project.



Registration of Members

He waka eke noa

An important task of the Trust is to maintain and grow a register of its members.

Registering connects you with your Iwi/hapū/marae/whānau; keeps you updated on Iwi business including Raukawa wide activities/hui; and allows you to vote in trustee elections and have a direct say in decisions that affect you and your whānau.

This year we increased the number of validated members to 11,162, an increase of 410 from the previous year.

This year the Trust connected with an online platform called MaoriMe. This platform allows current and new members to create a profile and select different Iwi they affiliate to.

Once a member is matched to an existing record or validated as a new member they can manage things like updating contact details, add tamariki, receive pānui and send messages to the Trust. Please visit the Registration page of our website to create a profile.

Registering our people is an ongoing process. You can help by encouraging your whānau networks to register, by collecting registrations on behalf of your whānau, by helping kaumātua and rangatahi to register, and by advising us of changes to contact details, births and family bereavements.

For more information on registration and MaoriMe, please visit our website, see raukawakitetonga.maori.nz/registration or email raukawakitetonga@gmail.com

Membership Statistics

Membership by Gender: 52% Female 48% Male

Geographical Statistics

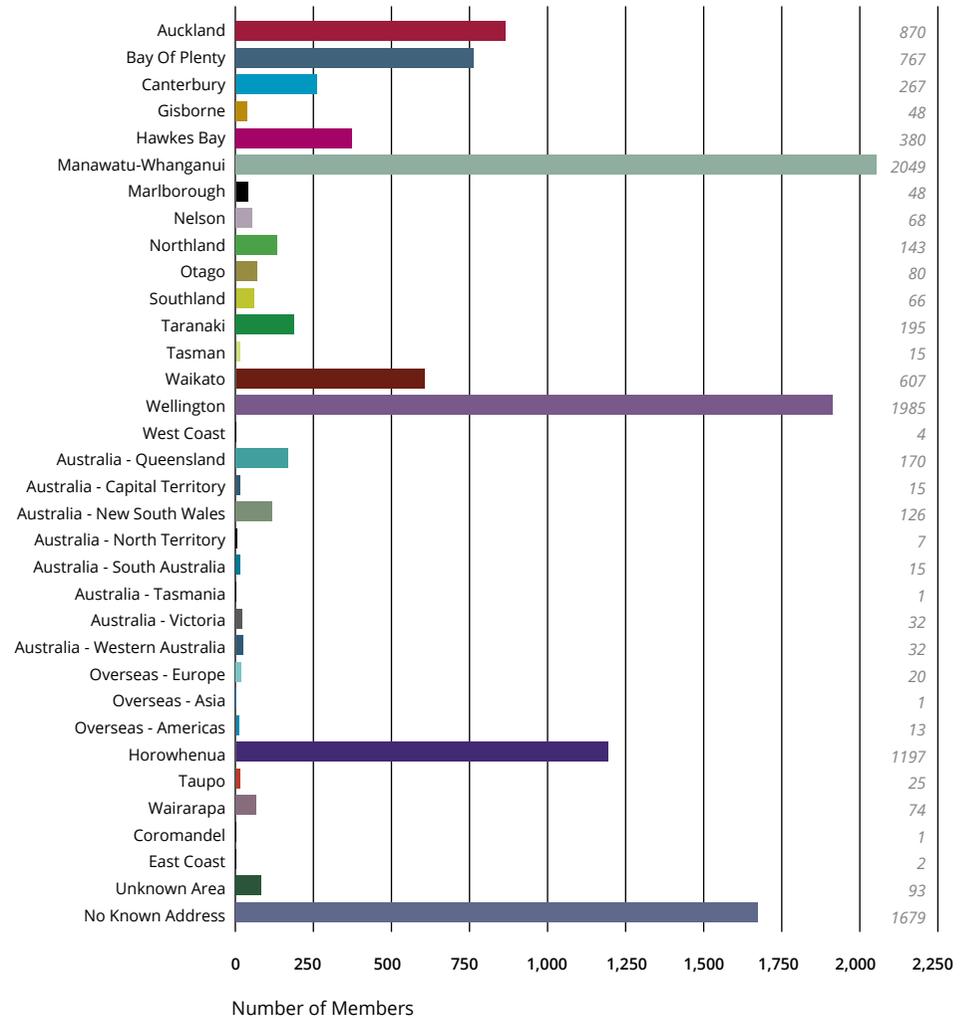
- 8,343 Validated members live in the North Island.
- 544 Live in the South Island
- 432 Live overseas, mostly in Australia
- 33 Live in Europe and the Americas

Nearly half of all members live in the Horowhenua, Manawatū/Whanganui and Wellington regions.

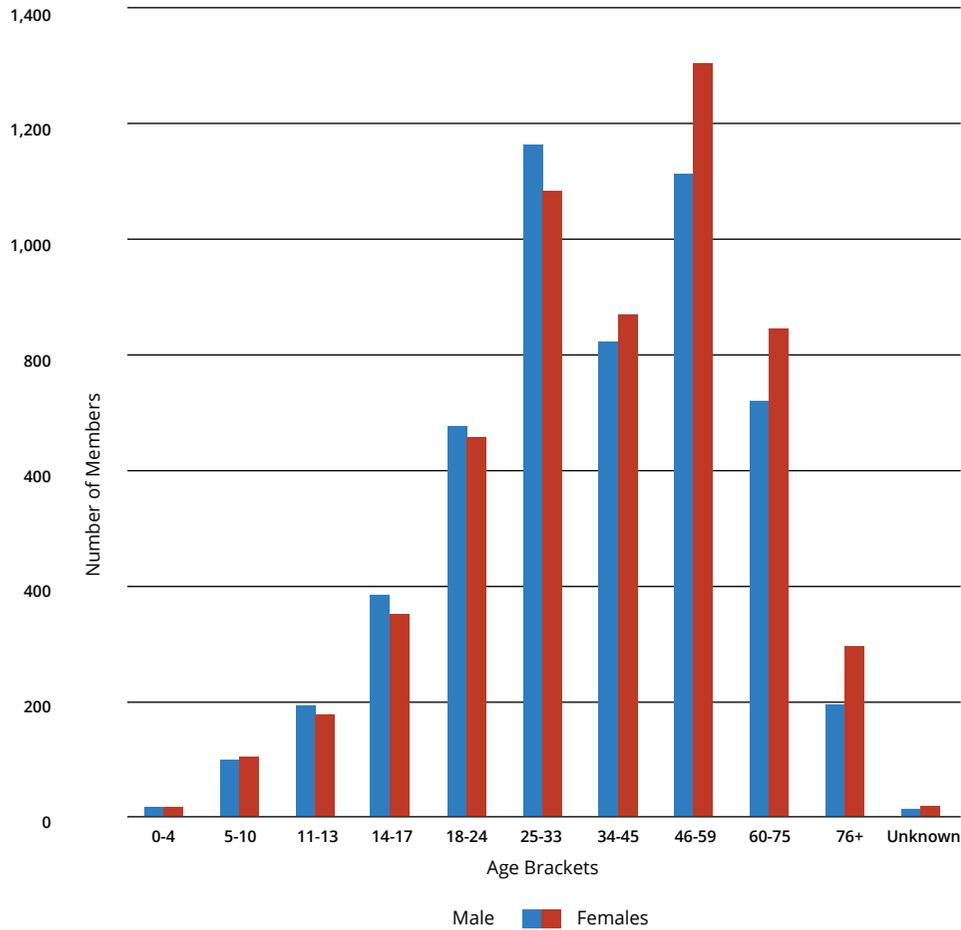
We have 1,679 members without addresses. If you are moving, please update us with your new address.

Graphs of the members by age, geographic location and by hapū/iwi affiliations follow.

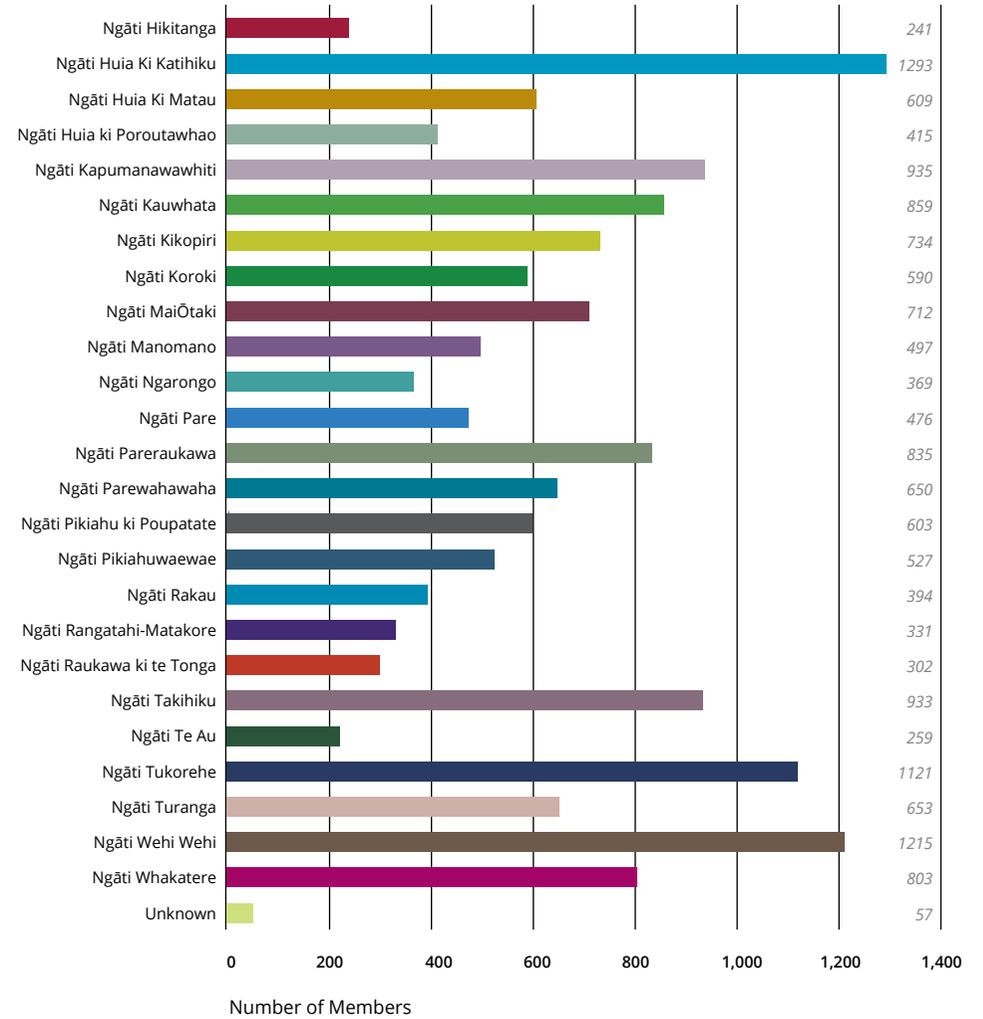
Validated Members by Geographic Location



Validated Members by Age – grouped by age brackets



Validated Members by Hapū / Iwi Affiliations







Accountability

The Māori Fisheries Act 2004, Schedule 7, Kaupapa 7 requires mandated iwi organisations to report on the following:

Strategic Plan 2021

E kore au e ngaro; he kākano i ruia mai i Rangiātea

Purpose

To hold, manage and administer the Trust Fund to benefit Raukawa ki te Tonga members through the expression of kaupapa tuku iho.

Mission Statement

Me whakamana tātou i a tātou,

Me whakamana i ngā tāngata,

Me whakaiti i a koe.

Ko ngā kaumātua, ngā puna o te mātauranga,

Mā te whakarongo, ka whakamanatia.

Ko ngā pakeke, ngā kaitiaki o tōku oranga,

Mā te āwhina, ka whakamanatia.

Ko ngā tamariki, ngā hua o tēnei ao,

Mā te awhitahi, ka ora ai.¹

Nā Hemi Te Peeti, Ngāti Whakatere, Ngāti Takihiku, Ngāti Matakore

¹ Honour each other and all people and be humble yourself. Honour and attend to our kaumātua, the source of our knowledge. Empower our elders, the guardians of our wellbeing. Embrace and nurture our children, the harvest of our world.

Kaupapa

The Trustees of Raukawa ki te Tonga Trust will work with kaupapa inherited from our tūpuna to enhance our relationships with one another and those with whom we work to achieve the aspirations of Raukawa ki te Tonga.

These kaupapa are guiding principles and values of te kākano i ruia mai i Rangīātea and are appreciated as taonga tuku iho over which we are guaranteed tino rangatiratanga under Te Tiriti o Waitangi.

- Whānaungatanga
- Rangatiratanga
- Whakapapa
- Kaitiakitanga
- Pūkengatanga
- Wairuatanga
- Kotahitanga
- Ūkaipōtanga
- Manaakitanga
- Te Reo

Whānaungatanga

We will maintain mana-enhancing relationships with members, kaumātua, AHC Directors, sub-committees, hapū and iwi representatives, Te Rūnanga o Raukawa, Te Wānanga o Raukawa, Te Ohu Kaimoana, legal counsel, accountants and auditors.

Rangatiratanga

We will maintain tino rangatiratanga of our people and the resources which we have received and developed on behalf of Ngāti Raukawa ki te Tonga.

Whakapapa

We will promote relationships and benefits through building a significant iwi register which records the names and contact details of all of our people.

Kaitiakitanga

We will protect and multiply the resources for which we have responsibility so that our mokopuna receive the benefits.

Pūkengatanga

We will enhance knowledge of our whakapapa through the iwi register, of the history and origins of Ngāti Raukawa ki te Tonga, and the background to the development of the Raukawa ki te Tonga Trust.

Wairuatanga

We will manage and promote relationships that enrich and enhance our wellbeing, the wellbeing of those with whom we work and that of the iwi.

Kotahitanga

We will promote collaboration within the Trust, within the iwi, with our beneficiaries and all with whom we work to achieve benefits for them.

Ūkaipōtanga

We will establish and affirm relationships of Raukawa ki te Tonga people with the Trust, whether they are resident within the rohe, in Aotearoa or overseas.

Manaakitanga

We will behave in mana-enhancing ways with each other, with all those who have an interest in the Trust, the work of the Trustees and who provide services to the Trust.

Te Reo

Ko te reo te kaupupuri i te Māoritanga: whāia kia mau.

Annual Plan

Annual Plan – Year Ended 2021 Kaupapa	Annual Plan for Year Ended 2021 Hiahia	Report Year Ended 2020 Outcomes
<p>WHAKAPAPA – to promote relationships and benefits through building the iwi register.</p>	<p>Promote the membership of individuals, with ongoing hapū and iwi registration drive. Target whānau with unregistered children and new Maori-me registrations.</p> <p>Updating, validating electronic registrations monthly. Increase membership to 11,500.</p> <p>Maintain an accurate database and respond to enquiries within 10 working days. Students requesting information are responded to within 5 days. Respond to requests for confirmation of iwi membership.</p>	<p>Registration Co-ordinator and Hapū Validation Committee members – established Māori-Me option and increased member to over 11,000 in 2020.</p>
<p>PŪKENGATANGA – to enhance knowledge of whakapapa, history and origins of Raukawa ki te Tonga and be familiar with the development of the Raukawa ki te Tonga Trust.</p> <ul style="list-style-type: none"> – maintain records of the development of the Trust. – enhance knowledge of financial policies, investment policy and financial performance 	<p>Review of Governance Manual. Update policies due for review. Promote Governance training including Trusts Act 2019 due 1 February 2021 and implications of new legislation, including mandatory responsibilities.</p> <p>Meet AHC Directors at each meeting for updates. AHC prepare quarterly reports for Trustees. Prepare annual accounts for audit October/Nov.</p> <p>Develop Trustee knowledge on investment and financial performance of the Trust.</p> <p>Review administration systems and processes, files and records, including minute books & correspondence files; Maintain archival files of all relevant reports and documents monthly.</p>	<p>All policies due for review and update have been dealt with. All trustees to attend training: Chair attended Kahui Legal training for trustees.</p> <p>Directors have reported quarterly as agreed. Trust budget prepared and presented. Training available for trustees.</p> <p>Secretary set up Google Drive for files. Maintains hard copy of files in office. Secure back-up systems. Major update of archives underway.</p>

Kaupapa	Hiahia	Outcomes
RANGATIRATANGA – to maintain the tino rangatiratanga of whānau, hapū and iwi of Raukawa ki te Tonga and the resources received on their behalf.	Complete the Annual Plan for 2020-2021 in October 2020.	Completed for Annual Report.
	Develop an effective Communications Plan for members.	Social media - Facebook, website and pānui have been used effectively to promote the Trust. Rūnanga Whaiti updated annually.
	Engage with Te Ohu Kaimoana in the changes to a new business model. Attend Conference and AGM 2021.	Special General Meeting attended in 2020. Two trustees to attend AGM 2021.
TE REO – ko te reo te kaupupuri i te Māoritanga: whāia kia mau.	Promote tikanga Maori though the use of te reo māori in our work for the Trust.	Registration forms are available in te reo and English.
	Ensure registration process (including forms) are Te Reo user- friendly.	Ongoing work is planned.
	Increase use of Te Reo in our documentation, policies and communication.	Intention and willingness to promote te reo is evident.
	Develop strategies which reflect a commitment to the Mission Statement and Trust kaupapa.	All trustees are engaged.
MANAAKITANGA – to behave in mana-enhancing ways towards each other as Trustees and those we serve, and with whom we work.	Maintain and develop respectful relationships within the Trust and with key allies, including Directors, auditors, Rūnanga staff, Wānanga staff, hapū and iwi members. Align the Trust with other Raukawa organisations through joint hui and co-operation.	All trustees are committed to this and seek opportunities for promotion of the Trust goals.
	Assist whānau with identifying their hapū whenever requested. Internet enquiries responded to.	Secretary has prioritised this successfully in 2020.
	Implement Shareholders Agreement.	Completed in 2020.

Kaupapa	Hiahia	Outcomes
WHĀNAUNGATANGA – to develop and maintain mana-enhancing relationships with each other as Trustees and Directors, and others.	Identify individual training needs for trustees. Support new trustees with Induction Manual and information.	Two new trustees provided with induction folders and presentation by Directors.
	Ensure all reports are sent to Trustees and Directors at least one week prior to all meetings.	An effective set of procedures enable smooth running of Trust hui is in place.
KAITIAKITANGA – to protect and multiply the resources which we as Trustees have responsibility for so our mokopuna receive the benefits.	Report at AGM on the performance of the Trust & AHC. Hold AGMs at marae throughout the rohe.	Reporting to members has been successful every year. Nine marae have hosted AGMs.
	Attend hui and engage in the FMA8 roopu, relating to Customary fishery.	Prioritised by trustees who then report to the Trust.
	Fulfil relevant compliance in accordance with relevant legislation (IRD and financial reporting standards). Provide relevant documents for the annual audit.	Policies and processes have been reviewed and recommendations actioned by Office Manager.
KOTAHITANGA – To promote collaboration within whānau, hapū and iwi of Raukawa ki te Tonga and those we work with to achieve benefits.	Develop a strategy for resolving in-shore fishing allocations referred to Te Ohu Kaimoana in 2020.	Referred to the Māori Land Court for action.
	Review the Distribution Policy in 2021. Report on Distribution Policy to members at AGM through a newsletter and the website. Report on Distributions to members. Update process for Fish Distribution.	Policy due for review being undertaken in 2021. Fish Distribution lower due to COVID-19 and closure of marae in 2020.

Kaupapa	Hiahia	Outcomes
WAIRUATANGA – to promote relationships that enhance the wellbeing of whānau, hapū and iwi of Raukawa ki te Tonga.	Promote the kaupapa of the Trust.	
	Work effectively within the Trust for the benefit of members.	All trustees have committed to the kaupapa.
	Respect the contribution and skills that trustees and directors bring to the entity.	All trustees work in collaboration with each other and the AHC Directors.
ŪKAIPŌTANGA – to establish and affirm relationships of whānau, hapū and iwi of Raukawa ki te Tonga within Aotearoa and overseas.	Develop, and monitor the effectiveness of the Communications Plan. Effectively utilise the web and electronic communication forums. Maintain and update the website monthly.	The Board secretary has worked to maintain effective communication between the Trust and members.
	Update register of Interests at each meeting.	Register overseen by the secretary, updated at the request of Trustees at each meeting.
	Send epānui to members quarterly. Collaborate with key entities to access and effectively manage membership data on a timely basis.	Membership database has been a priority in 2020. Updating occurs monthly.

November 2020



DEBRA BIRCH
CHAIR
RAUKAWA KI TE TONGA
AHC LIMITED

RAUKAWA KI TE TONGA AHC LIMITED

Chair's Report

It is my pleasure to provide this report for the financial year ended 30 September 2020.

While the past year has been unprecedented due to COVID-19, the AHC has performed exceptionally well during this challenging period.

COVID-19

We chose not to take up any wage subsidy or other Government assistance in the form of loans during the period as the company had sufficient working capital to see us through any unforeseen economic shock.

Investment Portfolio

In early 2020 we sold down the AHC's listed equities portfolio in order to reinvest into a passive and more diversified portfolio of similar listed growth assets, as signalled in last year's report. We were fortunate with our timing, selling near the top of the market pre-COVID-19 and buying at favourable prices in April, May and June following a substantial market correction which saw markets down by more than 30 per cent at the end of March.

The AHC investment portfolio is performing very well, up 9.50 per cent annualised as at the end of the financial year (30 September 2020) and has continued to improve since then.

Fisheries Assets

As you know, the AHC's fisheries assets represent some two-thirds of the total portfolio and include Fisheries Quota valued at \$8,525,644 and AFL Shares valued at cost of \$8,959,631. Prices for leasing Annual Catch Entitlement (ACE) have fallen significantly with expectations of a slow recovery into 2021. Consequently, this has impacted adversely on our expected return by some 10 per cent.

We are cognisant that, during difficult times, we need to be mindful of counterparty and credit risk. We have, therefore, deliberately opted to lease our quota to companies with a strong balance sheet. This ensures that we are prudently managing and minimising our exposure to volatility in an uncertain and recessionary environment.

People

We congratulate long-serving staff member Cassidy Pidduck on being promoted to the role of Office Manager. This promotion followed the restructuring of the executive team and the appointment of Richard O'Hara as Finance Manager.

Richard is an experienced Chartered Financial Analyst® (CFA®) charterholder and has a BCA, majoring in Accounting, Commercial Law and Marketing from Victoria University of Wellington. He has worked on large, complex projects across government and the private sectors. He has been engaged on a part-time basis and will oversee the day-to-day operation of the AHC assisted by Cassidy Pidduck.

We farewelled Jack Morris in October to take up a new role with Callaghan Innovation. The board thank Jack for his contribution and wish him well in his new role.

Shelley Macrae who had been an AHC director since 2014 stepped down from the board this year. We thank Shelley for her service over that time and for,

more recently providing support and contributing her institutional knowledge to the new board members.

On 1 October, we welcomed Toni Kerr as a new director on the AHC Board. Toni has over 30 years' experience in financial markets and private banking working in Australia, Hong Kong and more recently Aotearoa New Zealand. She also has extensive governance experience having been a Director of the Government Superannuation Fund Authority and New Zealand Community Housing Funding Limited and as a Member of the IHC Audit and Risk Committee. She was previously Deputy Chair of Te Tikanga Marae Committee and represents Hau Ariki marae on the South Wairarapa District Council's Māori Standing Committee. She is also a Steering Group Member of the Community Governance Project led by the Centre for Social Impact.

Toni has a Bachelor of Business degree majoring in accounting from Sydney's University of Technology and is a Member of the Institute of Directors. She is currently a Principal Advisor in the Investment team at Te Puni Kōkiri responsible for building investment-related capability amongst whānau and communities, including Māori governance capability.

Toni Kerr's appointment to the board completes the governance restructure process which commenced at the beginning of the previous financial year. The AHC now has a diverse board with significant commercial, legal and investment experience coupled with a deep knowledge of fisheries policy and management.

Waste Transformation Limited

Waste Transformation Limited (WTL) has been the subject of considerable focus again this year. Directors Debra Birch and Guy Royal (Chair) now sit on the Board of this company. This work has involved investigating its operations and the

underlying commercial model, the development of a new brand, Charwood™, logo and website (www.wastetransformation.co.nz). The WTL business is still under evaluation by Raukawa AHC as to whether it remains a viable investment proposition and consider options going forward.

A clear focus of the team has been to manage its costs and generate sufficient cashflow to meet WTL's outgoing expenses and remove the need for ongoing monthly investment into the business. We have also received funding from New Zealand Trade & Enterprise to engage external experts to undertake a feasibility study to validate the WTL technology and market potential.

Looking ahead, we will continue to closely monitor WTL's performance against revenue targets over the next six months.

Other activity

The AHC owns a commercial building, 44 Riverbank Road, Ōtaki which is leased to Matta Products. Matta are a local company who manufacture safety surfacing primarily for use in outdoor and indoor playgrounds. They are a good long-term tenant who was adversely impacted during the COVID-19 lockdown. To assist them and retain their tenancy, we discounted the rent for the period May to December. From December onwards, the rent Matta pay will increase based on the property's new valuation.

Dividend

The Board is pleased to announce that a dividend payable to the Trust for the year ending 30 September 2020 of \$282,167.00.

In conclusion

The AHC has coped well during a challenging period and has grown its total investment portfolio by \$1.0 million or 4.0 per cent (based on market value of listed equities and purchased quota).

Over the next twelve months, we will be looking at a number of opportunities to invest locally. These opportunities will be assessed according to our investment portfolio mandate and be subject to due diligence, consistent with a small allocation to direct investment.

The AHC is also well-positioned to be able to partner with other commercial entities and in particular iwi in neighbouring rohe or across the motu.

The AHC has once again very much appreciated the support provided by the Trust board over the past 12 months. I also want to thank my fellow board members past and present for their ongoing support, passion and commitment to our Kaupapa.

On behalf of board and management, thank you for entrusting us with the mandate to manage and grow your assets. It is a privilege you bestow on us and one that carries considerable responsibility.

We acknowledge the trust you have placed in us and, you can be assured, of our commitment to managing and sustainably growing your assets for the benefit of Raukawa ki te Tonga and our members.

DEBRA BIRCH
CHAIR
RAUKAWA KI TE TONGA AHC LIMITED

**RAUKAWA KI TE TONGA
AHC LIMITED**
Directors



DEBRA BIRCH cMinstD, AIF®
DIRECTOR AND BOARD CHAIR

**Ngāti Raukawa, Ngāti Tūwharetoa,
Ngāti Hauiti, Ngāti Rangī, Ngāti Apa**

Debra has over 30 years' executive experience of financial markets managing global investment portfolios in Asia, Australia and New Zealand. More recently, she has been a professional director and

her focus has been on Māori economic development.

She is currently a non-executive Director of Tourism Holdings, Ngāti Awa Tourism, Ngāti Awa Group Holdings, Te Pūia Tāpapa GP, Tūwharetoa Hau Rau GP, Taupō Moana Investments Limited, and a Trustee of Wellington Free Ambulance Trust and Manu Rere Charitable Trust.

Debra is a member of the Te Puna Whakaaronui Thought Leaders Group (Food and Fibre) and the KiwiSaver Default Provider Review Panel, a Chartered Member of the New Zealand Institute of Directors, an Accredited Investment Fiduciary® (AIF®), a Registered Financial Adviser, a member of the Institute of Financial Professionals NZ Inc (INFINZ) and has a post-graduate Certificate in Investment Analysis from Otago University.



GUY ROYAL LLB
DIRECTOR & DEPUTY CHAIR

**Ngāti Raukawa, Ngāti Tamaterā,
Pare-Hauraki, Ngā Puhī,
Ngāti Hine**

Guy Royal has over 20 years' experience as a commercial corporate lawyer and has advised clients in New Zealand, Hong Kong,

Vietnam and the United Kingdom. He specialises in joint venture arrangements, and mergers and acquisitions, in particular he has experience working with indigenous groups.

He has extensive governance experience and is currently a director of CH4 Limited, a marine-farmed methane inhibitor for the agricultural sector; Tuia Group Limited, a privately held professional services firm; a partner with Tuia Legal; and a director of ColabNZ (2 Kitchener) Limited, co-working and shared workspace business. He was previously on the Board of Kiwirail Holdings Limited, Chairman of Toitu Te Waonui Limited, New Zealand Fast Forward Fund Limited, Crown Forest Rental Trust, the Film and Literature Review Board, among others.

Guy has a Bachelor of Laws from the University of Auckland, is a member of the Venture Capital Association, the Corporate Lawyers Association, the Institute of Directors and the Māori Lawyers Association.



GRAEME HASTILOW BCA
DIRECTOR

**Ngāti Raukawa, Ngāti Toa Rangatira, Ngāti
Tūwharetoa**

Graeme is a member of Te Ohu Kaimoana's leadership team and Manager of Te Wai Māori Trust and joined the AHC Board in March 2020.

He began his career with Te Rūnanga o Toa Rangatira, the mandated iwi authority for Ngāti Toa Rangatira and the administrative body of iwi estates and assets, where he was responsible for resource management projects on behalf of the Rūnanga, customary fishing activities and developing and managing iwi environmental projects including marine research.

While in London, between 2011 and 2012, he worked for Immigration New Zealand before joining Te Ohu Kaimoana (TOKM) in early 2013.

At TOKM his career has encompassed a 10-month placement with Nippon Suisan in Tokyo, Japan, on a scholarship where he gained experience in the global fisheries business with a particular focus on finfish aquaculture and provenance/traceability. On his return to New Zealand, he worked at TOKM as a Policy Analyst facilitating aquaculture settlements between Iwi Aquaculture Organisations and the Crown, advising on Marine Protected Areas, fisheries sustainability rounds and representing TOKM and Iwi on the National Rock Lobster Management Group.

Graeme's current role involves engaging with Iwi, hapū and Crown agencies on freshwater fisheries matters and providing technical advice and assistance to Iwi and hapū to enhance Māori interests in freshwater fisheries and habitat.

He has a Bachelor of Commerce and Administration (BCA) from Victoria University of Wellington with a double major in Commercial Law and Māori Resource Management.



SHELLEY MACRAE
DIRECTOR

**Ngāti Raukawa,
Ngāti Tūwharetoa**

Shelley has been a Director of Raukawa ki te Tonga AHC since 2014. She is well-known in the community as the Managing Director of Sander Apparel, an Ōtaki company that manufactures ties and

scarves. Sander Apparel exports to Australia but is best-known for making All Blacks' ties and cufflinks. Shelley and her partner bought the business in 2015, but Shelley has worked in the business for the past 25 years.

Sander Apparel offers an annual scholarship for students at Ōtaki College, the Sander Scholarship. Each year a student from Ōtaki College has the opportunity to apply for this scholarship that enables a student to travel to Aberdeen in Scotland as part of a reciprocal arrangement with Robert Gordon's College to represent the college and Ōtaki overseas.

Before joining Sander Apparel, Shelley was a meat trader for Affco New Zealand in Auckland and worked for Christchurch-based Mair & Company as a Hide Trader. Born on the Kāpiti Coast, Shelley lives in Manakau and was educated at Kāpiti College.

Note: Shelley resigned from the Board on 30 June 2020 and has since been replaced by Toni Kerr.



TONI KERR MINSTD, B.BUS
DIRECTOR

Ngāti Raukawa, Ngāti Tūwharetoa

Toni has over 30 years' experience in financial markets and private banking working in Australia, Hong Kong and more recently Aotearoa New Zealand. Offshore she held senior positions with Societe Generale in Sydney and with BNP Paribas in Hong Kong.

On returning to Aotearoa New Zealand in 2008, she joined Kiwibank as Head of Treasury and International Operations before joining H.R.L. Morrison Co in 2016 as Manager, Client Operations Risk and Assurance.

Toni also has extensive governance experience having been a Director of the Government Superannuation Fund Authority and New Zealand Community Housing Funding Limited and as a Member of the IHC Audit and Risk Committee. She was previously Deputy Chair of Te Tikanga Marae Committee and represents Hau Ariki marae on the South Wairarapa District Council's Māori Standing Committee. She is also a Steering Group Member of the Community Governance Project Centre for Social Impact.

She has a Bachelor of Business degree majoring in accounting from Sydney's University of Technology and is a Member of the Institute of Directors.

Toni is currently employed as a Principal Advisor in the Investment team at Te Puni Kōkiri and has responsibility for building investment-related capability amongst whānau and communities, including Māori governance capability.

Note: Toni joined the AHC Board on 1 October 2020, replacing Shelley MacRae.

Executive



JACK MORRIS MBA,
MPlan Practice, BA,
Poupou Huia Te Reo
CHIEF EXECUTIVE

**Ngāti Raukawa and
Ngāti Kahungunu**

Jack was Chief Executive of Te Wānanga o Raukawa Foundation prior to joining the AHC.

He has held senior roles managing complex relationships in local government and the commercial infrastructure sector working for CentrePort Wellington.

Born in Masterton, the family subsequently moved to Southland where Jack attended Central Southland College in Winton, Southland. His grandmother is the late Kōwhai Pāku. The Pāku whānau continue to live and work in Ōtaki. Jack is married to Samantha and they have a daughter at Wellington East Girls College.

He is a member of the New Zealand Institute of Directors and has an Executive MBA from Massey University.



RICHARD O'HARA

**Chartered Financial Analyst® (CFA®) BCA
FINANCE MANAGER**

Richard is a Chartered Financial Analyst® (CFA®) charterholder and has a BCA, majoring in Accounting, Commercial Law and Marketing from Victoria University of Wellington. He is the Director of Trigpoint Capital Limited, an investment research,

analysis and advisory services consultancy. Richard has previously held roles with Ernst and Young Transaction Advisory Services in Wellington and ReSolve Group in London.

He has been engaged following a review of the company's operations to fulfil the Finance Manager role on a part-time contract basis, working with Cassidy Pidduck, AHC's Office Manager and reporting directly to the AHC Board.

Richard brings extensive experience to the role having worked in corporate finance in Aotearoa New Zealand and the United Kingdom. He has been involved in several private business transactions, managed a range of business valuation and financial modelling engagements and has undertaken due diligence assignments nationally and internationally.



CASSIDY PIDDUCK ADMINISTRATOR

Te Ati Awa ki Whakarongotai

Cassidy has been a part of the Raukawa AHC since 2016. She has also recently started assisting Raukawa ki te Tonga Trust with their administrative requirements.

She is of Te Ati Awa ki Whakarongotai descent and has lived in Ōtaki all her life.

Cassidy provides accounts and finance administration services to a number of local entities and manages a foundation business with her partner.

She was previously the Office Manager of the Ōtaki and Porirua Trusts Board before leaving for a very brief stint in Christchurch during the rebuild.

Cassidy has four children that attend kura in Ōtaki. Cassidy and her family have a strong sporting background and are a keen part of the Ōtaki sporting community.



Assets and Investments

Highlights of the
Financial Year ending
30 September 2020

- The financial year ending 30 September 2020 (FY20) saw significant disruption from the outbreak of COVID-19. With the virus spreading across the globe and New Zealand experiencing a period of 'lockdown', the AHC and its investments have also been impacted. However, the market volatility and sudden change in economic outlook has also provided a test for the AHC's diversified investment portfolio. Whilst certain investments have been impacted more than others, overall the performance of the investment portfolio has been relatively strong with net assets increasing by 6 per cent from the previous year.
- The Investment Governance Policy agreed by the Board includes an average expected gross return of 7.2 per cent (before allowing for inflation and costs) per annum with a 65 per cent target asset allocation to growth assets and 35 per cent to defensive assets.
- The largest investment of the AHC are shares in Aotearoa Fisheries Limited (trading as Moana NZ) with a carrying value of \$9.0m as at 30 September 2020. During FY20, these shares generated dividends of \$317,000 to the AHC implying a 3.5 per cent return. These shares are subject to constraints applicable to settlement assets and are not able to be sold.
- At the end of 2019, the Directors decision to sell the previous portfolio of listed equities and bonds and move to a more globally diversified, socially responsible approach, was executed. Based on advice from MyFiduciary, investment execution for the new portfolio was implemented from April 2020 to July 2020. This proved to be favourable timing with the return since inception to 30 September 2020 of 9.5 per cent on an annualised basis, after fees and trading expenses (calculated using the money weighted IRR method).
- Annual Catch Entitlement of various species was sold to seven different parties during the year generating \$667,000 with a large portion of revenue being received from Moana NZ (in relation to Paua quota) and Sealord (under the long-term Nga Tapuwae o Māui agreement). With the carrying value of \$8,526,000 (after revaluation) this equates to a return of 7.8 per cent.
- On 4 September 2020, an additional \$500,000 was loaned to Taranaki Whānui Limited taking the total loan to \$1,500,000 with an interest rate of 7.0 per cent per annum agreed on the full amount outstanding going forward.
- Rent relief was provided to Matta Products in relation to 44 Riverbank Road, Ōtaki, due to financial distress caused by COVID-19. It was agreed that a 50 per cent rent reduction would be applied from 1 April 2020 to 30 June 2020. This was subsequently extended to 30 September 2020. Based on the carrying value of \$510,000, the return after discounted rent equates to 6.3 per cent.
- Further debt funding has been provided to Waste Transformation Limited (WTL) during FY20 totalling \$313,000. Whilst WTL is showing potential, significant concerns remain regarding the financial viability of this business and as such, the amount owed to AHC has been considered a doubtful debt. As at 30 September 2020, the AHC Board were undertaking a review of the options available to protect their investment and reduce further losses in future.
- AHC holds illiquid investments in Maui Capital and Partners Life with a carrying value of \$77,000 and \$250,000 respectively. 50 per cent of Maui Capital's investment portfolio relates to Partners Life therefore the performance of these investments is largely reliant on Partners Life. Partners Life specialises primarily in providing life, trauma, disability, income and medical insurance.
- Jack Morris ceased employment as CEO with the AHC on 9 October 2020. Richard O'Hara has been engaged as Finance Manager and is responsible for the management of day-to-day operations of the AHC.



Investment Portfolio

The AHC was established as the commercial organisation to manage various settlement assets and investments of Raukawa ki te Tonga Trust (the Trust) on a commercial and sustainable basis.

As at 30 September 2020, the AHC had investments totalling \$26,658,938 (excluding cash) based on fair market value where applicable.

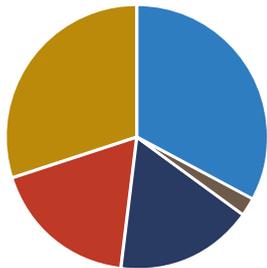
The Board has continued its diversified investment strategy with the target portfolio of 65 per cent allocation to growth assets and 35 per cent allocation to defensive assets. The objective of diversification is to develop an investment portfolio of various asset classes which have limited correlation therefore react differently to market conditions.

As a result, the overall return of the portfolio should be less volatile over time. Whilst the portfolio remains over-weight to fisheries assets, this is largely due to the restrictions on settlement assets.

The following pie-charts show the Current Asset Allocation of the AHC Portfolio as at 30 September 2020, compared with the Strategic Asset Allocation (target portfolio), based on fair market value where applicable:

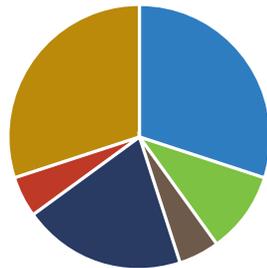
Current Asset Allocation

● Shares in Unlisted Companies	33%
● Private Market Investments	0%
● Private Market Property	2%
● Shares in Listed Companies	17%
● Fixed Income and Cash	18%
● Fisheries and Quota	30%



Strategic Asset Allocation

● Shares in Unlisted Companies	30%
● Private Market Investments	10%
● Private Market Property	5%
● Shares in Listed Companies	20%
● Fixed Income and Cash	5%
● Fisheries and Quota	30%

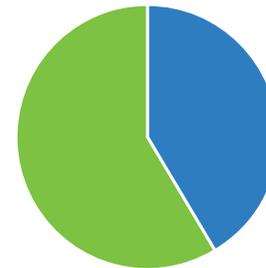


It is accepted that the Current Asset Allocation is never going to perfectly align to the Strategic Asset Allocation as investment values change over time and due to the time it takes to reallocate capital, especially private market investments which are not easily traded. However, when opportunities arise, the AHC will look to increase exposure to Private Market Investment and Private Market Property and reduce exposure to Fixed Income and Cash.

As shown in the pie-charts below, the portfolio is currently over-weight defensive assets, based on values at 30 September 2020.

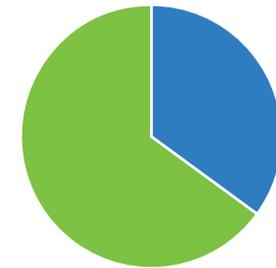
Current Portfolio

● Defensive Assets:	41%
● Growth Assets:	59%



Target Portfolio

● Defensive Assets:	35%
● Growth Assets:	65%



Given the extremely volatile economic conditions over the 12 months ending 30 September 2020, the relatively stable performance of the investment portfolio has proved that the diversified strategy implemented has been robust. However, the Board remain cautious about the years ahead given the economic headwinds that exist, especially for the New Zealand fisheries industry.

Investment Portfolio by Asset Class

1. Shares in Unlisted Companies

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
Aotearoa Fisheries Limited	\$8,959,631	32%
Partners Life	\$250,000	1%
Total	\$9,209,631	33%

2. Private Market Investments

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
Maui Capital Fund*	\$50,820	< 1%
Total	\$50,820	< 1%

3. Private Market Property

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
44 Riverbank Road	\$521,244	2%
Total	\$521,244	2%

4. Shares in Listed Companies

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
Diversified equities portfolio*	\$4,726,448	17%
Total	\$4,726,448	17%

5. Fixed Income and Cash

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
Cash	\$1,238,839	4%
Term deposit	\$160,536	1%
Diversified fixed income portfolio*	\$2,125,151	8%
Taranaki Whānui Limited loan	\$1,500,000	5%
Total	\$5,024,526	18%

6. Fisheries Quota

INVESTMENT	BOOK VALUE	PERCENTAGE OF PORTFOLIO
Purchased quota*	\$5,000,398	18%
Settlement quota	\$3,525,246	13%
Total	\$8,525,644	30%

* Presented at fair market value rather than cost which differs from the Consolidated Performance Report.

Fisheries Investments

Background

In 2010 Ngāti Raukawa ki te Tonga received the agreed settlement quota resulting from the Maori Fisheries Act 2004. At this time, the Raukawa ki te Tonga Charitable Trust was established as the Mandated Iwi Organisation (MIO), the governance entity for the iwi for fisheries settlement purposes. The Asset Holding Company (AHC) was also established to receive and hold fisheries settlement assets including quota and income shares in Aotearoa Fisheries Limited. Since that time, the AHC has purchased additional non-settlement quota, with a current market value of over \$5 million.

As at 30 September 2020, the AHC's fisheries assets represent approximately 62 per cent of the total portfolio based on Fisheries Quota valued at \$8,525,644 and AFL Shares valued at cost of \$8,959,631.

By way of context, an explanation of some of the terms used when referring to fisheries assets, including quota, ACE, and TACC is provided.

Quota

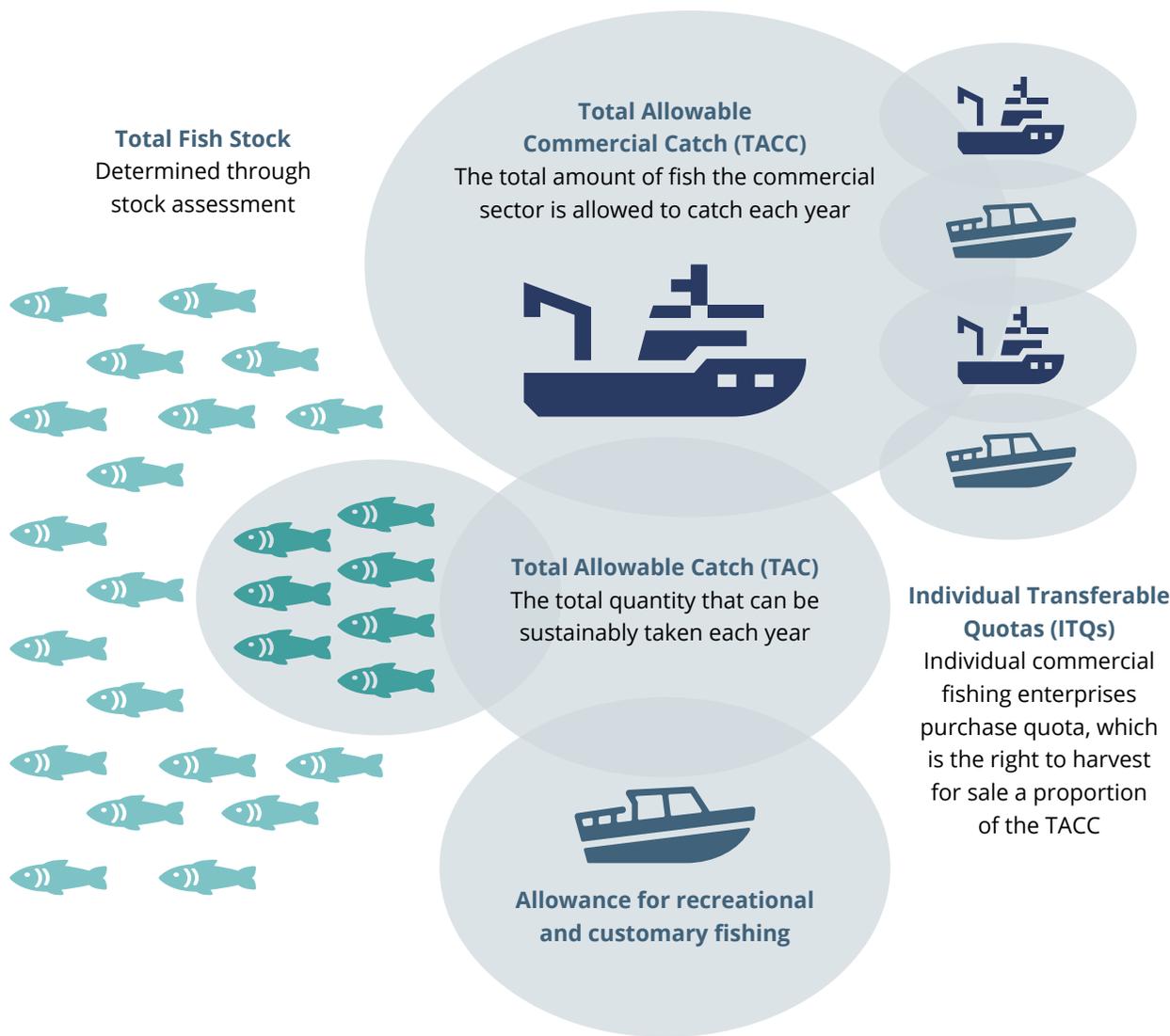
The Asset Holding Company (AHC) owns quota shares in 240 fish stocks. The majority of this is settlement quota derived from the fisheries settlement under the Maori Fisheries Act 2004. The AHC also owns normal quota for several fish stocks, primarily Paua quota in several different quota management areas. The number of quota shares owned in a particular fish stock represents ownership of a certain proportion of a Total Allowable Commercial Catch (TACC), and the amount of Annual Catch Entitlement the AHC receives every year is based on the number of quota shares we hold.

Annual Catch Entitlement (ACE)

ACE is the annual right to catch a specific amount of a fish stock within the quota management system. ACE is calculated in kilograms and is allocated on the first day of the fishing year to the owner of the quota shares from which it is generated. Because the AHC is not involved in the business of fishing, every year we sell our ACE to fishing companies with the objective of maximising our return.

Total Allowable Commercial Catch (TACC)

TACC is the total amount of ACE that is available to be caught in each fishery, and along with allowances for Māori customary fishing, recreational fishing, and other sources of fishing-related mortality (OSFM), make up the Total Allowable Catch (TAC). This is outlined in the image overleaf.



Despite best endeavours, a significant portion of the quota that has value does not generate a return each year (in the form of ACE sales). Some of this is because our holdings are not of sufficient quantities to generate any interest from fishers, and in some cases, there is no market for certain ACE packages. An example of this is Southern Blue Whiting and Southern Bluefin Tuna which are explained in more detail below:

- Southern Blue Whiting are a high volume, low-value fish, mainly used for fish products. They are a deepwater stock, which are primarily caught around the sub-Antarctic Islands. The TACC for Southern Blue Whiting (across all Quota Management Areas) is close to 50,000 tonnes. As it is a deepwater stock, the AHC owns settlement quota in all of the Quota Management Areas. The largest holding of Southern Blue Whiting that is held by the AHC is in SBW6I (227 tonne of ACE). In SBW6I only 68 per cent of the total TACC is actually caught (based on previous years) and given the small size of our holding, it is unlikely that fishing companies will be interested in purchasing our ACE. It is also important to note that SBW6I is in the sub-Antarctic, at the very edge of our Exclusive Economic Zone. As such, only companies with large vessels are fishing in the area, which happen to be the same companies that own large quantities of their own quota.

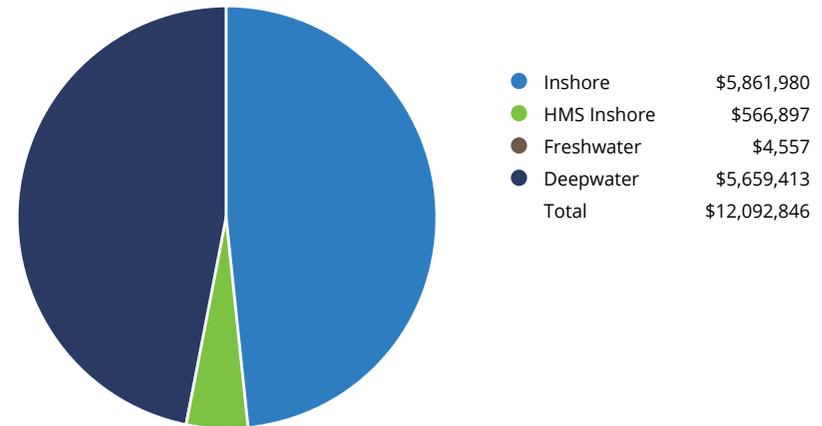
- Southern Bluefin Tuna is a highly migratory species and is managed as a single stock (i.e., not broken down into Quota Management Areas). For the whole country (including the Kermadec region) that is STN1, there is a TACC of 1,046 tonne and the catch for this species varies wildly every year. The AHC owns ACE of roughly 6 tonne. Two years ago, the TACC was increased as data was showing that there was abundance far greater than previously thought. Last year the proportion of TACC actually landed was 82 per cent, and the year prior 91 per cent so not all of the TACC is being caught every year. This is a high value but relatively small volume fishery, that is almost solely reliant on export to Tokyo. The reason not everything was caught in 2020 was due to COVID-19. Because of COVID-19, the freight into Tokyo became far less frequent to the point it became unreliable, and the cost of freight increased dramatically. Fishers aren't paid until the product is sold (i.e., it's not pre-sold before putting it on a plane), so many fishers were caught out with either ACE they couldn't fish, or fish they had caught but then couldn't sell. There is no reason we shouldn't be able to sell that ACE in the future, COVID-19 dependent.

Due to restrictions on settlement quota, the AHC is unable to divest quota that is not producing a return. For these reasons, the AHC has been making contact with industry specialists to understand how such quota can be utilised more efficiently.

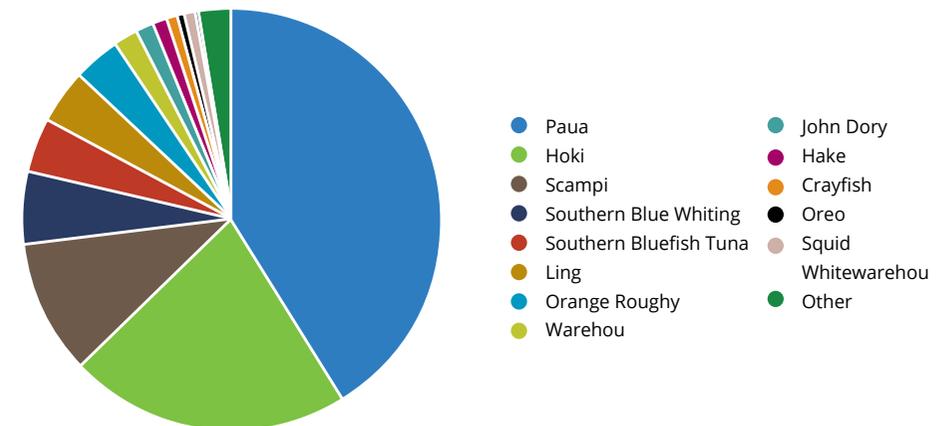
This is not a unique issue to Raukawa ki Te Tonga AHC, many iwi hold small packages of quota that is not in demand and therefore does not produce a return.

The market value of AHC quota is summarised in the following charts:

Market value of AHC quota by fishing category



Value of AHC quota by fish stock



Challenges of Financial Year to 30 September 2021

COVID-19 presented the Asset Holding Company with a number of challenges, including decreasing ACE prices. As export markets closed, our ability to sell certain ACE packages and maintain returns became harder. By the close of the financial year, our ACE returns have bounced back, but some are still below previous years returns. This may continue in the short term.

Returns from shares in Aotearoa Fisheries Limited (Moana NZ) remain low relative to some of the other assets held by the AHC. During COVID-19 lockdown, Moana NZ revised its forecast down, however by 30 September returns had improved. This was primarily due to the better performance of Sealord Group Limited, AFL owns 50 per cent of Sealord, which had its best operating year to date owing to good sales, and better productivity through their new vessel Tokatū.

Despite its recent vessel upgrade, Sealord is still reliant upon foreign fishing crews to catch some of its deep-water quota (Hoki). This attracted considerable attention in light of border closures and COVID-19, as Sealord were unable to engage sufficient numbers of skilled local staff to catch its ACE. Sealord is the largest deep-water quota owner in Aotearoa.

Until amendments to the Maori Fisheries Act 2004 are passed, Te Ohu Kaimoana continues to hold 20 per cent of the income shares and 100 per cent of the control shares in Aotearoa Fisheries Limited. In order to give effect to parts of the amendments, Te Ohu Kaimoana has proactively begun distributing its share of the Moana dividend to Iwi, based on the allocation model described in the Act. This financial year has resulted in a further amount for Raukawa ki te Tonga which will be transferred to the MIO, Raukawa ki te Tonga Trust, to be used for charitable fisheries purposes.

Te Ohu Kaimoana continues to provide policy advice and support on fisheries management issues affecting our coastline. This year that has included: regular updates to iwi on the ongoing discussions with the Crown over the establishment of the Kermadec Ocean Sanctuary; sustainability rounds (including stock assessment for CRA4) and working to address 28N rights in fisheries throughout Aotearoa including SNA8. We are aware that some iwi are also progressing proposals to purchase Cloudy Bay Clams which owns significant surf clam quota in FMA8.

Finally, and as noted in the Chair's Report, prices for quota fell significantly with expectations of a slow recovery into 2021. Consequently, this impacted adversely on expected return by some 10 per cent. The Directors, cognisant of that during this difficult time, needed to be mindful of counterparty and credit risk. They therefore deliberately opted to lease our quota to companies with a strong balance sheet to ensure they were managing the quota prudently and minimised exposure to volatility during an uncertain and potentially recessionary environment.

Other Investments

1. Private Market Property

On 18 January 2019, the AHC purchased a commercial property at 44 Riverbank Road, Ōtaki for \$510,000. The property is tenanted by Matta Products, a business founded in Ōtaki which exports globally. Due to the financial pressure caused by COVID-19, discounted rent was agreed with Matta Products between 1 April 2020 and 30 September 2020.



2. Diversified Listed Equities Portfolio

Raukawa AHC's investments include a globally diversified listed portfolio, which is around 30 per cent invested in investment grade bonds and 70 per cent invested in growth assets.

The growth assets allocation includes a 60 per cent exposure to equities in New Zealand, Australia, and other international markets, as well as a 10 per cent allocation to listed property and infrastructure stocks.

The strategy employed to meet these allocations is to select managed funds that are low cost and have Socially Responsible Investment (SRI) integrated into their selection of individual securities. This SRI approach is aligned with the investment policy statement and our broader cultural values around sustainability.

The portfolio was implemented from April 2020 to July 2020, following a decision that the Directors of the AHC took at the end of 2019 to sell the previous portfolio and move to a more globally diversified SRI approach.

The previous portfolio was largely sold before COVID-19 impacted markets, and a key judgment that was taken by Directors (on the advice of its advisor, MyFiduciary) was to progressively buy into markets despite the COVID-19 environment. This choice proved well-founded as markets have performed strongly since late March. As a consequence, the return since inception to 30 September 2020 was circa 9.5 per cent on annualised basis, after fees and trading expenses.

Portfolio performance monitoring provided by MyFiduciary also suggests that the performance has been ahead of benchmark and peer (alternative portfolio) returns in the market.



3. Fixed income

Due to the extremely low return from cash and term deposits, and the risk/return parameters set in the Investment Governance Policy, Raukawa AHC has reduced its cash and term deposit exposure significantly during the financial year ending 30 September 2020.

As at 30 September 2020, the AHC had cash of \$1,238,839 and one term deposit valued at \$160,536 with BNZ with a maturity date of 16 October 2020. This compares with cash and term deposits exceeding \$4.5 million as at 30 September 2019.

It is intended that the AHC will maintain sufficient cash to fund working capital and payments to its shareholder however it is noted that a significant portion of the portfolio is publicly traded therefore cash can be generated if required.

4. Taranaki Whānui Limited Secured Loan

The AHC provided a secured loan of \$1.0 million to Taranaki Whānui Limited to July 2021 to enable the settlement of a Crown sale/leaseback transaction.

Prior to approving this loan, the AHC Directors engaged a specialist property law firm to undertake legal due diligence on the securities provided and the terms and conditions pertaining to the agreement.

On 4 September 2020, an additional \$500,000 was loaned to Taranaki Whānui Limited taking the total loan to \$1,500,000 with an interest rate of 7.0 per cent per annum agreed on the full amount outstanding going forward.

5. Waste Transformation Limited

Waste Transformation Limited (WTL), a company with Ōtaki connections and Raukawa ki te Tonga AHC as a cornerstone shareholder, has developed a global leading waste diversion system using a proven technology that turns waste wood into valuable by-products.

The AHC first invested in WTL in 2015 and has a cornerstone shareholding of some 38 per cent. Over the past five years, WTL has moved from proof of concept to full commercialisation with a new plant capable of processing 200 tonnes of waste timber a month and producing, when fully operational, up to 80 tonnes of commercial charcoal.

Whilst WTL is showing potential, significant concerns remain regarding the financial viability of this business. As at 30 September 2020, the AHC Board were undertaking a review of the options available to protect the investment and reduce further losses in future.

Forecast for the Financial Year 2020/2021

Due to the economic uncertainty caused by COVID-19 it is very difficult to predict the performance of the investment portfolio. The outlook below is subject to inherent uncertainty and subject to uncontrollable risks that exist. As such, no representation, warranty or assurance is given that actual outcomes or performance will not materially differ from the forward-looking statements.

The defensive portion of the portfolio partially consists of cash and fixed income investments which are expected to be relatively stable. Fishing quota is also classified as 'defensive' however the fisheries industry has signalled that COVID-19 is causing on-going uncertainty that is likely to continue for the foreseeable future.

The growth portion of the portfolio primarily consists of shares in listed and unlisted companies. Shares in unlisted companies primarily relates to AFL which is also subject to the uncertainty impacting the fisheries industry. Shares in listed companies is diversified across a range of industries and geographies therefore performance is expected to be more stable.

The Board has budgeted for a decrease in net profit for the year ending 30 September 2021, primarily due to a reduction in income from fisheries assets (quota and AFL shares).

Dividend Policy and Payments to the Trust

In 2010 the Mandated Iwi Formation Committee set a Dividend Policy for the AHC that included the following principles:

- Maintain Growth
- Preserve Capital
- Create a Pūtea, and add to it, for future generations.

The following Dividend Policy was agreed:

The AHC would distribute by way of dividend to the MIO Trust, no less than 40 per cent of the net operating surplus per annum after the deduction of CPI on its liquid assets and provide an annual amount equivalent to Māori Authority Tax (17.5%) to a Capital Preservation Fund. This provides protection against inflation of asset value such as cash, bonds and term deposits.

The dividend payable to the Trust for the year ending 30 September 2020 is \$282,167.

Payments to the Trust

Declare Dividends: AHC to Raukawa ki te Tonga Trust

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$105,330	\$264,011	\$240,030	\$218,535	\$273,013	\$250,685	\$277,423	\$343,829	Nil	\$282,167

Total dividends distributed to the Trust since formation – \$2,255,023.00



RAUKAWA KI TE TONGA
Financial Statements
for the Year Ended 30 September 2020



Entity Information

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

Legal Name of Entity

Raukawa ki te Tonga Trust

Entity Type and Legal Basis

Raukawa ki te Tonga Trust is a Charitable Entity. It is the mandated Iwi Organisation of Ngāti Raukawa ki te Tonga for the purposes of the Maori Fisheries Act 2004 and acts as the Iwi Aquaculture Organisation for the purpose of the Māori Commercial Aquaculture Claims Settlement Act 2004.

Registration Number with DIA Charities

CC 45526

Entity's Purpose

The purpose for which Raukawa ki te Tonga was established is to hold, manage and administer the Trust Fund to benefit Raukawa ki te Tonga members through the expression of kaupapa tuku iho and for charitable purposes which benefit members whether they be for the relief of poverty, advancement of education or religion, or any other means beneficial to Māori, in particular the community of Raukawa ki te Tonga, irrespective of where they live.

Entity Structure

The Deed of Trust was made on 10 September 2010. Raukawa ki te Tonga is incorporated and registered pursuant to the Incorporated Societies Act 1908. It is the mandated Iwi organisation for Ngāti Raukawa ki te Tonga. The Trust shall have no less than five Trustees and no more than seven Trustees. Trustees are elected for a three year term after which Trustees may seek re-election.

A Chair and Deputy Chair are elected by the Trustees. Trustees are appointed to committees to undertake governance responsibilities. The members of the governing body are as follows: Rachael Selby (Chairperson), Emma Winiata (Deputy Chairperson), Bernadette Arapere, Jerald Twomey, Justin Tamihana and Cyril Mako. The Trustees must maintain a current Members' register and establish a Validation Committee to register members. Trustees must meet the responsibilities as outlined in the Deed of Trust.

Main Sources of Entity's Cash and Resources

The Trust received assets under the Māori Fisheries settlement allocated by Te Ohu Kaimoana Trustee Limited. These include fisheries settlement quota, cash and income shares in Aotearoa Fisheries Limited.

The Trust may receive distributions from Te Putea Whakatupu Trustee Limited and Te Wai Māori Trustee Limited.

The Trust may receive and hold assets allocated by Te Ohu Kai Moana Trustee Limited in accordance with the Māori Commercial Aquaculture Claims Settlement Act 2004.

The entity can receive distributions, dividends and management fees from the Asset Holding Company, Ruakawa ki te Tonga AHC Limited.

Main Methods Used by Entity to Raise Funds

The main method of raising funds is through dividends or distributions from the Asset Holding Company.

Entity's Reliance on Volunteers and Donated Goods or Services

None, the Trustees of the Board currently receive fees as determined in the Trusts Fees Policy.

Physical Address

144 Tasman Road, Ōtaki 5512

Postal Address

PO Box 15012, Ōtaki 5512

Approval of Consolidated Performance Report

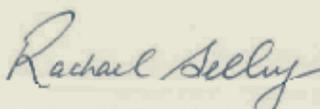
RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

The Trustees are pleased to present the approved consolidated performance report including the historical financial statements of Raukawa ki te Tonga Trust for year ended 30 September 2020.

APPROVED

For and on behalf of the Trustees



Rachael Selby, Chairperson

Date: 3 March 2021



Emma Winiata, Deputy Chairperson

Date: 3 March 2021

Statement of Consolidated Service Performance

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

Description of Entity's Outcomes

Raukawa ki te Tonga ('The Trust') utilises the funds generated by its wholly owned subsidiary, Raukawa ki te Tonga AHC Limited ('The Company'), to benefit Raukawa ki te Tonga members through the expression of kaupapa tuku iho and for charitable purposes which benefit members whether they be for the relief of poverty, advancement of education or religion, or any other means beneficial to Māori, in particular the community of Raukawa ki te Tonga, irrespective of where they live.

Currently the Trust provides two forms of distributions to beneficiaries:

- 1 Cash Distributions to iwi/hapu/marae
- 2 Filleted fish to marae for hui

For the 2020 Financial year, cash distributions paid to iwi/hapu/marae were \$Nil (2019 = \$241,625).

For the 2020 Financial year, the dollar value of fish distributions to marae for hui was \$9,440 (2019 = \$15,017).

Consolidated Statement of Financial Performance

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

ACCOUNT	NOTES	2020	2019
Revenue			
Revenue from providing goods or services	1	667,493	756,163
Interest, dividends and other investment revenue	1	774,579	713,423
Other revenue	1	566,451	124,836
Total Revenue		2,008,523	1,594,422
Expenses			
Costs related to providing goods or service	2	78,162	64,088
Grants and donations made	2	14,099	256,643
Impairments and provisions for doubtful debt	2	461,101	1,312,982
Other expenses	2	604,784	707,619
Total Expenses		1,158,146	2,341,333
Surplus/(Deficit) for the Year		850,377	(746,910)

This statement should be read in conjunction with the attached Notes to the Consolidated Performance Report and Audit Report.

Consolidated Statement of Financial Position

RAUKAWA KI TE TONGA TRUST GROUP

As at 30 September 2020

ACCOUNT	NOTES	30 SEP 2020	30 SEP 2019
Assets			
Current Assets			
Bank Accounts and Cash	3	1,261,996	1,199,904
Debtors and Prepayments	3	117,718	333,766
Bank Term Deposits	3	160,536	3,505,044
Other Current Assets	3	55,478	42,373
Total Current Assets		1,595,728	5,081,087
Non-Current Assets			
Property, Plant and Equipment	4	524,411	511,015
Investments	3	24,166,336	20,012,644
Total Non-Current Assets		24,690,746	20,523,659
Total Assets		26,286,474	25,604,746
Liabilities			
Current Liabilities			
Creditors and Accrued Expenses	5	84,307	224,267
Other Current Liabilities	5	6,913	35,600
Total Current Liabilities		91,219	259,868
Total Liabilities		91,219	259,868
Total Liabilities		91,219	259,868
Accumulated Funds			
Accumulated surpluses or (deficits)	6	4,473,418	3,780,407
Reserves	7	21,721,837	21,564,472
Total Accumulated Funds		26,195,255	25,344,878

This statement should be read in conjunction with the attached Notes to the Consolidated Performance Report and Audit Report.

Consolidated Statement of Cash Flows

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

ACCOUNT	2020	2019
Cashflow		
Cash Flows from Operating Activities		
Receipts from goods and services	1,049,074	542,087
Interest, dividends and other investment receipts	680,510	665,712
Payments to providers and employees	(721,937)	(826,965)
Net donations or grants paid	(196,415)	(13,097)
Total Cash Flows from Operating Activities	811,232	367,737
Cash Flows from Investing and Financing Activities		
Disposal of Investments	10,321,164	3,336,055
Movement on intercompany loans	(194,650)	(461,618)
Purchase of Property, Plant and Equipment	(10,984)	(676,221)
Purchase of investments	(10,864,670)	(2,600,431)
Total Cash Flows from Investing and Financing Activities	(749,140)	(402,215)
Net Increase/ (Decrease) in Cash	62,092	(34,478)
Cash Balances		
Cash and cash equivalents at beginning of period	1,199,904	1,234,382
Cash and cash equivalents at end of period	1,261,996	1,199,904
Net change in cash for period	62,092	(34,478)

This statement should be read in conjunction with the attached Notes to the Consolidated Performance Report and Audit Report.

Statement of Accounting Policies

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2020

Basis of Preparation

Raukawa ki te Tonga Trust Group ('The Trust') has elected to apply 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 equal to or less than \$2,000,000. All transactions in the Consolidated Performance Report are reported using the accrual basis of accounting.

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

All amounts are presented in New Zealand dollars and are rounded to the nearest dollar.

Tier 2 PBE Accounting Standards Applied

The Group has elected to adopt PBE IPSAS 34 Separate Financial Statements and PBE IPSAS 35 Consolidated Financial Statements.

The Consolidated Performance Report consolidates the parent, being Raukawa ki te Tonga Trust and its 100% owned subsidiaries Raukawa ki te Tonga AHC Limited, Raukawa Tauranga Ika Limited and AHC Securities Limited.

The Consolidated Performance Report consolidates the Trust and all entities over which the Trust has the power to control the financial reporting and operating policies. Control is obtained through ownership of more than half the voting rights or the subsidiary governing body members also being members of the Parent governing body.

The purchase method is used to prepare the Consolidated Performance Report, which involves adding together like terms of assets, liabilities, revenue and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group results, position and cash flows.

All subsidiaries have a 30 September reporting date and consistent accounting policies are applied.

Revenue

Revenue is accounted for as follows:

Revenue from providing goods and services

Management fees are recognised on an accruals basis. Quota income is recognised in the tax year that Annual Catch Entitlement (ACE) entitlement is generated.

Interest, dividend and investment revenue

Interest income is recognised using the effective interest method. Dividends are recognised at the earlier of receipt or declared payment date.

Other Revenue

Capital gains / (losses) are recognised on the sale of assets, and account for the difference between sale price and the historical cost price (acquisition cost) of the asset sold.

Foreign currency transactions are translated into \$NZD using IRD approved mid-month exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Financial Performance.

Other revenue is accounted for on an accrual basis and in accordance with the substance of the transaction.

Investments

Investments consist of shares, managed funds and fishing quota. Investments are carried at cost, less any impairment where the market price is less than the cost of the investment.

The cost price of the settlement quota received by way of transfer under the Māori Fisheries Act 2004, has been determined to be the initial “settlement transfer value” as at transfer date.

Shares in Aotearoa Fisheries Limited (AFL) are carried at ‘settlement transfer value’ as per the agreement reached with Te Ohu Kaimoana Trustees as at 30 September 2010. Due to the restrictions placed on these shares under the Māori Fisheries Act 2004, there is no viable market mechanism to determine their current market value. The Directors have therefore agreed to carry the AFL shares at settlement value.

Investments Fair Market Value

The Directors wish to advise of the fair market value of the investments for the year under review, where they differ from the cost price. These values have been determined by independent organisations.

INVESTMENT	COST PRICE	FAIR MARKET VALUE
Purchased Quota	3,601,566	5,000,398
AHC Diversified Portfolio	6,252,892	6,851,599
Maui Capital Fund	77,000	50,820

Income Tax

Raukawa ki te Tonga Trust is a registered charity under the Charities Act 2005, and accordingly are not subject to income tax.

Bank Accounts and Cash

Bank and Cash in the Consolidated Statement of Cash Flows comprise cash balances and bank balances.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Property, Plant & Equipment

Property, Plant and Equipment is recognised at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. No depreciation has been charged on buildings. Kiln assets have been impaired due to a lack of demonstrable cash flows.

The depreciation rates and useful lives associated with the major classes of assets have been estimated as follows:

Office Equipment 2.5 years (40% - 50%)

Capital Preservation Reserve Policy

The Directors of Raukawa ki to Tonga AHC Limited (the Company) have resolved to transfer a portion of the net surplus earned in each year by the Company, to a capital preservation reserve, so as to ensure that the real dollar value of all financial and monetary assets owned by the Company are preserved.

The amount transferred to the capital preservation reserve for the current financial year was \$157,366 (2019 \$101,977).

This calculation is based on the annual Consumer Price Index, and a nominal charge for taxation.

Loans

Loans are recognised when the amount borrowed has been received. The loan is recognised at the principal value plus accrued interest less repayments made.

Changes in Accounting Policies

There have been no changes in accounting policies during the year under review and accounting policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

RAUKAWA KI TE TONGA TRUST

For the year ended 30 September 2020

1. Analysis of Revenue

ACCOUNT	2020	2019
Revenue from providing goods or services		
Quota Income	667,493	756,163
Total Revenue from providing goods or services	667,493	756,163
Interest, dividends and other investment revenue		
Loan Guarantee Income Received	88,389	30,000
Dividends Received	322,847	328,356
Interest Income	329,964	328,120
Rent Received	33,378	26,947
Total interest, dividends and other investment revenue	774,579	713,423
Other revenue		
Capital Gain on Sale of Asset - Non Taxable	563,957	50,024
Grant Income Received	2,494	74,500
Foreign Exchange Gain	0	312
Total other revenue	566,451	124,836
Total Revenue	2,008,523	1,594,422

2. Analysis of Expenses

ACCOUNT	2020	2019
Costs related to providing goods or services		
ACE Fees	1,887	2,367
MAF, SeaFIC & FishServe Fees	76,275	61,722
Total costs related to providing goods or services	78,162	64,088
Grants and donations made		
Donations	14,099	256,643
Total grants and donations made	14,099	256,643
Impairments & provision for doubtful debts		
Provision on Doubtful Debt	459,447	566,168
Impairment of Fixed Assets	1,654	700,641
Impairment of Investments	0	46,173
Total Impairments & provision for doubtful debts	461,101	1,312,982
Other Expenses		
Accounting Fees	19,568	37,444
Administration & Election Fees	21,605	15,547
Advertising	536	0
Audit Fees	37,723	36,500
Bank Fees	203	353
Conference Expenses	0	800
Consulting & Feasibility Fees	63,037	115,017
Communications	32,205	0
Computer Expenses	385	530
Depreciation	3,943	966
Directors Fees	72,733	47,750

2. Analysis of Expenses CONTINUED

ACCOUNT	2020	2019
Other Expenses CONTINUED		
Foreign Exchange Loss	17,281	0
Freight & Courier	0	2,130
General Expenses	911	769
Insurance	5,100	4,817
Interest Expense	0	23
Legal Expenses	25,886	5,157
Loss on Sale	422	0
Management Expenses	28,689	144,996
Meeting Expenses	1,490	2,594
Motor Vehicle Expenses	0	14,423
Office & Rent Expenses	10,343	8,463
Penalties – IRD	0	82
Postage, Printing & Stationery	10,496	11,644
Project Research	0	110,000
Rates	0	207
Salaries	150,000	57,692
Secretarial Services	60,219	41,283
Subscriptions	2,971	1,007
Telephone & Internet	1,223	15,995
Travel & Accommodation	3,594	9,041
Trustee Expenses	0	1,118
Trustee Fees	29,750	20,640
Valuation Fees	4,472	630
Total Other Expenses	604,784	707,619
Total Expenses	1,158,146	2,341,333

3. Analysis of Assets

ACCOUNT	2020	2019
Current Assets		
Bank accounts and cash		
Cheque Accounts	285,219	292,266
Call Accounts	976,777	907,638
Total bank accounts and cash	1,261,996	1,199,904
Debtors and prepayments		
Accounts Receivable	115,480	293,596
Accrued Interest Receivable		
Accrued Interest Receivable	253,554	136,305
Provision for Doubtful Debt - Interest Receivable	(251,315)	(104,550)
Total Accrued Interest Receivable	2,239	31,755
Dividends Receivable	0	8,416
Total debtors and prepayments	117,718	333,766
Bank Term Deposits		
ASB	0	808,857
BNZ	160,536	1,535,337
Westpac	0	1,160,851
Total Bank Term Deposits	160,536	3,505,044
Other current assets		
Income tax refund due	55,478	42,373
Related party advances		
Funds advanced to Waste Transformation Limited	774,300	461,617
Less Provision for Doubtful Debt	(774,300)	(461,617)
Total Related Party Advances	0	0
Total Other current assets	55,478	42,373

3. Analysis of Assets CONTINUED

ACCOUNT	2020	2019
Non Current Assets		
Investments		
Corporate Bonds		
ANZ Bond	0	100,510
ANZ Perpetual Bond	0	152,382
Fletcher Building Industries Cap Notes	0	100,000
Meridian Energy Bond	0	75,375
University of Canterbury Bond	0	100,600
WEL Networks Bond	0	70,000
Wellington International Airport	0	100,000
Total Corporate Bonds	0	698,8670
Managed Fund Investments		
Maui Capital Aqua Fund	77,000	77,000
AHC Diversified Portfolio	6,252,892	0
SALT Investment Fund	0	500,000
Total Managed Fund Investments	6,329,893	577,000
Funds Advanced		
Taranaki Whanui Limited	1,500,000	1,000,000
Total Funds Advanced	1,500,000	1,000,000
Property Fund Investments		
Centuria Metropolitan REIT	0	530,884
Centuria Zenith Fund	0	2,155
Total Property Fund Investments	0	533,039

3. Analysis of Assets CONTINUED

ACCOUNT	2020	2019
Shares in Listed Companies		
The A2 Milk Company	0	132,600
Antipodes Global Fund	0	103,459
Auckland International Airport	0	11,146
Genesis Energy	0	36,609
Heartland	0	278,565
Meridian	0	67,500
Mercury Power	0	145,765
QVE Equities Limited	0	91,649
Total Shares in Listed Companies	0	867,2930
Shares in Unlisted Companies		
Aotearoa Fisheries Limited	8,959,631	8,959,631
Partners Life	250,000	250,000
Waste Transformation Limited	0	0
Total Shares in Unlisted Companies	9,209,631	9,209,631
Fishing Quota		
Purchased Fishing Quota	3,601,566	3,601,566
Settlement Fishing Quota	3,525,246	3,525,246
Total Fishing Quota	7,126,812	7,126,812
Total Investments	24,166,336	20,012,644
Total Non Current Assets	24,166,336	20,012,644

The loan to Taranaki Whanui Limited is secured against two properties in Wellington and a General Security Agreement over Tramways Limited.

4. Property, Plant and Equipment

ACCOUNT	2020	2019
Land and Buildings - 44 Riverbank Road		
Land and Buildings - 44 Riverbank Road	518,500	510,000
Accumulated depreciation	(298)	0
Total Land and Buildings - 44 Riverbank Road	518,203	510,000
Furniture & Fittings		
Furniture & Fittings	13,081	4,875
Accumulated depreciation	(6,873)	(3,861)
Total Furniture & Fittings	6,208	1,015
Plant and Equipment		
Plant and Equipment	702,295	700,642
Accumulated depreciation	(702,295)	(700,641)
Total Plant and Equipment	0	0
	524,411	511,0154

5. Analysis of Liabilities

ACCOUNT	2020	2019
Creditors and accrued expenses		
Accounts Payable	21,360	14,758
Other Creditor	62,947	209,509
Total Creditors and accrued expenses	84,307	224,267
Other current liabilities		
GST Payable	3,629	32,317
PAYE Payable	3,284	3,284
Total Other current liabilities	6,913	35,600

6. Accumulated Funds

Accumulated Funds

Opening Balance	3,780,407	4,629,294
Plus Net surplus/(loss) for the year	850,377	(746,910)
Less funds transferred to capital preservation reserve	(157,366)	(101,977)
Total Accumulated Funds	4,473,418	3,780,407

7. Breakdown of Reserves

ACCOUNT	2020	2019
Reserves		
Capital funds received from Te Ohu Kaimoana		
Opening Balance	12,487,093	12,487,093
Movements	0	0
Closing Balance	12,487,093	12,487,093
Capital funds received from Runanga		
Opening Balance	5,861,018	5,861,018
Movements	0	0
Capital funds received from Runanga	5,861,018	5,861,018
Capital Funds received from Parent Trust		
Opening Balance	1,108,989	1,108,989
Movements	0	0
Closing Balance	1,108,989	1,108,989
Capital Preservation Reserve		
Opening Balance	2,107,371	2,005,394
Movements	157,366	101,977
Closing Balance	2,264,737	2,107,371
Total Reserves	21,721,837	21,564,472

8. Commitments

There are no commitments as at 30 September 2020 (Last year – nil).

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 September 2020 (Last year – nil).

10. Group Information on Subsidiaries

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	2020	2019
Raukawa ki te Tonga AHC Limited	Investment Company	NZ	100%	100%
Raukawa Tauranga Ika Limited	Lease of fishing Quota	NZ	100%	100%
AHC Securities Limited	Asset Financing	NZ	100%	100%

11. Related Parties

Investment in Associate and Funds Advanced to Waste Transformation Limited (WTL)

Raukawa ki te Tonga AHC Limited has invested funds in Waste Transformation Limited, a company incorporated on 15 October 2012, under the Companies Act 1993.

The Directors have classed this investment as Greenfields and accordingly have taken the prudent approach and fully impaired the funds advanced to date and included a full doubtful debt provision for the interest that has been charged on the funds advanced.

During the year under review, funds of \$312,682 were advanced to Waste Transformation Limited, these were fully impaired at year-end.

Transactions with Waste Transformation Limited

Raukawa te ki Tonga AHC Limited has advanced funds to Waste Transformation Limited, to enable it to meet its operational expenditure requirements, interest has been charged on the funds advanced.

	2020	2019
Opening value of funds advanced as at 1 October	-	-
Net Funds Advanced for the period	312,682	461,617
Impairment of advance as assessed by the Directors	(312,682)	(461,617)
Closing value of funds advanced as at 30 September	-	-

Interest Charged on Advance to Waste Transformation Limited

	2020	2019
Opening outstanding interest	104,550	-
Interest income received during the year	-	15,533
Interest income invoiced during the year	146,765	104,550
Total interest income for the year	251,315	120,084

Trustees and Directors

	2020	2019
Bernadette Arapere	1,500	2,650
Rachael Selby	12,500	5,150
Jerald Twomey	4,500	2,650
Justin Tamihana	3,750	2,650
Debra Ruth Birch	-	400
Cyril Mako	3,000	2,650
Emma Winiata	4,500	3,150
	29,750	19,300

Payments to Directors

	2020	2019
Toarangatira Woodbine Pomare		
Directors Fees	-	14,000
Management Fees	-	139,996
Thomas Edric Jamison		
Directors Fees	-	9,000
Project Analysis Fees & Expenses Reimbursed	-	110,000
Gabrielle Mary Rikihana		
Directors Fees	-	9,000
Shelley MacRae		
Directors Fees	13,750	9,000
Debra Ruth Birch		
Directors Fees	33,000	6,750
Board Management Transition Fees	-	30,000
Guy Richard Kiniwe Royal		
Directors Fees	16,500	Nil
Graeme Lee Hastilow		
Directors Fees	9,483	-
	72,733	327,746

Te Wananga o Raukawa

During the year, the group purchased services from Te Wananga o Raukawa.

	2020	2019
Office rent and support	\$9,322	\$8,703

Tuia Group Limited

During the year, The Parent Trust purchased consultancy services from Tuia Group Limited, a Company in which Guy Richard Kiniwe Royal has a directorship and ownership interest. Guy Richard Kiniwe Royal was formally appointed as a Director of Raukawa ki te Tonga AHC Limited on 17 September 2019. His appointment to the Board officially began on 01 October 2019.

	2020	2019
Consulting services purchased from Tula Group	\$3,858	\$15,000

Fleetwood Properties Limited

During the year, Ruakawa ki te Tonga AHC Limited Group, purchased consulting and feasibility study costs from Fleetwood Properties Limited, a company owned by Alan Pye, the partner of Shelly MacRae a director of Raukawa ki te Tonga AHC Limited.

	2020	2019
Consulting and feasibility study costs	\$Nil	\$6,200

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2019 - nil).

13. COVID-19

In December 2019, a new virus, COVID-19 was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020 the World Health Organisation declared that the outbreak should be considered a pandemic.

The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of national borders, the closure of non-essential businesses, the cancellation of public events and impositions of restrictions on individuals) in an attempt to reduce transmission of the virus.

In late March 2020, the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to access their premises and individuals (other than essential workers or those undertaking essential business) were required to stay at home. In late April 2020, the lockdown period ended and the New Zealand Government started gradually easing the restrictions that has been placed on business, organisations and individuals.

In August 2020, cases of COVID-19 re-emerged in New Zealand, causing the lockdown level to be raised for New Zealand and some restrictions to be reinstated, particularly in the Auckland region. These restrictions were eased in late September 2020.

During the lock-down period the Company adopted remote working in accordance with New Zealand government guidelines. Whilst operations were not materially impacted, various investments of the Company were directly impacted, especially investments in the fisheries industry.

As at 30 September 2020, New Zealand continued to operate under alert level 1 and the impact of the pandemic continues to impact most parts of the globe. To-date, no significant changes have been made to the investment portfolio however the Directors' continue to monitor the economic impact of COVID-19 and the outlook for the future.

Independent Auditor's Report

TO THE TRUSTEES OF RAUKAWA KI TE TONGA TRUST REPORT ON THE CONSOLIDATED PERFORMANCE REPORT

Grant Thornton New Zealand
Audit
Partnership
L15, Grant Thornton House
215 Lambton Quay
P O Box 10712
Wellington 6143
T +64 4 474 8500
F +64 4 474 8509
www.grantthornton.co.nz

Opinion

We have audited the consolidated performance report of Raukawa ki te Tonga Trust (the "Trust") and its controlled entities (the "Group") on pages 41 to 53, which comprises the entity information, the consolidated statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 30 September 2020, the consolidated statement of financial position as at 30 September 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion:

- a the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the consolidated statement of service performance are suitable;
- b the accompanying consolidated performance report presents fairly, in all material respects,:
 - the entity information for the year then ended;
 - the consolidated service performance for the year then ended; and
 - the financial position of the Group as at 30 September 2020 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and consolidated statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). 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 Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) 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 Group.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible 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 consolidated statement of service performance;
- b the preparation and fair presentation of the consolidated performance report on behalf of the entity which comprises:
 - the entity information;
 - the consolidated statement of service performance; and
 - the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

- c for such internal control as the Trustees determine is necessary to enable the preparation of the consolidated performance report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Performance Report

Our objectives are to obtain reasonable assurance about whether the consolidated 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) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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.

- Evaluate the overall presentation, structure and content of the consolidated performance report, including the disclosures, and whether the consolidated performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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.

Restriction on use of our report

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state to the Trust's Trustees, as a body, those matters which we are required to state to them in our audit 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 Trust and its Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



B Kennerley
Partner
Wellington
3 March 2021

Directory

EMAIL: raukawaahc@gmail.com

WEBSITE: www.raukawakitonga.maori.nz

Registered Office

Raukawa ki te Tonga Trust
 & Raukawa ki te Tonga AHC Limited
 PO Box 15012, Ōtaki, 5512
 144 Tasman Road
 ŌTAKI

Banking Services

Bank of New Zealand
 Coastlands Shopping Mall
 State Highway 1
 PARAPARAUMU

Portfolio Custodians

Jarden
 171 Featherston
 PO Box 3394
 WELLINGTON 6011

Share Register

Computershare Investor Services
 159 Hurstmere Rd, Takapuna
 North Shore City 6022
 AUCKLAND

Accountancy Service

Beany Accounting
www.beany.com

Auditors

Grant Thornton
 216 Lambton Quay
 PO Box 10712
 WELLINGTON 6011

Legal Services

Greenwood Roche
 Level 11, 36 Customhouse Quay
 WELLINGTON 6011



