



IWIinvestor

Pou Tiaki i Ngā Rawa
New Zealand's wealth advisers

ANNUAL REPORT 2019

New Zealand's leading Māori-owned investment and financial advisory service.

IWInvestor Mihi & Whakatauki

Ko te waka o IWInvestor tēnei e tuku mihi
ki a koutou kua mau ringa ki te hoe.

I tēra ka tere whakamua tātou kia tau tika
ngā wawata kei roto i a tātou katoa.

No reira ngā mihi nui.

Te tangata tiro kau noaiho ki te tihi
Ka kore e pikautia.

Te tangata tū pakari ki ōna hiahia
Ka tū tiketike ki runga.

Greetings from the IWInvestor waka
to all who have placed their confidence in us.

It is without doubt we will progress forward
to achieve the desired goals we all seek.

Therefore, greetings to all.

A person who is casual in his approach
will never reach great heights.

A man who strives to succeed
will be rewarded for his efforts.



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Contents

IWInvestor Mihi & Whakatauki	
Notice of Annual General Meeting	2
Chair's Report	3
Key achievements	5
• Te Puia Tāpapa Direct Investment Fund	6
• SkyWaka Gondola Impact Bond	8
• Project Whetū – investment governance training	10
• Creating a platform for growth – Investment News article on IWInvestor	12
IWInvestor: Why, What, How & Who	14
AGM Guest Speaker: James Beale	18
Oriens Capital	20
Performance Report	22
Our Board	23
Management	26
Financial Statements for the Year Ended 30 June 2019	28
Directory	49

Notice of Annual General Meeting

You are cordially invited to the 2019 Annual General Meeting of Taupō Moana Investments Limited operating as IWlinvestor.

Date: 1.00pm Friday, 11 October 2019

Venue: Regency Room 2
Millennium Hotel and Resort Manuels
243 Lake Terrace, Waipahihi, Taupō

Business:

1. Mihi
2. Introduce the Directors & Executive
3. Apologies
4. Receive & approve the Minutes of the previous AGM held on 18 October 2018 in Taupō
5. Matters Arising
6. Chairperson's Annual Report & Financial Update
7. Appointment of auditors
8. Overview of IWlinvestor Fund Performance
9. Presentation by James Beale, Chief Executive of Oriens Capital
10. General Business.

Chair's Report

Tēnā tātou katoa,
E rere pēpepe, e kitea anuhe

*In the flight of a butterfly
the beauty of a caterpillar
is revealed.*



DEBRA BIRCH
EXECUTIVE CHAIR

It is my pleasure, as IWInvestor's executive chair, to present this annual report for the financial year ended 30 June 2019 (FY2018/19). This is IWInvestor's first annual report and follows the launch of a refreshed website in April 2019.

IWInvestor is committed to being New Zealand's leading Māori-owned investment and financial advisory service, delivering market-leading investment outcomes for our clients.

Our success is dependent upon understanding your aspirations and current needs as well as the challenges we all face in a changing world. To achieve our purpose consistently over time, we need to build trusted, resilient client and stakeholder relationships.

One way of achieving this is through clear, timely and relevant communication. We hope that this annual report, together with the new website and other touchpoints IWInvestor has with you, will enhance communication about our organisation, its people and services, and performance.



This financial year has been a busy and productive one. It has seen the completion of a number of important projects, as outlined in the following section. Those projects include the realisation of the Te Puia Tāpapa Direct Investment Fund and the SkyWaka Gondola Impact Bond, the launch of Project Whetū – investment governance training for those who have fiduciary responsibility for investment decisions, and the creation of a platform for IWInvestor’s future growth. All involved considerable time, effort and the support of many. Thank you to all those who contributed to the accomplishment of these significant achievements.

As significant as those projects are, IWInvestor’s core business is to protect and grow the wealth of clients – we are Pou Tiaki i Ngā Rawa.

FY2018/19 was a particularly challenging year for financial markets.

Financial markets are currently impacted by a number of key factors. Central banks have limited power to stimulate economies, there is also a large wealth divergence, and finally there is conflict between the increasing power of China and the existing power of the United States. This is creating market uncertainty and volatility that has not been seen for decades.

Despite considerable volatility, our portfolios performed well against their benchmarks, as they should. While fund managers are quick to note that past performance doesn’t guarantee future results, IWInvestor’s commitment to global best practice in investment governance ensures your investment strategy is properly developed, implemented and monitored.

For IWInvestor, successfully achieving our purpose is very much dependent on not only growing our client’s assets but also making sure we are meeting our clients’ needs.

Project Whetū and other initiatives will be further developed, and we intend to continue to invest in our business so that we achieve the level of impact we aspire to and, at the same time, ensure that the business is on a sustainable footing.

We have restructured significantly and are now expanding our product range which has required new investment. We are aiming to reach profitability within the next two years.

I would like to thank my fellow board members: John Bishara, Natvar Vallabh and Steve Napier for their ongoing support, passion for the business, professionalism and expertise. IWInvestor has also benefitted from a committed management team comprising Linda Mastny, Gemma Stevens and Ariana Dais who, collectively, have over 40 years' experience in the financial services sector. The diversity within the management team and board helps ensure we maintain an open mind to new ideas and technology, and that we continue to provide a relevant investment experience to our clients.

On behalf of the board and management, I thank you for entrusting IWInvestor with the mandate to manage your assets. It is a privilege you bestow on us that carries a huge responsibility. We acknowledge the responsibility we have to vigilantly protect and prudently grow your wealth.

Our futures are inextricably bound, together we grow and prosper.



DEBRA BIRCH
EXECUTIVE CHAIR





Key achievements over the past 12 months

The Financial Year ended 30 June 2019 has been busy and productive for IWIinvestor. Key achievements included: Te Pūia Tāpapa Direct Investment Fund; SkyWaka Gondola Impact Bond; and Project Whetū – investment governance training. We have also refreshed our website, joined Facebook to connect with stakeholders who use social media, and begun building our profile via the news media.



TE PŪIA TĀPAPA Direct Investment Fund

Last year, IWIinvestor provided access to a number of direct investment opportunities. These included facilitating the collectivisation of 10 Tūwharetoa entities, enabling them to invest as one in the new Te Pūia Tāpapa Direct Investment Fund.

Te Pūia Tāpapa was established in late 2017 as a way for Iwi and Māori organisations to collectively and effectively invest together.

The venture enables Iwi/Māori groups to pool resources in order to access large-scale, direct investment opportunities alongside large institutions.

Developed as a partnership project by the Ministry of Business, Innovation and Employment, He kai kei aku ringa – the Crown- Māori Economic Partnership, Ngāti Awa Group Holdings Limited and the NZ Super Fund, Te Pūia Tāpapa today comprises more than 44 iwi, Māori land incorporations and trusts, Te Tumu Paeroa



FRONT ROW (L- R): Tama Potaka, NZSF; Paul Quinn, Te Pūia Tāpapa GP Limited; Debbie Birch, Te Pūia Tāpapa GP Limited; Adrian Orr, NZSF; Hinerangi Raumati, Te Pūia Tāpapa GP Limited

MIDDLE ROW (L- R): Paul Majurey, Te Pūia Tāpapa GP Limited; Stuart Allan, Te Pūia Tāpapa GP Limited; David Rae; Vanessa Eparaima, Te Pūia Tāpapa GP Limited; Cristina Billett, NZSF; Catherine Etheredge, NZSF; Rishab Sethi, NZSF

BACK ROW (L – R): Sarah Owen, NZSF; Jamie Tuuta, Te Tumu Paeroa; Matt Whineray, NZSF; Andrew Harrison, Te Pūia Tāpapa GP Limited; Will Goodwin, NZSF; Mark Fennell, NZSF

(the Māori Trustee) and other Māori organisations, of which Tūwharetoa entities comprise 10 individual entities.

Under a Memorandum of Understanding (MoU), Te Pūia Tāpapa and the NZ Super Fund have committed to a preferred partnership relationship to be conducted in the spirit of mahi tahi (working together), transparency and good faith. This will involve the formal sharing of ideas and collaboration in areas of mutual interest. The two funds are aligned in a number of important respects - through an intergenerational investment horizon and focus, as well as similarities in investment approach, including the exercise of kaitiakitanga (stewardship) over assets.

Since signing the MoU, the Te Pūia Tāpapa Fund has recruited an investment manager, four independent Investment Committee members and two independent Board directors.

Te Pūia Tāpapa is a new and exciting expression of mahi tahi as a basis for mutual commercial benefit. By coming together with compatible partners, Iwi/Māori investors and the Fund will have access to, and will seek to stimulate, opportunities that would not have existed otherwise.

NZ Super Fund Chief Investment Officer Matt Whineray said, “This unique arrangement reflects commonalities in our investment approach, and our shared long-term investment horizon. We look forward to collaborating on areas of mutual interest and working together on new investment opportunities.”

Paul Quinn and Debbie Birch, spokespeople for Te Pūia Tāpapa Fund said, “Te Pūia Tāpapa Fund is a way for Iwi and Māori organisations to pool resources and access larger scale direct investment opportunities. Over NZD115m has been committed to the Fund.”



SKYWAKA GONDOLA Impact Bond

IWInvestor also assisted its clients and other Māori entities to invest in a hybrid bond offered to Tūwharetoa and other related Trusts to fund the new \$25 million SkyWaka Gondola which opened in July on the Whakapapa ski-field.

The Bond pays a minimum coupon of 3 per cent per annum together with unlimited upside based on a share of the passenger ticket for every sightseeing ticket sold.

Visitor use is forecast to grow from 60,000 non-skiers per year using existing facilities in 2016/17 to more

than 300,000 users within three years of opening the new facility.

An average of 300,000 passengers per annum over 10 years produces a return of 16 per cent.

The SkyWaka Gondola project is projected to expand the tourism sector in the region by 14 per cent and the entire economy of the region by two per cent. An estimated extra 150 plus full-time equivalent jobs will be created in the medium term.





DR CHARLOTTE SEVERNE
THE MĀORI TRUSTEE,
TE TUMU PAEROA



PROJECT WHETŪ investment governance training

In late June, IWInvestor announced the launch of Project Whetū – investment governance training for those who act as trustees or have responsibility for investment decisions. The inaugural Project Whetū one-day workshop took place in Taupō on Friday, 9 August at the Suncourt Hotel & Conference Centre and was attended by 27 people.

IWInvestor’s Executive Chair Debra Birch said, “Te Tumu Paeroa are sponsoring this workshop which will be delivered by IWInvestor’s partner fi360 Pacific. We are grateful for the support provided by Te Tumu Paeroa. Project Whetū is our response to feedback from Māori trustees and others responsible for investment decisions. Accordingly, we anticipate strong interest from all over the motu and will be inviting a range of people throughout Aotearoa New Zealand.”

Dr Charlotte Severne, the Māori Trustee, said: “I commend IWInvestor for taking this initiative which I see as providing an excellent opportunity to fill a gap and grow the investment governance capability of those responsible for asset management.”

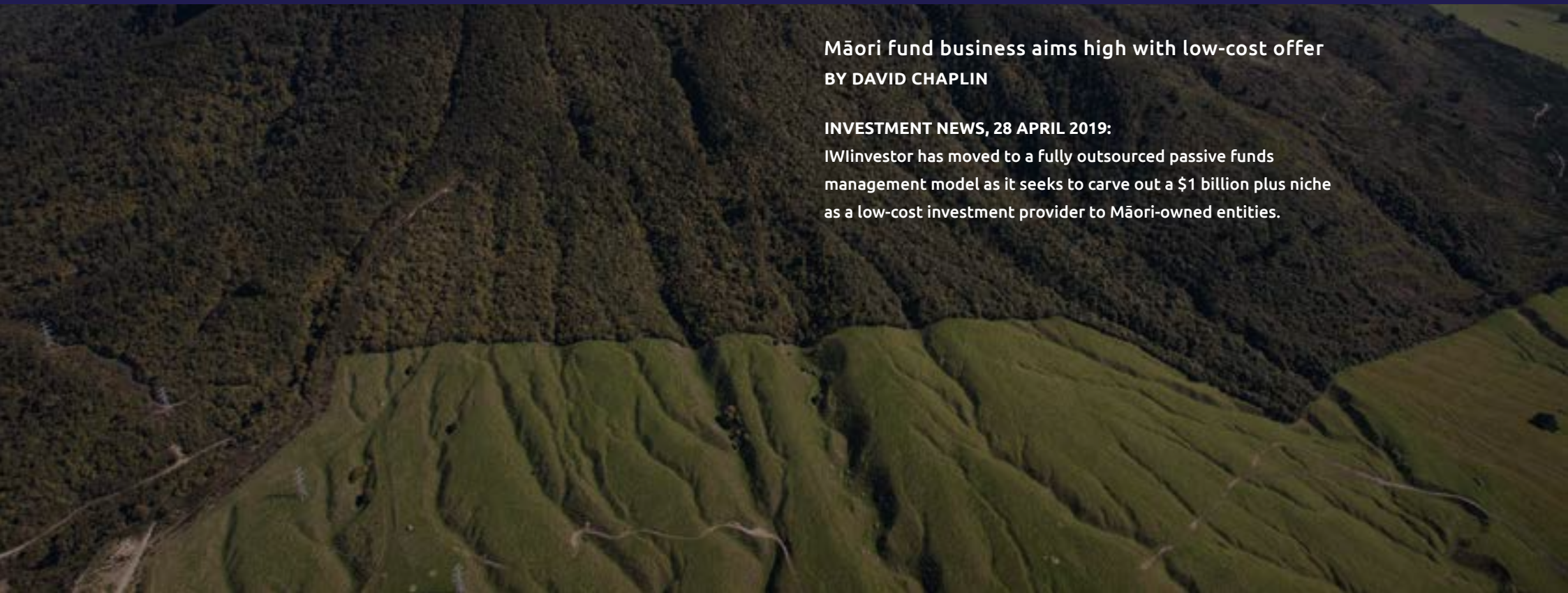
Debra Birch said, “Project Whetū is about ensuring those entrusted with investment governance roles on behalf of their organisations have the knowledge required to carry out their roles.

“We very much appreciate the support provided by Te Tumu Paeroa in helping us bring Project Whetū to fruition.”





CREATING A PLATFORM FOR GROWTH
Investment News article on IWInvestor



Māori fund business aims high with low-cost offer
BY DAVID CHAPLIN

INVESTMENT NEWS, 28 APRIL 2019:

IWInvestor has moved to a fully outsourced passive funds management model as it seeks to carve out a \$1 billion plus niche as a low-cost investment provider to Māori-owned entities.

Debra Birch, who took over as IWInvestor executive chair in February 2017, said the group – a wholly-owned subsidiary of the Tūwharetoa-associated Lake Taupō Forest Trust (LTFT) – previously operated a mixed model, managing some money in-house while also using third-party active funds. IWInvestor is the trading name of Taupō Moana Investments.

“Now we’ve outsourced all funds management under a best-of-breed approach,” Birch said.

IWInvestor, currently manages about \$150 million on behalf of 40 or so mainly Tūwharetoa-linked groups, also appointed the Auckland-based MyFiduciary to provide research, investment advice and portfolio monitoring services.

The firm operates seven risk-weighted portfolios with an underlying product list that includes the AMP Capital NZ Shares Index Fund, the Dimensional Global Sustainability Fund (hedged) and the Nikko Asset Management NZ Corporate Bond Fund. IWInvestor also has a discretionary investment management services (DIMS) licence application pending.

Birch said IWInvestor planned to tap into the burgeoning Māori economy by offering low-cost funds management products as an “alternative to putting money in the bank.”

She said there were many Māori entities such as land trusts and small-to-medium enterprises that didn’t have the scale to invest funds cost-effectively.

“There’s a challenge in this environment – with increasing compliance costs – to keep fees low,” Birch said. “We have the opportunity to assist Māori land trusts and SMEs without the capability to invest.”

As well as offering funds management services, IWInvestor also acts as a conduit and adviser to a number of direct investments. For example, the group was instrumental in corralling 10 entities to invest as one in the recently launched Te Pūia Tāpapa Direct Investment Fund (the \$100 million plus pan-Māori effort brokered by the NZ Superannuation Fund in 2017).

IWInvestor has set an “aspirational” target of hitting \$1 billion in funds under management within five years, she said. “To execute the plan a number of things would have to fall in place,” Birch said.

For the time-being she said IWInvestor would also focus on the wholesale market following an ill-fated tilt at the KiwiSaver market ended in 2016.

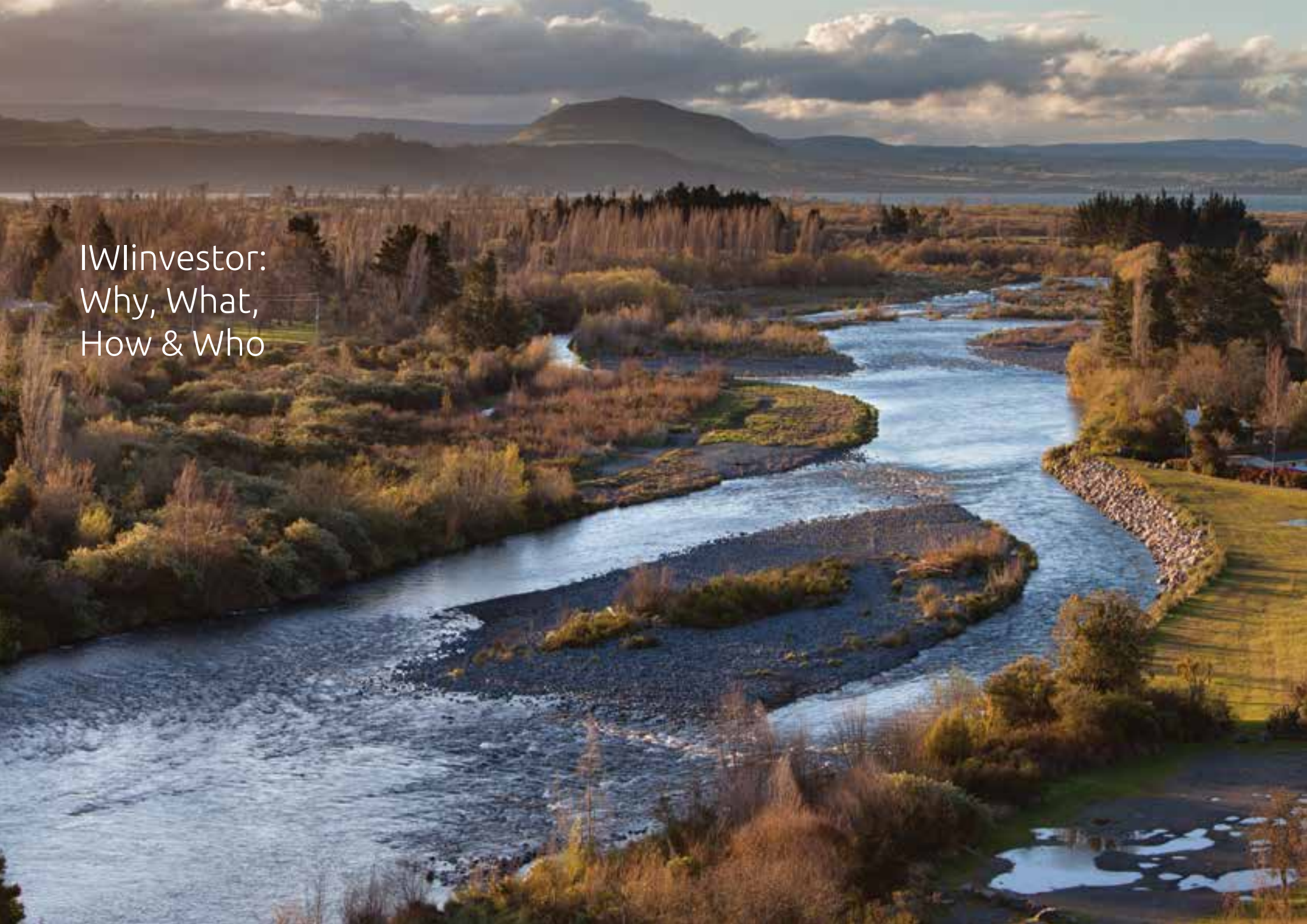
The IWInvestor KiwiSaver – the only Māori-owned scheme – folded in mid-2016 after securing only 240 members over almost five years in operation.

“These things are a question of timing really,” Birch said. “It just wasn’t the right time for the KiwiSaver scheme.”

She said IWInvestor could revisit retail in future but for now the group aimed to broaden its appeal as a low-fee fund and investment advice provider to wholesale Māori clients across all iwi.

Last year a 20-year employee of the Taupō Moana group, Linda Mastny, assumed the general manager role at IWInvestor. In addition to Birch, the IWInvestor board includes: LTFT chief executive, John Bishara; professional director, Steve Napier; and retired Wellington-based share investor, Nat Vallabh.

All the board members were appointed over 2016 and 2017.



IWInvestor:
Why, What,
How & Who

Why – IWInvestor’s reason for being

Rich relationships and sound economic platforms are foundational to strong Māori communities, with flow-on benefits to long term social and cultural well-being as well as environmental outcomes. IWInvestor’s contribution to building strong communities is to protect and grow the wealth of our clients.

IWInvestor is New Zealand’s leading Māori-owned investment and financial advisory service. As such, IWInvestor understands and shares the values and aspirations of Māori organisations and entities, making IWInvestor uniquely qualified to provide investment and financial advisory services to Māori and others who can benefit from its services.

Despite a growing Māori economy that saw Māori authority businesses’ assets grow by 6 per cent in 2017 to \$20.1 billion, many Māori entities such as land trusts and small-to-medium enterprises don’t have the scale to invest in funds cost-effectively.

Increasingly, charitable trusts and Māori entities are actively seeking investment partners who embrace their values and can deliver market-leading outcomes. They also want low cost, independent, socially responsible portfolios that acknowledge their risk profile.

What – IWInvestor’s business

IWInvestor is a Financial Service Provider, it provides the means for its clients who are predominantly individuals, charitable trusts, Māori entities and investment organisations, to protect and grow their wealth by accessing appropriate investment opportunities cost-effectively.

IWInvestor’s commitment to being New Zealand’s leading Māori-owned investment and financial advisory service requires it to become a trusted partner who delivers market-leading investment outcomes for clients.

How IWInvestor protects and grows client wealth

This is achieved by providing investment advice and portfolio management.

IWInvestor provides its clients with low cost, independent, socially responsible and highly diversified portfolios that acknowledge the client’s risk profile.

IWInvestor has seven multi-asset class portfolios ranging from low to high risk. This comprehensive range of portfolios enables clients of varying risk profiles to access portfolios that best match their appetite to risk. All investments are held in managed funds, there are no direct securities in the portfolios.

Additionally, IWInvestor provides its clients with access to direct investment opportunities. These direct investment opportunities are subject to due diligence and are aligned with IWInvestor’s client investment strategies, policies and risk profiles.

IWInvestor’s comprehensive service offering includes:

- Financial Advice only - development of your investment plan.
- Ongoing Financial Advice and Portfolio Management - recommend investments for your portfolio & ongoing monitoring and reporting on these investments.
- Portfolio Administration - implementing your portfolio in accordance with your investment instructions, ongoing monitoring and reporting on these investments.
- Investment Policy Statement development - working with you to develop an Investment Policy Statement documenting your investment policies and setting out the investment governance and management framework.
- Cash Management Service - IWInvestor’s Cash Management Service allows investors to access wholesale interest rates and money market securities. Doing so enables you to receive higher returns at low-risk levels, and for low cost.

Investment Approach

IWInvestor is guided by a set of investment beliefs. A key belief is that responsible investors must have concern for environmental, social, governance and cultural (ESG+C) factors because they can be material both to the sustainability of the client's investment strategies and to long-term returns.

Our advice takes into account our client's cultural values and aspirations for its members, as well as the fact that many of our clients will have substantial 'real asset' holdings (e.g. forests, fisheries, and commercial property) and direct business interests. We believe taking into consideration these cultural values and assets are critical for determining with our clients a sustainable investment strategy – one that best meets their inter-generational purposes.

Our responsible investment belief also impacts the selection and ongoing monitoring of fund managers in our listed portfolios. We have a strong preference for managers that exclude companies engaged in activities harmful to societies (e.g. tobacco companies and arms manufacturers), and who invest relatively more into companies with positive ESG features (e.g. companies that have relatively low greenhouse gas emissions within the sector that they operate).

Importantly, we do this where possible across all asset classes in our portfolios, not just international equities (as is the more common practice). We also do not take a manager's word that they adhere to good ESG practices. We look at how the funds rate from an ESG perspective using credible external research sources, and look at underlying company holdings.

IWInvestor's Investment Committee is responsible for model portfolio design and monitoring.

While IWInvestor retains the governance responsibility for investment activity, we have outsourced research, due diligence and portfolio design to MyFiduciary.

MyFiduciary are independent and experienced investment consultants who provide the independent investment research required for asset allocation, fund selection, and advisory service which enable us to run a best practice, fully compliant investment process.

Their recommendations are reviewed by the IWInvestor Investment Committee and, if accepted, then ratified by the IWInvestor Board.

IWInvestor does not hold any client money or client property, it uses a Wrap Service Provider FNZ Limited (FNZ), to administer all client funds and securities. FNZ is completely independent of IWInvestor and holds the client's investments in its name with the client being the beneficial owner.

Benefits of investing through IWInvestor

IWInvestor provides clients with the following key benefits:

- Independent financial advice from qualified and experienced financial advisers
- Access to a comprehensive range of quality investment portfolios
- An investment portfolio that is best matched to our client's risk profile
- Extensive experience delivering quality investment outcomes to clients including individuals, charitable trusts, Māori entities and investment organisations
- IWInvestor's commitment to global best practice in investment governance that ensures your investment strategy is properly developed, implemented and monitored according to both legal and ethical obligations
- Independent from product providers
- Low cost and transparent fee structure
- Access to direct investment opportunities
- Access to investment governance training.

Who

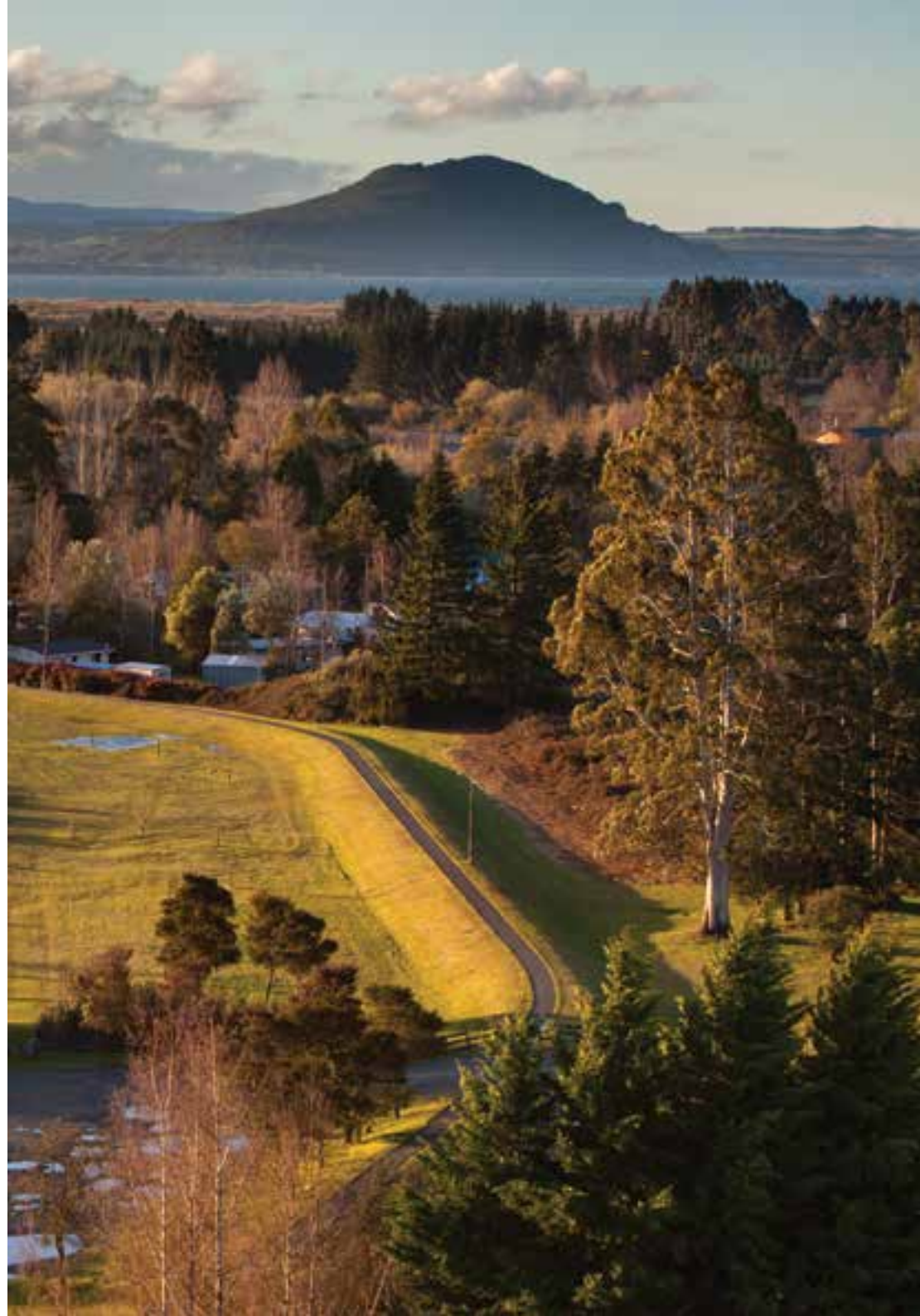
IWInvestor's board have significant experience in financial markets both in New Zealand and offshore. The board of directors includes Debra Birch, Chair; John Bishara, Deputy Chair; Steve Napier; and Nat Vallabh.

Based in Taupō, our operation and team of financial advisers is managed by Linda Mastny. Linda began working for Taupō Moana Group (TMG) in 1997 as an Investment Officer. Linda and Gemma Stevens who joined the organisation in 2007, have both attained Authorised Financial Adviser (AFA) accreditation. Ariana Dais, who joined IWInvestor in 2009, has completed the New Zealand Certificate in Financial Services and is a Registered Financial Adviser (RFA). Ariana is currently working towards becoming an Authorised Financial Adviser (AFA).

The IWInvestor management team and the board's investment committee all have attained Accredited Investment Fiduciary® (AIF®) status.

Collectively the management team has over 40 years of experience in the financial services sector and have all been actively involved in the business including providing advice, client servicing, compliance, portfolio administration and monitoring and management. The diversity within the operations team and board ensures we maintain an open mind to new ideas and technology, and we continue to provide a relevant investment experience to our clients.

Our team also includes MyFiduciary who we partner with to ensure we deliver high performing, low-cost investment solutions. Through MyFiduciary we also aspire to raise the investment governance knowledge and capability of our clients.





AGM GUEST SPEAKER
JAMES BEALE
CHIEF EXECUTIVE
OF ORIENS CAPITAL

Taupō Moana Investments (TMI) the owner of the brand name IWIinvestor and its parent, the Lake Taupō Forest Trust, have committed to investing up to \$3m in Oriens Capital, a Tauranga based private equity firm. We are pleased to have James Beale, the Chief Executive of Oriens as a guest speaker at our Annual General Meeting.

James has worked within the financial services industry for more than 20 years. Central to James' career was 14 years with leading investment advisory business Craigs Investment Partners Limited from 2001 to 2015.

Initially starting in equity research with responsibility for small-company coverage and listed property, James transferred to the investment banking team, progressing quickly. Senior roles within Craigs included Head of Equity Capital Markets, Head of Private Wealth and Head of Investment Management (including Chairman of the Investment Committee and responsibility for Private Wealth Research).

During his time within the investment banking team, James was involved in leading many corporate transactions, IPO's and capital raisings. He also played a significant role in the buyback of 50% of Craigs from ABN AMRO, and the subsequent sale of 50%

to Deutsche Bank. James was also an appointed member of the Pohutukawa Private Equity Investment Committee which reviewed Australasian mid-market private equity investments made by New Zealand firm Direct Capital Limited.

In early 2015, James founded a capital markets advisory business, Beale Capital Consultants Limited, which has provided advice and execution of capital transactions for small and mid-sized corporates. Whilst the first year of operation of this business was very successful, James has chosen to focus on Oriens Capital, believing this represents a significant opportunity for success.

James is qualified as a Wholesale Investor, building a portfolio of minority stakes in early-stage and later-stage private businesses. He also sits on the board of Enterprise Angels, a Tauranga-based Angel Investment group, and is a Director of the EA Fund 1 and 2 (side car investment funds) which operate alongside member investments.

James is a member of the Institute of Directors and a Director of Rokit Global Ltd, Oriens Capital's first investment.





ORIENS CAPITAL

In 2016, IWInvestor made an investment commitment of \$3.0 million to the Oriens Capital Private Equity Fund, and as an early investor, also received a minority shareholding interest in the investment manager, Oriens Capital Limited. IWInvestor has an active role in the governance of the Fund and is represented on the General Partner board by its appointed director Steve Napier.

Oriens was established in Tauranga in 2016 with the support of several community investment and private sector organisations, to enable investment in profitable, well established New Zealand businesses. With access to investment capital, private businesses can expand through product or market development or can offer owners an opportunity to realise value and enable the next generation of staff to become business owners. The Fund has more than \$50m of investment commitments, and in less than three years has made \$23.7m of investments in five businesses.

A significant point of difference for Oriens Capital and its team of four investment professionals is its Bay of Plenty location, which enables the team to identify and engage with regional businesses lesser known to other investors.

The Oriens Fund has investment stakes in the following businesses:

- **Rokit Global Limited** (see profile on page 21);
- **Bluelab Corporation** based in Tauranga, which produces and exports innovative electronic products that control and measure inputs into plant growing systems;
- **Retirement Income Group** based in Wellington, which provides New Zealand superannuants with income for life paid fortnightly with NZ Super through a combination of funds management and insurance products;



- **About Health**, an Auckland based marketer of multi-ingredient, multi-benefit health supplement formulas manufactured in New Zealand and delivered via phone or on-line sales; and most recently
- **Rhino Manufacturing**, a Rotorua based manufacturer of a range of truck and trailer mudguards and associated products.

Oriens Capital has reviewed over 300 investments to make its initial five investments and continues to see a strong pipeline of new investment opportunities. The Fund's existing investment companies have enjoyed revenue and export dollar growth, have created local jobs, and are performing to expectation. IWIinvestor is set to benefit as dividends and distributions are returned to Fund investors overtime.



About Rokit Global

Rokit Global is based in the Hawkes Bay and has a global licence to produce and market the world's only commercial quality miniature apple.

The apple is sweet and crunchy and is marketed under the Rokit Apple brand in a range of packaging formats that make it a convenient and healthy snack alternative.

Due to its premium quality and positioning, Rokit Apples sell at a significant premium to traditional apple varieties and offer very good returns to growers.

Rokit Global exports 98% of its product, particularly to premium Asian markets, and has plantings of the variety in North America and Europe, which supply local markets and the Asian markets in the Southern Hemisphere off season.

Rokit Global is growing fast and has been a strong investment performer for Oriens Capital and IWIinvestor to date.



Performance Report

The favourable environment for the financial markets deteriorated over the year to June with the US administration introduction of tariffs, initially against China.


These tariffs created uncertainties amongst decision-makers, both politicians and company executives. As a consequence, the global economy began to slow with central banks lowering interest rates to revive growth. With central banks' cash rates around the world at record lows, the efficacy of their policy remains to be seen. Recent evidence in Japan and Europe does not provide comfort.

The table opposite demonstrates the changing financial landscape with the more income orientated portfolios (defensive, conservative) showing slightly higher returns over the period, while the more growth-orientated portfolios delivered lower returns. This has come about because the prospects for growth assets (shares, property etc) have weakened on a slowing economy and as investors seek defensive investments such as fixed interest.

Post the year end, the global share markets have moved to being close to record highs and are indicating that the economic outlook is favourable while the fixed interest market, with interest rates at or near record lows, have an opposing view.

Model Portfolios (Gross Returns)	Year to 30 June 2019	Year to 30 June 2018	Year to 30 June 2017
Defensive	5.9%	5.4%	5.4%
Benchmark	5.4%	5.8%	2.9%
Defensive High Yield	7.0%	5.8%	5.4%
Benchmark	5.4%	5.8%	2.9%
Conservative	6.5%	6.4%	6.5%
Benchmark	6.1%	7.0%	4.0%
Moderate	6.9%	8.0%	8.4%
Benchmark	6.7%	8.8%	5.8%
Balanced	7.2%	9.0%	9.4%
Benchmark	7.1%	9.9%	6.8%
Growth	7.6%	10.2%	10.4%
Benchmark	7.5%	11.2%	7.9%
High Growth	8.0%	12.2%	12.4%
Benchmark	7.7%	13.5%	10.0%
NZX90D	2.0%	2.0%	2.2%
CPI	1.1%	1.5%	1.7%

Note: Gross returns - fund manager fees have been applied for applicable periods



Our Board



DEBRA BIRCH CMinstD, AIF®
**DIRECTOR & BOARD CHAIR,
& MEMBER OF THE INVESTMENT
COMMITTEE**

**Ngāti Tūwharetoa, Raukawa,
Ngāti Hauti, Ngāti Rangī, Ngāti Apa**

Debra has over 30 years' experience of financial markets including managing global investment portfolios in Asia, Australia and New Zealand.

Her focus in recent years has been on Māori economic development particularly in the dairying, honey, kiwifruit, tourism, forestry, affordable housing and funds management sectors.

For five years, from 2012 to 2016, she was General Manager, Investments at Te Tumu Paeroa leading the organisation's investment strategy to optimise Māori land and assets.

She was one of the founders of a unique private equity fund model for Māori/Iwi which will co-invest alongside institutional investors over a 15-year timeframe, and which has raised \$115 million from 25 individual Māori/Iwi investor entities.

Debra is currently a non-executive Director of Tourism Holdings, Ruapehu Alpine Lifts, White Island Tours, Ngāti Awa Group Holdings, LGNZ Independent Assessment Board, Te Pūia Tāpapa GP, Tūwharetoa Hau Rau GP, New Zealand Venture Investment Fund, and a Trustee of Wellington Free Ambulance Trust. She also Chairs a number of Investment Committees and is also a member of a number of Audit, Finance & Risk Committees.

She is 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 Professional NZ Inc (INFINZ) and has a post-graduate certificate in Investment Analysis from Otago University.



JOHN BISHARA
DIRECTOR & DEPUTY CHAIR
Ngati Tūwharetoa

John is both a Director and Deputy Chair of the IWIinvestor board. As the Chief Executive of the Lake Taupō Forest Trust (LTFT), the 100% owner of its investment planning and advice subsidiary Taupō Moana Investments Ltd trading as IWIinvestor, he represents the LTFT on the board. He has been associated with IWIinvestor since September 2016 when he was appointed Chief Executive of LTFT.

An accomplished leader, innovator and relationship manager, John has 44 years' experience as a career public servant, most recently serving as Chief Executive of Te Māngai Pāho, the Māori Broadcasting Funding Agency.

John's current directorships include Chairman of the Tūwharetoa Māori Trust Board, the Tongariro/Taupō Conservation Board, the Waihi Marae Committee and he is a Director of Hoka Haulage Ltd and a Trustee on the St Joseph's Māori Girls' College Trust Board.

During his career in the public sector and prior to Te Māngai Pāho he held a number of senior roles including Manager, Deed of Settlement with the Ministry of Fisheries; General Manager Operations and Regions at Te Puni Kōkiri; Senior Advisor, Head Office and Operations Manager, Bay of Plenty at Work and Income New Zealand; Regional Manager Lower North Island at the Department of Labour's Community Employment Group; Operations Manager Head Office GELS with the NZ Employment Service; and with the Department of Labour's GELS Service. John also had a 14-year career in forest management with the NZ Forest Service where his last position was Forest Ranger based in Hawkes Bay.

John has a Master's Degree in Public Administration from Victoria University of Wellington.



STEVE NAPIER CMinstD, AIF®
DIRECTOR & MEMBER OF THE
INVESTMENT COMMITTEE

Steve is a professional director with some 40 years' experience in the funds management and sharebroking industries including managing and advising on asset allocation, share investment (within New Zealand and offshore) and bond investment.

He has been a director of Taupō Moana Investments trading as IWIinvestor since 2016 and is currently a director of Oriens Capital GP Ltd, a Trustee and Deputy Chairman of the Hepatitis Foundation and a Trustee of BayTrust.

He was a member of the board of directors for the Government Superannuation Fund (GSF) for six years to June 2014, Chairman of the GSF Investment subcommittee from 2010 to 2014, and Member of the GSF Audit and Risk subcommittee from 2013 to 2014.

He has extensive governance experience in the financial, craft beer, medical, sporting, community and agri-business sectors. Previous governance roles included being a director of Eden Agri Capital, Chairman of the Yeastie Boys Advisory Board, Chairman of BOP Tennis Association and subsequently, a director of Tennis Waikato-Bays Board and has served as a member of the Ohope Beach Community Board. Immediately prior to becoming a professional director, Steve was a sharebroker in his own firm in Whakatane from 1998 to 2010. Earlier senior executive roles included Equities Manager for Colonial First State, Share Manager for Government Life (now Tower Corporation), and as Equities Analyst for Prudential and Colonial Mutual.

Steve has a Bachelor of Commerce and Administration (BCA) from Victoria University of Wellington majoring in Accounting, he is a Chartered Member of the Institute of Directors NZ, an Accredited Investment Fiduciary® (AIF®), a Member of the Institute of Financial Professional NZ Inc (INFINZ) since 2009, and was a member of the NZ Society of Accountants until 2007.



NAT VALLABH AIF®
**DIRECTOR & CHAIR OF THE BOARD'S
INVESTMENT SUB-COMMITTEE**

Natvar (Nat) Vallabh has over 40 years' experience with equity (share) investments having worked with leading share broking firms and fund managers in Wellington. Nat's experience has involved advising on international share markets, including companies listed on the New Zealand and Australian Stock Exchanges, fixed interest investments, cash management trusts, managed funds, investment trusts, portfolio management and monitoring.

He has been involved with Taupō Moana Investments (IWInvestor) since 2008 as a member of the board's investment sub-committee and subsequently as Investment Manager from 2011 to 2015.

His governance experience includes the Wellington Indian Sports Club, he was

made a life member in 1999, and he has also served as a member of the Board of Trustees of the Wellington Indian Association from 1988 to 2008. He is currently a Trustee of the Wellington Free Ambulance Trust.

Nat began his investment career in 1976 with Francis Allison Symes & Co where he introduced company earnings forecasts to the NZ market. He subsequently became Head of Research for sharebroker Frank Renouf & Co from 1984 to 1987 and was Equities Manager for Renouf Corporation from 1987 to 1988. He then served as Equities Analyst for sharebroking firm Garlick & Co before joining Todd Corporation as Equities Manager, a role he held from 1988 to 1995. Nat then joined AMP Investments NZ Ltd and was Equities Analyst and Funds Manager from 1995 to 2005 before establishing his own company Portfolio Management Limited, a retail fund manager and equity research provider for sharebroking firms from 2005 to 2008.

Nat has a Bachelor of Commerce (BCA) from Victoria University of Wellington majoring in Mathematics and Economics.





Management



LINDA MASTNY
**GENERAL MANAGER, AUTHORISED
FINANCIAL ADVISER (AFA)**
Ngāti Kahungunu, Tainui

Linda is IWIinvestor's General Manager and an Authorised Financial Adviser (AFA). She is also an Accredited Investment Fiduciary® (AIF®). As General Manager she has primary responsibility for managing the business and leading the team.

She began with Taupō Moana Group in 1997 as an Investment Officer and has performed a number of roles within the company culminating in her becoming General Manager in mid-2018. She is also the Financial Manager of Ko Tūwharetoa te Iwi Charitable Trust, a charitable trust that is responsible for the promotion and enhancement of the health, welfare,

education and general wellbeing of all persons of Ngāti Tūwharetoa descent.

Prior to beginning her financial services career, Linda was an Engineering Officer and Squadron Leader with the Royal New Zealand Air Force. While with the RNZAF she had a variety of roles including managing engineering projects, investigating component failures, designing upgrades and deploying with an operational squadron.

Linda has a Bachelor of Mechanical Engineering (First Class Honours) from Auckland University and a New Zealand Certificate in Financial Services (Level 5). A keen sportswoman, Linda enjoys running, swimming, mountain biking, kayaking and netball. She lives in Taupō with her partner and her three children.



GEMMA STEVENS
INVESTMENT ASSOCIATE (AFA)

Ngāti Maniapoto, Ngāti Tūwharetoa, Italiani

Gemma is an Authorised Financial Adviser (AFA) and an Accredited Investment Fiduciary® (AIF®)

She joined IWInvestor in 2007 as Office Manager and has held a number of roles within the company since then. More recently, in addition to client servicing, she has taken on the role of Compliance Officer.

As an Investment Associate, she provides support to the financial advisers.

Prior to IWInvestor, Gemma worked for Lake Taupō Forest Trust as an Assistant Accountant, and in a similar role for an accountancy practice.

Gemma has completed a New Zealand Certificate in Financial Services and has a New Zealand Diploma in Business & Accounting (NZDB) from Waiariki Institute of Technology.

A mother of two, Gemma is active in the community and is a Senior Pastor alongside her husband of a local Church. Her other interests include running, swimming, fitness and gardening.



ARIANA DAIS
INVESTMENT ASSOCIATE (RFA)

Ngāti Tūwharetoa, Raukawa

Ariana works as an Investment Associate and has been with IWInvestor since 2009. During this period, she has been involved in almost every aspect of the business from accounts, HR, office manager and client services, so she has an in-depth understanding of the business. Ariana also provides support for the Financial Advisers.

She has completed the New Zealand Certificate in Financial Services and is a Registered Financial Adviser (RFA).

She is currently working towards becoming an Authorised Financial Adviser (AFA). She is also an Accredited Investment Fiduciary® (AIF®), has a New Zealand Certificate in Business Administration from the Waiariki Institute of Technology and is a Fitness Trainer.

Ariana lives in Taupō with her husband, son and two rottweilers. A keen sportswoman, she loves Rugby and Netball. In addition to owning and operating a fitness business, Ariana also volunteers in her spare time at the local Sports & Rugby Club.

TAUPŌ MOANA INVESTMENTS LIMITED

Consolidated Financial Statements

for the Year Ended 30 June 2019

Directors Report	29
Statement of Comprehensive Income	29
Statement of Movements in Equity	30
Statement of Financial Position	30
Statement of Cash Flows	31
Statement of Accounting Policies	32
Notes to the Financial Statements	39
Company Directory	46
Audit Report	47



TAUPŌ MOANA INVESTMENTS LIMITED
 Directors Report
 FOR THE YEAR ENDED 30 JUNE 2019

The Board present here their Annual Report including the Financial Statements for the Company for the year ended 30 June 2019 and the auditors report thereon.

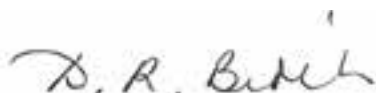
The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, and unanimously agreed that this annual report need not comply with paragraph (a) and (e)-(j) of section 211(1) of the Act.

For and on behalf of the Board:



DIRECTOR:

Dated: 28 August 2019



DIRECTOR:

Dated: 28 August 2019

TAUPŌ MOANA INVESTMENTS LIMITED
 Statement of Comprehensive Income
 FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	GROUP 2018 \$
Operating revenue	4	450,292	475,485
Operating expenses			
Administration	5a	229,186	309,779
Employee Benefits	5c	251,764	260,559
Finance costs	5d	11,898	8,841
Governance	5e	42,825	36,000
Professional	5f	51,834	111,878
		587,507	727,057
Operating profit/(loss)		(137,215)	(251,572)
Depreciation and Amortisation	5b	(4,550)	(3,540)
Share of Associate's profit/(loss) for the year	12	0	96,912
Loss on windup of associate	12	0	(330,374)
Gain/(Loss) on disposal of available for sale financial asset	17	463,506	0
Profit/(loss) for the year before tax		321,741	(488,574)
Income tax expense	6a	0	0
Profit/(loss) for the year		321,741	(488,574)
Other comprehensive income			
Movement in Revaluation Reserve for Available for Sale Financial Assets	17	36,125	40,191
Total comprehensive income (loss)		357,866	(448,383)
Attributed to:			
Equity holders of the Parent	15	357,866	(448,383)
		357,866	(448,383)

These financial statements are to be read in conjunction with the accompanying accounting policies and notes.

TAUPŌ MOANA INVESTMENTS LIMITED
Statement of Movements in Equity
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	GROUP 2018 \$
Opening Equity		6,893,962	7,342,345
Profit/(loss) for the year		321,741	(488,574)
Other comprehensive income		36,125	40,191
Capital Return to Shareholder	2	(2,010,000)	0
Closing Equity		5,241,828	6,893,962

TAUPŌ MOANA INVESTMENTS LIMITED
Financial Position
AS AT 30 JUNE 2019

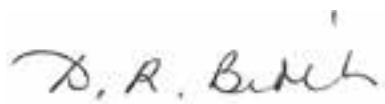
	NOTE	2019 \$	GROUP 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,543,592	2,316,324
Term Deposits		2,682,613	2,988,000
Tax and other receivables	8	47,024	77,965
Total Current Assets		4,273,229	5,382,289
Non Current Assets			
Investments in Associate	12	0	0
Financial Assets at fair value through Other Comprehensive Income	17	0	1,643,383
Joint Ventures	12	1,023,566	0
Property, Plant & Equipment	9	5,958	6,428
Total Non Current Assets		1,029,524	1,649,811
TOTAL ASSETS		5,302,753	7,032,100
LIABILITIES			
Current Liabilities			
Trade and other payables	13	50,808	121,026
Employee entitlements	14	10,117	17,112
Total Current Liabilities		60,925	138,138
NET ASSETS		5,241,828	6,893,962

These financial statements are to be read in conjunction with the accompanying accounting policies and notes.

Financial Position continued

	NOTE	GROUP	
		2019 \$	2018 \$
ISSUED CAPITAL AND RESERVES ATTRIBUTED TO OWNERS OF THE PARENT			
Contributed Equity	1	4,566,909	6,576,909
Retained earnings	15	598,603	276,862
Reserves	15	76,316	40,191
TOTAL EQUITY		5,241,828	6,893,962

For and on behalf of the Board of Directors, who authorised these financial statements on



Director: Debra Birch



Director: Natvar Vallabh

These financial statements are to be read in conjunction with the accompanying accounting policies and notes.

TAUPŌ MOANA INVESTMENTS LIMITED
Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	GROUP	
		2019 \$	2018 \$
Cash Flow From Operating Activities			
Cash was provided from:			
Receipts From Customers		324,183	355,440
Interest Received		97,638	84,003
Other Income Received		31,581	32,360
Income Tax Refunded		24,361	1,344
		477,762	473,147
Cash was applied to:			
Payments to Suppliers		403,677	424,976
Payments to Employees		258,759	252,232
Net GST		6,851	(17,222)
		669,287	659,986
Net Cash Inflow (Outflow) from Operating Activities		(191,525)	(186,839)
Cash Flow From Investing Activities			
Cash was provided from:			
Proceeds from sale of investment		0	0
Proceeds from Repayment Of Capital		0	1,759,184
Proceeds from Disposal of Fixed Assets		87	0
		87	1,759,184
Cash was applied to:			
Purchase of property, plant & equipment		6,129	4,723
Purchase of Investments		494,613	3,018,000
		500,742	3,022,723
Net Cash Inflow (Outflow) from Investing Activities		(500,655)	(1,263,539)

Statement of Cash Flows continued

	NOTE	GROUP	
		2019 \$	2018 \$
Cash Flow From Financing Activities			
Cash was provided from:			
Cash was applied to:			
Capital Return to Shareholder		80,552	0
		80,552	0
Net Cash Inflow (Outflow) from Financing Activities		(80,552)	0
Net Increase (Decrease) in Cash Held		(772,732)	(1,450,378)
Opening Bank		2,316,324	3,766,702
Closing Bank		1,543,592	2,316,324
Bank Consists of:			
Cheque Account		1,543,592	2,316,324

Statement of Accounting Policies
FOR THE YEAR ENDED 30 JUNE 2019

CORPORATE INFORMATION

The financial statements of Taupō Moana Investments Limited (Formerly Taupō Moana Group Limited) and its subsidiaries (the “Group”) for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 23 August 2019.

Taupō Moana Investments Limited and its subsidiaries are domiciled in New Zealand and are registered under the Companies Act 1993.

They are profit-oriented entities. The financial statements of Taupō Moana Investments Limited and Group have been prepared in accordance with the Companies Act 1993.

The nature of the operation and principal activities of the Group is to manage the investment arm of the Lake Taupō Forest Trust, the ultimate Parent of Taupō Moana Investments Limited.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”).

They comply with New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (“NZ IFRS (RDR)”) and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

The Group is a Tier 2 For-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards as issued by the New Zealand External

Reporting Board (XRB). The Group is eligible to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

b) Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for certain investments which have been measured at fair value.

The functional and presentation currency is New Zealand Dollars (NZD) rounded to the nearest dollar.

The accounting policies set out below have been applied consistently in preparing the financial statements for the year ended 30 June 2019.

Certain comparative figures have been reclassified to conform current year classification.

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Taupō Moana Investments Limited and its subsidiaries as at 30 June each year.

The Group financial statements incorporate the financial statements of its subsidiaries, and any associates.

The results of subsidiaries acquired or disposed of during the year are included in the profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Subsidiaries

Subsidiaries are those entities in which the Parent has control which is the power to govern the financial and operating policies of a subsidiary so as to obtain benefits from its activities. Investments in subsidiaries are eliminated at Group level.

Associates

The associates are entities over which the Group has a significant influence and that are neither subsidiaries nor joint ventures.

These are entities in which the Group holds substantial shareholdings and in whose commercial and financial policy decisions it participates but where no control is exercised.

The Group's investment in associates is accounted for using the equity method of accounting. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the net assets of the associates.

Dividends receivable from associates are recognised in the parent entity, while in the consolidated financial statements they reduce the carrying amount of the investment.

The associate's accounting policies conform or are adjusted to those used by the Group for like transactions and events in similar circumstances.

d) Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If the recoverable amount of an asset is less than its carrying amount, the item is written down to its recoverable amount. The impairment write down of an asset recorded at historical cost is recognised as an expense in the profit or loss in the period in which it occurs.

The carrying amount of an asset that has previously been written down to its recoverable amount is increased to its current recoverable amount if there has been a reversal of the impairment loss. The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the impairment write down to its recoverable amount had not occurred. Reversals of impairment write downs are recognised as a profit or loss in the period in which it occurs.

e) Property, Plant and Equipment

Cost

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation

Depreciation of computer and office equipment, is calculated using the diminishing value method, so as to expense the cost of the assets over their useful lives.

Leasehold improvements are depreciated using the Straight Line method, so as to expense the cost of the asset over a period of time. The depreciation rates are as follows:

CATEGORY	METHOD	RATE
Computer and office equipment	DV	10%-50%

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. Financial instruments are comprised of trade and other receivables, cash and cash equivalents, other financial assets, trade and other payables and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through profit or loss, which are measured at fair value.

Financial assets and financial liabilities are recognised when the Parent and Group becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their use within the Group's business model.

Management determines the classification of financial assets at initial recognition into one of two categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the two categories below, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported profit/ loss or other comprehensive income.

(i) Financial Assets at Amortised Cost

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are held in a business model to collect the contractual cash flows. After initial recognition these are measured at

amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables and term deposits fall into this category of financial instruments.

Receivables are considered for impairment using the simplified model. This is based on lifetime expected credit losses.

Because customer fees are paid from funds under management, no expected credit losses are recognised.

(ii) Financial Assets at Fair Value through Other Comprehensive Income

These are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's assets include equity investments elected to this category.

Gains and losses are recognised in other comprehensive income and reported within the "investment revaluation reserve" within equity, except for impairment losses which are recognised in profit or loss.

When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Any associated interest income or dividends are recognised in profit or loss within "finance income".

g) Foreign currency transactions

Exchange differences are recognised in profit or loss in the period in which they arise.

h) Cash and cash equivalents

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

i) Trade and other receivables

Accounts receivable are carried at estimated realisable value after providing for expected credit losses. The impairment model is disclosed in note 1f) (i).

j) Leases

Leases that are not finance leases are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

k) Share Capital

Share issue costs arising on shares recognised as equity are deducted from the proceeds of the shares issued.

l) Employee Entitlements

Employee entitlements to salaries and wages, annual leave, long service leave and other benefits are recognised when they accrue to employees.

Annual Leave

A liability for annual leave accruing to employees is recognised in the Balance Sheet. The liability is stated at the present value of the estimated future cash outflows to be incurred resulting from employees' services provided up to the balance sheet date.

m) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods

and services and are recorded at amortised cost.

The amounts are unsecured and are usually paid within 30 days of recognition.

n) Revenue recognition

Revenue from Services – Portfolio Management and Advice

The Group provides portfolio management and advice services to customers.

Depending on the agreement with the customer, the services may comprise solely portfolio management services, and others may include both portfolio management and advice services. Revenue from the provision of these services is recognised in the period that the services are provided on a month-to-month basis.

Advice services are typically provided when a customer first contracts with the Group and sometimes on a regular basis based on the needs of the customer. For practical purposes, the revenue allocated to this performance obligation is recognised over the same period as fund management services due to the short-term nature of the contracts.

Revenue from Services – Management and Consultancy

The Group provides management and consultancy services to specific customers outside the scope of portfolio management and advice.

The revenue from these services are recognised at the point when the advice is issued to the customer and has been invoiced.

Investment Income

Dividend revenue from investments is recognised when the Group's right to receive payment has been established.

Interest revenue is accrued on a time basis using the effective interest method.

o) Taxation

Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- temporary differences arising on the initial recognition of goodwill; and
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be released simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p) Use of Judgements and Estimates

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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



TAUPŌ MOANA INVESTMENTS LIMITED
Notes to the Financial Statements
FOR THE YEAR ENDED 30 JUNE 2019

1 SHARE CAPITAL

ISSUED & PAID UP CAPITAL	SHARES	CAPITAL \$
ORDINARY SHARES		
Opening Balance 2018	7,680,697	6,576,909
Closing Balance 2018	7,680,697	6,576,909
Opening Balance 2019	7,680,697	6,576,909
Capital Return to Shareholder		(2,010,000)
Closing Balance 2019	7,680,697	4,566,909

Ordinary Shares

As at 30 June 2019 there were 7,680,697 fully paid shares (2018: 7,680,697). All ordinary shares rank equally with one vote attached to each fully paid ordinary share. All ordinary shares share equally in dividends and surplus on winding up.

2 RELATED PARTY INFORMATION

General

All members of the Group are considered to be related parties of Taupō Moana Investments Limited. This includes the subsidiaries identified in note 11.

Nature of related party relationships

In addition to the Parents subsidiaries, the Group had an associate relationship with Putake Limited and Putake Investments Limited Partnership and a joint venture relationship with LTFT/TMI Partnership as identified in note 12.

The Ultimate Parent of the Group is Lake Taupō Forest Trust (LTFT). All transactions with this entity are related party transactions.

Transactions with related parties

During the year, the following arms length transactions occurred:

RELATED PARTY	TRANSACTION	GROUP	
		2019 \$	2018 \$
Putake Limited	Management Fees Received	0	18,000
	Capital Distribution	0	1,421,503
Putake Investments Limited Partnership	Capital Distribution	0	337,681
	In-Specie distribution of Ranginui Station 2008 Limited	0	1,105,942
Lake Taupō Forest Trust	Management Fees Received	108,458	127,622
	Accounts Receivable	9,333	9,649
	Capital Returned	2,010,000	0
Lake Rotoaira Forest Trust	Management Fee Received	42,768	27,278
Ngati Awa Group Holdings Limited	Expenses	0	39,565
Oriens Capital GP Limited	Capital call on behalf of Lake Taupō Forest Trust	450,000	30,000
LTFT/TMI Partnership	Transfer of Oriens Asset	1,023,566	0

Terms and Conditions of transactions with related parties

Sales to and purchases from related parties are made at arms length transactions both at normal market prices and on normal commerce terms.

Reimbursements between related parties are based on actual costs incurred. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

For the year ended 30 June 2019, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2018: Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

Key Management Personnel

Details relating to key management personnel are included in note 3.

3 COMPENSATION FOR KEY MANAGEMENT PERSONNEL

During the year ended 30 June 2019, the number of employees who received remuneration with a combined total value exceeding \$100,000 is set out below.

There were no employees who received remuneration above \$100,000.

REMUNERATION RANGE	NUMBER OF EMPLOYEES	
	2019	2018
\$100,001 - \$140,000	0	0
	0	0

DIRECTORS REMUNERATION

Members of the governing body are paid meeting fees or other remuneration.

A summary is outlined below.

	2019		2018	
	REMUNERATION	NUMBER OF INDIVIDUALS	REMUNERATION	NUMBER OF INDIVIDUALS
Directors Fees Paid	42,825	3	36,000	4

4 OPERATING REVENUE

	GROUP	
	2019 \$	2018 \$
Revenue from Contracts with Customers		
Portfolio Funds Management and Advice	287,898	325,207
Portfolio Management & Consultancy	29,703	33,915
	317,601	359,122
Other Operating Revenue		
Interest Income	97,638	84,003
PIE Distribution	22,223	14,773
Overseas Income	0	1,503
Dividend Income	3,472	0
Miscellaneous Income	5,000	2,996
Gain on investment	4,358	13,088
	132,691	116,363
Total Operating Revenue	450,292	475,485
5 OPERATING EXPENSES		
5a. Administrative expenses		
Consultancy - Management and Operational	85,482	89,421
Other Operating Costs	117,368	181,863
Meeting, Travel and Accommodation Costs	12,556	20,482
Rental	13,780	18,013
	229,186	309,779
5b. Depreciation		
Depreciation - Office Equipment	4,550	3,540
	4,550	3,540

	GROUP	
	2019	2018
	\$	\$
5c. Employee Benefits		
Staff Salary	239,291	234,090
Kiwi Saver Employer Contributions	6,931	6,450
Other Related Staff Costs	5,542	20,019
	251,764	260,559
5d. Finance Costs		
Investment Administration Costs	10,756	7,897
Interest & Bank Fees	1,142	944
	11,898	8,841
5e. Governance		
Directors Fees	42,825	36,000
	42,825	36,000
5f. Professional		
Legal and professional fees	51,834	111,878
	51,834	111,878
Total Operating Expenses	592,057	730,597

6 INCOME TAX

The company income tax rate is currently 28% (2018: 28%). The Group is in a loss position for 2019, as was the case in 2018.

6a. Reconciliation between aggregate tax expenses calculated per the statutory income tax rate

A reconciliation between the tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	GROUP	
	2019	2018
	\$	\$
CURRENT TAX EXPENSE		
Reconciliation of effective tax rate		
Accounting (loss)/profit before tax	321,741	(488,574)
Income tax using the company tax rate of 28%	90,087	(136,801)
Non-deductible expenses	22	95,057
Non-taxable income	(135,476)	(30,260)
Partnership allocation	0	27,135
Effect of tax losses (utilised)/not recognised	43,896	45,621
Effect of temporary differences (utilised)/not recognised	1,471	(753)
Prior Period Adjustment	0	0
Income tax expense	0	0

6b. Losses Carried Forward

The Group has tax losses available of \$2,906,747 (2018: \$3,104,545).

No deferred tax asset has been recognised in relation to tax losses or temporary differences at year end as there is not probable certainty that these balances will be utilised in the foreseeable future.

6c. Tax receivable

Closing balance	18,747	43,108
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The current tax asset of \$18,747 (2018 \$43,108) represents the amount of income tax refundable in respect of the current period.

6d. Imputation Credit Account

Closing balance	204,568	362,645
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7 CASH AND CASH EQUIVALENTS

Taupō Moana Investments Limited has short term investments. The Parent's Statement of Investment Parameters and Objectives stipulates that 100% of funds are to be invested in cash or Money Market securities. All investments are short term.

	GROUP	
	2019	2018
	\$	\$
Cash at Bank		
BNZ	3,922	63,675
	3,922	63,675
Cash Equivalents		
Cash accounts in Portfolio investments	1,539,670	2,252,649
	1,539,670	2,252,649
Total Cash and Cash Equivalents	1,543,592	2,316,324

8 TRADE AND OTHER RECEIVABLES

	GROUP	
	2019	2018
	\$	\$
Debtors		
Trade Debtors	28,277	34,857
Total Debtors	28,277	34,857
Other Receivables		
Income Tax Receivable	18,747	43,108
Total Other Receivables	18,747	43,108
Total Trade and Other Receivables	47,024	77,965

9 PROPERTY, PLANT & EQUIPMENT

GROUP 2019	COST	ACQUIRED/ (DISPOSED)	ACCUM DEPN	BOOK VALUE 30/06/19
Office Equipment	27,358	(3,635)	17,765	5,958
Total Fixed Assets	27,358	(3,635)	17,765	5,958
GROUP 2018	COST	ACQUIRED/ (DISPOSED)	ACCUM DEPN	BOOK VALUE 30/06/18
Office Equipment	26,313	(5,084)	14,801	6,428
Total Fixed Assets	26,313	(5,084)	14,801	6,428

10 AUDITOR REMUNERATION

	GROUP	
	2019	2018
	\$	\$
AMOUNTS PAID OR PAYABLE TO AUDITORS FOR:		
Audit of the financial statements	15,000	12,500
Tax consultancy	0	11,000
	15,000	23,500

11 INVESTMENT IN SUBSIDIARIES

NAME OF ENTITY	PRINCIPAL ACTIVITY	BALANCE DATES	OWNERSHIP & VOTING INTEREST HELD BY GROUP	
			2019	2018
Taupō Moana Funds Ltd	Funds Management & Investment Advice	30-Jun	0%	100%
Taupō Moana Capital Ltd	Consultancy Services	30-Jun	0%	100%
Taupō Moana Investments Ltd	Holding Company for significant unlisted investments	30-Jun	0%	100%
Taupō Moana IwiSaver Ltd	Holding Company for Kiwisaver Scheme	30-Jun	0%	100%
Tūwharetoa Nominees Ltd	Holding Company for Investment Funds	30-Jun	100%	100%

All subsidiaries are domiciled and were incorporated in New Zealand.

During the period, Taupō Moana Funds Limited, Taupō Moana Capital Limited, Taupō Moana Investments Limited and Taupō Moana Iwisaver Limited amalgamated into the parent entity. There was no impact on the Group Financial Statements.

12 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Putake Limited was incorporated on 5th April 2005. Taupō Moana Investments Limited acquired 50% of the company on the 6th April 2005. The nature of the company's business is to invest in enterprises that create greater Maori wealth, commercial understanding, transparency, corporate governance and choice.

On the 10th December 2010 the shareholders of Putake Limited established a Limited Liability Partnership (Putake Investments Limited Partnership).

The shareholders of the Company are the Limited Partners with a 50% ownership each and Putake Limited is the General Partner.

On 10 December 2011 Putake Limited sold its four main investments to Putake LLP. Therefore, at year end the Group had two related associates, Putake Limited (50%) and Putake Investments Limited Liability Partnership (Putake LLP).

Putake Investments Limited Partnership and Putake Limited were wound up as at 27th March 2018. As part of the wind up, the group received \$1,759,184 in cash, 2,173,913 shares in Baker No-Tillage Limited for a consideration of \$1 that is recorded in the financial statements with a fair value of Nil and an in-specie distribution of a 5.25% share in Ranginui Station 2008 Limited valued at \$1,105,925.

The Group established with Lake Taupō Forest Trust a partnership called "LTFT/TMI Partnership" whose purpose is to hold each party's interest in the Orient's Capital group of entities. The Group jointly controls LTFT/TMI Partnership with Lake Taupō Forest Trust and has an ultimate 33% interest once all final capital calls for the Orient's Capital investment has been made. As at 30 June 2019, there is an effective 73% interest held by the Group based on capital calls made to-date.

The Group has determined it has joint control of the entity based on the terms of the partnership agreement that requires an effective approval by both parties for significant decisions. The entity has been classified as a joint venture as the Group only has exposure to its share of the net assets of the entity.

The LTFT/TMI Partnership is recognised at cost and subsequently accounted for using the equity method of accounting.

2019	PUTAKE LIMITED	LTFT/TMI PARTNERSHIP	PUTAKE LLP	TOTAL
Interest in Equity	50%	73%	50%	
Total assets	0	1,383,566	0	1,383,566
Total liabilities	0	0	0	0
Total net assets	0	1,383,566	0	1,383,566
	PUTAKE LIMITED \$	LTFT/TMI PARTNERSHIP \$	PUTAKE LLP \$	TOTAL \$
Carrying amount at the beginning of the year	0	0	0	0
Share of associate surplus/(deficit)	0	0	0	0
Additions	0	1,023,566	0	1,023,566
Carrying amount at the end of the year	0	1,023,566	0	1,023,566

2018	PUTAKE LIMITED	LTFT/TMI PARTNERSHIP	PUTAKE LLP	TOTAL
Associate	50%	0	50%	
Total assets	0	0	0	0
Total liabilities	0	0	0	0
Total investment in associate (net assets)	0	0	0	0
	PUTAKE LIMITED \$	LTFT/TMI PARTNERSHIP \$	PUTAKE LLP \$	TOTAL \$
Carrying amount at the beginning of the year	1,438,726	0	1,673,020	3,111,746
Share of surplus/(deficit)	0	0	96,912	96,912
Capital Repayment to Limited Partners	(1,421,503)	0	(337,681)	(1,759,184)
RWT Distributed	0	0	(13,158)	(13,158)
In-specie distribution of Ranginui Station 2008 Limited	0	0	(1,105,942)	(1,105,942)
Loss/(Gain) on windup of associate	(17,223)	0	(313,151)	(330,374)
Carrying amount at the end of the year	0	0	0	0

13 TRADE AND OTHER PAYABLES

	GROUP	
	2019 \$	2018 \$
Creditors	22,685	4,727
Accruals	15,000	23,500
Trade and other payables	37,685	28,227
Other Liabilities	176	73,000
Goods and Services Tax	12,947	19,798
	13,123	92,799
Trade and other payables	50,808	121,026

Due to the short term nature of trade and other payables, their carrying value is assumed to approximate their fair value.

14 EMPLOYEE ENTITLEMENTS

	GROUP	
	2019 \$	2018 \$
Annual Leave	10,117	9,399
Accrued Wages	0	7,713
Total Provision for employees	10,117	17,112

All employees are employed by the parent company, Taupō Moana Investments Limited.

15 EQUITY RESERVES

RETAINED EARNINGS	GROUP	
	2019 \$	2018 \$
Opening balance	276,862	765,436
Profit/(loss) for the year	321,741	(488,574)
Closing balance	598,603	276,862
INVESTMENT REVALUATION RESERVE		
	2019 \$	2018 \$
Opening balance	40,191	0
Profit/(loss) for the year		
Other comprehensive income	36,125	40,191
Closing balance	76,316	40,191

16 COMMITMENTS

Operating lease commitments

Future minimum rental payables under non-cancellable operating leases as at 30 June are as follows:

	GROUP	
	2019 \$	2018 \$
Within one year	22,109	16,129
Between one and five years	32,938	22,697
More than five years	0	6,920
Balance as at 30 June	55,047	45,746

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP	
AT FAIR VALUE	2019 \$	2018 \$
Opening balance	1,643,383	467,250
Additional investments	460,000	1,135,942
Sale of assets	(2,603,014)	0
Gain recognised through profit & loss	463,506	0
Fair value gains/(losses)	36,125	40,191
Closing Balance	0	1,643,383
Oriens Capital		
At cost	0	555,000
Cumulative impairment losses	0	(57,750)
Cumulative fair value gains/(losses)	0	40,191
Carrying Value	0	537,441
Ranginui Station 2008 Limited		
At cost	0	1,105,942
Cumulative impairment losses	0	0
Cumulative fair value gains/(losses)	0	0
Carrying Value	0	1,105,942

On the 30th of May 2019, Taupō Moana Investments Limited entered into a partnership agreement with its parent company, Lake Taupō Forest Trust.

The partnership was formed to take ownership of Taupō Moana Investments Limited share in Oriens Capital. This asset was transferred into the partnership (Refer Note 12).

On the 30th of May 2019 Taupō Moana Investments Limited investment in Ranginui Dairy Limited was transferred to its Parent, Lake Taupō Forest Trust. The asset was transferred at \$1,569,448 which reflects the book value of the companies share as at 30 June 2018. Therefore a gain on sale of asset of \$463,506 has been recognised in the year.

On the 22nd of March 2018, Taupō Moana Investments Limited acquired a 5.25% interest in Ranginui Station 2008 Limited in the Wind-up of Putake Limited Partnership.

The fair value of the initial investment in Ranginui Station Limited Partnership was based a valuation performed by TDB Advisory Limited dated 3 May 2018 that sought to estimate the equity value of Ranginui Station Limited Partnership. Significant assumptions and judgements made in the valuation were:

- 1) Capitalisation of earnings from the dairy farm land and improvements of EBIDTA of \$2 per kilogram of milk solid capitalised at a rate of 7.1% to arrive at a sale price of \$28 per kilogram of milk solid.
- 2) Capitalisation of earnings from the drystock land and improvements of EBIT per hectare of \$318 capitalised at a rate of 3.0%.
- 3) Valuation of livestock at current observable market prices.

18 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at 30 June 2019 (2018: nil).

19 SUBSEQUENT EVENTS

There have been no subsequent events that have an impact on these financial statements

20 FIRST TIME ADOPTION OF NZ IFRS 9 AND NZ IFRS 15

As at 1 July 2018, the Group adopted NZ IFRS 9 Financial Instruments and NZ IFRS 15 Revenue from Contracts with Customers. The adoption of these standards did not result in any changes to the measurement of items previously recognised in the financial statements and only had an impact on classification and disclosures to the financial statements.

For comparative purposes on adopting NZ IFRS 9, the financial assets that are classified as financial assets at amortised cost were previously classified as loans and receivables and the financial assets that are classified as financial assets at fair value through other comprehensive income were previously classified as available for sale financial assets under the old NZ IAS 39 standard. No transitional adjustments were required.

For comparative purposes on adopting NZ IFRS 15, the amounts presented in the financial statements for revenue for the 2019 year would have been the same had had the previous accounting policies under NZ IAS 18 continued to apply.

TAUPŌ MOANA INVESTMENTS LIMITED Company Directory AS AT 30 JUNE 2019

Registered Office

Unit 8/e, 72 Totara Street
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Ph: 07 378-7644
Fax: 07 378-7647

Officers of the Company

Taupō Moana Investments Limited

Debra Birch
Stephen Napier

Taupō Moana Iwisaver Limited

Debra Birch

Bankers

BNZ Tongariro Street, Taupō

Shareholders

Taupō Moana Investments Limited
Lake Taupō Forest Trust - 100%

Auditor

Crowe New Zealand Audit Partnership
Level 1, Findex House
57 Willis Street
Wellington

John Bishara
Natvar Vallabh

Stephen Napier

Shares

7,680,697 Ordinary/Fully Paid Shares



Independent Auditor's Report

TO THE SHAREHOLDER OF TAUPŌ MOANA INVESTMENTS LIMITED

Opinion

We have audited the consolidated financial statements of Taupō Moana Investments Limited and its controlled entities (the "Group") on pages 29 to 46, which comprise the consolidated statement of financial position as at 30 June 2019 and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance

Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm provides advisory and taxation services to the Group. The firm has no other relationship with, or interests in, Taupō Moana Investments Limited and its controlled entities.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the entity for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS RDR, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors, are responsible 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 directors, either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due

to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 directors, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Directors, 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.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
28 August 2019



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Pou Tiaki i Ngā Rawa
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