



IWIinvestor

Pou Tiaki i Ngā Rawa
New Zealand's wealth advisers

ANNUAL REPORT 2020

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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This is the Annual Report of Taupō Moana Investments Limited (TMI) for the financial year ended 30 June 2020. TMI is a wholly-owned subsidiary of Lake Taupō Forest Trust and trades under the brand name IWInvestor, the name by which it is widely known and recognised.		Independent Auditors Report	47
For this reason, TMI is referred to as IWInvestor throughout this Annual Report.		Disclaimer	49
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Notice of Annual General Meeting

You are cordially invited to the 2020 Annual General Meeting of Taupō Moana Investments Limited operating as IWInvestor.

Date: 9.30am Friday, 9 October 2020

Venue: Hilton Lake Taupō,
80-100 Napier Road,
Hilltop, Taupō

- Business:**
1. Mihi
 2. To receive, consider and adopt the IWInvestor Annual Report.
 3. To receive, consider and adopt the audited Financial Statements.
 4. To appoint the auditors.
Note: Crowe Horwath have signified their willingness to continue as IWInvestor's Auditors.
 5. General Business

Chair's Report

**Tēnā tātou katoa,
He hua nui i te mōrearea**

*In the midst of every crisis,
lies great opportunity*



**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 2020 (FY2019/2020).

While the last 12 months have been variously described as unprecedented and challenging due in large part to the global pandemic, I am pleased to say that IWInvestor's clients have benefited from a particularly strong performance in all our portfolios – across each risk profile and time horizon.

The past financial year has resembled a roller-coaster and created considerable uncertainty. At the beginning of 2020, optimism in the global economy was high and many share markets were at an all-time record level in mid-February. Then COVID-19 migrated out of China to the rest of the world and became a global pandemic. Share markets responded, plunging 34 per cent within six weeks (MSCI All Country World Index). Central banks around the world dramatically cut cash rates and embarked on bond purchase programmes to provide liquidity in the financial system and keep interest rates low.



Governments, responding to the COVID crisis, introduced various levels of lockdown measures which had the immediate impact of contracting economic activity. To minimise the resultant increase in unemployment and to support households and businesses during lockdowns, governments and central banks have delivered huge levels of stimulus.

While New Zealand has fared better than many countries, the impact of Covid-19 has been significant. The country's GDP shrank by 12.2 per cent between April and June, and as this was on top of negative March quarter a recession has been confirmed. What is unknown and is the subject of much speculation is the extent and duration of this recession.

The implications for financial markets

- There is an emerging consensus that interest rates will remain low for longer, particularly while household and government debt are at painful levels.
- Equities are likely to continue to provide the only avenue for investors who require income combined with the prospect of some capital gains. This explains why equity markets have recovered in recent months and, in some cases and at the time of writing this, are now trading more strongly than pre-COVID levels.
- Since 1939, there have been 16 significant market falls, including the current COVID induced crisis. While the timeline for recovery differs for each market fall, ranging from a few months to a few years, the one common feature is that equity markets did recover in every instance, providing an annual return of 10.8 per cent per year in the ensuing years.

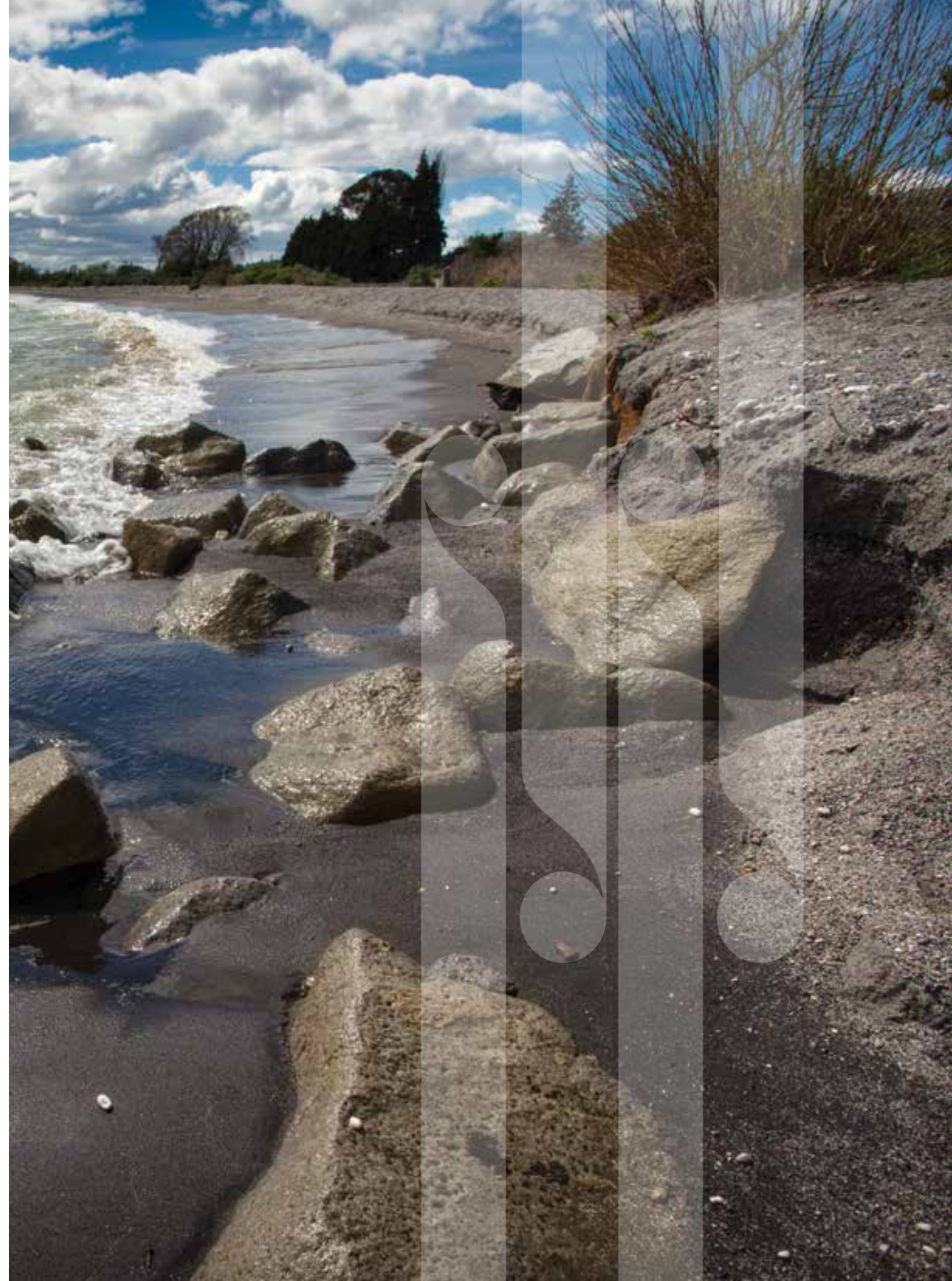
What might the future hold for IWInvestor's clients

While we can expect continued market volatility, we can control how and when to invest. We have choices.

A common investment mantra is 'it's about time in the markets, not timing the markets'. In other words, it is better to stay invested for many years, rather than worrying about whether now is the best time to invest, and one of the reasons that long-term investing has the potential to deliver superior returns is the power of compounding. Einstein reportedly called compounding the eighth wonder of the world, it essentially means the snowballing effect of your returns generating greater returns over time.

That is why we believe that despite ongoing market uncertainty, investors should remain invested and committed to their investment goals. Therefore, sometimes the best approach for weathering a storm is a simple one: remain invested and focused on your goal.

For IWInvestor, success is very much dependent on not only growing our client's assets but also making sure we are meeting our client's needs. While we cannot rule out further volatility, IWInvestor's clients have had a good year. Our commitment to best practice in investment governance ensures your investment strategy is properly developed, implemented and monitored.



IWInvestor's business

This financial year has been a busy and productive one. It has seen us advance a number of important projects, as outlined in the following section. We are committed to Project Whetū, to providing investment governance training for those who act as trustees or have responsibility for investment decisions, and we intend running a series of workshops over the next 12 months based on last year's successful pilot workshop.

IWInvestor is fortunate in having a supportive shareholder and partner in the Lake Taupō Forest Trust (LTFT) who are also a significant client. We look forward to working collaboratively with LTFT over the next year sharing highlights, announcements and news relevant to our joint stakeholders across our websites and social media platforms.

LTFT's support has enabled IWInvestor to increase our capability to ensure the business is suitably structured and poised for growth. This has included engaging additional compliance and office management personnel. During the year, we appointed Lisa te Heuheu as our Office and Projects Manager and Nicole Pask as our Compliance Manager.

During the year we won new mandates from several organisations around the rohe. We are now delivering quality investment outcomes to clients including individuals, charitable trusts, Māori entities and investment organisations. On their behalf, we now manage around \$200 million providing financial portfolio advice, management and administration.

We are also in the process of reviewing our investment portfolios and expect to shortly announce a new offering, a low-risk short duration fixed-income fund that provides liquidity. This fund is being developed to meet the needs of Māori Land

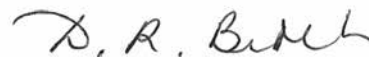
Trusts and commercial entities who have experienced a marked reduction in revenue and, in a low-interest rate environment, require better returns than those offered by fixed term deposits.

This represents a further opportunity on the back of a challenging environment for IWInvestor to expand its business and better meet the needs of those of both current clients and like organisations looking to protect and grow their assets.

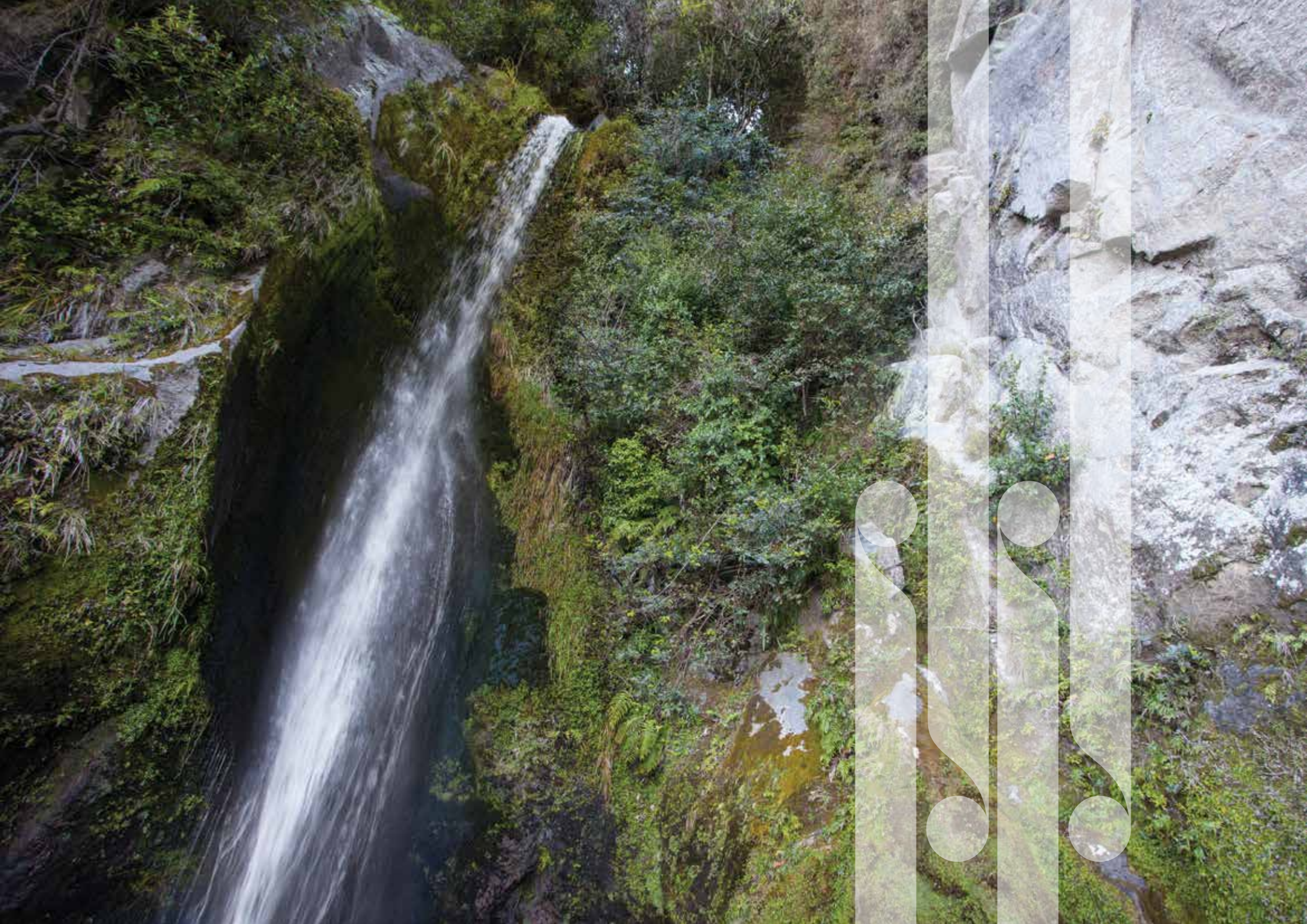
Acknowledgements


I 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 benefited from a committed management team comprising Linda Mastny, our General Manager; Ariana Dais, Investment Operations Manager; Lisa te Heuheu, Office and Projects Manager; and Nicole Pask, Compliance Manager.

To our investors, 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 significant responsibility. In acknowledging that trust, be assured that we will use every endeavour to vigilantly protect and prudently grow your wealth.



DEBRA BIRCH
EXECUTIVE CHAIR





Key achievements over
the past 12 months

**Fund performance has been strong
compared to market benchmarks and peers,
over all time horizons and risk profiles**



PROJECT WHETŪ – investment governance training

Project Whetū was launched last year and an initial pilot one-day workshop was held in Taupō in August 2019 and attended by 27 people from across the North Island.

That workshop not only exceeded our expectations, but we were also overwhelmed by the great feedback from participants. That has strengthened our commitment to providing ongoing investment governance training to those who act as trustees or have responsibility for investment decisions.

Unfortunately, COVID-19 and the lockdown cut across our ability to deliver further workshops in the first half of 2020. We now intend providing a series of workshops over the next 12 months based on the successful pilot workshop.

The purpose of the Project Whetū workshops is to arm course participants with:

- The language of investment.
- The knowledge to chart an investment strategy that better meets the purpose of the organisations they serve.



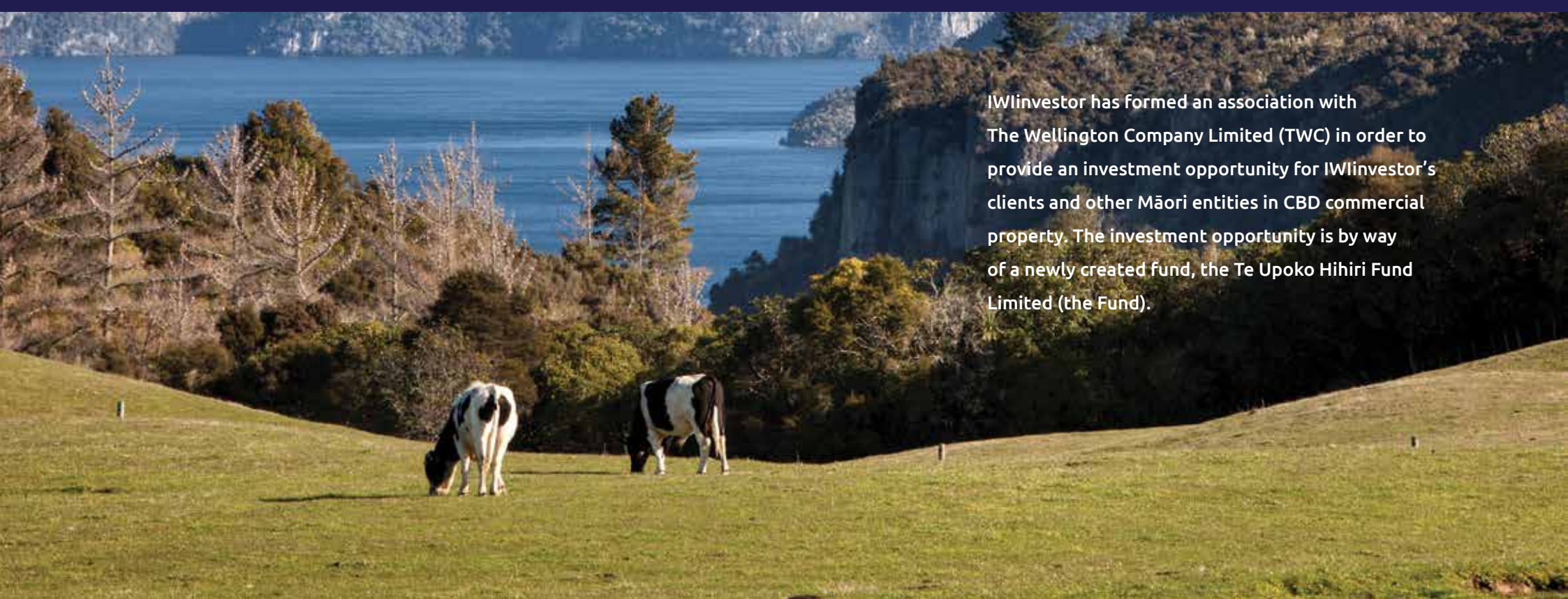
- The knowledge to ask the right questions of their advisors and investment managers.
- An understanding of the standards, laws and trust provisions that are important to their decision-making duties (reducing their personal liability risk).
- A better basis to make good decisions about their investments on behalf of beneficiaries or shareholders.

If you have any iwi, hapū, Māori Trusts, whānau, or Māori businesses that you think would benefit from the course and who are interested in attending a workshop in the future please get in contact with us.





TE UPOKO HIHIRI FUND LIMITED



IWInvestor has formed an association with The Wellington Company Limited (TWC) in order to provide an investment opportunity for IWInvestor's clients and other Māori entities in CBD commercial property. The investment opportunity is by way of a newly created fund, the Te Upoko Hihiri Fund Limited (the Fund).

The founders of TWC are seeking \$38.1 million of equity for the Fund through an offer to professional investors (through an Information Memorandum issued in July 2020). Should the capital raising succeed, the Fund will initially invest in three tenanted Wellington CBD properties:

Cumberland House, 235-237 Willis Street; Todd Tower, 93 Customhouse Quay; and NEC House, 40 Taranaki Street.

Tenants comprise the government, education (Victoria University) and private sectors. These properties are managed by TWC's associated company The Wellington Company Asset Management Ltd (TWCAML). These buildings have high earthquake ratings and do not require major remedial or maintenance work.

TWC's rationale for selling these buildings to the Fund is to raise capital for further commercial and residential developments, and to build passive management fee income for TWC's founders, Ian Cassels and Caitlin Taylor. The buildings will pass into the Fund at independent asset valuations as at fund formation date.

TWC has initial target equity for the Fund of around \$47.6 million (Tranche 1), of which 80 per cent will be sought from external investors and 20 per cent will be paid in by TWC's founders, The Fund will also raise

debt to leverage the fund up to around a 50:50 debt-to-equity ratio. TWC's stated intention is to offer further investment properties to the Fund over the next 1 – 2 years, raising further equity (Tranches 2 and 3) in the process.

The Fund is structured as a NZ PIE which is tax-effective and also enables the listing of the Fund at some future date, subject to majority shareholder approval.

Outside investors will have a preferred dividend, i.e. if the total dividend is less than 8.0 per cent then the founders who own 20 per cent of the Fund, will forego some or all of their dividend. This return guarantee will last for the first 5 years of the Fund.

TWCAML will be the Property Manager under a Management Agreement and the fund manager.

Initial Board members proposed are Ian Cassels, Will Gorrie (TWC's CFO ex-officio), IWlinvestor Chair Debra Birch, and Jamie Tuuta. The Board is responsible for monitoring the performance of the Fund and the property manager, choosing which properties will enter the Fund, and communicating with investors.

Ian Cassels sees having experienced independent Directors such as Debra Birch and Jamie Tuuta on the Fund's Board is seen as helpful in governing the Fund and representing investor interests.

TWC is targeting an 8 per cent gross dividend return to investors, with a total return (dividends plus capital growth) of around 9.5 per cent per annum. This performance should exceed NZ public market equities and listed property stocks by around 2.5 per cent per annum net of fees. As a PIE structure, tax will be deducted at source according to an investor's prescribed investor rate (PIR). For most Māori/Iwi Trusts and organisations this will either be 0 per cent or 17.5 per cent.

Investors in the Fund must be eligible wholesale investors able to commit at least \$750,000, while each investor's circumstances will differ, from an investor perspective, prudent sizing of the opportunity is between 1 per cent and 5 per cent of the investor's total asset base.

Our partner, MyFiduciary have undertaken an independent assessment of the Te Upoko Hihiri Fund for IWlinvestor. They conclude that:

"Overall, the Fund provides a tax-efficient and fairly investor-friendly mechanism to get exposure to Wellington's commercial property market through an experienced property management team. The net expected return of the opportunity, at around 8 per cent or more, provides in our view adequate compensation for the risks involved, including liquidity, seismic, financing, and tenancy risks."



TE PŪIA TĀPAPA FUND

During the year, the Te Pūia Tāpapa Fund, concluded its first transaction, taking a 31 per cent stake in heavy vehicle fleet leasing business TR Group alongside the New Zealand Superannuation Fund and Direct Capital to support TR Group's growth in New Zealand and Australia.

Te Pūia Tāpapa Investment Fund comprises 26 iwi and Māori entities including IWIinvestor clients and was established in late 2017 to provide a means for Iwi and Māori organisations to invest together collectively and effectively. Its investors represent a diversity of scale and geography comprising Iwi and Māori entities located in Te Tau Ihu (Nelson-Marlborough), lower and Central North Island, Taranaki, Waikato, Te Moana-a-Toi (Bay of Plenty), Hauraki, Te Tai Tokerau (Northland), Tāmaki Makaurau (Auckland) and Wharekauri (Chatham Islands).

Te Pūia Tāpapa enables Iwi/Māori groups to pool resources in order to access large-scale, direct investment opportunities alongside established and reputable investment institutions. The Te Pūia Tāpapa investment approach reflects the Māori long term world view, with generational investment periods of 15-20 years.

TR Group are New Zealand's largest heavy transport lease and rental company with over 25 years in the New Zealand market. The company was established as a family-owned enterprise in 1992 and has since grown its fleet from just 65 trailers to well over 5,700 trucks, trailers and buses and 14 branches in Aotearoa and Australia. TR Group offers a range of additional services including used vehicle sales, management of vehicle servicing, maintenance and driver training. The Group has nationwide staff of over 200 offering 24/7 customer support to help their customers by providing them with the right vehicle solutions and tools to improve their fleet safety, running costs and compliance at a highly competitive rate.



TR Group serves over 1,300 commercial customers, including Downer, Fulton Hogan, Toll, Fletcher Building, TIL Logistics Group and KiwiRail.

The business has demonstrated a consistent track record of growth over the last 20 years and during the period FY2015 to FY2020 TR Group achieved compound annual revenue growth of 13 per cent per annum. Lease and rental make up 84 per cent of revenue.

Transport and logistics is a fast-growing sector, and that growth is likely to continue as New Zealand's ageing truck fleet comes up for replacement with lower-carbon producing alternatives.

IWInvestor's Chair Debra Birch is a director of Te Pūia Tāpapa and believes that TR Group is an ideal first investment for the Fund and meets all key investment criteria: compatible and credible partners investing in a sound, well-managed company with good growth prospects.





BLUFLAB CORPORATION

ORIENS CAPITAL PRIVATE EQUITY



Oriens Capital

IWInvestor and LTFT, through a partnership holding, have been an investor in the Oriens Capital Private Equity Fund, a Tauranga based private equity investor, since its inception in 2016.

The partnership has a \$3.0m investment commitment to the Fund as well as an active role in the governance of Oriens Capital through IWInvestor director Steve Napier, who is a director of Oriens General Partner.

Oriens Capital offers a unique investment exposure to New Zealand private businesses through its Fund. It focuses on investment in profitable, well established

New Zealand businesses, that with the support of capital and expertise, can grow through product or market development.

The Fund also provides the opportunity for existing owners to realise the value created through their business and enabling the next generation of staff to become business owners. In this manner, Oriens and IWInvestor enable businesses to continue in New Zealand ownership longer and grow export earnings and job creation.

The Oriens Fund is just over \$50.0m in size, and in just over four and a half years has made \$34.9m of investment commitments into five businesses, including Rokit Global (high-value apples), Bluelab Holdings, Retirement Income Group (financial services), About Health (Health supplements) and Rhino Manufacturing (mudguard manufacture).

Oriens is expecting to make its first distribution from its investments to investors (including IWInvestor), later in 2020.



About Bluelab

Bluelab Holdings is a business based in Tauranga which produces control and measurement systems for managing inputs such as nutrients and water into plant growing systems. Oriens has a 41 per cent investment in Bluelab alongside the founders and executives, Greg and Mandy Jarvis.

Bluelab and its products help address significant global issues such as productivity in plant growth, water conservation and the use of fertiliser/nutrients in production. It is capitalising on the trend of growing crops sustainably and closer to home for both large commercial growers and households.

Bluelab products are well regarded by growers and distributors worldwide as high quality, robust and easy to use. Its innovative approach and ability to deliver growing information to mobile phones is seeing it develop into a New Zealand Agri-tech success story.

Bluelab has enjoyed very strong growth in its export markets over the last two years, particularly North America and Europe. In 2020, year to date, this growth has continued, and the company is regularly recording record sales months. The business is investing in new product innovation and growing its team in Tauranga to support increased production.





IWInvestor overview

**We protect and grow
the wealth of clients.**

Pou Tiaki i Ngā Rawa

IWInvestor is a Financial Services Provider offering low cost, independent, socially responsible and highly diversified portfolios that acknowledge the client's risk profile.

We currently deliver quality investment outcomes to clients including individuals, charitable trusts, Māori entities and investment organisations. On their behalf, we now manage circa \$200 million providing financial portfolio advice, management and administration.

IWInvestor has been providing investment advice to Māori entities since 1998. IWInvestor is the brand name used by Taupō Moana Investments (TMI). TMI is a wholly-owned subsidiary of Lake Taupō Forest Trust.

IWInvestor have a proud history of assisting our clients develop their investment plans and achieve their investment goals.

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

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 of these multi-asset portfolios invest 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 professional due diligence and are aligned with IWInvestor's client investment strategies, policies and risk profiles.

Investment Approach

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 quality investment outcomes for clients.

A key belief is that responsible investors must have concern for environmental, social and governance (ESG) 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 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 and who invest relatively more into companies that focus on sustainability.

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. Our independent research partner looks at how the fund's rate from an ESG perspective using credible external research sources, and looks 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 services, 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 our client's investments in their name with the client being the beneficial owner.

Service offering

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 and 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 less cost.

IWInvestor's Experience

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 has 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 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, 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.

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 highly-diversified 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
- Independence from product providers
- Low cost and transparent fee structure
- Access to direct investment opportunities
- Access to investment governance training via Project Whetū.

Performance exceeds expectations

It is pleasing to be able to report that clients who have invested with IWInvestor have had a good 12 months to 30 June 2020.

Despite the financial market volatility, particularly in the third quarter of the financial year due to the impact and uncertainty caused by the global COVID-19 pandemic, IWInvestor clients have benefited from a solid performance across all portfolios.

While fund managers are quick to note that past performance does not guarantee future results, IWInvestor's commitment to best practice in investment governance ensures your investment strategy is properly developed, implemented and monitored.

As shown in the following chart, IWInvestor Model Portfolios as at 30 June 2020, each of the Model Portfolios outperformed its benchmark, due to a strong rebound in global markets during the final quarter – 31 March through to 30 June. This was sufficient to erase the previous quarter losses due to COVID-19. Portfolio performance was strong compared to market benchmarks and peers over all time horizons and risk profiles.

IWInvestor Model Portfolios as at 30 June 2020

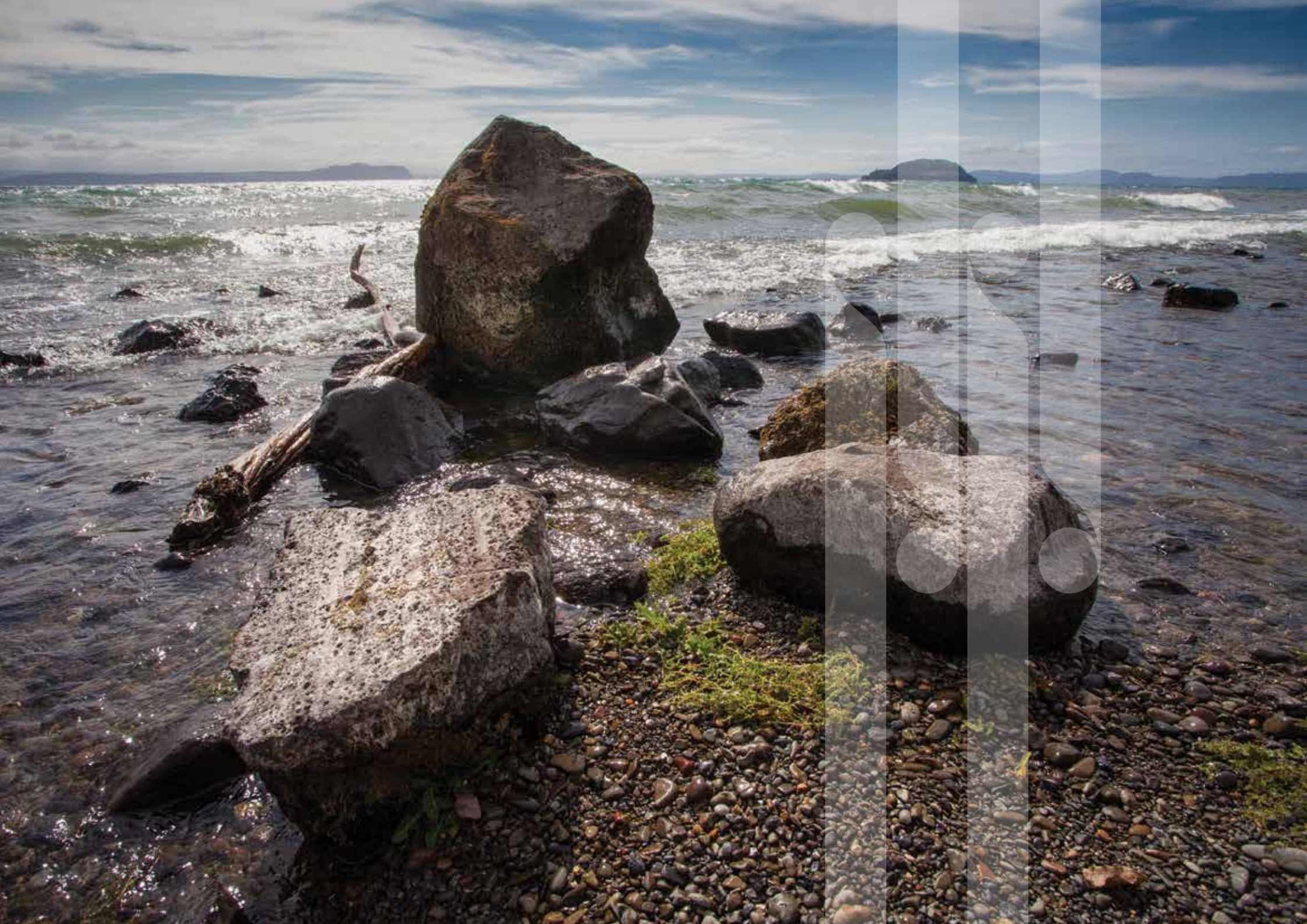
Model Portfolios	3M	1Y	3Y	5Y	7Y	10Y
Defensive	5.3%	3.9%	5.4%	5.1%	5.8%	6.2%
D (Benchmark)	3.9%	3.3%	4.8%	4.6%	5.3%	5.6%
Defensive High Yield	6.2%	4.5%	6.2%	5.6%	6.1%	6.5%
D (Benchmark)	3.9%	3.3%	4.8%	4.6%	5.3%	5.6%
Conservative	6.7%	4.3%	6.1%	5.7%	6.4%	6.9%
(Benchmark)	5.3%	3.8%	5.6%	5.1%	6.0%	6.2%
Moderate	8.0%	4.6%	6.9%	6.4%	7.4%	7.8%
M (Benchmark)	6.6%	4.1%	6.5%	5.7%	6.9%	7.1%
Balanced	9.2%	4.8%	7.4%	6.8%	7.9%	8.3%
B (Benchmark)	7.9%	4.2%	7.1%	6.1%	7.5%	7.6%
Growth	10.9%	4.9%	7.9%	7.2%	8.5%	8.8%
G (Benchmark)	9.7%	4.3%	7.6%	6.5%	8.0%	8.1%
High Growth	13.1%	4.7%	8.5%	7.8%	9.4%	9.7%
HG (Benchmark)	12.1%	4.0%	8.3%	7.0%	8.9%	8.9%
NZX90D	0.1%	1.2%	2.5%	2.8%	2.9%	2.9%
CPI	-0.5%	1.5%	1.5%	1.3%	1.2%	1.5%

Notes:

1. Gross returns – before fees and tax
2. Shaded areas represent outperformance versus benchmark market indices

Benchmark indices:

NZ 90 Day Bank Bill, NZX NZ Corp A Grade Bond, Bloomberg Barclays Global Aggregate, NZX 50, ASX 200, Developed Market ex Australia, MSCI World, MSCI Emerging Market, Developed Market Real Estate Investment Trust



Our Board



DEBRA BIRCH
DIRECTOR & BOARD CHAIR,
& MEMBER OF THE INVESTMENT COMMITTEE
Ngāti Tūwharetoa, Raukawa,
Ngāti Hauiti, 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 had 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 15-20 year timeframe, and which has raised \$115.5 million from 26 individual Māori/Iwi investor entities.

Debra is currently a non-executive Director of Tourism Holdings, Ngāti Awa Group Holdings, Ngāti Awa Tourism, Te Pūia Tāpapa GP, Tūwharetoa Hau Rau GP, New Zealand Growth Capital Partners, Raukawa ki te Tonga AHC Limited, and a Trustee of Wellington Free Ambulance Trust and Manu Rere Charitable 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, a Registered Financial Adviser, an Accredited Investment Fiduciary® (AIF®), 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.



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

Natvar (Nat) Vallabh has over 40 years' experience with equity investments having worked with leading share broking firms and fund managers in Wellington. Nat's experience has involved advising on international equity 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 IWIinvestor since 2008 as a member of the board's investment sub-committee and 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. Nat is currently a Trustee of 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 and is an Accredited Investment Fiduciary® (AIF®).



STEVE NAPIER
DIRECTOR & MEMBER OF THE
INVESTMENT SUB-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 IWInvestor since 2016 and is currently a director of Oriens Capital GP Ltd, a Trustee and Deputy Chairman of the Hepatitis Foundation and a Trustee and Chair of the Investment Sub-Committee 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.

Management



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

Ngāti Kahungunu, Tainui

Linda is IWInvestor's General Manager and an Authorised Financial Adviser (AFA) FSP 140244. She is also an Accredited Investment Fiduciary® (AIF®). As General Manager she has primary responsibility for managing the business and leading the team, and is a member of the Investment Committee.

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 deployment of 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), as well as being an AFA. A keen sportswoman, Linda enjoys running, swimming, mountain biking, kayaking and netball. She lives in Taupō with her partner and their three children.



ARIANA DAIS
INVESTMENT OPERATIONS MANAGER (RFA)
Ngāti Uenuku, Muaopoko

Ariana is the Investment Operations Manager and has been with IWInvestor since 2009. During this period, she has been involved in almost every aspect of the business so has an in-depth understanding of the business.

She has completed the New Zealand Certificate in Financial Services (Level 5) and is 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.



LISA TE HEUHEU
OFFICE MANAGER
Ngapuhi, Ngati Raukawa, Ngati Maniapoto



Lisa is the Office Manager and joined IWInvestor in 2019. Lisa has an extensive contract administration, project management and governance experience in the natural resources sector.

At IWInvestor, she provides administrative support and leads the development of new projects including Project Whetū, the investment governance training programme IWInvestor provides to those acting as trustees or with responsibility for investments decisions.

Lisa has a BSc in Earth Sciences, a Graduate Diploma in Environmental Management and a Post-Graduate Diploma in Management Studies and is currently completing her Masters in Indigenous Studies. She is also an Accredited Investment Fiduciary® (AIF®).



NICOLE PASK
COMPLIANCE MANAGER

Nicole works as the Compliance Manager and has been with IWInvestor since 2019. Her involvement in the business covers compliance and complaints management, Privacy Officer obligations and Health and Safety Officer duties. Nicole also provides support for the Financial Advisers and General Manager.

She has a B.A. in Psychology from the University of Saskatchewan and a Graduate Diploma in Occupational Health and Safety from Massey University. She has an in-depth understanding of legislation and compliance.

Originally from Canada, she relocated to Christchurch, New Zealand 25 years ago. Nicole now lives in Taupō with her husband and two sons. Keen on the outdoors she loves lake and sea fishing, running and exploring the vast array of outdoor activities and adventures that the Central Plateau has to offer.



TAUPŌ MOANA INVESTMENTS LIMITED

Consolidated Financial Statements for the Year Ended 30 June 2019

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TAUPŌ MOANA INVESTMENTS LIMITED Directors Report FOR THE YEAR ENDED 30 JUNE 2020

The Board present here their Annual Report including the Financial Statements for the Company for the year ended 30 June 2020 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: 1 October 2020



DIRECTOR:

Dated: 1 October 2020

TAUPŌ MOANA INVESTMENTS LIMITED
Statement of Comprehensive Income
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	GROUP 2019 \$
Operating revenue	4	509,636	450,292
Operating expenses			
Administration	5a	243,141	229,186
Employee Benefits	5c	273,542	251,764
Finance costs	5d	14,363	1,898
Governance	5e	42,000	42,825
Professional	5f	46,108	51,834
		619,153	587,507
Operating profit/(loss)		(109,517)	(137,215)
Depreciation and Amortisation	5b	(23,460)	(4,550)
Share of profit/(loss) of associates and joint ventures	12	0	0
Gain/(Loss) on disposal of available for sale financial asset	17	0	463,506
Profit/(loss) for the year before tax		(132,977)	321,741
Income tax expense	6a	7,420	0
Profit/(loss) for the year		(125,557)	321,741
Other comprehensive income			
Movement in Revaluation Reserve for financial assets at fair value through other comprehensive income	17	0	6,125
Share of other comprehensive income of associates and joint ventures	12	81,979	0
Total comprehensive income (loss)		(43,578)	357,866
Attributed to:			
Equity holders of the Parent	15	(43,578)	357,866
		(43,578)	357,866

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 2020

	NOTE	2020 \$	GROUP 2019 \$
Opening Equity		5,241,828	6,893,962
Profit/(loss) for the year		(125,557)	321,741
Other comprehensive income		81,979	36,125
Capital Return to Shareholder	2	0	(2,010,000)
Closing Equity		5,198,250	5,241,828

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

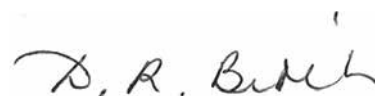
TAUPŌ MOANA INVESTMENTS LIMITED
Statement of Financial Position
AS AT 30 JUNE 2020

	NOTE	GROUP	
		2020	2019
ASSETS		\$	\$
Current Assets			
Cash and cash equivalents	7	157,059	1,543,592
Term Deposits		2,850,270	2,682,613
Trade and other receivables	8	42,799	28,277
Current tax receivables	6c	25,634	18,747
Total Current Assets		3,075,762	4,273,229
Non Current Assets			
Joint Ventures	12	1,105,545	1,023,566
Term Deposits		1,081,340	0
Property, Plant & Equipment	9	5,148	5,958
Right-of-Use Assets	16	74,211	0
Total Non Current Assets		2,266,244	1,029,524
TOTAL ASSETS		5,342,006	5,302,753
LIABILITIES			
Current Liabilities			
Trade and other payables	13	49,668	50,808
Employee entitlements	14	25,104	10,117
Leases	16	18,717	0
Total Current Liabilities		93,489	60,925

Statement of Financial Position continued

	NOTE	GROUP	
		2020	2019
		\$	\$
Non Current Liabilities			
Leases	16	57,466	0
Total Non Current Liabilities		57,466	0
TOTAL LIABILITIES		150,955	60,925
NET ASSETS		5,191,051	5,241,828
ISSUED CAPITAL AND RESERVES ATTRIBUTED TO OWNERS OF THE PARENT			
Contributed Equity	1	4,566,909	4,566,909
Retained earnings	15	473,046	598,603
Reserves	15	158,295	76,316
TOTAL EQUITY		5,198,250	5,241,828

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



Director: Debra Birch



Director: John Bishara



Director: Stephen Napier



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 2020

	NOTE	2020 \$	GROUP 2019 \$
Cash Flow From Operating Activities			
Cash was provided from:			
Receipts From Customers		339,636	324,183
Interest Received		114,257	97,638
Other Income Received		41,222	31,581
Income Tax Refunded		534	24,361
		495,649	477,763
Cash was applied to:			
Payments to Suppliers		345,114	403,677
Payments to Employees		258,555	258,759
Net GST		(6,363)	6,851
		597,307	669,287
Net Cash Inflow (Outflow) from Operating Activities		(101,657)	(191,524)
Cash Flow From Investing Activities			
Cash was provided from:			
Proceeds from Disposal of Fixed Assets		931	87
		931	87
Cash was applied to:			
Purchase of property, plant & equipment		4,012	6,129
Net Purchase of Investments		1,252,486	494,613
		1,256,498	500,742
Net Cash Inflow (Outflow) from Investing Activities		(1,255,567)	(500,655)

Statement of Cash Flows continued

	NOTE	2020 \$	GROUP 2019 \$
Cash Flow From Financing Activities			
Cash was provided from:			
Cash was applied to:			
Repayment of borrowings and leasing liabilities		22,109	0
Capital Return to Shareholder		0	80,552
		22,109	80,552
Net Cash Inflow (Outflow) from Financing Activities		(22,109)	(80,552)
Net Increase (Decrease) in Cash Held		(1,379,334)	(772,731)
Opening Bank		1,543,592	2,316,324
Closing Bank		164,259	1,543,592
Bank Consists of:			
Cheque Account		157,059	1,543,592

Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2020

CORPORATE INFORMATION

The financial statements of Taupo Moana Investments Limited (Formerly Taupo Moana Group Limited) and its subsidiaries (the "Group") for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 1 October 2020.

Taupo 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 Taupo 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 Taupo Forest Trust, the ultimate Parent of Taupo 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 2020.

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

i) Changes in accounting policies

NZ IFRS 16: Leases

The standard replaces NZ IAS 17: Leases and changes the way in which the Company accounts for its leases. The standard requires recognition of a lease liability and a right-of-use asset at inception based on the future lease payments for substantially all lease contracts. The expense previously recorded in relation to operating leases has moved from rental costs to depreciation and interest expense due to the recognition of right of use assets and lease liabilities.

This standard is effective from 1 January 2019 and has been applied to the Company for the period beginning 1 July 2019.

The simplified modified retrospective approach has been applied on implementation of NZ IFRS 16. As a result of the adoption of NZ IFRS 16 and the changes in accounting for leases, a lease liability and right of use asset are recognised as at 1 April 2019 and comparatives are not restated. There was no cumulative adjustment to opening equity and the impact of the initial recognition is disclosed in Note 11. In applying the simplified modified retrospective approach,

the Company has taken advantage of the practical expedient in not reassessing its contracts for whether they are or contain a lease. The Company has also taken advantage of the practical expedient in relying on its previous assessment of whether leases are onerous as an alternative to performing an impairment review of the right-of-use asset on initial application. The Company has utilised the practical expedients in relation to low value assets and hindsight and to exclude initial direct costs on transitions. When determining the lease term hindsight has been applied considering extension of a Company lease.

The comparative period is 12 months and other than the change in accounting policies for leases as described above, the accounting policies have been applied consistently to all periods presented in these financial statements.

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Taupo 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 recognized.

(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

(i) Leases (Company as Lessee) - applied to year ended 30 June 2020

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

(ii) Lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, reduced for any lease incentives, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;

- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

(iii) Right of use assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- initial direct costs;
- lease payments made at or before commencement of the lease; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.
- initial direct costs.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

(iv) Leases - applied to year ended 30 June 2019

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 2020

1 SHARE CAPITAL

ISSUED & PAID UP CAPITAL		
	SHARES	CAPITAL \$
ORDINARY SHARES		
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
Opening Balance 2020	7,680,697	4,566,909
Closing Balance 2020	7,680,697	4,566,909

Ordinary Shares

As at 30 June 2020 there were 7,680,697 fully paid shares (2019: 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 Taupo Moana Investments Limited. This includes the subsidiaries identified in note 11.

Nature of related party relationships

The Ultimate Parent of the Group is Lake Taupo 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	
		2020 \$	2019 \$
Lake Taupo Forest Trust	Management Fees Received	115,153	108,458
	Accounts Receivable	17,083	9,333
	Capital Returned	0	2,010,000
Oriens Capital GP Limited	Capital call	0	450,000
LTFT/TMI Partnership	Transfer of Oriens Asset	0	1,023,566
The Weighbridge Company Limited	Subvention payment received	23,917	0

Terms and Conditions of transactions with related parties

Sales to and purchases from related parties are made at arm's 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 2020, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2019: 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 2020, the number of employees who received remuneration with a combined total value exceeding \$100,000 is set out below.

There was one employee who received remuneration above \$100,000.

REMUNERATION RANGE	NUMBER OF EMPLOYEES	
	2020	2019
\$100,001 - \$140,000	1	0
	1	0

DIRECTORS REMUNERATION

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

A summary is outlined below.

	2020		2019	
	REMUNERATION	NUMBER OF INDIVIDUALS	REMUNERATION	NUMBER OF INDIVIDUALS
Directors Fees Paid	42,000	3	42,825	3

4 OPERATING REVENUE

	GROUP	
	2020 \$	2019 \$
Revenue from Contracts with Customers		
Portfolio Funds Management and Advice	323,395	287,898
Portfolio Management & Consultancy	30,763	29,703
	354,158	317,601
Other Operating Revenue		
Interest Income	114,257	97,638
PIE Distribution	0	22,223
Dividend Income	307	3,472
Miscellaneous Income	36,874	5,000
Gain on investment	4,041	4,358
	155,478	132,691
Total Operating Revenue	509,636	450,2925

5 OPERATING EXPENSES

5a. Administrative expenses

Consultancy - Management and Operational	113,828	85,482
Other Operating Costs	118,316	117,368
Meeting, Travel and Accommodation Costs	10,471	12,556
Rental	525	13,780
	243,141	229,186

5b. Depreciation and Amortisation

Depreciation - Office Equipment	3,708	4,550
Amortisation - Right of Use Assets	19,752	0
	23,460	4,550

	GROUP	
	2020	2019
	\$	\$
5c. Employee Benefits		
Staff Salary	261,942	239,291
Kiwisaver Employer Contributions	0	6,931
Other Related Staff Costs	11,600	5,542
	273,542	251,764
5d. Finance Costs		
Investment Administration Costs	9,513	10,756
Interest & Bank Fees	4,850	1,142
	14,363	11,898
5e. Governance		
Directors Fees	42,000	42,825
	42,000	42,825
5f. Professional		
Legal and professional fees	46,108	51,834
	46,108	51,834
Total Operating Expenses	642,613	592,057

6 INCOME TAX

The company income tax rate is currently 28% (2019: 28%). The Group is in a loss position for 2020, as was the case in 2019.

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	
	2020	2019
	\$	\$
CURRENT TAX EXPENSE		
Reconciliation of effective tax rate		
Accounting (loss)/profit before tax	(132,977)	321,741
Income tax using the company tax rate of 28%	(37,234)	90,087
Non-deductible expenses	940	22
Non-taxable income	(7,914)	(135,476)
Partnership allocation	(18,496)	0
Taxable investment income	2,000	0
Effect of tax losses (utilised)/not recognised	61,397	43,896
Effect of temporary differences (utilised)/not recognised	1,323	1,471
PPA	(7,420)	13,307
Income tax expense	(5,405)	13,307

6b. Losses Carried Forward

The Group has tax losses available of \$3,051,558 (2019: \$2,906,747).

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

	2020	2019
Closing balance	25,634	18,747

The current tax asset of \$25,634 (2019 \$18,747) represents the amount of income tax refundable in respect of the current period.

6d. Imputation Credit Account

	2020	2019
Closing balance	275,234	204,5685

7 CASH AND CASH EQUIVALENTS

Taupo 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	
	2020	2019
	\$	\$
Cash at Bank		
BNZ	311,162	3,922
	11,162	3,922
Cash Equivalents		
Cash accounts in Portfolio investments	145,896	1,539,670
	145,896	1,539,670
Total Cash and Cash Equivalents	157,059	1,543,592

8 TRADE AND OTHER RECEIVABLES

	GROUP	
	2020	2019
	\$	\$
TRADE AND OTHER RECEIVABLES		
Trade Debtors	41,749	28,277
Prepayments	1,050	0
Total Trade and Other Receivables	42,799	28,277

9 PROPERTY, PLANT & EQUIPMENT

GROUP 2020	COST	ACQUIRED/ (DISPOSED)	ACCUM DEPN	BOOK VALUE 30/06/20
Office Equipment	27,734	(2,492)	20,094	5,148
Total Fixed Assets	27,734	(2,492)	20,094	5,148
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

10 AUDITOR REMUNERATION

	GROUP	
	2020	2019
	\$	\$
AMOUNTS PAID OR PAYABLE TO AUDITORS FOR:		
Audit of the financial statements	11,000	15,000
Tax consultancy	0	0
	11,000	15,000

11 INVESTMENT IN SUBSIDIARIES

NAME OF ENTITY	PRINCIPAL ACTIVITY	BALANCE DATES	OWNERSHIP & VOTING INTEREST HELD BY GROUP	
			2020	2019
Tūwharetoa Nominees Ltd	Holding Company for Investment Funds	30-Jun	100%	100%

All subsidiaries are domiciled and were incorporated in New Zealand.

In 2019, Taupo Moana Funds Limited, Taupo Moana Capital Limited, Taupo Moana Investments Limited and Taupo Moana Iwisaver Limited amalgamated into the parent entity. There was no impact on the Group Financial Statements.

12 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Group established with Lake Taupo Forest Trust a partnership called "LTFT/TMI Partnership" whose purpose is to hold each party's interest in the Orien's Capital group of entities. The Group jointly controls LTFT/TMI Partnership with Lake Taupo Forest Trust and has an ultimate 33% interest once all final capital calls for the Orien's Capital investment has been made. As at 30 June 2020, there is an effective 52% interest (2019: 73%) 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.

2020	LTFT/TMI PARTNERSHIP	TOTAL
Interest in Equity	52%	
Total assets	1,105,545	1,105,545
Total liabilities	0	0
Total net assets	1,105,545	1,105,545
	LTFT/TMI PARTNERSHIP	TOTAL
	\$	\$
Carrying amount at the beginning of the year	1,023,566	1,023,566
Share of associate surplus/(deficit)	81,979	81,979
Additions	0	0
Carrying amount at the end of the year	1,105,545	1,105,545

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

13 TRADE AND OTHER PAYABLES

	GROUP	
	2020	2019
	\$	\$
Creditors	17,321	22,685
Accruals	12,901	15,000
Trade and other payables	30,222	37,685
Other Liabilities	136	176
Goods and Services Tax	19,310	12,947
	19,446	13,123
Trade and other payables	49,668	50,808

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	
	2020 \$	2019 \$
Annual Leave	15,597	10,117
Accrued Wages	9,506	0
Total Provision for employees	25,104	10,117

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

15 EQUITY RESERVES

RETAINED EARNINGS	GROUP	
	2020 \$	2019 \$
Opening balance	598,603	276,862
Profit/(loss) for the year	(125,557)	321,741
Closing balance	473,046	598,603
INVESTMENT REVALUATION RESERVE	2020 \$	2019 \$
Opening balance	76,316	40,191
Profit/(loss) for the year		
Other comprehensive income	81,979	36,125
Closing balance	158,295	76,316

16 LEASES

The Company has two main leasing arrangements for office space and copier equipment. Judgement has been applied in the lease arrangement for office space and copier equipment. Judgement has been applied in the lease arrangement for office space with the Company assessing that it is probable that the renewal options will be exercised for the remainder of the contract.

YEAR ENDED 30 JUNE 2020	LAND & BUILDINGS	OFFICE EQUIPMENT	TOTAL
Opening carrying amount	67,710	26,253	93,963
Adjustments for initial adoption of NZ IFRS 16	0	0	0
Additions	0	0	0
Disposals	0	0	0
Depreciation expense	(13,021)	(6,731)	(19,752)
Carrying Amount 30 June 2020	54,689	19,522	74,211

16.2 Lease Liabilities

	2020	2019
Opening carrying amount	0	0
Adjustments for initial adoption of NZ IFRS 16	93,963	0
Additions	0	0
Disposals	0	0
Accretion of interest	4,329	0
Payments made	(22,109)	0
Closing carrying amount	76,183	0

	2020	2019
Shown as:		
Current portion	18,717	0
Non-Current portion	57,466	0
Closing carrying amount	76,183	0

	2020	2019
Maturity analysis of lease liabilities:		
Due within one year	18,717	0
Due later than one year but within five years	57,466	0
Due later than 5 years	0	0
	76,183	0

16.3 Lease expenditures recognised in profit or loss

	2020	2019
Depreciation expense	6,731	0
Interest expense on lease liabilities	4,329	0
Lease payments relating to short-term leases	0	0
Lease payments relating to leases of low value assets	0	0
Variable lease payments expensed	404	0
Total amount recognised in profit or loss	11,464	0

A total of \$13,780 was recognised as rental costs in the prior year.

Payments for leases with a term less than 12 months or a low value are charged in the income statement on a straight-line basis over the term of the lease.

16.4 Reconciliation of previously disclosed lease commitments on transition to NZ IFRS 16

	2019
Total operating lease commitments disclosed in the 2019 financial statements (gross)	55,047
Less discounting impact using the incremental borrowing rates on transition to NZ IFRS 16	(4,397)
Operating lease commitments note from 2019 financial statements (discounted)	50,650
Plus impact from the inclusion of extension options that the Company is 'reasonably certain' to exercise	43,313
	93,963

Lease liabilities as at 1 July 2019 under NZ IFRS 16 is higher than the discounted lease commitments note under NZ IAS 17, due to NZ IFRS 16 requiring the Company to include extension terms where the Company is 'reasonably certain' to exercise the option. The NZ IAS 17 disclosure is only based on the non-cancellable period.

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

AT FAIR VALUE	GROUP	
	2020 \$	2019 \$
Opening balance	0	1,643,383
Additional investments	0	460,000
Sale of assets	0	(2,603,014)
Gain recognised through profit & loss	0	463,506
Fair value gains/(losses)	0	36,125
Closing Balance	0	0

On the 30th of May 2019, Taupo Moana Investments Limited entered into a partnership agreement with its parent company, Lake Taupo Forest Trust. The partnership was formed to take ownership and management of Taupo Moana Investments Limited and and Lake Taupo Forest Trust investments in Oriens Capital. This asset was transferred into the partnership (Refer Note 12).

On the 30th of May 2019 Taupo Moana Investments Limited investment in Ranganui Dairy Limited was transferred to its Parent, Lake Taupo 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 was recognised in the 2019 year.

18 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at 30 June 2020 (2019: nil).

19 SUBSEQUENT EVENTS

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

However, after 30 June 2020 and prior to the signing of these financial statements, Taupo Moana Investments Limited has secured a mandate for a significant client and received a maiden dividend from its joint venture investment in Oriens Capital Private Equity Fund LP. These will have a favourable impact on the financial statements for the year ended 30 June 2021.

20 CRITICAL JUDGEMENTS ARISING FROM COVID-19

In March 2020 the World Health Organisation designated Covid-19 to be a global pandemic, threatening the health and well-being of large numbers of people across across multiple countries. The global outbreak has caused escalating levels of societal uncertainty. During the period of 25 March to 1 May 2020 the New Zealand Government shutdown most businesses except for essential service providers.

The impact of COVID-19 operations has been minor. All of the operating systems for the company are able to be managed remotely, which had no impact on communication with clients or key suppliers, and our work programmes were not disrupted. Due to IWInvestor office being located in a shared office, we have developed strong protocols within the office following government guidelines for Covid-19 at each level. At Level 3, staff work from home. At Level 2 and 1 staff can go to the office but must follow government guidelines. IWInvestor Business Continuity Plan has proven to be fully effective and supplemented to incorporate Covid-19 requirements.

The Directors have considered the impact of COVID-19 on the amounts presented in these financial statements to ensure investments at 30 June 2020 adequately reflect the impact of COVID-19 on those balances. The Directors have considered the impact on future operational cash flows and the level of cash reserves in preparing these financial statements on a going concern basis.

TAUPŌ MOANA INVESTMENTS LIMITED Company Directory AS AT 30 JUNE 2020

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Fax: 07 378-7647

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Taupō Moana Investments Limited

Debra Birch
Stephen Napier

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

Shares

7,680,697 Ordinary/Fully Paid Shares



Independent Auditor's Report

TO THE SHAREHOLDER OF TAUPŌ MOANA INVESTMENTS LIMITED

Crowe New Zealand Audit Partnership

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Opinion

We have audited the consolidated financial statements of Taupo Moana Investments Limited and its controlled entities (the Group) on pages 4 to 24, which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of comprehensive income, consolidated statement of changes 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 2020, 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 with 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

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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.

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

Emphasis of Matter – COVID-19

We draw attention to Note 20 of the financial statements which describes the effects of the World Health Organisation's designation of COVID-19 to be a global pandemic. Our opinion is not modified in respect to this matter.

Responsibilities of the Directors 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 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.

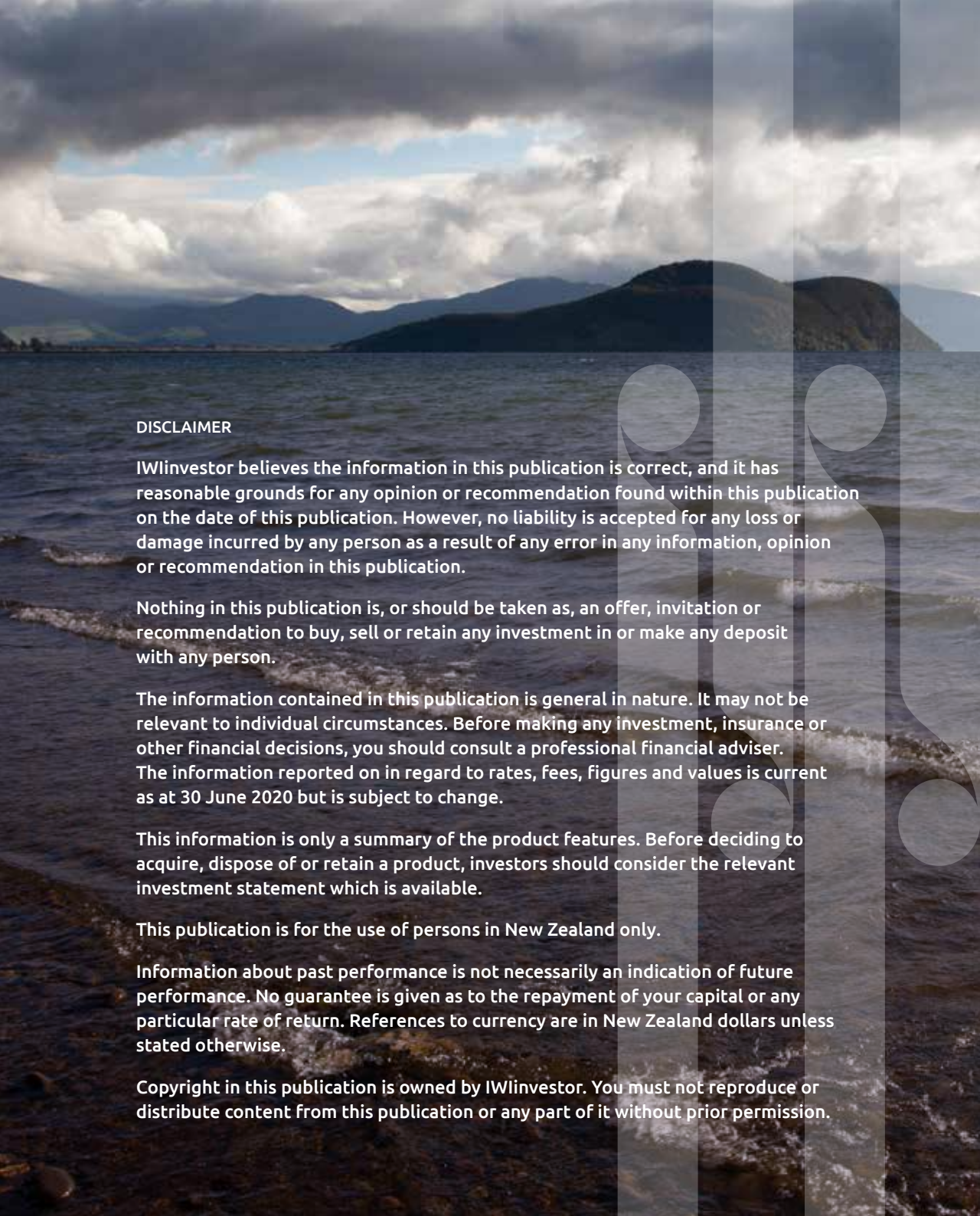
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Les Foy.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
1 October 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.



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