



Raukawa ki te Tonga Trust
ANNUAL REPORT 2022



Contents

Hui-ā-tau Mihi	1	Assets and Investments	
Group Structure	2	● Highlights of the Financial Year ending 30 September 2021	26
Raukawa ki te Tonga Trust		● Investment Portfolio	28
● Chair's Report – Rachael Selby	3	● Fisheries Investments	32
● Trustees	5	● Other Investments	34
● Key Achievements	6	● Dividend Policy and Payments to the Trust	37
● Registration of Members	8	Financial Statements for the Year Ended 30 September 2021	38
● Accountability	12	Independent Auditor's Report	58
Raukawa ki te Tonga AHC Limited		Directory	60
● Chair's Report – Debra Birch	20		
● Directors	23		
● Executive	25		

NOTE

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

This report covers the Financial Year Ended 30 September 2021.

Hui-ā-tau Mihi

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

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

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

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



The Raukawa ki te Tonga Trust, the Mandated Iwi Organisation, acts in a governance capacity and the Raukawa ki te Tonga Asset Holding Company Limited in a business/commercial capacity.

The Raukawa ki te Tonga Trust is ultimately responsible to Raukawa ki te Tonga members for the activities of Raukawa ki te Tonga Group, the Trust and the Asset Holding Company (AHC) and any future subsidiaries.



RACHAEL SELBY
CHAIR
RAUKAWA KI
TE TONGA TRUST

RAUKAWA KI TE TONGA TRUST

Chair's Report

The year has been dominated by the uncertainties that COVID-19 has brought to every community and country in the world. Few would report that COVID has not impacted on their livelihoods, their health and wellbeing and the ability to travel and trade.

Trustees and Directors

The Trust has benefitted from a team of seven trustees who bring a broad background of skills and expertise to the Trust. All trustees are closely linked to their hapū and marae and to the various iwi entities they contribute to and draw on for support. I acknowledge the contribution trustees have made to achieving the goals of the Trust.

The Asset Holding Company is chaired by Debra Birch who has built a strong team to drive the company through the current challenges. Debra has been a Director for three years now and we are pleased to appoint her for another 3 year term from January 2022. Dylan Lawrence was appointed in October to fill a Director's position. From Ngāti Raukawa, Te Āti Awa and Ngāti Toarangatira, he has more than 15 years experience in investment, mergers and acquisitions, and in the capital markets space. He is currently General Manager of Investment at NZ Trade and Enterprise.

Debbie Birch, Chair	January 2019	January 2022
Guy Royal, Deputy Chair	October 2019	October 2022
Graeme Hastilow	February 2020	February 2023
Toni Kerr	October 2020	October 2023
Dylan Lawrence	October 2021	October 2024

Membership

The Iwi register should have more members recorded than it does. One of the key responsibilities of the Trust is to maintain the iwi register. Over the past decade we have relied on hapū, on registration committees, and on validation committees to grow the register. We have made small gains. By 2016 we had validated 10,220 members, by 2021 we pushed through to 11,162. The gains are small. We want to continue to register another 10,000 members, with your help. Make it a priority for your hapū and whānau as it is important to the iwi. If you have a gathering at the marae, please encourage registration and belonging.

Distributions

In the past year half of our marae have been recipients of Provincial Growth Fund support. Many have benefitted from grants and funding to enable sealing carparks, new fences, roofing, heat pumps and building repairs. It was good to see so many marae take advantage of the funding. The Trust was able to commit \$200,000 to distributions in the past year, most of which will again benefit marae in Ngāti Raukawa.

In-shore Fisheries Dispute

The In-shore fishery dispute remains an outstanding issue for Raukawa ki te Tonga and our neighbours. Soon after establishment we were able to negotiate boundaries with Ngāti Apa in the north and Te Āti Awa in the south. However we have not been successful, with Rangitane in the Manawatu and Muaūpoko in the Horowhenua, in finalising any agreements. In the past year we have made an extra effort to make progress. In May 2021 Judge Savage held a Judicial Conference requiring the iwi parties to summarise each party's claim. We have responded to this, agreeing to participate in mediation.

Marine and Coastal Area (Takutai Moana) MACA Application

Progress has been made with advancing the MACA Claim in the past year. Applications in this area have been filed by Te Hapu o Te Mateawa (Pat Seymour) the David Morgan whānau (Margaret Morgan Allen) Muaūpoko Tribal Authority, Bill Taueki (Muaūpoko) Te Patutokotoko (Te Atihānui-a-Paparangi). Raukawa ki te Tonga was asked to file on behalf of the iwi on 26 March 2017 at the MIO AGM at Huia Marae. We accepted the challenge to file within a week as applications closed on 1 April 2017.

In the past year, the Trust commissioned a report on historical evidence. This was completed in July 2021 by Vincent O'Malley. It provides a comprehensive background to the Claim. It is now expected that the claims in this area will be heard together over 3-4 weeks in 2022. We will ask hapū and iwi representatives to provide evidence at the Hearing.

The Trust Deed requires us to appoint members to the Dispute Resolution Committee. We have done this each year. Heitia Raureti and Jess Kereama have filled this role for a decade and we thank them for their willingness to be involved.

My thanks go to the trustees for their ongoing commitment to the work of the Trust. We are keen to present the report to members and invite you to attend the AGM to be held virtually on 13th March 2022. The link will be advertised through iwi and hapū networks on our website and through pānui.

Ngā mihi nui ki a koutou katoa

RACHAEL SELBY
CHAIR, RAUKAWA KI TE TONGA TRUST

RAUKAWA KI TE TONGA TRUST
Trustees



Raukawa ki te Tonga Trust Trustees

ABOVE: Areti Metuamate and Wayne Kiriona

BELOW, LEFT TO RIGHT: Justin Tamihana, Emma Winiata,
Bernadette Arapere, Cyril Mako & Rachael Selby





RAUKAWA KI TE TONGA TRUST Key Achievements

Distribution 2021

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

2020 Distribution Round

- He Rourou Taonga 2021 was a vision for Te Kākano o te Kura Kohanga Reo during 2020-2021. The project team undertook to provide new resources for their pēpi and tamariki nohinohi to enhance their learning environment and reflect te ao māori.
- Ngāti Raukawa ki te Tonga Basketball Charitable Trust completed a successful campaign at the 2021 Māori Basketball Nationals. Nineteen teams, from Under 9 to Kaumatua attended the competition, with 8 teams receiving a medal. The Trust assisted with player registration fees and training expenses.
- Raukawa ki Runga Rugby League members attended the 2020 National Māori Rugby League tournament. Players, tamariki and management represented our rohe at this annual competition. The Trust provided assistance with accommodation costs.

2021 Charitable Fisheries Projects

- Ten rangatahi from Raukawa ki te Tonga attended a ten-day programme with learning objectives such as water safety, water confidence, diving skills, te reo Māori and mahi a ngā tupuna.
- A portion of this fund has been committed to documenting the fisheries settlement history of Raukawa ki te Tonga and related entities.

2021 Distribution round saw a total of \$200,000 be approved for the following projects.

- Tainui Marae Komiti is supporting a rangatahi learner licence project held at the Marae. Planning of workshops to support Raukawa ki te tonga rangatahi to achieve their NZ Learner licence are underway.
- Wehiwehi Marae is undertaking two pieces of work during the year. These are to install a mahau at the front of the Marae and the installation of heat pumps for the Whare Tupuna and Wharekai.
- Paranui Marae is progressing their plans to build a new ablution block. Funding has been committed to support this project.
- Ngāti Tukorehe Tribal Committee plan to restore the full frontage carvings of the Whare Tupuna.
- Kereru Marae continue their long-term plan with improvements to safely store kōrero tuku iho, repair windows and upgrades to carpet and plumbing.
- Motuiti Marae Komiti has purchased new mattresses for the Marae.
- Parewahawaha Marae has plans to restore waterways by removing exotic trees, planting rongoa, fencing and pest control. This project is still being developed.



Registration of Members



He waka eke noa

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

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

A major focus for 2021 has been archiving registration forms received over the past 11 years. Each form is scanned and uploaded to the record and filed in the electronic filing system. 2022 will see the archiving project continue, along with a drive to register new members, tamariki and mokopuna.

This year we increased the number of validated members to 11,435, an increase of 273 from the previous year.

The Trust continues to increase connections through the MaoriMe platform. This platform allows current and new members to create a profile and select different Iwi they affiliate to. Once a member is matched to an existing record or validated as a new member, they can manage things like updating contact details, add tamariki, receive pānui and send messages to the Trust. Please visit the Registration page of our website to create a profile.

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

For more information on registration and MaoriMe, please visit our website, see raukawakitonga.maori.nz/registration

Membership Statistics

Membership by Gender: **52% Female** **48% Male**

Geographical Statistics

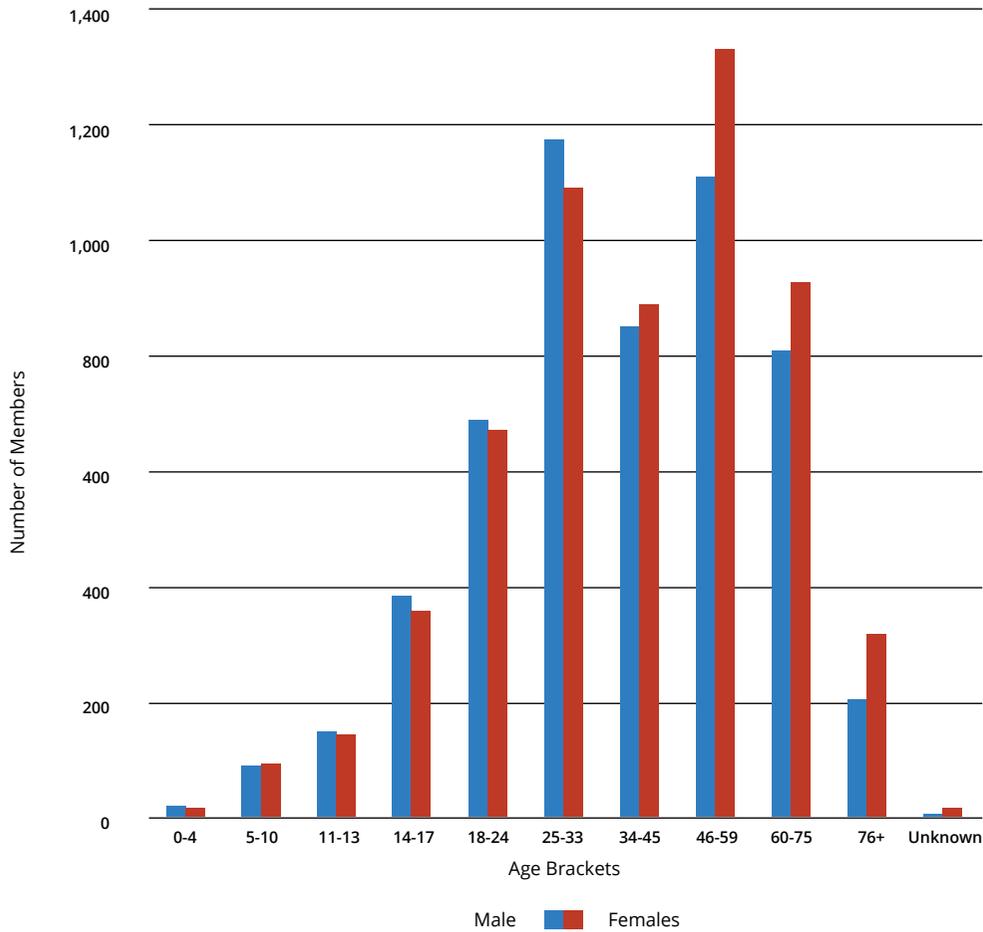
- 8,452 Validated members live in the North Island
- 562 Live in the South Island
- 408 Live in Australia
- 34 Live overseas, mostly in Europe and the Americas

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

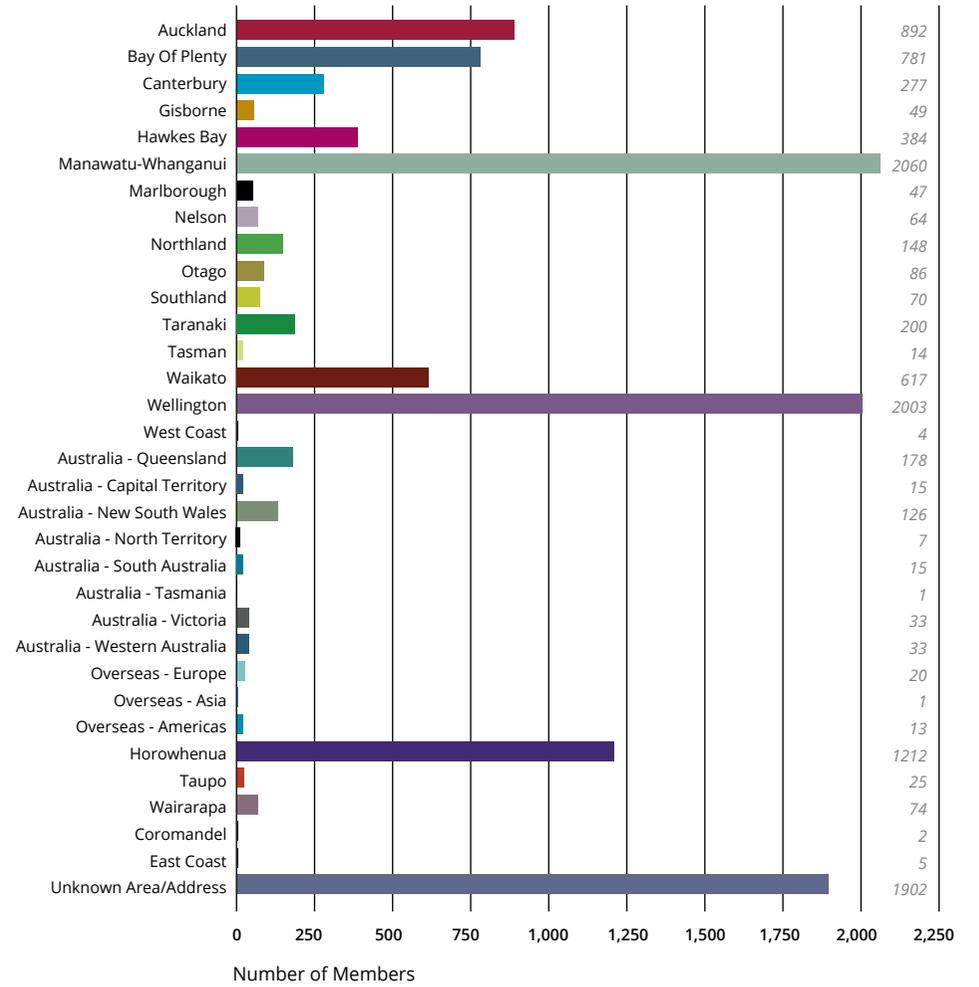
We have 1,932 members without addresses. If you are moving, please update us with your new address.

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

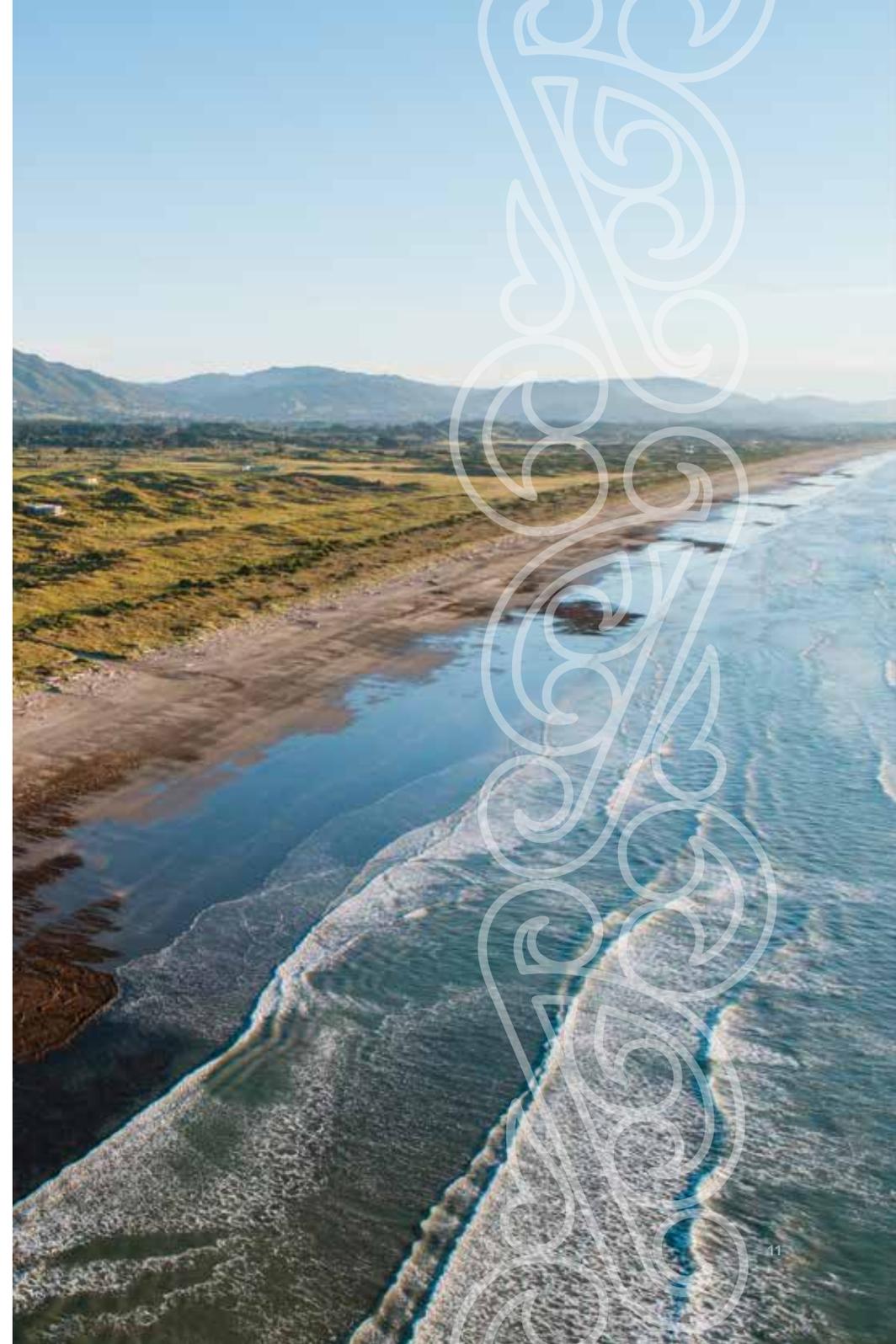
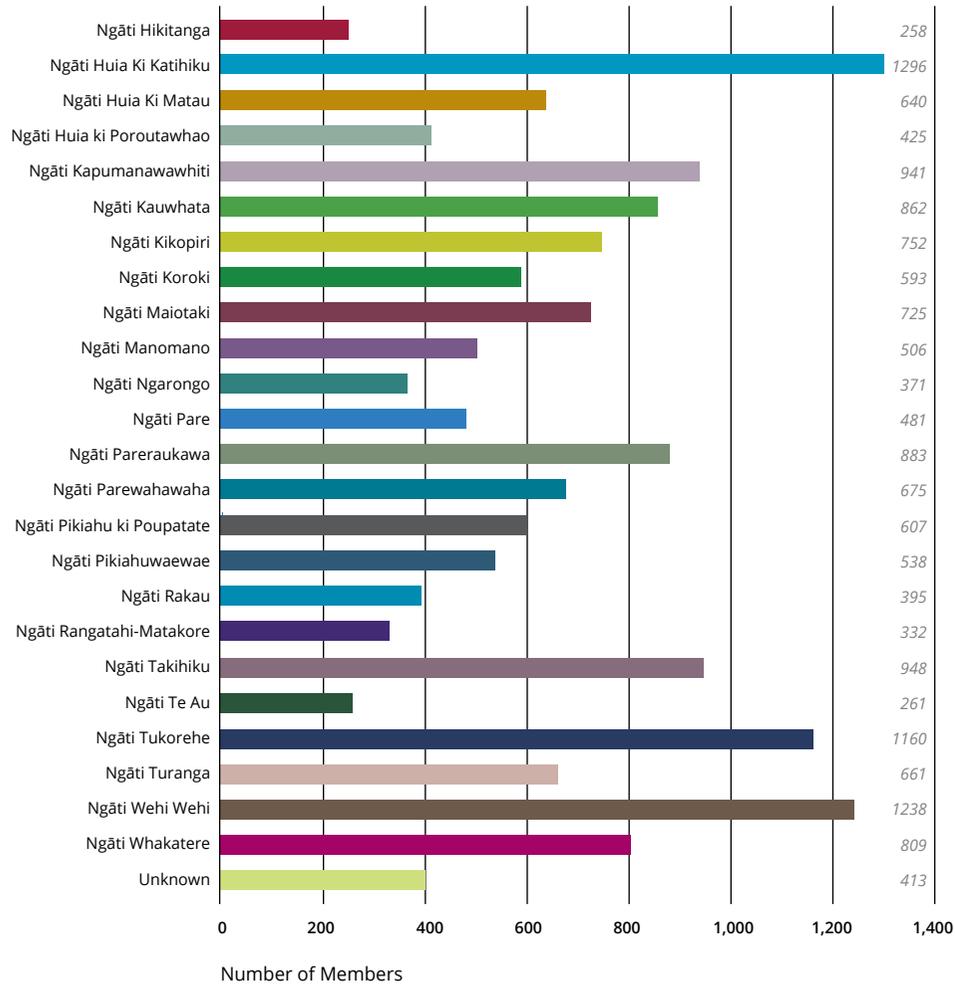
Validated Members by Age



Validated Members by Geographic Location



Validated Members by Hapū / Iwi Affiliations





Accountability

Raukawa ki te Tonga Trust is required under Kaupapa 7 of Schedule 7 of the Maori Fisheries Act 2004 to report on the following:

Kaupapa

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

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

Whānaungatanga

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

Whakapapa

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

Pūkengatanga

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

Kotahitanga

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

Manaakitanga

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

Rangatiratanga

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

Kaitiakitanga

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

Wairuatanga

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

Ūkaipōtanga

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

Te Reo

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

Report on 2021 Annual Plan

Kaupapa	Year Ended 2021 Hiahia	Outcomes
WHAKAPAPA	Promote the membership of individuals, with ongoing hapū and iwi registration drives. Target whānau with unregistered children and new Maori-me registrations.	Archiving of registration forms is underway. Forms are electronically filed in the database and cloud storage.
	Updating, validating electronic registrations monthly. Increase membership to 11,500.	Membership number increased to 11,435.
	Maintain an accurate database and respond to enquiries within 10 working days. Students requesting information are responded to within 5 days. Respond to requests for confirmation of iwi membership.	MaoriMe connections increased to 436.
PŪKENGATANGA	Review of Governance Manual. Update policies due for review. Promote Governance training including Trusts Act 2019 due 1 February 2021 and implications of new legislation, including mandatory responsibilities.	Governance Manual updated with policy review schedule. Trustee Training held in October 2021. Directors have reported quarterly.
	Meet AHC Directors at each meeting for updates and quarterly report. Prepare annual accounts for audit in October/November. Develop Trustee knowledge on investment and financial performance of the Trust.	Cloud filing system and back up now in place. Major update of archives is underway.
	Review administration systems and processes, files and records, including minute books & correspondence files. Maintain archival files of all relevant reports and documents monthly.	
RANGATIRATANGA	Complete the Annual Plan for 2021 - 2022 in October 2021.	Annual plan complete. Facebook, website and e-pānui utilised. Runanga Whaiti updated annually.
	Develop an effective Communications Plan for members.	Māori Fisheries Conference cancelled due to Covid.
	Attend Māori Fisheries Conference and AGM 2021.	

Kaupapa	Year Ended 2021 Hiahia	Outcomes
TE REO	Promote tikanga Māori through the use of te reo in our work for the Trust.	Registration form is available in Te Reo. Work to increase use of te reo Māori is underway. Strategic Plan for 2021 – 2024 has been completed.
	Ensure registration process (including forms) are Te Reo user- friendly.	
	Increase use of Te Reo in our documentation, policies and communication.	
	Develop strategies which reflect a commitment to the Mission Statement and Trust kaupapa.	
MANAAKITANGA	Maintain and develop respectful relationships within the Trust and with key allies, including Directors, auditors, Rūnanga staff, Wānanga staff, hapū and iwi members. Align the Trust with other Raukawa organisations through joint hui and co-operation.	Trustees are committed to this and seek opportunities for promotion of the Trust goals. Assistance provided to help identify hapū affiliations.
	Assist whānau with identifying their hapū whenever requested. Internet enquiries responded to.	
	Implement Shareholders Agreement.	
WHANAUNGATANGA	Support new trustees with Induction Manual and information. Identify individual training needs for trustees.	An effective set of procedures enable smooth running of Trust hui.
	Ensure all reports are sent to Trustees and Directors at least one week prior to all meetings.	

Kaupapa	Year Ended 2021 Hiahia	Outcomes
KAITIAKITANGA	<p>Hold AGMs at marae throughout the rohe to report on the performance of the Trust and AHC.</p> <p>Attend hui and engage in the FMA8 roopu, relating to Customary fishery.</p> <p>Fulfill relevant compliance in accordance with relevant legislation (IRD and financial reporting)</p>	AGM held at Te Tikanga Marae.
KOTAHITANGA	<p>Develop a strategy for resolving in-shore fishing allocations referred to Te Ohu Kaimoana in 2021.</p> <p>Review the Distribution Policy and Fish Distribution Policy in 2021.</p> <p>Report on Distribution Policy to members at AGM through a newsletter and the website.</p> <p>Report on Distributions to members.</p>	Dispute referred to the Māori Land Court for action. Policy reviewed. Fish Distribution lower due to COVID 19 and closure of marae in 2021.
WAIRUATANGA	<p>Promote the kaupapa of the Trust.</p> <p>Work effectively within the Trust for the benefit of members.</p> <p>Respect the contribution and skills that trustees and directors bring to the entity.</p>	All Trustees are committed to the Kaupapa. Trustees work in collaboration with each other and Directors.
ŪKAIPŌTANGA	<p>Develop and monitor the effectiveness of the Communications Plan. Effectively utilise the web and electronic communication forums.</p> <p>Maintain and update the website monthly.</p> <p>Update register of Interests at each meeting.</p> <p>Send epānui to members quarterly.</p> <p>Collaborate with key entities to access and effectively manage membership data on a timely basis.</p>	<p>Website updated monthly. Quarterly Pānui produced.</p> <p>Interest Register is reviewed at each Trust hui, updates recorded.</p> <p>Register Project is underway.</p>

Strategic Plan

1 October 2021 – 30 September 2024

Te Moemoea | Vision

Thriving Iwi and Marae; Flourishing Fishery and Asset Base.

Te Aronga | Purpose

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

Ngā Whāinga | Objectives

Tiaki taonga, kia puawai
Protect our asset base so it will flourish

Me mōhio, me āwhinatia te Iwi
Better understand and support our Iwi

**Whakapakari te whare
me ngā hononga a Iwi**
Strengthen our organisation and
connectivity within Raukawa

Kaupapa Tuku Iho | Guiding Values

We will give expression to Kaupapa Tuku Iho in our actions and decision making:
Manaakitanga, Wairuatanga, Ūkaipōtanga, Whanaungatanga, Rangatiratanga,
Kaitiakitanga, Kotahitanga, Pūkengatanga, Whakapapa, Te reo

Strategic Plan: Objectives, Strategies and Actions

Objectives	Strategies	Actions for the year from 1 Oct 2021 – 30 Sept 2022
<p>Tiaki Taonga, kia puawai</p> <p>Protect our asset base so it will flourish.</p>	<p>Build Fisheries Capability within the Raukawa ki te Tonga Group to manage the wide range of fisheries related kaupapa</p>	<p>Investigate hiring someone to manage fisheries matters for RKTT. Fisheries matters include: Fisheries forums, TOKM relationship, Pataka, customary rights/catch, inshore fisheries etc.</p> <p>Record the history of Fisheries for Raukawa.</p>
	<p>Operate Strategic Governance over AHC and monitor its performance</p>	<p>Agree on a Letter of Expectation between the Trust and AHC and Monitor expectations agreed in the letter.</p> <p>Regular reporting to the MIO from the AHC.</p> <p>Monitor how the AHC gives expression to Kaupapa.</p>
	<p>Represent a Kaitiaki Kaimoana voice on behalf of Raukawa ki te Tonga Kaitiakitanga, Rangatiratanga.</p>	<p>Ensure that the MIO is represented on relevant forums.</p> <p>MIO to make submissions/ensure its voice is heard on Fisheries Kaupapa of interest to Raukawa (e.g. To TOKM, Government, local Council, Fisheries businesses).</p>
	<p>Progress Inshore Fisheries and Marine and Coastal Claims.</p>	<p>Progress/Finalise inshore Fisheries Dispute with Rangitane and Muāupoko. Engage in Māori Land Court action to resolve the dispute.</p> <p>Progress Marine and Coastal Area Claim.</p>

Objectives	Strategies	Actions for the year from 1 Oct 2021 – 30 Sept 2022	
<p>Me Mōhio, Me Awhinatia Te Iwi</p> <p>Understand and Support our Iwi</p>	Provide comprehensive support for Hapū and Marae.	<p>Investigate a longterm programme for supporting Hapū and Marae (e.g. Funding support programme, grow Marae/Hapū capability/capacity; partnerships in the region and central government to increase local opportunities).</p> <p>Investigate hiring someone to deliver on the long term programme.</p> <p>Continue our current Distribution Policy (putea and fish).</p>	
	Maintain and grow an effective Iwi database.	<p>Continue to improve and update the Iwi register data.</p> <p>Continue to improve our Iwi register processes and systems.</p>	
	Better Understand the needs and expectations of our whānau.	<p>Set up an account with Te Whata and report on this information.</p> <p>Utilise information from our Iwi Register, Te Whata and other platforms to better understand our people.</p>	
	He Kānohi Kitea.	<p>Develop and execute a communications plan.</p> <p>Plan Iwi and other relevant events to attend and promote registrations.</p>	
	<p>Whakapakari te Whare me ngā hononga a Iwi</p> <p>Strengthen our organisation and connectivity within Raukawa</p>	Operate with a skilled and diverse Board that meets the needs of the organisation.	<p>Identify any skills gaps and work towards closing any gaps.</p> <p>Training/Education of trustees is progressed.</p>
		Ensure we are operating efficiently and according to best practice including our kaupapa.	<p>Meet our legislative compliance requirements including compliance with the new Trusts Act.</p> <p>Investigate management support for the Trust (for Fisheries capability and to deliver on long-term plan for hapū/Marae support).</p> <p>Continue to build on our suite of policies necessary to operate effectively and efficiently.</p> <p>Ensure a kaupapa lens over dealings and decision making at a governance and management level.</p>
		Work towards improving Raukawa wide connectivity.	<p>Better understand the Raukawa ki te Tonga Group role in the comprehensive settlement for Ngāti Raukawa.</p> <p>Meet annually with Te Rūnanga o Raukawa to report on our activities.</p> <p>Ensure regular communication with Raukawa-wide entities.</p>

RAUKAWA KI TE TONGA AHC LIMITED

Chair's Report

Tēnā tatou katoa,

It is my pleasure to provide this report for the financial year ended 30 September 2021 (FY2020/2021).

Despite the ongoing disruption caused by COVID-19, the AHC's investment portfolio performed exceptionally well delivering an overall return of 9.0 per cent including unrealised gains, with the total value of the investment portfolio increasing to \$30 million, up from \$28 million the prior year. Although we don't expect to repeat the performance in the current financial year, our diversified portfolio approach will minimise risk to any one particular sector.

Investment Portfolio

The AHC's globally diversified listed portfolio was a particularly strong performer, providing approximately \$1.1 million (16 per cent) of value uplift for the 12 months, with a closing balance of \$8.0 million. Global equities and global properties bolstered returns while fixed income struggled, primarily due to the flat interest rate environment. During the period, in response to this, the Board reassessed portfolio allocations and reduced our exposure to fixed income improving the overall performance of the portfolio.

DEBRA BIRCH
CHAIR
RAUKAWA KI TE TONGA
AHC LIMITED

Anei rā a manawa e ngunguru, e hotu tonu nei ki a rātau kua riro ki Paerau, ā, moe mai rā koutou. Heoi anō tā tātau ā te hunga moke, he pupuri tonu i a rātau ki te kokonga ngākau, ki te mahara. Otirā, ka mihi tonu ki ō tātau marae kāinga o Ngāti Raukawa ki te Tonga, tēnā rawa atu koutou. Hei konei, ka huri ake ki a koutou te Iwi me ngā mātāwaka i kōrerotia mai i te Pūrongo ā-tau nei. Tēnā koutou! Huri noa ki ngā Kaihautu o Raukawa Fisheries Asset Trust, ngā Kaiwhakahaere o Raukawa Asset Holding Company me ngā kaimahi kia tū rangatira ai tēnei kaupapa a tātau, tēnā koutou, tēnā koutou, tēnā tātau katoa.

This year we approved committing capital to two new investment opportunities, Southern Hops and Oriens Capital Fund 2. Southern Hops is undertaking a large-scale conversion of dairy land to a hop growing operation at Mt Ella in the Tasman District. The conversion is underway, and the first crop of significant scale will be planted in 2022 and harvested in March 2023. Following the success of Oriens Capital Fund 1, a private equity fund, and significant demand for expansion capital Oriens Capital Fund 2 was launched raising \$100 million to invest in six to nine NZ based private companies with an enterprise value between \$10 million and \$50 million.

Fisheries Assets

Fisheries assets, both fisheries quota and AFL shares, comprise around 60 per cent of the AHC's total portfolio. COVID-19 continued to adversely impact the fisheries sector and, therefore, our returns. Revenue from the sale of Annual Catch Entitlement for the year ending 30 September 2021 was \$460,000, a 5.5 per cent return. This return is well down on the average for the prior four years of \$635,000. The main driver of the reduced return was paua, which fell 33 per cent from the previous year. AFL shares, our largest single investment, generated a return of only 2.0 per cent.

Responsible and Sustainable Investing

As a wholly owned Māori entity, Raukawa ki te Tonga AHC is committed to ensuring that its investment portfolio is aligned with kaupapa tuku iho values. These include manaakitanga, kaitiakitanga, and whanaungatanga.

To this end, the AHC is developing an Environmental, Socially Responsible and Governance investment framework with an additional Cultural lens (ESG+C) to guide future investment decision making.

This ESG+C framework will also ensure that our investment decisions are aligned with and meet the expectations of the Raukawa ki te Tonga Trust.

People

On 1 October this year, we welcomed Dylan Lawrence as a new director on the AHC Board. Dylan is the General Manager of Investment at New Zealand Trade & Enterprise (NZTE), responsible for leadership of all investment promotion and attraction activities on behalf of the New Zealand Government. He also leads Te Pora Māori, a specialised team within NZTE responsible for supporting the growth of Māori exporters and investors and for delivering its Māori strategy.

Before joining NZTE, he was a Director at Cameron Partners, one of New Zealand's leading investment banks. During his time there, Dylan advised on and successfully executed several mergers and acquisitions and capital market transactions across a broad range of industries for publicly listed corporations, private equity firms and privately-owned organisations. He has Law (LLB) and Commerce (BMS) degrees from the University of Waikato, has completed the Harvard Business School Business Administration and Management Program.

Dylan's experience in leading NZTE's Investment team adds a new dimension to the AHC board that complements the board's existing skillsets.

Waste Transformation Limited

After approximately seven years of involvement with Waste Transformation Limited (WTL), and an investment of some \$3 million, the Board elected to cease providing financial support. This decision followed a period of very close monitoring and management of the business, an exploration of all options available, and an independent assessment of WTL's commercial viability. In March, the Board appointed liquidators. They have advised that there is no prospect of any of the equity or debt investment being recovered.

A post-investment review was undertaken, which outlined all material events relating to AHC between 2014 and 2021. The findings of this review have been acknowledged and captured in the AHC policies and procedures.

Other activity

The Board undertook a strategic review of its portfolio assets as well as wider investment opportunities through key networks to provide more focus on how it can best leverage these assets and opportunities, manage risk to the portfolio and ensure that its performance and operations reflect modern best practice to deliver ongoing value to our parent Trust and to the Iwi. This report covers the other investment activity undertaken during the financial year, providing a detailed account of the assets held by value and as a percentage of the total investment portfolio. Also included is a graphic representation of the investment returns, which shows the sum held in each investment and the return each generated.

Dividend

The Board is pleased to announce a dividend, payable to the Trust, of \$8,203 for the year ending 30 September 2021. The board notes that the relatively low dividend is not a reflection of poor performance rather the calculation for the dividend excludes unrealised gains such as the uplift in the listed equities and investment property.

In conclusion

The AHC has coped well during a challenging period and has grown the value of total investment portfolio by \$1.6 million or 5.9 per cent (based on the market value of listed equities and purchased quota) as well as generating net income of \$353,382 for the year (excluding revaluations and impairments).

Despite market volatility, the ongoing disruption caused by COVID-19 and the challenges faced by the fisheries sector, the AHC's globally diversified listed investment portfolio produced a particularly strong performance delivering approximately \$1.1 million (16 per cent) of value uplift for the 12 months with a closing balance of approximately \$8 million.

This heavy lifting provided the counterweight necessary to overcome the less than stellar performance from the AHC's fisheries investments and ensured we were able to both grow the Trust's pūtea and provide a more than satisfactory return on your assets.

Over the next twelve months, we will be looking at opportunities to invest locally. Such opportunities will be assessed according to our investment portfolio mandate and be subject to due diligence, consistent with a small allocation to direct investment. The AHC is also well-positioned to partner with other commercial entities and, in particular, iwi in neighbouring rohe or across the motu.

Looking ahead, we expect continued market volatility and fishing industry experts anticipate difficult years ahead with margins coming under pressure. We live in uncertain times, hence the ongoing need to diversify risk to protect and grow your assets, and to ensure a sustainable return on the investment portfolio.

The AHC has very much appreciated the support provided by the Trust's Chair and Board over the past 12 months. I also want to thank my fellow Board members and the executive, Richard O'Hara and Cassidy Pidduck, for their ongoing support, passion and commitment to our Kaupapa in what has been a very challenging 12 months.

On behalf of the AHC Board and Management, we thank the Raukawa ki te Tonga Trust for entrusting the AHC with the mandate to manage and grow your assets for the benefit of Raukawa ki te Tonga and our members.

DEBRA BIRCH

CHAIR

RAUKAWA KI TE TONGA AHC LIMITED

RAUKAWA KI TE TONGA
AHC LIMITED
Directors



DEBRA BIRCH CMinstD, AIF®
DIRECTOR AND BOARD CHAIR

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

Debra has over 30 years' experience of financial markets experience including managing global investment portfolios in Asia, Australia and New Zealand. More recently she has been a professional director and her focus has been on Māori economic development.

She was one of the founders of a unique private equity fund model for Māori/Iwi which will co-invest alongside institutional investors over a 15-year timeframe, and which has raised \$115 million from 28 individual Māori /Iwi investor entities.

Debra is currently Chair of Raukawa ki te Tonga AHC and Taupō Moana Investments Limited, and is a non-executive Director of Tourism Holdings, Ngāti Awa Group Holdings Ltd and subsidiaries, Eastland Group Ltd and subsidiary companies, Te Pūia Tāpapa GP Ltd and Tūwharetoa Hau Rau GP Ltd. She is a Trustee of Wellington Free Ambulance Trust and Manu Rere Charitable Trust and is a member of Treasury's Capital Markets Advisory Committee and a member of MPI's Te Puna Whakaaronui Thought Leaders Group. She has over the last 10 years held various governance roles across the public, private, local government and māori/iwi sectors.

She was an inaugural member of the Sustainable Finance Leadership Group which created the 2030 roadmap incorporating environmental, social and economic considerations into financial decision making. During the year she also was appointed a member of the KiwiSaver Default Evaluation Panel for the appointment by Crown Ministers of Default KiwiSaver Schemes.

Debra is a Chartered Member of the New Zealand Institute of Directors, an Accredited Investment Fiduciary® (AIF®), a Member of the New Zealand Shareholders Association and has a post-graduate certificate in Investment Analysis from Otago University.



GUY ROYAL LLB
DIRECTOR & DEPUTY CHAIR

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

Guy Royal has over 20 years' experience as a commercial corporate lawyer and has advised clients in New Zealand, Hong Kong, Vietnam and the United Kingdom. He specialises in joint venture arrangements, and mergers and

acquisitions, in particular he has experience working with indigenous groups.

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



TONI KERR MINSTD, B.BUS
DIRECTOR

Ngāti Raukawa, Ngāti Tūwharetoa

Toni has over 30 years' experience in financial markets and private banking working in Australia, Hong Kong and more recently Aotearoa New Zealand.

She has a Bachelor of Business degree majoring in accounting from Sydney's

University of Technology and is a Member of the Institute of Directors. Toni is currently leading the access to capital for Māori at Te Pūtea Matua/Reserve Bank of New Zealand.



GRAEME HASTILOW BCA
DIRECTOR

**Ngāti Raukawa ki Te Tonga, Ngāti Toa
Rangatira, Ngāti Tūwharetoa**

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

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



DYLAN LAWRENCE LLB BMS
DIRECTOR

**Ngāti Raukawa ki Te Tonga, Te Ati Awa ki
Whakarongotai, Ngāti Ranginui**

Dylan is the General Manager of Investment at New Zealand Trade & Enterprise (NZTE) and is responsible for the leadership of all investment promotion and attraction activities on behalf of the New Zealand Government.

He holds Law (LLB) and Commerce (BMS) degrees from the University of Waikato, has completed the Harvard Business School Business Administration and Management Program, and is admitted as a legal practitioner in New Zealand.

Dylan joined the AHC Board on 1 October 2021.

Executive



RICHARD O'HARA

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

Richard is a Chartered Financial Analyst® (CFA®) charterholder and has a BCA, majoring in Accounting, Commercial Law and Marketing from Victoria University of Wellington. He brings extensive experience to the role having worked in corporate finance in

Aotearoa New Zealand and the United Kingdom.



CASSIDY PIDDUCK **ADMINISTRATOR**

Te Ati Awa ki Whakarongotai

Cassidy has been a part of Raukawa AHC since 2016 and started assisting the Trust with secretariat and administration support in 2019.

Born and bred in Ōtaki Cassidy has been raised under the korowai of Raukawa ki te Tonga. She is involved in the Ōtaki school and sporting community, while raising her four tamariki.

Previous roles include Office Management and Finance Administration for other Iwi entities which have contributed to a variety of skills that support the Board and organisation.



Assets and Investments

**Highlights of the
Financial Year ending
30 September 2021**

- The year ending 30 September 2021 proved to be another positive year for the AHC's investment portfolio. Despite the on-going disruption caused by COVID-19, which impacted certain investments more than others, the portfolio delivered a 9.0 per cent return (including unrealised gains).
- The AHC's globally diversified portfolio was a particularly strong performer delivering approximately \$1.1 million (16 per cent) of value uplift for the 12-month period with a closing balance of approximately \$8 million. The fund managers that were allocated capital, for the most part, outperformed their benchmarks, with global equities and global properties performing particularly well. Fixed income was the worst performing part of the portfolio and continues to struggle, largely due to the increasing interest rate environment. During the year, the board reassessed portfolio allocations and reduced exposure to fixed income.
- Revenue generated from the sale of Annual Catch Entitlement¹ (ACE) was severely impacted by COVID-19 with total revenue of approximately \$460,000 equating to a 5.5 per cent return. This is well below the average for the prior four years of \$635,000. The poor performance was primarily due to weak pricing for paua which was down approximately 33 per cent from the prior year. COVID-19 continues to adversely impact the fisheries industry, primarily due to increased operating costs from freight and labour.
- Material valuation uplifts have been achieved as at 30 September 2021 for the commercial property on Riverbank Road and Partners Life shares. These are based on valuations which reflect (amongst other things) the strong demand for quality investments and the low cost of capital.
- The board approved committing capital to two investment opportunities during the year, Southern Hops and Oriens Capital Fund 2. Southern Hops is undertaking a large-scale conversion of dairy land to a hop garden at a site in Mt Ella. This conversion is underway with the first crop of material scale to be planted in 2022. Oriens Capital Fund 2 is a private equity fund that raised \$100 million to invest in six to nine NZ based private companies with an enterprise value between \$10 million and \$50 million.
- In August 2021, the board approved a five-year strategic plan for the AHC, which outlines the key objectives and principles, strategic focus and key performance indicators. The key performance indicators includes reaching net assets of \$37 million by 30 September 2026, building a reputation as being a preferred partner and developing a resilient business model for the future including adoption of appropriate ESGC (Environment, Social, Governance and Cultural) policies.
- After approximately seven years of involvement with Waste Transformation Limited (WTL), and investment of approximately \$3 million, the Directors of the AHC made the decision to cease providing financial support. This decision was made following a period of very close monitoring and management of the business, exploration of all options available and based on an independent assessment of commercial viability. On 23 March 2021, liquidators were appointed to WTL and the liquidators have advised that there is no prospect of any of the equity or debt investment being recovered. The AHC recovered the kiln that was leased to WTL which is now being leased to another party in Timaru. Whilst this was a disappointing outcome, the AHC has been through a thorough review of the investment process between 2014 and 2021 and identified the lessons learnt to ensure this does not happen again.

¹ ACE is the annual right to catch a specific amount of a fish stock within the quota management system. ACE is calculated in kilograms and is allocated on the first day of the fishing year to the owner of the quota shares from which it is generated. Because the AHC is not involved in the business of fishing, every year we sell our ACE to fishing companies with the objective of maximising our return.



Investment Portfolio

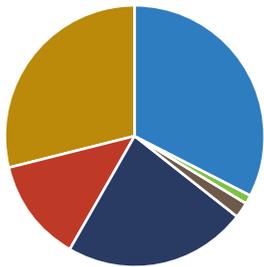
The AHC was established as the commercial organisation to manage various settlement assets and investments of Raukawa ki te Tonga Trust (the Trust) on a commercial and sustainable basis. As at 30 September 2021, the investment portfolio was valued at approximately \$30 million, up from \$28 million the prior year.

The Board has continued its diversified investment strategy, targeting a 65 per cent allocation to growth assets and 35 per cent allocation to defensive assets. The objective of diversification is to develop an investment portfolio of various asset classes which have limited correlation therefore react differently to market conditions. As a result, the overall return of the portfolio should be less volatile over time.

The following pie-charts show the current asset allocation of the AHC portfolio as at 30 September 2021, compared with the target asset allocation (as identified in Investment Policy Statement that is reviewed and agreed annually):

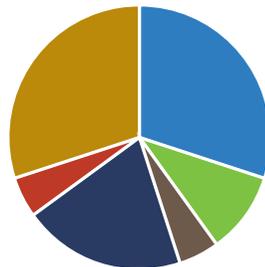
Current Asset Allocation

● Shares in Unlisted Companies	33%
● Private Market Investments	1%
● Private Market Property	2%
● Shares in Listed Companies	23%
● Fixed Income and Cash	13%
● Fisheries and Quota	29%



Strategic Asset Allocation

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

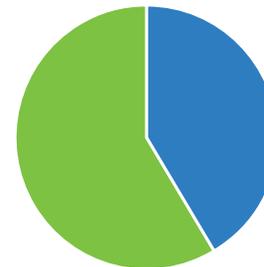


It is accepted that the Current Asset Allocation is never going to perfectly align to the Strategic Asset Allocation as investment values change over time and due to the time it takes to reallocate capital, especially private market investments which are not easily traded. Whilst the portfolio is currently underweight private market investments, it is noted that capital is committed but not yet called for Southern Hops and Oriens Capital Fund 2 which will increase exposure to this category. It is also noted that as at 30 September 2021, the diversified global portfolio was overweight cash which was allocated to a new investment fund in October 2021.

As shown in the pie-charts below, the portfolio is currently over-weight defensive assets, based on values at 30 September 2021.

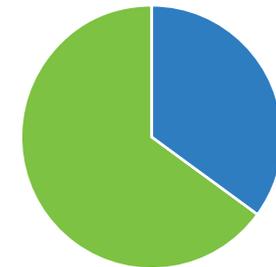
Current Portfolio

● Defensive Assets	41%
● Growth Assets	59%



Target Portfolio

● Defensive Assets	35%
● Growth Assets	65%



Investment Portfolio by Asset Class

1. Shares in Unlisted Companies

INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
Aotearoa Fisheries Limited	\$8,959,631	30%
Partners Life	\$483,331	2%
Southern Hops*	\$280,000	1%
Total	\$9,722,962	33%

*Total capital committed to Southern Hops is \$400,000 of which \$280,000 has been called.

2. Private Market Investments

INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
Maui Capital Fund	\$70,000	0%
Oriens Capital Fund 2*	\$70,000	0%
Total	\$140,000	1%

*Total capital committed to Oriens Capital Fund 2 is \$500,000 of which \$70,000 has been called.

3. Private Market Property

INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
44 Riverbank Road	\$728,500	2%
Total	\$728,500	2%

4. Shares in Listed Companies

INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
Diversified equities portfolio	\$6,760,544	23%
Total	\$6,760,544	23%

5. Fixed Income and Cash

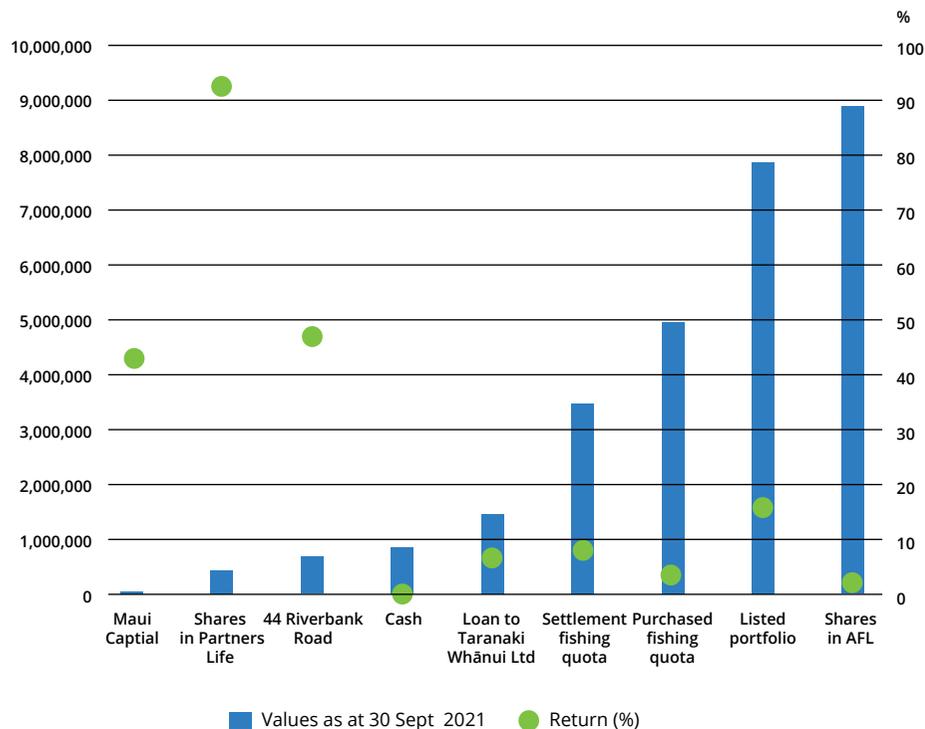
INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
Cash	\$916,688	3%
Diversified fixed income, cash and gold portfolio	\$1,210,146	4%
Taranaki Whānui Limited loan	\$1,500,000	5%
Total	\$3,626,834	12%

6. Fisheries Quota

INVESTMENT	BOOK VALUE	PER CENTAGE OF PORTFOLIO
Purchased quota	\$5,032,098	17%
Settlement quota	\$3,525,246	12%
Total	\$8,557,344	29%

Investment returns

The chart below displays the value associated with each investment as at 30 September 2021 and the return generated (realised and unrealised):



Notes regarding investment returns:

- The investment that generated the highest return was Partners Life with approximately 90 per cent uplift in value. The uplift was due to the change in valuation approach whereby the investment is recognised at fair value rather than cost. It should be recognised that this uplift in value has occurred over various years however the investment was recognised at cost under the previous accounting framework.
- The largest investment (based on the value as at 30 September 2021) are Shares in AFL which generated a return of approximately 2.0 per cent. This is a low yield return, and the performance of AFL continues to be closely monitored. However, it is not possible to exit this investment due to restrictions on sales of settlement assets.
- The Listed portfolio generated a 16 per cent return which equated to \$1.1 million. This was the most significant contributor to the positive performance for the year.
- Quota (purchased and settlement) generated a return of 5.5 per cent for the year with settlement quota performing strongly. This was primarily due to the strong performance under the Ngā Tapuwāe o Māui agreement with Sealord.



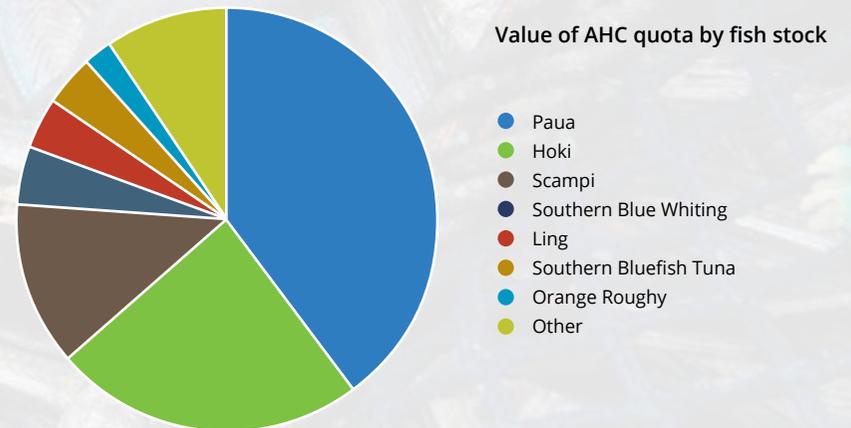
Fisheries Investments

Background

In 2010 Ngāti Raukawa ki Te Tonga received the agreed settlement quota resulting from the Maori Fisheries Act 2004. At this time, the Raukawa ki Te Tonga Charitable Trust was established as the Mandated Iwi Organisation (MIO), the governance entity for the iwi for fisheries settlement purposes. The Asset Holding Company (AHC) was also established to receive and hold fisheries settlement assets including quota and income shares in Aotearoa Fisheries Limited. Since that time, the AHC has purchased additional non-settlement quota, with a current market value of over \$5 million, and there has been no sale or disposal of income shares or settlement quota.

As at 30 September 2021, the AHC's fisheries assets represent approximately 60 per cent of the total portfolio based on Fisheries Quota valued at \$8,557,344 and AFL Shares valued at cost of \$8,959,631.

The market value of AHC quota is summarised in the chart below:



Returns from fisheries assets

Returns from fisheries assets in the year ended 30 September 2021 were significantly impacted by COVID-19. As export markets closed, our ability to sell certain ACE packages, and maintain returns, became difficult. The material impacts included:

- Income from the sale of ACE and the AFL dividend was down approximately 20 per cent from the prior year
- Reduced price received for most ACE, especially paua which was down from \$27 per kg to \$18 per kg (33 per cent reduction)
- Reduced price received from scampi ACE from approximately \$19 per kg to approximately \$13 per kg (32 per cent reduction)
- Returns from Ling, Hoki and Orange Roughy (all subject to the Nga Tapuwae o Māui agreement with Sealord) performed well considering the challenges with foreign staff and distribution. Net income from the Nga Tapuwae o Māui agreement for the year was \$225,000, down from \$247,000 the previous year (9.0 per cent reduction)

Returns from shares in AFL remain low relative to some of the other assets held by the AHC. The primary driver of returns for the last financial year from AFL is the performance of Sealord which contributes 50 per cent or more of AFL profitability. Despite its recent vessel upgrade, Sealord is still reliant upon foreign vessels and fishing crews to catch some of its deep-water quota (Hoki). This attracted considerable attention in light of border closures and COVID-19, as Sealord were unable to engage sufficient numbers of skilled local staff.

Expectations for fisheries returns

The expectations for returns from fisheries assets going forward are varied with COVID-19 continuing to impact the local and global fisheries industry. Based on feedback from industry experts, we note:

- Price for certain ACE appears to be recovering quickly. Paua (which generates a large portion of the ACE revenue for the AHC) is an example of this with pricing expected to be approximately 30 per cent higher for the year ending 30 September 2022.
- Other industry operators are expecting difficult years ahead with margins coming under pressure. This is particularly the case for operators such as Sealord which is experiencing substantial increases in operating costs (freight, labour and fuel) which cannot be recovered from increased prices. As such, the returns from AFL and Ngā Tapuwae o Māui are likely to reduce in the near term.

Other Investments

44 Riverbank Road

On 18 January 2019, the AHC purchased a commercial property at 44 Riverbank Road, Ōtaki for \$510,000. The property is tenanted by Matta Products, a business founded in Ōtaki which exports globally. Since purchasing the property the annual rental has increased by approximately 6.0 per cent and the industrial property market has seen strong demand from investors. Given the ongoing struggle with land scarcity and growth in the Kapiti Coast, demand for industrial property is likely to exceed supply in the short to medium term. An external valuation of the property was completed as at 30 September 2021 and a fair value estimate of \$728,500 was provided.



Taranaki Whānui Limited Secured Loan

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

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

On 4 September 2020, an additional \$500,000 was loaned to Taranaki Whānui Limited taking the total loan to \$1,500,000 with an interest rate of 7.0 per cent per annum agreed on the full amount outstanding. The loan principal is expected to be repaid in 2023 with interest paid to the AHC on a quarterly basis.

Diversified portfolio

The AHC's investments include a globally diversified listed portfolio, which is around 15 per cent invested in fixed income, cash and gold and 85 per cent invested in equities and property. The strategy employed to meet these allocations is to select managed funds that are low cost and have Socially Responsible Investment (SRI) integrated into their selection of individual securities. This SRI approach is aligned with the investment policy statement and our broader cultural values around sustainability.

At the portfolio level, fund managers have mostly outperformed their benchmarks over the quarter and year. This in part reflects the SRI focus

of the portfolio, cheaper fees than the Peer group average and the 'tilt' away from duration or standard bond holdings. This meant that the portfolio was more resilient to expected increases in interest rates by the Reserve Bank of New Zealand.

The portfolio continues to be monitored by MyFiduciary and the investment policy statement and sub-policies are reviewed annually by the Board.

Partners Life and Maui Capital

Partners Life is a life insurance company that has been operating for approximately ten years. The business continues to be impacted by COVID-19, regulatory changes and broader economic movements (such as increasing interest rates). Despite this, the business continues to grow, and this will be accelerated in 2022 when the acquisition of BNZ Life is completed (subject to regulatory approval). The largest shareholder of the business is Blackstone, one of the largest fund managers globally. The investment by the AHC of \$250,000 is now valued at approximately \$480,000 and this is expected to increase further before an opportunity to exit the investment comes about.

The Maui Capital Aqua Fund is a private equity fund that raised capital in 2012 and has four remaining investments. The largest investment in the fund (by value) is Partners Life followed by Equipment Selling, Leasing and Financing, combined these two investments equate to 89 per cent of the total fund value. The fund manager has advised that they are waiting for an appropriate time to exit remaining investments which they expect to happen in 2023. This is the smallest investment for the AHC with a total value of \$70,000 as at 30 September 2021.

Waste Transformation Limited

Waste Transformation Limited (WTL) developed a waste diversion system using pyrolysis technology that turns waste wood into by-products that could be sold. The AHC first invested in WTL in 2014 and continued to provide financial support since then. In addition, the AHC invested in two pyrolysis kilns which were leased to WTL and ultimately one was set-up in Timaru with the primary customer being the Timaru District Council.

Despite some interest in the products from potential customers this was not converted into contractual arrangements or sales of sufficient scale for the business to achieve breakeven.

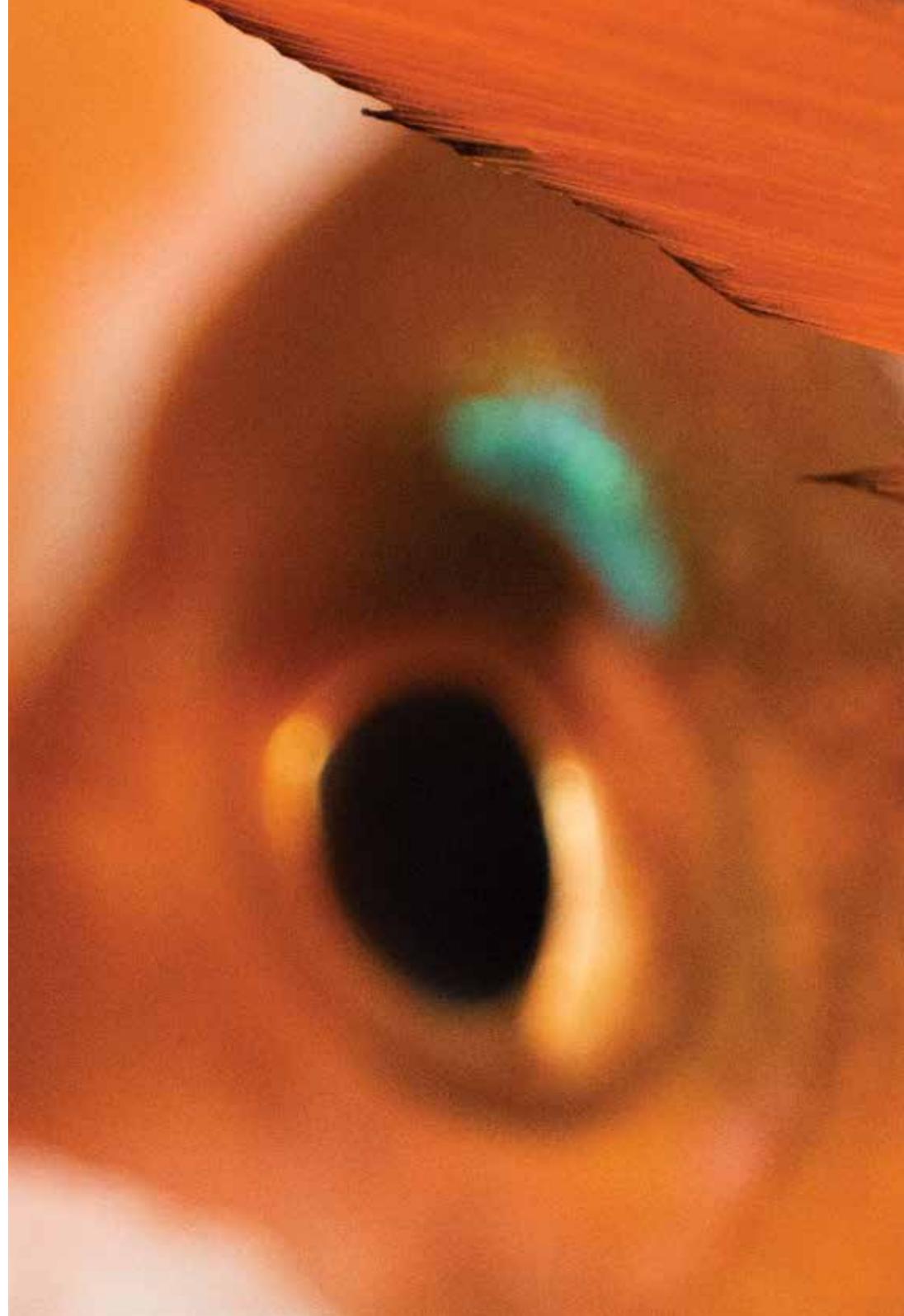


A third party was engaged to undertake a review of the business technology and commercial opportunities available. The review suggested that the business model was unlikely to work in locations outside of Timaru due to the relatively cheap landfill options for waste timber and paper and the business model was not viable at scale. Furthermore, if a large customer did eventuate, the business would have required significant financial investment and management expertise to deliver and grow.

Given the consistent financial support that WTL required to operate, and lack of funding provided by other shareholders, the AHC explored the exit options available. When it became apparent that the business was not saleable, the AHC formally advised the WTL directors that no further financial support would be provided. As WTL was unable to secure funding from other sources, WTL was ultimately placed into liquidation on 23 March 2021.

Following WTL's liquidation, the kiln that was leased to WTL and subject to a registered security interest, was secured and has since been leased to a third party on a 12-month basis. The other kiln owned by the AHC is being stored in Ōtaki. All funding (equity and debt) that has been invested in WTL has been written off as it is considered unlikely that any material recovery will be possible.

A post investment review was undertaken which outlined all material events that occurred between 2014 and 2021. The findings of this review have been acknowledged and captured in the AHC policies and procedures.



Dividend Policy and Payments to the Trust

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

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

The following Dividend Policy was agreed:

The AHC would distribute by way of dividend to the MIO Trust, 40 per cent of the net operating surplus per annum after the deduction of CPI on its liquid assets and provide an annual amount equivalent to Māori Authority Tax (17.5 per cent) to a Capital Preservation Fund. Per the constitution 'Net operating surplus' excludes asset revaluation, unrealised capital gains or losses and unrealised gains or losses from financial instruments.

The dividend payable to the Trust for the year ending 30 September 2021 is \$8,203. The relatively low dividend is not a reflection of poor performance, rather the calculation for the dividend excludes unrealised gains such as the uplift in listed equities and investment property.

Payments to the Trust

Declared Dividends: AHC to Raukawa ki te Tonga Trust

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$105,330	\$264,011	\$240,030	\$218,535	\$237,013	\$250,685	\$277,423	\$343,829	Nil	\$282,167	\$8,203



RAUKAWA KI TE TONGA
Financial Statements
for the Year Ended 30 September 2021

Entity Information

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

Legal Name of Entity

Raukawa ki te Tonga Trust

Entity Type and Legal Basis

Raukawa ki te Tonga Trust is a Charitable Entity.

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

Registration Number with DIA Charities

CC 45526

Nature of Business

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

Main Methods Used by Entity to Raise Funds

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

Main Sources of Entity's Cash and Resources

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

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

The Trust may receive and hold assets allocated by Te Ohu Kai Moana Trustee Limited in accordance with the Māori Commercial Aquaculture Claims Settlement Act 2004. The entity can receive distributions, dividends and management fees from the Asset Holding Company, Ruakawa ki te Tonga AHC Limited.

Entity's Reliance on Volunteers and Donated Goods or Services

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

Physical Address/Postal Address

144 Tasman Road, Ōtaki 5512/ PO Box 15012, Ōtaki 5512

Approval of Consolidated Performance Report

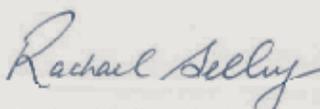
RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

The Trustees are pleased to present the approved consolidated performance report including the historical financial statements of Raukawa ki te Tonga Trust for year ended 30 September 2021.

APPROVED

For and on behalf of the Trustees



Rachael Selby, Chairperson

Date: 19 January 2022



Emma Winiata, Deputy Chairperson

Date: 19 January 2022

Statement of Consolidated Service Performance

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

Description of Entity's Outcomes

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

Currently the Trust provides two forms of distributions to beneficiaries:

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

For the 2021 Financial year, cash distributions paid to iwi/hapū/marae were \$282,167 (2020 = \$Nil).

For the 2021 Financial year, the dollar value of fish distributions to marae for hui was \$8,608 (2020 = \$9,440).

Statement of Consolidated Comprehensive Revenue and Expenses

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

ACCOUNT	NOTES	2021	2020
Revenue			
Revenue from non-exchange transactions			
Grant Revenue	5	97,810	2,494
Other Income	5	115	0
Gain on Sale of Equity Investment	5	0	563,956
Total Revenue from non-exchange transactions		97,925	566,450
Revenue from exchange transactions			
Investment Income	5	332,432	606,411
Other Revenue	5	644,947	789,261
Total Revenue from exchange transactions		977,378	1,395,671
Finance Revenue			
Income	5	123,384	46,401
Total Finance Revenue		123,384	46,401
Fair Value Movement on Investment Property			
Income	5	210,000	0
Total Fair Value Movement on Investment Property		210,000	0
Total Revenue		1,408,688	2,008,522

ACCOUNT	NOTES	2021	2020
Expenses			
Other Expenses	6	1,006,042	696,747
Impairment and Provision for doubtful debt	6	278,832	461,101
Total Expenses		1,284,874	1,157,848
Surplus/(Deficit) for the Year		123,814	850,674
Other Comprehensive Revenue and Expenses			
Revaluation of Equity Investments		1,403,302	1,971,359
Total Other Comprehensive Revenue and Expenses		1,403,302	1,971,359
Total Comprehensive Revenue and Expenses Attributable to Owners		1,527,116	2,822,033

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

Statement of Consolidated Changes in Net Assets

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

ACCOUNT	2021	2020
Total Equity		
Accumulated Comprehensive Revenue and Expense		
Opening Balance	4,473,715	3,780,407
Surplus/(Deficit) for the year	123,814	850,674
Equity Investment Revaluation Reserve Transfer on Disposal	0	0
Funds Transferred to Capital Preservation Reserve	(49,796)	(157,366)
Closing Balance	4,547,732	4,473,715
Equity Investment Revaluation Reserve		
Opening Balance	1,971,359	0
Net Change in Fair Value	1,403,302	1,971,359
Total Equity Investment Revaluation Reserve	3,374,661	1,971,359
Capital Funds received from Te Ohu Kaimoana		
Opening Balance	12,487,093	12,487,093
Movements	0	0
Closing Balance	12,487,093	12,487,093
Capital Funds received from Te Rūnanga o Raukawa		
Opening Balance	5,861,018	5,861,018
Movements	0	0
Closing Balance	5,861,018	5,861,018

ACCOUNT	2021	2020
Capital Preservation Reserve		
Opening Balance	2,264,737	2,107,371
Transfer of Funds to Reserve from Accumulated Comprehensive Revenue and Expenses	49,796	157,366
Closing Balance	2,314,533	2,264,737
Capital Funds received from Parent Trust		
Opening Balance	1,108,989	1,108,989
Movements	0	0
Closing Balance	1,108,989	1,108,989
Total	29,694,027	28,166,911

Consolidated Statement of Financial Position

RAUKAWA KI TE TONGA TRUST GROUP

As at 30 September 2021

ACCOUNT	NOTES	30 SEP 2021	30 SEP 2020
Assets			
Current Assets			
Cash and Cash Equivalents	7	1,004,903	1,261,996
Receivables from Exchange Transactions	7	171,735	117,718
Bank Term Deposits	7	0	160,536
Income Tax Receivable	7	43,533	55,478
Total Current Assets		1,220,172	1,595,728
Non-Current Assets			
Property, Plant and Equipment	9	3,113	6,208
Investments	7	26,390,997	24,637,694
Receivables	7	1,500,000	1,500,000
Investment Property	7	728,500	518,500
Total Non-Current Assets		28,622,609	26,662,403
Total Assets		29,842,782	28,258,131

ACCOUNT	NOTES	30 SEP 2021	30 SEP 2020
Liabilities			
Current Liabilities			
Trade and Other Creditors	8	138,364	87,590
GST Payable	8	10,390	3,629
Total Current Liabilities		148,754	91,219
Total Liabilities		148,754	91,219
Total Assets less Total Liabilities (Net Assets)		29,694,027	28,166,911
Equity			
Total Reserves		29,694,027	28,166,911
Total Equity		29,694,027	28,166,911

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

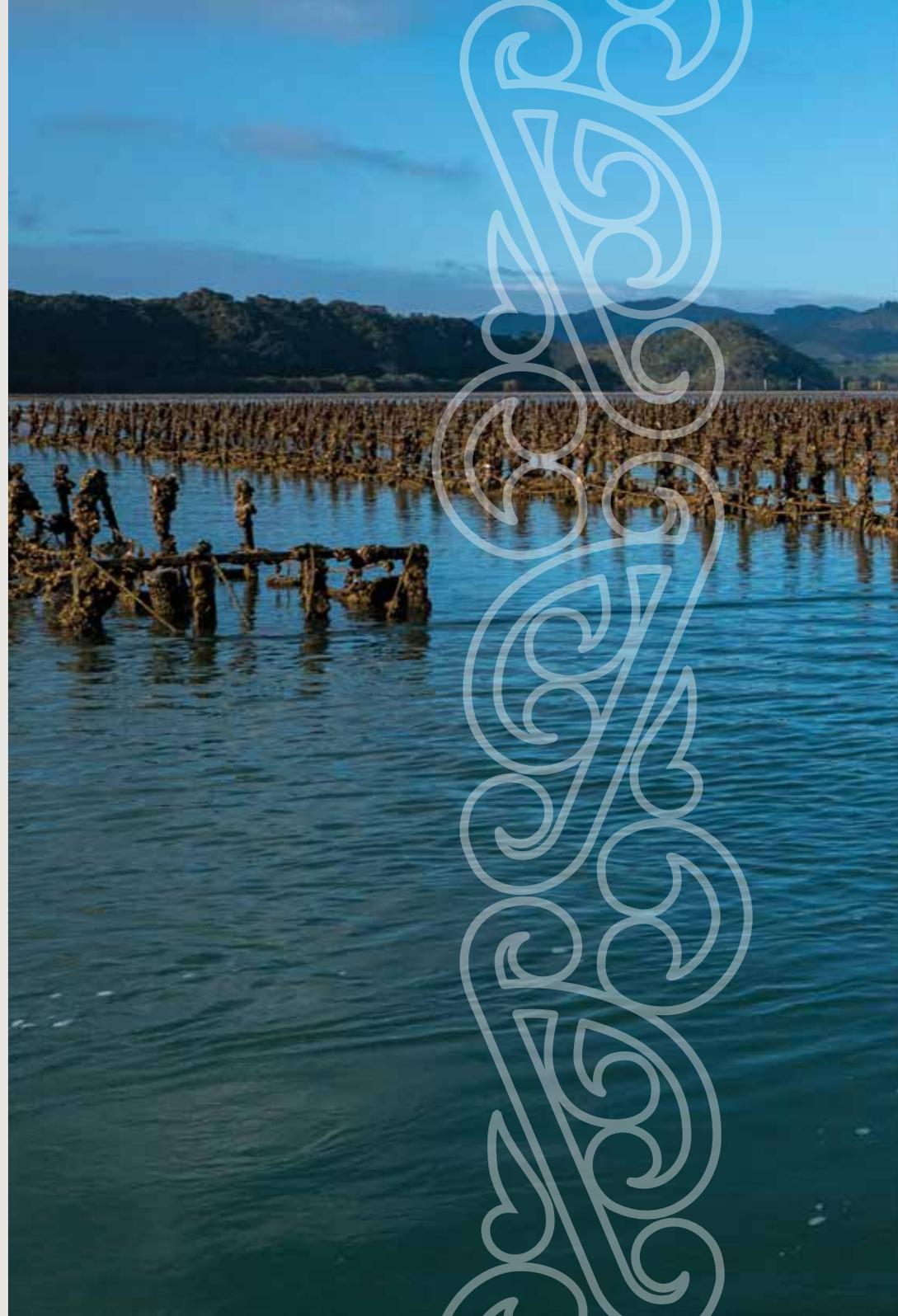
Consolidated Statement of Cash Flows

RAUKAWA KI TE TONGA TRUST GROUP

For the year ended 30 September 2021

ACCOUNT	2021	2020
Cashflow		
Cash Flows from Operating Activities		
Receipts from Goods and Services	708,324	1,049,074
Receipts from Grants	112,482	2,868
Interest and other Investment Receipts	98,845	485,510
Payments to Providers and Employees	(1,047,195)	(721,937)
Receipts from Maori Authority Tax Credits	55,462	0
Net Donations	0	(199,283)
Total Cash Flows from Operating Activities	(72,082)	616,232
Cash Flows from Investing and Financing Activities		
Receipts from Dividends	432,361	195,000
Payments of Dividends	(100,000)	0
Disposal of Investments	166,281	10,321,164
Movement on Intercompany Loans	(333,651)	(194,650)
Purchase of Property, Plant and Equipment	0	(10,984)
Purchase of Investments	(350,000)	(10,864,670)
Total Cash Flows from Investing and Financing Activities	(185,010)	(554,140)
Net Increase/(Decrease) in Cash	(257,093)	62,092
Cash Balances		
Cash and cash equivalents at beginning of period	1,261,996	1,199,904
Cash and cash equivalents at end of period	1,004,903	1,261,996
Net change in cash for period	(257,093)	62,092

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



Notes to the Performance Report

RAUKAWA KI TE TONGA TRUST

For the year ended 30 September 2020

1. Reporting Entity

Raukawa ki te Tonga Trust is a Charitable Entity, it is the mandated Iwi Organisation of Ngāti Raukawa ki te Tonga for the purposes of the Māori Fisheries Act 2004 and acts as the Iwi Aquaculture Organisation for the purpose of the Māori Commercial Aquaculture Claims Settlement Act 2004. The Deed of Trust was made on 10 September 2010.

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

The Trust shall have no less than five Trustees and no more than seven Trustees. Trustees are elected for a three year term after which Trustees may seek re-election. A Chair and Deputy Chair are elected by the Trustees. Trustees are appointed to committees to undertake governance responsibilities. The members of the governing body are as follows: Rachael Selby (Chairperson), Emma Winiata (Deputy Chairperson), Bernadette Arapere, Justin Tamihana, Cyril Mako, Wayne Kiriona and Areti Metuamate. The Trustees must maintain a current Members' register and establish a Validation Committee to register members. Trustees must meet the responsibilities as outlined in the Deed of Trust.

Raukawa ki te Tonga Trust Group (the 'Group') Consolidated Performance Report consolidates the parent, being Raukawa ki te Tonga Trust and its 100% owned subsidiaries Raukawa ki te Tonga AHC Limited, Raukawa Tauranga Ika Limited and AHC Securities Limited. The Consolidated Performance Report consolidates the Trust and all entities over which the Trust has the power to control the financial reporting and operating policies. Control is obtained through ownership of more than half the voting rights or the subsidiary governing body members also being members of the Parent governing body.

The purchase method is used to prepare the Consolidated Performance Report, which involves adding together like terms of assets, liabilities, revenue and expenses on a line-by-line basis.

All significant inter-group balances are eliminated on consolidation of group results, position and cash flows. All subsidiaries have a 30 September reporting date and consistent accounting policies are applied.

The financial statements have been approved and were authorised for issue for the Trustees on 20/12/2021

2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZGAAP'). They comply with Public Benefit Entity International Public Sector Accounting Standards ('PBE IPSAS') and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not for Profit

Entities. For the purpose of complying with NZ GAAP, the entity is a public benefit not for profit entity and is eligible to apply Tier 2 Not For Profit PBE IPSAS on the basis that it does not have public accountability and is not defined as large.

The board has elected to report in accordance with Tier 2 Not for Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ('RDR') disclosure concessions.

Effect of First-Time Adoption of PBE Standards on Accounting Policies and Disclosures

This is the first set of financial statements of the Trust presented in accordance with Tier 2 Not For Profit PBE IPSAS, the Trust have previously reported in accordance with Tier 3 Not For Profit PBE IPSAS. These have been restated to Tier 2 Not For Profit PBE IPSAS, an explanation of the effect of the transition to Tier 2 is detailed in the notes below.

Consolidated Statement of Comprehensive Revenue and Expenses

	2020 AS PREVIOUSLY REPORTED	ADJUSTMENTS	2020 RESTATED ACCOUNTS
Total revenue	2,008,523	-	2,008,523
Total expenses	1,154,204	-	1,154,204
Depreciation	3,943	(298)	3,645
Surplus/(deficit)	850,377	-	850,675
Other comprehensive revenue and expenses:			
Revaluation of equity investments	-	1,971,359	1,971,359
Total other comprehensive revenue and expenses attributable to owners	850,377	1,971,657	2,822,033

Consolidated Statement of Financial Position

	2020 AS PREVIOUSLY REPORTED	ADJUSTMENTS	2020 RESTATED ACCOUNTS
Current Assets	1,595,728	-	1,595,728
Other non-current assets	16,011,782	(518,500)	15,493,282
Reclassification of investment property	-	518,500	518,500
AHC Diversified Portfolio	6,252,892	598,707	6,851,599
Maui Capital Fund	77,000	(26,180)	50,820
Purchased Quota	3,601,566	1,398,832	5,000,398
Current Liabilities	91,219	-	91,219
Accumulated comprehensive revenue and expenses	4,473,418	-	4,473,418
Equity investment revaluation reserve	-	1,971,359	1,971,359
Capital fund reserves	19,457,100	-	19,457,100
Capital preservation reserve	2,264,737	-	2,264,737

3. Summary of Accounting Policies

Basis of Measurement

The financial statements have been prepared on the basis of historical cost except where otherwise stated.

Functional and Presentation Currency

The Consolidated Performance Report is presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information is presented in New Zealand dollars has been rounded to the nearest dollar.

Revenue Recognition from Exchange Transactions

Revenue from providing goods and services

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

Interest, dividend and investment revenue

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

Other revenue

Capital gains/ (losses) are recognised on the sale of assets, and account for the difference between sale price and the carrying value of the asset sold. Foreign currency transactions are translated into \$NZD using IRD approved mid-month exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Financial Performance.

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

Funds Received from Te Ohu Kaimoana

The Board of Te Ohu Kaimoana in March 2019, resolved to distribute their portion of the Aotearoa Fisheries Limited dividend, they stipulated that the recipients of these funds must use them for charitable fisheries purposes. In the year under review The Parent Trust received \$62,198 (2020: \$79,241) from Te Ohu Kaimoana and have spent \$18,400 of these funds.

Revenue Recognition from Non-Exchange Transactions

Grant revenue includes grants given by other charitable organisations, government organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to a limited risk of changes in value.

Financial Liabilities

The Group's financial liabilities include trade and other creditors and employee entitlements.

Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through an non-exchange transaction, the cost is measured at its fair value as at the date of acquisition. Subsequent to initial recognition, land and buildings are measured using the revaluation model. Under the revaluation model, land and buildings are measured at fair value, less accumulated depreciation on buildings and impairment losses recognised since the date of the last revaluation.

The kiln was leased to Waste Transformation Limited (in Liquidation), after this company was put into liquidation the kiln was removed from the site. Currently one kiln is being leased for \$1,000/month, the other is in storage. The value of both kilns has been written off to NIL and there is no material evidence to suggest the kilns should be revalued from this carrying value.

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Plant and equipment 40% - 50% diminishing value

Investment Property

The investment property is located at 44 Riverbank Road, Ōtaki, Kapiti Coast and is leased to Matta Products.

Subsequent to initial recognition, the investment property is recorded under the revaluation model. Under the revaluation model, the investment property is measured at fair value, less any impairment losses recognised since the date of the last revaluation and any revaluation surplus or deficit is recorded in other comprehensive revenue and expense.

Changes in the fair value of land and buildings is determined by an independent valuation specialist that the Group has retained. The valuation cycle is normally three years, with desktop valuations undertaken on an annual basis. For the 2021 year, the valuation of the property at 44 Riverbank Road, Ōtaki, Kapiti Coast, was valued by Kapiti Valuations Ltd, to have a current market value of \$728,500.

	2021 LAND	2021 BUILDINGS	2020 LAND	2020 BUILDINGS
Opening Balance	181,000	337,500	181,000	337,500
Revaluation to Fair Value	104,000	106,000	-	-
Closing Balance	285,000	443,500	181,000	337,500

Investments

Subsequent to initial recognition, all the investments are recorded under the revaluation model if applicable. Under the revaluation model, investments are

measured at fair value, less any impairment losses recognised since the date of the last revaluation and any revaluation surplus or deficit is recorded in other comprehensive revenue and expense.

Settlement Quota - Settlement Quota is recorded at cost price, this cost price is the value attached to the quota when it was received by way of transfer under the Maori Fisheries Act 2004, and has been determined to be the initial "settlement transfer value". This settlement quota can not be sold without approval of 75% of the adult voting population of the iwi.

Purchased Quota - The amounts of Purchased (or Normal) Quota are recorded at the fair market value which is determined by an independent organisation. The Directors feel it is appropriate to record this portion of the quota at Market Value as there are no formal regulations that restrict the sale. Based on an external valuation performed by Quota Management Systems as at 30 September 2021, the Purchased Quota has been revalued to \$5,032,098.

Aotearoa Fisheries Limited (Moana) Shares - The Group received Fisheries Settlement Assets of 5,800 Aotearoa Fisheries Limited Moana Income Shares for NIL consideration pursuant to Section 139 of the Māori Fisheries Act 2004. The carrying value as at balance date is based upon the share valuation commissioned by Te Ohu Kaimoana dated 28 January 2009. We understand an updated valuation will be completed in the year ahead.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. The Group's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus

or deficit upon initial recognition. The Group's investments in equities fall into this category of financial instruments.

Equity Investments

AHC Diversified Portfolio - This is revalued based on the market value data received from MyFiduciary and Rutherford Rede, who undertake the monitoring and administration respectively. This portfolio is globally diversified, which holds around 15% infixed income, cash and gold and 85% invested in equities and property. The strategy employed to meet these allocations is to select managed funds that are low cost and have Socially Responsible Investment (SRI) integrated into their selection of individual securities. This SRI approach is aligned with the investment policy statement and our broader cultural values around sustainability.

Partners Life - This is revalued to \$5.80 per share, the group holds 83,333 shares, this is based on the embedded value report provided by Partners Life and reviewed by Deloitte.

Maui Capital Fund - This is valued based on the Aqua Fund AGM report dated 14 September 2021 provided directly by the Fund Providers. The group holds 100,000 shares, which have been valued at \$0.70 per share.

Southern Hops Limited - This investment has been recorded at the cost, there has been no information received to suggest the fair value differs from the value of the funds invested. At balance date there is an amount of uncalled capital of \$120,000 committed.

Oriens Capital Fund 2 - This has been recorded at the cost of the capital, there has been no information received to suggest the fair value differs from the value of the funds invested. At balance date there is an amount of uncalled capital of \$430,000 committed.

Impairment of financial assets

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Employee Benefits

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Income Tax

Due to its charitable status, the Trust is exempt from income tax.

Loans

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

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

Equity

Equity is measured as the difference between total assets and total liabilities.

Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Trust's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Property Revaluation Reserve

Subsequent to initial recognition, land and buildings are measured using the revaluation model. This reserve is the recognition that under that, land and buildings are measured at fair value and this is the difference between that determined fair value and holding value.

Equity Investment Revaluation Reserve

Subsequent to initial recognition, equity investments are measured using the revaluation model. Under this, investments are measured at fair value, less any impairment losses recognised since the date of the last revaluation and any revaluation surplus or deficit is recognised in this reserve.

Capital Funds received from Parent Trust

This fund of \$1,108,989 relates to settlement funds transferred from the Trust to the AHC to manage on their behalf.

Capital Funds received from Te Rūnanga o Raukawa

This fund of \$5,861,019 relates to settlement funds received from the Te Rūnanga o Raukawa when the AHC was established.

Capital Funds received from Te Ohu Kaimoana

This fund of \$12,478,093 relates to the transfer of AFL shares and ACE as part of the settlement process.

Capital Preservation Reserve Policy

The Directors of Raukawa ki te Tonga AHC Limited (the Company) have resolved to transfer a portion of the net surplus earned in each year by the Company, to a capital preservation reserve, so as to ensure that the real dollar value of all financial and monetary assets owned by the Company are preserved. The amount transferred to the capital preservation reserve for the current financial year was \$49,796 (2020 \$157,366). This calculation is based on the annual Consumer Price Index, and a nominal charge for taxation.

Dividend Policy

The Directors' policy is to distribute a dividend to the Trust in the year following balance date, no less than 40% of the "Net operating surplus after adjusting for capital charges".

The actual cash amount paid across to the Trust is reduced by deducting the amount of expenses paid by the Company (on behalf of the Trust) in that period, and is also reduced after deducting the "cost" of any fish distributions paid to beneficiaries during that same financial period.

Per the constitution 'Net operating surplus' excludes asset revaluation, unrealised capital gains or losses and unrealised gains or losses from financial instruments.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Liquidation Proceedings:

AHC Securities Limited

Liquidators were appointed to AHC Securities Limited on 2 March 2021. This was a solvent liquidation appointment by a special resolution of shareholders pursuant to section 241(2)(a) of the Companies Act 1993. This liquidation will be completed in the 2022 year and the company will be dissolved at that point.

Raukawa Tauranga Ika Limited

Liquidators were appointed to start the liquidation process for Raukawa Tauranga Ika Limited on 2 March 2021. This was a solvent liquidation appointment by a special resolution of shareholders pursuant to section 241(2)(a) of the Companies Act 1993. This liquidation will be completed in the 2022 year and the company will be dissolved at that point.

Waste Transformation Limited

Liquidators were appointed to Waste Transformation Limited (WTL) on 23 March 2021. The Liquidators, after exhausting going concern and commercial sale cases, realised the remaining limited assets of WTL. UDC had a specific security interest on an asset, and they were repaid in full upon the sale of the item. BNZ was the first ranking general security holder and received a partial distribution. However, the Liquidators have reported that neither BNZ nor the Group will receive further/or any distributions. The liquidation has not been completed as at balance date.

Based on the liquidators report, the Directors have fully impaired the investment and additional funds advanced to WTL, together with the interest still owed.

ACCOUNT	2021	2020
5. Analysis of Revenue		
Revenue from non-exchange transactions		
Grant Income Received	97,810	2,494
Foreign Exchange Gain	115	0
Capital Gain on Sale of Equity Investments	0	563,956
Total Revenue from non-exchange transactions	97,925	566,450
Revenue from exchange transactions		
Dividends Received	250,894	322,847
Kiln Lease Income	3,000	0
Interest Income	81,538	283,563
Other Revenue	84,986	9,148
Funds - Te Ohu Kaimoana	62,198	79,241
Quota Income	459,413	667,493
Rent Received	35,349	33,378
Total Revenue from exchange transactions	977,378	1,395,671
Revenue from Finance Income		
Interest Income - Taranaki Whanui Limited	123,384	46,401
Total Revenue from Finance Income	123,384	46,401
Fair Value Movement on Investment Property		
Land	104,000	0
Building	106,000	0
Total Fair Value Movement on Investment Property	210,000	0
Total Revenue	1,408,688	2,008,522

ACCOUNT	2021	2020
6. Analysis of Expenses		
Impairment and Provision for Doubtful Debts		
Impairment of Fixed Assets	0	1,654
Provision on Doubtful Debt on Interest Receivable from Waste Transformation Limited	79,446	146,765
Provision for Impairment on Advances to Waste Transformation Limited	199,386	312,682
Total Impairment and Provision for Doubtful Debts	278,832	461,101
Other Expenses		
ACC Levies	1,170	0
Accounting Fees	12,921	19,568
ACE Fees	0	1,887
Administration and Election Fees	18,448	21,605
Advertising	0	536
Audit Fees	26,141	37,723
Bank Fees	164	203
Charitable Fisheries Projects	18,400	0
Consulting and Feasibility Fees	115,884	63,037
Communications	28,090	32,205
Computer Expenses	2,280	385
Depreciation	3,095	3,646
Directors Fees	135,270	72,733
Donations	128,713	14,099
Foreign Exchange Loss	0	17,281
General Expenses	1,078	911
Insurance	5,405	5,100
Interest Expense	2	0

ACCOUNT	2021	2020
Legal Expenses	31,943	25,886
Loss on Sale	0	422
MACA Research	54,750	0
MAF, SeaFIC and FishServe Fees	72,261	76,275
Management Expenses	192,640	28,689
Meeting Expenses	2,211	1,490
Office and Rent Expenses	10,012	10,343
Penalties - IRD	250	0
Postage, Printing and Stationery	7,037	10,496
Salaries	20,456	150,000
Secretarial Services	68,898	60,219
Staff Training	1,545	0
Subscriptions	2,594	2,971
Telephone and Internet	20	1,223
Travel and Accommodation	11,016	3,594
Trustee Fees	30,750	29,750
Valuation Fees	2,600	4,472
Total Other Expenses	1,006,042	696,747
Total Expenses	1,284,874	1,157,848

ACCOUNT	2021	2020
7. Analysis of Assets		
Current Assets		
Bank accounts and cash		
Cheque Accounts	213,048	285,219
Call Accounts	791,856	976,777
Total Bank accounts and cash	1,004,903	1,261,996
Debtors and prepayments		
Accounts Receivable	171,736	115,480
Accrued Interest Receivable		
Accrued Interest Receivable	330,764	253,554
Provision for Doubtful Debt of Interest Receivable from Waste Transformation Limited	(330,764)	(251,315)
Total Accrued Interest Receivable	(0)	2,239
Total Debtors and prepayments	171,736	117,718
Bank Term Deposits		
BNZ	0	160,536
Total Bank Term Deposits	0	160,536
Other current assets		
Maori Authority Tax Credits	43,533	55,478
Related Party Advances		
Funds Advanced to Waste Transformation Limited	1,120,448	774,300
Impairment of Advances to Waste Transformation Limited	(1,120,448)	(774,300)
Total	0	0
Total Other current assets	43,533	55,478

ACCOUNT	2021	2020
Non Current Assets		
Receivables		
Taranaki Whanui Ltd	1,500,000	1,500,000
Total	1,500,000	1,500,000
Investment Property		
Land	285,000	181,000
Buildings	443,500	337,500
Total Investment Property	728,500	518,500
Equity Investments		
Equity investment designated at fair value through other comprehensive revenue and expenses		
Maui Capital Aqua Fund	70,000	50,820
AHC Diversified Portfolio	7,970,690	6,851,599
Aotearoa Fisheries Limited	8,959,631	8,959,631
Purchased Quota	5,032,098	5,000,398
Partners Life	483,331	250,000
Total	22,515,750	21,112,448
Equity investments measured at cost		
Oriens Capital Fund 2	70,000	0
Southern Hops Limited	280,000	0
Settlement Quota	3,525,246	3,525,246
Total	3,875,246	3,525,246
Total Equity Investments	26,390,996	24,637,694

ACCOUNT	2021	2020
8. Analysis of Liabilities		
Current Liabilities		
Trade and other creditors		
Accounts Payable	70,504	21,360
Other Creditor	65,963	62,947
PAYE Payable	1,898	3,284
Total Trade and other creditors	138,364	87,590
Other current liabilities		
GST Payable	10,390	3,629
Total Other current liabilities	10,390	3,629
Total Current Liabilities	148,754	91,219

9. Property, Plant and Equipment

2021	KILNS	OFFICE EQUIPMENT	TOTAL
Cost	-	13,715	13,715
Accumulated Depreciation	-	7,507	7,507
Depreciation	-	3,095	3,095
Net Book Value	-	3,113	3,113
2020	KILNS	OFFICE EQUIPMENT	TOTAL
Cost	-	25,914	25,914
Accumulated Depreciation	-	15,636	15,636
Disposals	-	423	423
Depreciation	-	3,646	3,646
Net Book Value	-	6,208	6,208

Reconciliation of the carrying amount at the beginning and end of the period

2021	KILNS	OFFICE EQUIPMENT	TOTAL
Opening Balance	-	6,208	6,208
Depreciation	-	3,094	3,094
Closing Balance	-	3,113	3,113

10. Commitments

In February 2021, \$400,000 was committed to Southern Hops Limited which was established to purchase dairy farming land and convert it into a hop garden. As at 30 September 2021, \$280,000 had been called and \$120,000 remains uncalled.

In June 2021, \$500,000 was committed to the private equity fund, Oriens Capital Fund 2. As at 30 September 2021, \$70,000 of capital has been called and \$430,000 remains uncalled.

11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 September 2021 (2020 - nil).

12. Group Information on Subsidiaries

These subsidiaries are in the process of being liquidated, refer to Note 4.

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	INTEREST PER CENTAGE	2021	2020
Raukawa ki te Tonga AHC Limited	Investment Company	NZ	100%	100%	
Raukawa Tauranga Ika Limited	Lease of fishing Quota	NZ	100%	100%	
AHC Securities Limited	Asset Financing	NZ	100%	100%	

13. Related Parties

Investment in Associate and Funds Advanced to Waste Transformation Limited

Raukawa ki te Tonga AHC Limited has invested funds in Waste Transformation Limited, a company incorporated on 15 October 2012, under the Companies Act 1993. During the year under review, funds of \$199,386 were advanced to Waste Transformation Limited, these were fully impaired at year-end.

Funds Advanced

	2021	2020
Opening value of funds advanced as at 1 October	-	461,618
Net Funds advanced for the period	199,386	312,682
Impairment of advance as assessed by the Directors	(199,386)	(774,300)
Closing value of funds advanced as at 30 September	-	-

Interest Charged on Advance

	2021	2020
Opening outstanding interest	-	104,550
Interest income received during the year	-	-
Interest income invoiced but still outstanding at balance date.	79,446	146,765
Interest income written-off	(79,446)	(251,315)
Total interest income for the year	-	-

Funds advanced to (from) Subsidiary Company

The Trust has received funds from (advanced to) its Subsidiary Company, Raukawa ki te Tonga AHC Limited, in lieu of future dividend Payments.

	2021	2020
Opening Balance 1 October	228,225	432,665
Dividend received from Subsidiary Company	282,167	-
Fish distributions paid to Marae on behalf of Parent Trust	8,608	9,440
Funds advanced from Subsidiary Company	225,000	195,000
Closing Balance 30 September	276,785	228,225

Trustees and Directors

During the year the Company purchased services from the following Trustees and Directors:

Trustee Meeting Fees

	2021	2020
Rachael Selby	7,500	12,500
Emma Winiata	4,500	4,500
Bernadette Arapere	4,500	1,500
Jerald Twomey	-	4,500
Justin Tamihana	3,000	3,750
Cyril Mako	4,500	3,000
Areti Metuamate	3,750	-
Wayne Kiriona	3,000	-
	30,750	29,750

Payments to Directors

	2021	2020
Shelley MacRae		
Directors Fees	-	13,750
Debra Ruth Birch		
Directors Fees	50,000	33,000
Guy Richard Kiniwe Royal		
Directors Fees	37,000	16,500
Graeme Lee Hastilow		
Directors Fees	25,000	9,483
Antoinette Kerr		
Directors Fees	25,000	-
	137,000	72,733

Te Wananga o Raukawa

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

	2021	2020
Office rent and support	9,322	9,322

Tuia Group Limited

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

	2021	2020
Consulting services purchased from Tuia Group	3,302	3,858

14. Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes the four Directors, Finance Manger and Office Manager.

	2021	2020
Board Members - AHC		
Number of Personnel	4	4
Remuneration	137,000	72,733
Trustees - Trust		
Number of Personnel	7	6
Remuneration	30,750	29,750
Senior Leadership Team - Group		
Number of Personnel	3	2
Remuneration	266,994	210,219

15. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (2020 - nil).

16. Covid-19

In December 2019, Covid-19 was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020 the World Health Organisation declared that the outbreak should be considered a pandemic. In late March 2020, the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to access their premises and individuals (other than essential workers

or those undertaking essential business) were required to stay at home.

In late April 2020, the lockdown period ended and the New Zealand Government started gradually easing the restrictions that had been placed on business, organisations and individuals.

As a result of the pandemic, the New Zealand economy went into a recession in Q2 of 2020. However, the economy rebounded strongly after reopening the domestic economy which caused a surge in consumer spending. The country had been virus-free for months until an outbreak of the highly infectious Delta strain in August 2021. As a result, the Country went into another period of lock-down and the travel bubble with Australia was suspended. Whilst the lock-down was temporary for most regions, Auckland remained in lock-down for a prolonged period due to the large number of cases.

Covid-19 continues to cause significant uncertainty and have a material impact on the global and local economy. The New Zealand Government continues to intervene when outbreaks occur and the economy has been materially impacted by the actions taken by the Reserve Bank including large scale quantitative easing.

Whilst the Groups operations were not materially impacted, various investments of the Groups were directly impacted. To-date, no significant changes have been made to the investment portfolio however the Directors' continue to monitor the economic impact of Covid-19 and the outlook for the future.

Independent Auditor's Report

TO THE TRUSTEES OF RAUKAWA KI TE TONGA TRUST

REPORT ON THE AUDIT OF THE CONSOLIDATED PERFORMANCE REPORT

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Opinion

We have audited the consolidated performance report of Raukawa ki te Tonga Trust (the "Trust") and its controlled entities (the "Group") on pages 41 to 57 which comprises the consolidated statement of service performance, consolidated statement of financial position as at 30 September 2021, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated performance report, including a summary of significant accounting policies.

In our opinion:

- a. the consolidated statement of service performance presents fairly, in all material respects, the Group's performance for the year ended 30 September 2021;
- b. the accompanying consolidated performance report present fairly, in all material respects, the financial position of the Group as at 30 September 2021 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards – Reduced Disclosure Regime ("PBE IPSAS – RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated statement of financial performance, We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Performance Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Other matter

This is the first set of the consolidated performance report of the Group presented in accordance with Tier 2 Not-For-Profit PBE IPSAS. The Group has previously reported in accordance with Tier 3 Not-For-Profit PBE IPSAS. The consolidated performance report for the year ended 30 September 2020 has been restated to Tier 2 Not-For-Profit PBE IPSAS. An explanation of the effect of transition to Tier 2 is outlined in Note 2 to the consolidated performance report.

Trustees' Responsibilities for the Consolidated Performance Report

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated performance report in accordance with Public Benefit Entity International Public Sector Accounting Standards – Reduced Disclosure Regime (“PBE IPSAS – RDR”) issued by the New Zealand Accounting Standards Board, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated performance report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated performance report, the Trustees on behalf of the Group 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 Trustees 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 Performance Report

Our objectives are to obtain reasonable assurance about whether the consolidated performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated performance report.

A further description of the auditor’s responsibilities for the audit of the performance report is located on the External Reporting Board’s website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

Restriction on use of our report

This report is made solely to the Group’s Trustees, as a body. Our audit work has been undertaken so that we might state to the Group’s Trustees, as a body, those matters which we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its Trustees, as a body for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



B Kennerley
Partner
Wellington
19 January 2022



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