



 **Trust  
Waikato**  
TE PUNA O WAIKATO

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# ANNUAL REPORT 2020-2021

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**RESILIENT + VIBRANT  
WAIKATO COMMUNITIES**

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# Haere Mai Welcome

**WE'RE PROUD TO PRESENT TO YOU  
TRUST WAIKATO'S ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021.**

## **HE MIHI**

He hoonore he korooria ki te Atua  
He maungaarongo ki te whenua  
He whakaaro pai ki ngaa taangata katoa  
Kia whakapapa pounamu te moana  
Kia tere te kaarohirohi i tou huarahi  
E mihi ana ki a Kiingi Tuheitia  
E pupuru ana ki te Mana Motuhake  
Ki a koutou o ngaa waka, ngaa mana me ngaa maunga koorero  
Kei te mihi atu Te Puna o Waikato ki a koutou,  
Teena koutou, teena koutou, teena koutou katoa.

We acknowledge the creator of all things  
May his peace cover the land, with goodwill to all  
May the calmness come upon the glistening sea  
We acknowledge King Tuheitia, keeper of Mana Motuhake  
We acknowledge all the tribes and all people who hold the  
rich heritage

Trust Waikato wishes to acknowledge and greet you all.

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*Cover photo of the Surrealist Garden at the Hamilton Gardens*





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# Teena koutou katoa – greetings to you all



This has been an incredibly unique and challenging year for everyone as COVID-19 reached our shores and changed our lives. We began the 2021 financial year in lockdown, at Alert Level 4, as our entire nation went into self-isolation, and we ended the year as one of the few countries who have managed to stop the spread of COVID-19.

As a community we have faced massive challenges, change, and continual adaptation. Across the Waikato region, community groups and leaders stepped up to look after our most vulnerable, and we were humbled as an organisation to witness the strength, aroha, and mana-enhancing action that went into making sure people were supported through unknown times.

To support immediate community needs, Trust Waikato established a COVID-19 response fund of \$1.5 million, which was

distributed quickly to groups working on the frontline. In order to identify and coordinate where the funds were most needed, we collaborated with other Waikato funders as part of the Waikato Community Funders Group.

In response to alarming signs of racism and bullying, which were further highlighted during the pandemic, the campaign, 'Kotahitanga through Creativity' was developed by Creative Waikato. This campaign involved 17 Waikato artists who were selected to share their voices through art and spark crucial conversations about unity and belonging. 'Kotahitanga through Creativity' continues to evolve and aims to embrace new understandings of all cultures so we can flatten the curve on racism.

Over the past year we have continued to work with our communities to enable the ongoing action that is needed and 567 grants totalling \$15,960,070, were approved towards significant capital projects, community impact projects, and community response activities.

As a Trust, we aim to enable a resilient community response, to ensure true kaitiakitanga (guardianship) of our resources for future generations. As such, we have begun redefining our relationship with the three strategic pou of Te Tiriti o Waitangi, climate change and equity.

We are committed to taking meaningful action to improve and enhance the impact the Trust can make by ensuring equitable

distribution of resources. Te Tiriti o Waitangi will inform our direction, and the values of Te Ao Maaori, Matauranga Maaori and whakapapa will be used to guide our actions. Trust Waikato is also committed to enabling a low-emissions future, and we will be actioning our climate change framework across the key areas of operations, grant making, and our investment portfolio.

During March, investment performance was impacted by the COVID-19 crisis. However, the markets bounced back strongly and for the year ended 31 March 2021, the annual return was 18.1%. Trust funds are now valued at \$442 million, and Trust Waikato has healthy reserves, which allows for a consistent grants budget for the years ahead.

Trust Waikato is a signatory to the United Nations Principles for Responsible Investment (PRI), which provides international guidelines for considering environmental, social, and governance investment issues and the Trust continually improves its practice across all these areas. Last year, Trust Waikato worked with PRI on their asset owner technical guides, which are a set of tools to help asset owners incorporate ESG factors and considerations into each stage of the selection, appointment and monitoring of asset managers.

Te Puna Hapori, an impact investment fund, which aims to be a "wellspring of life for communities" has now been established in cooperation with Brightlight.

Designed in close consultation with communities, a range of community infrastructure investment opportunities that were not previously serviced by the financial system have been identified. This fund is a ground-breaking way for progressive investors to effect community level change, and is the direct result of listening to communities. Its ultimate success will be measured by the outcomes for communities, evaluated from their perspective.

The past year has undoubtedly been a testing time for all our communities, and the challenges will endure as we all respond to a very different global reality. To date we have managed to curtail the pandemic in our own country, whilst witnessing friends and family in other countries who are facing deep and long-term challenges.

Over the coming year, Trust Waikato staff and trustees look forward to serving, to further understanding the needs and identifying the opportunities to make systemic change. We thank you all for your dedication and commitment to making a difference in our communities.

Ngaa mihi mahana, warm wishes to you all,

**Vicky McLennan**  
Trust Waikato Chair

## Strategic Allocation of Financial Assets

### GROWTH ASSETS



- 25% Global Equities
- 5% NZ Private Equity
- 7.5% Global Credit
- 12.5% Infrastructure
- 10% Australasian Equities
- 17.5% Property

### INCOME ASSETS



- 12.5% Global Fixed Interest
- 5% Cash
- 5% NZ Fixed Interest



# The Year at a Glance



**\$442M**  
VALUE OF THE TRUST FUNDS  
AS AT 31 MARCH 2021

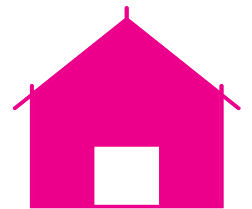


**18.1%**  
RETURN ON INVESTMENT

**\$16M**  
TOTAL GRANTS  
APPROVED



**\$3.1M APPROVED**  
FOR FOUR SIGNIFICANT  
**CAPITAL PROJECTS**

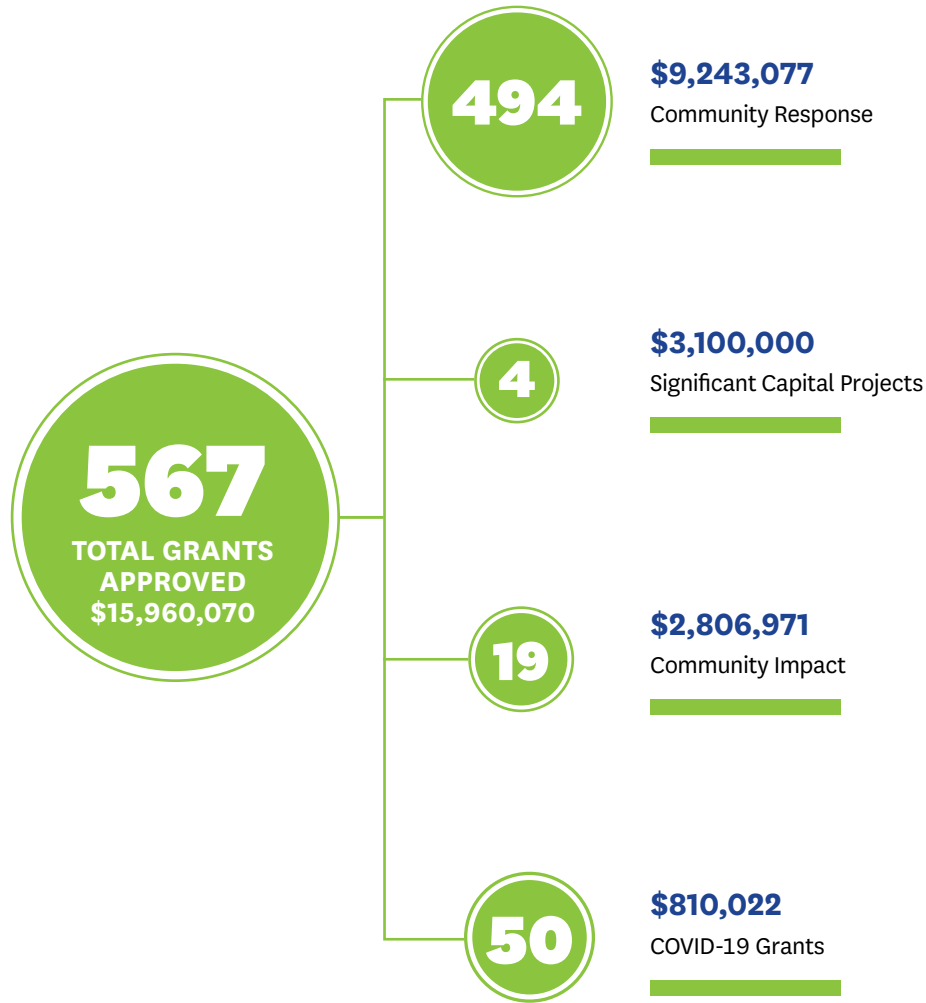


**\$9.2M APPROVED FOR**  
494 COMMUNITY  
**RESPONSE GRANTS**



**83% OF ALL**  
APPLICATIONS APPROVED

## Funding Framework



## Community Response Grants Top Ten Sectors



# Summarised Financial Statements

## The Waikato Community Trust Incorporated

### DIRECTORY | FOR THE YEAR ENDED 31 MARCH 2021

<b>PRINCIPAL ACTIVITIES:</b>	Investment and Grants
<b>TRUSTEES:</b>	McLennan, Vicky (Chair) Eketone, Janise (Co-Deputy Chair) Flatt, Christopher (Co-Deputy Chair) Chew, Alan (retired 6 September 2020) Christian, Carolyn (retired 6 September 2020) Cox, Anna Feng, Chong Follows, Trevor Kedzlie, Michael Matatahi, Huirama (appointed 7 September 2020) Noble, Bill (retired 6 September 2020) Quinn, Jacob (appointed 7 September 2020) Rahman, Anjum Singh, Parmindar (appointed 7 September 2020) Stewart, Barbara Tangaroa-Daniel-Malietoa, Metua (appointed 7 September 2020) Wilson, Edgar (retired 6 September 2020)
<b>CHIEF EXECUTIVE:</b>	Turton, Dennis
<b>ACCOUNTANTS:</b>	PricewaterhouseCoopers, Hamilton
<b>AUDITORS:</b>	KPMG, Hamilton
<b>BANKERS:</b>	Bank of New Zealand, Auckland
<b>PHYSICAL ADDRESS:</b>	4 Little London Lane, Hamilton 3240
<b>POSTAL ADDRESS:</b>	PO Box 391, Hamilton 3240
<b>WEBSITE:</b>	<a href="http://www.trustwaikato.co.nz">www.trustwaikato.co.nz</a>



# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES | FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$'000	\$'000
<b>REVENUE</b>		
Interest, Dividends and Other Investment Revenue	72,084	1,351
Rental Revenue	13	14
<b>Total Revenue</b>	<b>72,097</b>	<b>1,365</b>
Gain / (Loss) on Disposal of Assets	4	-
Expenses	(7,016)	(4,718)
<b>TOTAL EXPENSES</b>	<b>(7,016)</b>	<b>(4,718)</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE DISTRIBUTIONS</b>	<b>65,085</b>	<b>(3,353)</b>
Grants	(18,298)	(11,634)
Sponsorships	(46)	(98)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>46,741</b>	<b>(15,085)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSES</b>		
Land Revaluation Surplus	387	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>	<b>47,128</b>	<b>(15,085)</b>

These financial statements must be read in conjunction with the notes on pages 12-13

# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF CHANGES IN TRUST FUNDS | FOR THE YEAR ENDED 31 MARCH 2021

	2021					Total Trust Funds
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April 2020	308,225	50,068	34,755	1,836	-	394,885
Comprehensive Income – Surplus or Deficit for the Year	-	-	-	-	47,128	47,128
Other Comprehensive Income – Transfer to/(from) Reserves	7,089	28,761	10,891	387	(47,128)	-
<b>Balance as at 31 March 2021</b>	<b>315,314</b>	<b>78,829</b>	<b>45,646</b>	<b>2,223</b>	<b>-</b>	<b>442,012</b>

	2020					Total Trust Funds
	Base Capital Value	Investment Fluctuation Reserve	Grants Reserve	Land Revaluation Reserve	Comprehensive Revenue and Expenses	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April 2019	298,379	74,595	34,755	2,241	-	409,970
Comprehensive Income – Surplus or Deficit for the Year	-	-	-	-	(15,085)	(15,085)
Other Comprehensive Income – Transfer to/(from) Reserves	9,846	(24,527)	-	(405)	15,085	-
<b>Balance as at 31 March 2020</b>	<b>308,225</b>	<b>50,068</b>	<b>34,755</b>	<b>1,836</b>	<b>-</b>	<b>394,884</b>

## SUMMARISED CASH FLOW STATEMENT | FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$'000	\$'000
Net Cash Flow from Operating Activities	(1,674)	1,083
Net Cash Flow from Investing Activities	(52)	(41)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,726)</b>	<b>1,042</b>
Cash and Cash Equivalents at the Beginning of the Year	3,778	2,736
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,052</b>	<b>3,778</b>

These financial statements must be read in conjunction with the notes on pages 12-13

# The Waikato Community Trust Incorporated

## SUMMARISED STATEMENT OF FINANCIAL POSITION | AS AT 31 MARCH 2021

	2021 \$'000	2020 \$'000
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,052	3,778
Accounts Receivables	93	74
<b>TOTAL CURRENT ASSETS</b>	<b>2,145</b>	<b>3,852</b>
<b>NON-CURRENT ASSETS</b>		
Investments	439,441	396,942
Property, Plant and Equipment	6,343	6,003
<b>TOTAL NON-CURRENT ASSETS</b>	<b>445,784</b>	<b>402,945</b>
<b>TOTAL ASSETS</b>	<b>447,929</b>	<b>406,797</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accruals	383	886
Derivative Financial Instruments	3,484	8,977
Grants Payable	2,050	2,050
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,917</b>	<b>11,913</b>
<b>TOTAL LIABILITIES</b>	<b>5,917</b>	<b>11,913</b>
<b>NET ASSETS</b>	<b>442,012</b>	<b>394,884</b>
<b>TRUST FUNDS</b>		
Base Capital Value	315,314	308,225
Investment Fluctuation Reserve	78,829	50,068
Grants Reserve	45,646	34,755
Land Revaluation Reserve	2,223	1,836
<b>TOTAL TRUST FUNDS</b>	<b>442,012</b>	<b>394,884</b>

For and on behalf of the Trustees, who authorised the issue of these financial statements on the date shown below:



Vicky McLennan | Trust Waikato Chair

15 July 2021



Christopher Flatt | Chair - Finance,  
Audit and Risk Committee

15 July 2021

These financial statements must be read in conjunction with the notes on pages 12-13

# The Waikato Community Trust Incorporated

## NOTES TO THE FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2021

### 1 STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 MARCH 2021

#### 1.1 REPORTING ENTITY

The Waikato Community Trust Incorporated is a not for profit charitable trust incorporated and domiciled in New Zealand. Its principal activities are the investment and maintenance of the Trust capital and the provision of grants to community groups in the greater Waikato area. The Trust was incorporated on 5 August 1988 with Trust capital of \$21,316,622.

The Trust operates as Trust Waikato.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

##### SUMMARISED FINANCIAL STATEMENTS

These are the summarised financial statements of The Waikato Community Trust Incorporated.

These summarised financial statements are prepared in compliance with PBE IPSAS -43 'Summary Financial Statements' and have been extracted from the full audited financial statements for the year ended 31 March 2021 which were authorised for issue on 15 July 2021. Summarised financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements, which can be obtained from the office of the Trust or from the Trust website [www.trustwaikato.co.nz](http://www.trustwaikato.co.nz).

The full financial statements have been subject to audit by KPMG and an unmodified audit report was issued on 15 July 2021. The audit concluded that the full financial statements present fairly in all material respects the Trust's financial position as at 31 March 2021 and its financial performance and cashflows for the year ended on that date. These summarised financial statements were authorised by the trustees for issue on 15 July 2021 and have been examined by KPMG for consistency with the full financial statements.

#### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars, which is the Trust's functional and presentation currency, rounded to the nearest thousand dollars.

#### STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the Tier 2 Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS). Disclosure concessions have been applied.

### BASIS OF MEASUREMENT

The financial statements have been prepared on the basis of historical cost, except for the revaluation of the following assets, which are stated at their fair value:

- Financial assets at fair value through the profit or loss component of the Statement of Comprehensive Revenue and Expenses
- Derivative financial instruments
- Land

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

### 3. RELATED PARTY TRANSACTIONS

Transactions with related party organisations totalled \$276,868 (2020: \$554,868) during the year. Interests were declared when these transactions were considered and key management personnel took no part in deliberations relating to organisations in which they had an interest. There was \$Nil payable at balance date (2020: \$Nil).

2021			
Organisation	Nature of Related Party	Nature of Transaction	Amount \$'000
Otorohanga District Development Board Incorporated	Common board member	Grant	2
Perry Outdoor Education Trust	Trustee is a Director	Grant	30
Shama Hamilton Ethnic Women's Centre Trust	Common board member	Grant	70
Shama Hamilton Ethnic Women's Centre Trust	Common board member	Grant	40
Shama Hamilton Ethnic Women's Centre Trust	Common board member	Grant	3
Waikato Community Broadcasting Charitable Trust	Common board member	Grant	35
Waikato Environment Centre Trust	Trustee is an employee	Grant	94
Waikato Muslim Association Incorporated	Trustee is a member	Grant	3

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**2020**

Organisation	Nature of Related Party	Nature of Transaction	Amount \$'000
Inclusive Aotearoa Collective	Common board member	Grant	40
K'aute Pasifika Trust	Common board member	Grant	40
K'aute Pasifika Trust	Common board member	Grant	50
Mai Uenuku ki te Whenua Marae	Trustee is an Uri of the Marae	Grant	80
Perry Outdoor Education Trust	Trustee is a Director	Grant	25
Shama Hamilton Ethnic Women's Centre Trust	Common board member	Grant	33
Te Whakaruruhau 2013 Inc	Trustee provides consulting services	Grant	90
Waikato Community Broadcasting Charitable Trust	Common board member	Grant	32
Waikato Environment Centre Trust	Common board member	Grant	90
Waikato Institute of Technology	Common board member	Grant	75
			<b>555</b>

#### COMPENSATION

The key management personnel (trustees and management), is set out below:

	2021	2020
	\$'000	\$'000
Short term trustee and employee benefits	422	452
	<b>422</b>	<b>452</b>

#### CONFLICTS OF INTEREST

During the year, trustees and staff were required to declare when they had either a direct or indirect conflict of interest in a matter being considered by the Trust. During the course of the year, 53 such instances were recorded (2020: 49). A register of those interests is available for inspection at the Trust.

#### 4. COMMITMENTS: INVESTMENTS

Commitments as at 31 March 2021 totalled \$44,565 (2020: \$39,000). The contributions to date were \$34,848 (2020: \$33,421), leaving a commitment balance of \$9,716 (2020: \$5,578).

#### 5. CONTINGENT LIABILITIES: GRANTS AND SPONSORSHIPS

Contingent liabilities as at 31 March 2021 totalled \$23,223 (2020: \$26,562).

#### 6. EVENTS OCCURRING AFTER THE BALANCE DATE

At the 22 April 2021 board meeting, the Trust appointed new fund manager Northcape Capital as Trust Waikato new emerging market manager, and will be allocating around NZ\$13 million (based on an allocation of around 12% of Trust Waikato Global Equities Strategic Asset Allocation, which is the weight to emerging Markets in the MSCI All Country World Index).

There have been no other material events subsequent to 31 March 2021, which would require accrual or disclosure in these financial statements.

#### 7. TRUSTEE MEETINGS AND HONORARIA

The Trust Board held 9 formal meetings during the year. The following table records Trustee attendance at those formal meetings:

Trustee	Meetings Available to attend	Meeting attendance	Honorarium amount \$'000
McLennan, Vicky	9	9	21
Eketone, Janise	9	9	13
Flatt, Christopher	9	8	14
Chew, Alan	5	4	6
Christian, Carolyn	5	5	6
Cox, Anna	9	9	13
Feng, Chong	9	8	13
Follows, Trevor	8	8	13
Kedzlie, Michael	8	8	14
Matatahi, Huirama	3	3	7
Noble, Bill	5	4	6
Quinn, Jacob	4	4	7
Rahman, Anjum	9	9	13
Singh, Parmindar	4	3	7
Stewart, Barbara	9	9	13
Tangaroa-Daniel-Malietoa, Metua	4	4	7
Wilson, Edgar	5	5	11
<b>Total Remuneration</b>			<b>182</b>

In addition, during the year trustees participated in committee meetings, Trust consultations with the community sector and a range of professional development opportunities. Trustees were also invited to 28 events and meetings within the community and were able to achieve representation at approximately 21 of those meetings.



# Independent Auditor's Report

To the trustees of The Waikato Community Trust Incorporated  
**Report on the summary financial statements**

## OPINION

**In our opinion, the accompanying summary financial statements of The Waikato Community Trust Incorporated (the 'trust') on pages 9 to 13:**

- i. Has been correctly derived from the audited trust financial statements for the year ended on that date; and
- ii. Is a fair summary of the trust financial statements, in accordance with PBE FRS 43 Summary Financial Statements.

**The accompanying summary financial statements comprises:**

- the summary statement of financial position as at 31 March 2021;
- the summary statements of comprehensive revenue and expenses, changes in trust funds and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



## BASIS FOR OPINION

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We are independent of the trust 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Subject to certain restrictions, partners and employees of our firm may also deal with the trust on normal terms within the ordinary course of trading activities of the business of the trust. These matters have not impaired our independence as auditor of the trust. The firm has no other relationship with, or interest in, the trust.



## USE OF THIS INDEPENDENT AUDITOR'S REPORT

This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in the Independent 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 trustees as a body for our audit work, this report, or any of the opinions we have formed.



## RESPONSIBILITIES OF THE TRUSTEES FOR THE SUMMARY FINANCIAL STATEMENTS

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the summary financial statements in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary set of financial statements that is correctly derived from the audited financial statements.



## AUDITOR'S RESPONSIBILITIES FOR THE SUMMARY FINANCIAL STATEMENTS

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with (or are a fair summary of) the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We expressed an unmodified audit opinion on the financial statements in our audit report dated 15 July 2021.

The summary financial statements do not contain all the disclosures required for a full set of financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the trust.

15 JULY 2021  
Hamilton



Tokoroa Council of Social Services (TCOSS) and helpers



**RESILIENT + VIBRANT  
WAIKATO COMMUNITIES**

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 4 Little London Lane, Hamilton

For more information please visit [www.trustwaikato.co.nz](http://www.trustwaikato.co.nz)