

S W I F T

2021

ANNUAL **REPORT** **2020**

1st January 2020 - 31st December 2020

To be a growth catalyst for our region

**SOUTH
WAIKATO
INVESTMENT
FUND
TRUST**

OUR PURPOSE

*To be a growth catalyst
for our region*

OUR VISION

*South Waikato is the
most prosperous region
in Aotearoa New Zealand*

**OUR
AIMS:**

**GROWING
BUSINESS**





**PROTECTING
THE LEGACY**



**GROWING
PEOPLE**



**MAKING
CONNECTIONS**



CONTENTS

~~2020~~

2021

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Our Purpose

**TO BE A
GROWTH
CATALYST FOR
OUR REGION**



CHAIRMAN'S REPORT

2020



Bruce Sherman
Chairperson
SWIFT

A white, stylized signature of Bruce Sherman is positioned on a red background.

Key highlights for the year:

Reviewing my last report written in early 2020, I paused to reflect that at the time I wrote it we were just getting reports of a virus that had spread from Asia to Europe, but I had not imagined that just weeks later our entire country would be in a full quarantine lock down, that would last over a month, and have effects that we now know will linger for decades; possibly irrevocably changing the economy and lifestyle for future generations. 2020/21 is sobering proof that change is constant and often well outside our direct control.

Despite the COVID19 challenges faced by families and businesses in our South Waikato community, 2020/21 has also beautifully demonstrated our humanity, our resilience, and our ability to forge ahead, despite what I know at times appeared an insurmountable headwind.

Responding to the lockdown SWIFT, in conjunction with the South Waikato District Council and Te Waka, ran a series of well-received local business support webinars to help owners and managers get the correct information on issues such as cash flow management, staff wage subsidies, and preparing to shift their business to on-line sales platforms where possible.

Amongst the chaos, C19 also brought with it some positives. SWIFT in conjunction with South Waikato District Council and supported by Toi Ohomai, had applied for funding under the Provincial Growth Fund for a new Trades Training Centre, but the original application had been rejected. The governments C19 response saw the criteria around provincial development grants revised, and as a result our community was awarded the funds to create a Tokoroa based education centre that will directly benefit future generations across our entire district. The new Trades Training Centre is now officially underway with an expected completion date of late 2022.

In addition SWIFT will be constructing a new commercial office building on the same site as the Trades Training Centre for Hancocks Forestry Management. These two developments will make a significant statement at the entrance of Tokoroa, complementing the modern look of Raukawa's building and the Leith Place redevelopment combining to showcase Tokoroa as a modern and progressive rural centre. The two projects will strategically also free up land on the Maraetai Road industrial area enabling continued commercial land development to meet the demands that we are now seeing in our district.

2021/22 will see SWIFT redevelop the Tirau Street building in Putāruru into a multi tenancy retail site designed to complement and support the Putāruru growth plan Artisan Hub strategy. This project is aimed to have a mid 2022 completion.

The past year has seen significant interest from businesses looking to relocate to the South Waikato on the back of high land costs and congestion in the major centres. We've had some fantastic wins for the community with businesses relocating and new jobs being created in the process. We have a strong funnel of new business projects and will continue to work on business attraction and job creation in conjunction with South Waikato District Council.

CHAIRMAN'S REPORT *cont...*

2021/22 will see an increased focus on strategy and engagement as we work to support community initiatives through key stakeholders Raukawa and the South Waikato District Council. Over the past year the trustees have worked tirelessly to support the projects we are committed to delivering and there is recognition that additional resources are now required to ensure these are on time and on budget. With this in mind SWIFT is funding a joint economic strategy review with the support of the South Waikato District Council and we will be engaging additional staff to assist with project coordination and communication.

The combined property and fund value has shown strong growth despite an initial shock as the globe adjusted to the impact of C19. In March 2020 the fund had an initial value decrease from \$28 million to just over \$22 million as markets adjusted. I'm please to report that diligent management by our investment Subcommittee, and fund managers JB Ware, has seen the value recover and increase to over \$30 million at the time of writing. As is to be expected in the current environment, global markets remain somewhat volatile but we expect to see steady growth over 2021/22.

In summary the year ahead will undoubtedly contain challenges as our society continues to grapple with the ongoing and long term affect of COVID19; but the South Waikato District has once in a generation chance to cement its place as the district of opportunity and sustainable growth. We have the strongest level of interest that the Trust has ever experienced in business attraction and job creation which coupled with projects targeting support in education, housing, and pathways to employment will see meaningful long-term benefits for our entire community.

“

For the first time in decades the South Waikato is in growth mode. There has been, and there will be, setbacks, that's to be expected. The South Waikato is the central North Islands unrecognised asset. 2020 and beyond will see SWIFT telling that story, raising our communities profile, increasing our stakeholder engagement, and most importantly growing our economy and job opportunities.



ECONOMIC DEVELOPMENT MANAGER REVIEW

2020

Key highlights for the year:

This has arguably been SWIFTs best year across a number of operational areas, as highlighted by our 'Key Achievements in 2020'. Given all the year's challenges the key defining factor has been the strength, breadth and resilience of all the relationships and networks we have and value. In particular those with the SWDC, Raukawa, Central Government, Toi Ohomai, Regional Agencies and our highly skilled specialist advisers. This has proven invaluable and tested at no better time than through Covid 19 and the lockdowns.

From an internal perspective, the processes for assessing funding applications are more robust, and the work of our governance committees has helped the progression of various projects.

Several of our projects have multiple aspects (e.g. forestry, training, business attraction) but always with the ultimate purposes in mind – to create meaningful job opportunities for the South Waikato communities and to raise the profile and opportunities with local businesses, potential investors, visitors, key stakeholders and funders.

We don't talk much about what we do as we would rather showcase the successes as they emerge.

The snapshots of selected projects ('Our Activities') give a positive overview of SWIFT working hard to improve investment in the district that leads to meaningful jobs for locals.

Our total projects may look like an eclectic list however they all fall under the Trust's 4 key Strategic Aims: Growing Business, Growing People, Building Connections and Protecting the Legacy.



Francis Pauwels BSc, MBA
**Economic Development
Manager
SWIFT**



“

The legacy fund now stands at \$30m under management (with JB Were) and including properties under development (all equity/grant funded) means a total Balance Sheet of \$45m in round figures.

MAYORAL MESSAGE

2020

Key highlights for the year:



Mayor Jenny Shattock
ADVISORY TRUSTEE
SWIFT

Shattock

Kia ora, ngā mihi nui, ki a koutou katoa.

It has been a privilege this past year to serve as an advisory trustee on the South Waikato Investment Fund Trust (SWIFT), and working with such a dedicated group of community-minded, forward-thinking individuals who have operated with the best interests of the South Waikato uppermost in every decision they make. I compliment and thank them for their commitment.

Huge strides have been made in the internal operations of the Trust and the strategies that have been adopted will drive a more agile, responsive and innovative organisation into the future.

SWIFT focus aligns strongly with Council's – deliver jobs, drive economic growth, build our community and this year significant partnerships and collaboration with business, education, training and government agencies have enabled the trust to collectively secure some large investments into the South Waikato.

These initiatives drive employment for local people and provide genuine career opportunity and advancement.

It has been a full year with some exciting innovative projects in the making. In the new year, they will cement into reality

The single biggest achievement – attracting over \$10 million into a new Trades Training Centre will keep our South Waikato people here, in the South Waikato, training, learning, growing and ultimately working.

Together SWIFT and Council have delivered a range of business mentor, training and development courses that not only have kept businesses afloat during Covid and the past year, but also grew them.

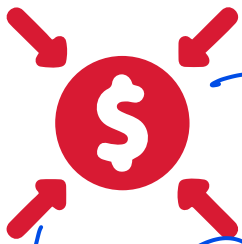
66 SWIFT has made a big contribution to profiling the South Waikato. Our district is known to Ministers. Our potential is being recognised and I am incredibly proud of the turning tide in the South Waikato. We are no longer on the brink of success. We're well into it. 2020 saw South Waikato grow, 2021 will be bigger and better.



~~2020~~

Key Achievements

with the support of our key partners



Grant funding received by SWIFT for Trades Centre

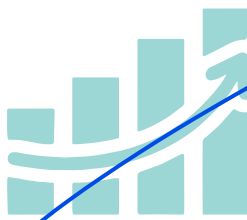
~~\$10,840,000~~

to SWIFT initiatives

Committed by partners

\$1,009,000

funding approved by SWIFT



18

Projects Pipeline as at 31 Dec 2020

potential value **\$5,000,000**



508 Jobs

Jobs potential from SWIFT supported projects over 5 years



~~495~~

Youth Training Placements

Projected Youth Training Placements over 5 years.

through SWIFT



\$30,000,000

Total funds under management



\$600,000

Grant funding received for Forestry Training Simulators



33

Licences achieved

by students on the SW Drivers License Project



IVECO

Safety Officer Pack
FIRE

EUROCA

FIRE



Our Activities

GROWING BUSINESS

GROWING PEOPLE

The following stories celebrate the success of each project in 2020. Future support is conditional on new application to, and approval by the SWIFT Board

South Waikato Trades Training Centre

The Training Centre is a collaborative project between SWIFT and Toi Ohomai, the polytechnic provider for the South Waikato.

The provision of polytechnic training in Tokoroa has been run for many years from dispersed facilities across three different sites.

Toi Ohomai approached SWIFT to explore options for providing a modern, fit for purpose combined facility on one site that would be attractive to people to advance their learning and skills.

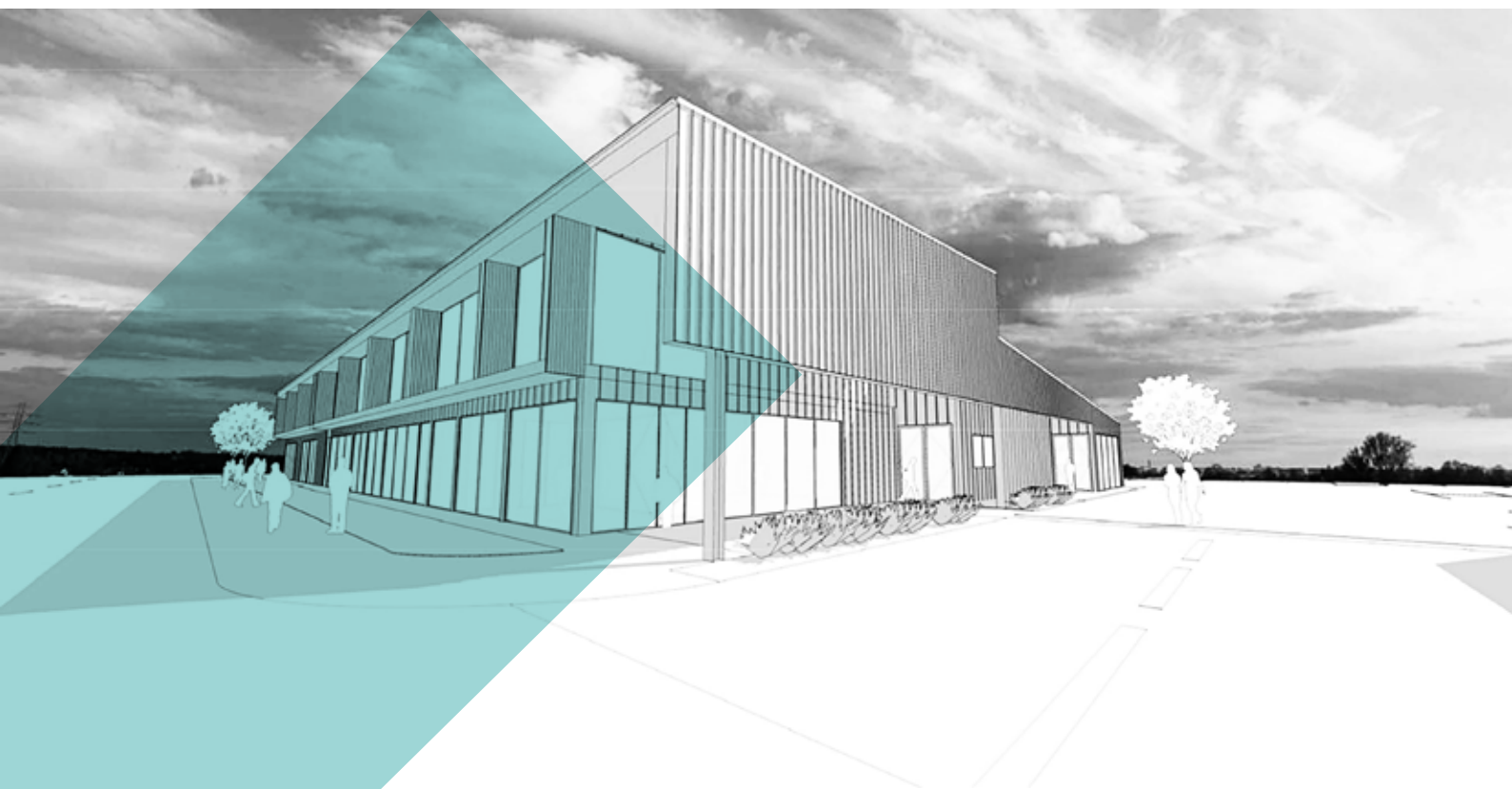
SWIFT purchased a high visibility site in Tokoroa that represents a prime opportunity to showcase a modern and progressive facility at the entrance to town.

The next stage was to secure the funding necessary for the 3500M2 \$14m project.

Trust Waikato granted \$1m, central government's Covid Relief Fund provided \$10.84m, with SWIFT investing the balance of funds.

66

SWIFT's role is to lead the development of the project in close collaboration with Toi Ohomai, and key stakeholders including Raukawa, Pacifika, local schools and industry.



Progress to date includes the appointment of a Project Manager and design professionals, with preparatory work underway for the building consents and selection of lead contractors. Target date for completion is December 2022.

Growing Businesses: **WJ Mouldings (WJM)**

WJM is a timber machining business that produces specialist profiles for items such as colonial house verandas, wooden windows and picture frames.

WJM was operating from very small constrained premises which meant a lot of double handling and moving around materials as well as slowing down the operations.

WJM approached SWIFT to see if it could help and the first step was to identify suitable premises available in the South Waikato to relocate the business to.

SWIFT provided financial assistance as well as mentoring to relocate the operations and expand the capacity and capability through some refurbished machinery.

66

The business has reached its 5-year employment and revenue targets well within 6 months of shifting and is now looking to stage 2 to expand the services it offers and customer base even further.



Growing Business: **Forestry Training Simulators**

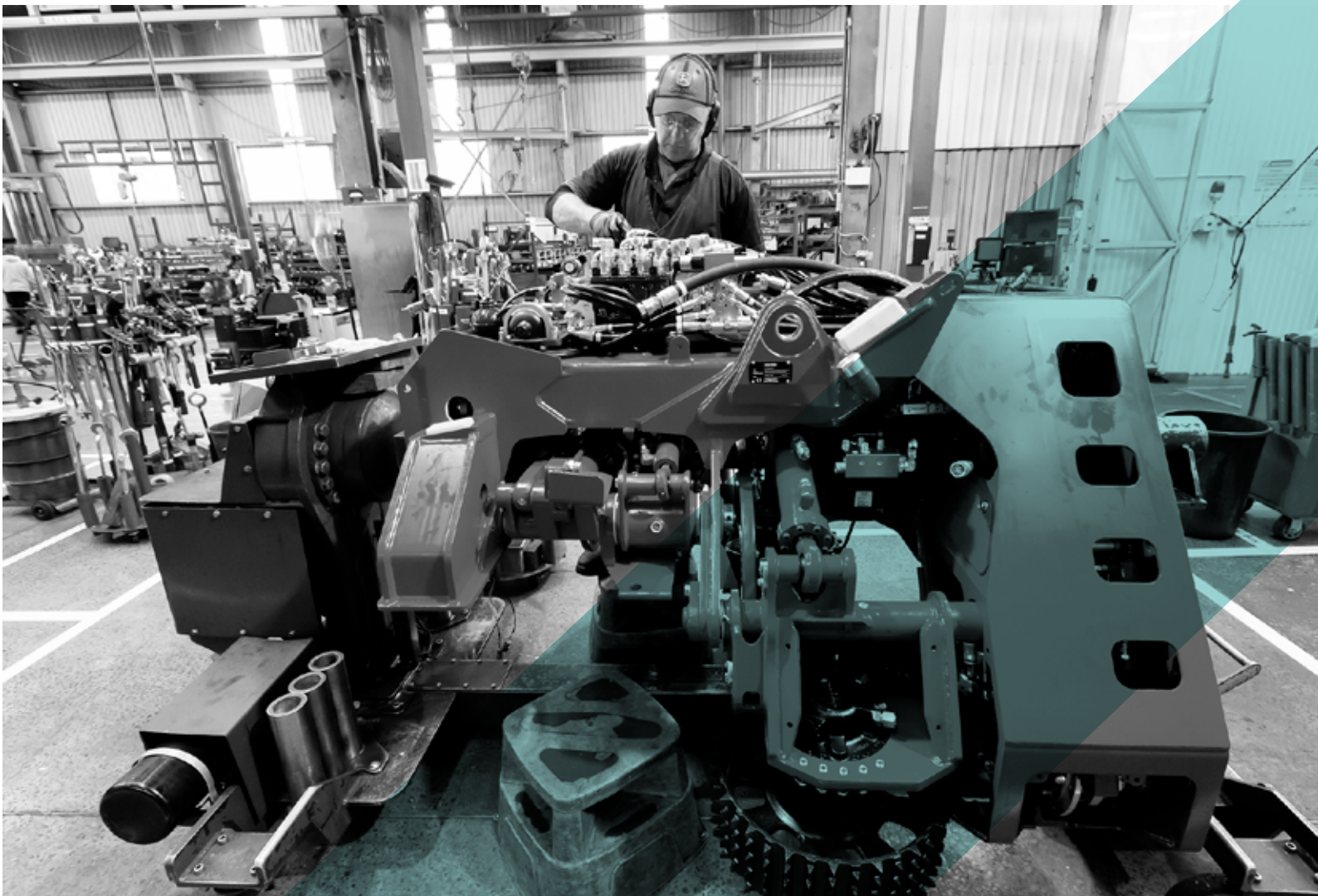
The forestry sector is a major force in the South Waikato economy, generating some 25% of the districts GDP. The district has a multi-pronged approach to forestry training, including the Trades Centre, Generation Training Program and Forestry Machine Simulators.

With the forestry sectors increasing use of mechanised harvesting and technology, the need is for skilled trainees to shift quickly and safely into operating new types of equipment.

The challenge for young people in the regions, particularly the remoter towns, is accessing training facilities such as those in Rotorua or Taupo.

The project involves establishing mobile containers with the latest forest machine simulators (CAT grapples, Waratah harvesters) which can be based out of Tokoroa and also moved to remoter towns for training blocks.

The training will be provided by Toi Ohomai Institute of Technology.



“

SWIFT applied to Te Uru Rakau (1 Bn Trees Program) and gained the \$600,000 funding required to purchase the simulators and fit out the containers.

The target date to have the simulators and program up and running is September 2021 in time to take on the first cohort of Generation students.

Growing People: **Generation Program**

As mentioned earlier, forestry and timber training in the district has a multi-pronged approach, including the Trades Centre, Forestry Machine Simulators and the Generation Training Program.

“ The challenge is to attract young people into a variety of careers in forestry and related industries. The perception is that the work is dangerous, low paid and with minimal career prospects. The truth is far from this with an absolute focus on health and safety, alongside multiple jobs available across the industries and at multiple levels.

The opportunity arose to set up local forestry training based on the highly successful Generation Program model developed by the Eastland Wood Council. This project was led by South Waikato District Council with support from Forest Industry Contractors Association (FICA) and the CNI Wood Council (CNIWC).

Alongside others, SWIFT assisted in funding the development of a Business Case for the program as a precursor to applying for operational funding grants. To date the Ministry for Social Development (MSD) and Ministry of Education (MOE) have provided some initial funding and more will be sought including the 1 Bn Trees program, SWIFT and industry. The Generation Program will be run by the newly formed CNI Wood Council.

The aim is to train 75 youth over 3 years with the first cohort to start July 2021.



Growing Business: **South Waikato Driver Licensing Project**

One of the major barriers for youth to attend training and go for jobs some distance away from home is the lack of a driver's license. In 2020 in the South Waikato there were 120 offences issued for driving without a license.

In early October, prior to the project starting, the contributing schools undertook a survey to gain some primary data about drivers licensing in the school communities. The results of this survey reinforced what we knew anecdotally.

61% of eligible students had no license

35% of eligible students held a learner license

The barriers for gaining a license were:

Not confident they would pass – 66%

Paying for their license – 58%

Paying for driving lessons – 29%

Access to an adult with a full license to teach them – 22%

Access to a car with a current WOF and Registration – 14%

Paying for petrol to practice driving – 17%

SWIFT set an ambitious goal of 100% of eligible students having some level of driver's licence before leaving school and so co-funded a pilot program as a first step. The support has meant 33 students have gained their restricted license since 1 October to 30 November 2020. These are 33 students who would have not otherwise had the financial means to acquire their license, which now makes them significantly more employable in our local region.



“

Highlights of the project in 2 months:

50 students put through a Defensive Driving course

The first ever learner license courses have been run in Tokoroa

27 restricted licenses achieved

2 full licenses achieved

4 learner licenses achieved

Our community working together to overcome a significant issue for our youth.

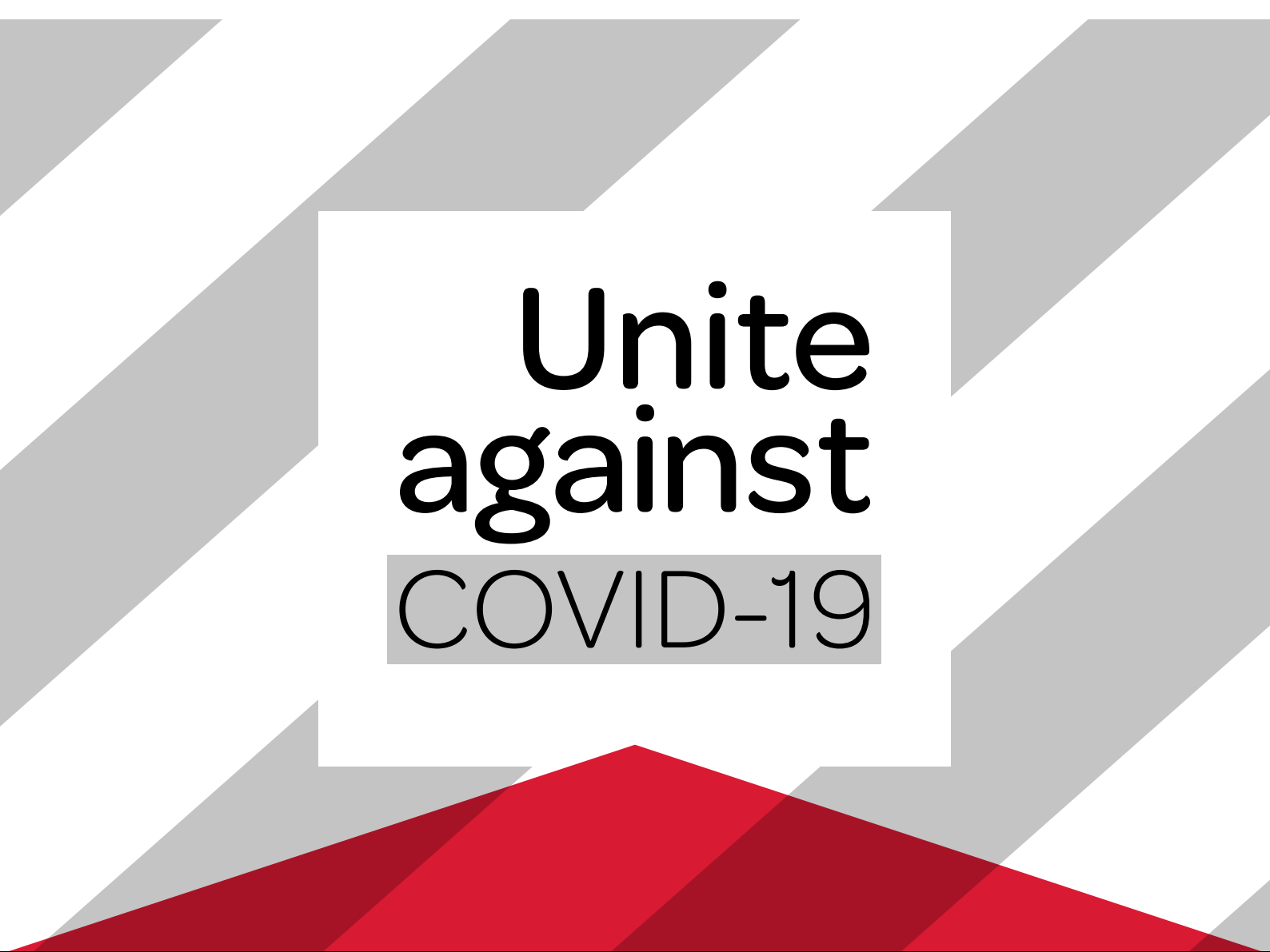
Covid / Regional Business Partners program

2020 presented many challenges for the district and the nation. However it also provided a great opportunity for different organisations to work together on the single focus of business survival and regeneration. These included SWDC, SWIFT, Te Waka, Firestation, The Event Girl, and EMA.

Moving very quickly, SWIFT set up a program and budget alongside SWDC with a focus on assisting local businesses. Rapid surveys were done to identify the most pressing areas of need and support required as well as how businesses were fairing. Fortunately, most respondents said they were going to be able to remain in business with only a small number looking to reduce staff numbers or close completely.

The programs included a series of seminars on a range of topics including access to external grants, resilience and wellbeing, financial planning, IRD provisions, pivoting strategy, and employment. Access was provided to specialist business coaches.

SWIFT worked with Te Waka to promote the Regional Business Partners Covid assistance program which resulted in \$175,000 in vouchers being taken up by local South Waikato businesses.



**Unite
against
COVID-19**

“

Covid 19 response was one of those areas where normal processes of research, strategy, project and funding just wouldn't work given the urgency. And simply standing up and working together proactively helped give people the confidence to keep going.

Growing Business: **Hancocks Forest Management new office building**

Hancocks Forest Management (HFM) are part of the **Hancocks Natural Resources Group** – the world’s largest forest owners, and locally manage the **145,000-hectare Kinleith Forest**. Hancocks operate from old premises in Tokoroa and needed an operations base and offices that were fit for contemporary forest management needs.

Hancocks approached SWIFT to see if it was possible to create a purpose-built facility by either refurbishing an existing premises or building new. Hancocks also wanted a higher profile to publicise their brand and presence.

SWIFT searched out and purchased land on the corner of Chambers St and SH1 in Tokoroa. Initial design, agreements to lease and budgets were ready for signing when Covid hit. The project was then reconfigured due to uncertainty around the economy, log demand and exports, and a review of actual space needs.

Building design is now progressing and site layout confirmed, with construction scheduled to start in mid-2021.



“

The HFM building will be sited alongside the Trades Training Centre. These provide purpose-built premises for strong local organisations, and create an attractive and progressive entrance to Tokoroa.



Our Team

**PROTECTING
THE LEGACY**

Swift Team



Francis Pauwels BSc, MBA
Economic Development Manager, SWIFT

Francis was CEO of Grow Rotorua for 4 years. During this time the key sectors analysed for investment opportunities included tourism, engineered timber / wood processing, commercial application of geothermal availability, education and agribusiness. He has held senior management roles in both private sector and local government. This included developing new markets and distribution channels for export manufacturing and tourism businesses. His early career was spent building a family owned horticulture business into one that consistently returned above the industry average and led the sector in terms of spray-free management and quality control.



BRUCE SHERMAN
CHAIRPERSON

Bruce has over 25 years experience in the packaging, manufacturing, and beverage sectors. He is the current President of the New Zealand non-alcoholic Beverage Council and works as an independent contractor to several New Zealand based bottled water firms.

A member of the New Zealand Institute of directors, Bruce is also actively involved in South Waikato Community groups having previously volunteered on the Putāruru Moving Forward group and is current Chairperson of the Arapuni Village Community Association.

Bruce was born and raised in Otorohanga and resides in Arapuni with his Wife Erin and their Daughter Ava.



DEAN GITTINGS
DEPUTY CHAIRPERSON

Dean currently provides management services for two commercial trusts. He has extensive experience in the tertiary education sector having been operations manager for the South Waikato Education Centre a PTE that provided NZQA qualifications across a range of trade training programmes including engineering, carpentry, forestry and horticulture.

A member of the Institute of Directors, he brings thirty years involvement in a range of community organisations.



DEBBIE GISBY
Treasurer (BBus, PGDipAcc, CA)

Debbie Gisby is a Director at Graham Brown & Co, a local accountancy firm that also provides services to the Trust. Debbie specialises in commercial operations and Charities and is passionate about community development. She sits on several Boards of large not-for-profit entities, and is also a member of the Institute of Directors NZ.



FRANK AERTS
TRUSTEE

Frank brings extensive experience in running and developing businesses. For 17 years he owned and operated a milk round in Tokoroa. Following the successful sale of this business he returned to work within the engineering industry having completed a 4-year apprenticeship early in his career at Southside Engineering in Putaruru. Frank also worked at Steel and Track Engineering before founding his own business South Waikato Precision Engineering (SWPE) and building capability across management, recruitment and training, business development, marketing and finance. The company achieved a strong and trusted reputation across twenty years and employed up to 36 staff before being sold. Frank was also the spokesperson for South Waikato Trade Training's engineering module that graduated 30 apprentices.

He was formerly on the Board of the South Waikato Economic Development Trust and is currently an executive on the Rangiura Trust Board, a director of Tokoroa Engineering, on the Tokoroa Business Association committee and the current President of the Lichfield Indoor Bowling Club.



JOHN CRONIN
TRUSTEE

John is a chartered accountant, accredited fellow of the Institute of Directors and a Commissioner at Resource management hearings.

He is a former senior partner of his Chartered Accounting firm and brings experienced and expertise across local Government having been elected as councillor for the Tauranga City Council, Bay of Plenty Regional Council including four terms as chair. He has a strong background in economic development business development, and funds management. He is a former member of many companies including 13 years as a director for the Port of Tauranga. John resides in Tauranga.



STEPHEN VEITCH
TRUSTEE

Stephen is a private consultant trading as Mana-wa Advisory, specialising in financial structuring, commercial property and primary industry advisory work.

Stephen's executive management experience has been as CEO of Ata Rangi Pastoral Limited until May 2019 after 4.5 years prior to which he had 16 years commercial banking in various technical and leadership roles covering property finance, corporate commercial and agribusiness. The skills acquired through this period covered cashflow and project financing, building and analysing project feasibilities with project planning and execution.

Stephen remains an active member of New Zealand Institute of Directors and New Zealand Institute of Primary Management.

Stephen grew up in an agricultural service town of Dannevirke, in Southern East Coast of the North Island. Stephen attended Massey University and gained a Bachelors Degree in Agricultural Economics and Diploma Rural Studies majoring in farm management and valuation.

Stephen had personal and family investments in commercial property, Dairy and sheep & beef production. Stephen lives in Hamilton with his wife and three children and enjoys managing his small beef finishing property, water & snow skiing and mountain biking in his spare time.



MAYOR JENNY SHATTOCK
ADVISORY TRUSTEE





AMANDA HEMA
TRUSTEE

Amanda is director of The Stakeholder Agency, a company which specialises in helping Waikato organisations build fruitful relationships, proactively collaborate and explore strategic partnerships. With a strong background in public sector management, Amanda is passionate about regional development and community empowerment. Amanda also manages The Waikato Plan, a collective of regional leaders from central and local government, iwi, business and community, who explore avenues to work collectively to respond to local aspirations and regional priorities such as housing, youth and wellbeing.

In a former life, Amanda was the Chief Executive for Cambridge Chamber of Commerce and the Strategic Projects Manager for the South Waikato Economic Development Trust supporting the development of the Waikato River Trail and the Tokoroa Trade Training Centre.

Amanda chairs Creative Waikato and has an enduring interest in the performing arts. She also sits on the board of Skycity Hamilton Trust and Te Waotu School.



HAYDEN DILLON
TRUSTEE

Hayden is the Managing Partner for Waikato and head of Corporate Agribusiness New Zealand for Crowe Horwath. He holds various leadership roles in one of New Zealand's largest economic regions being Waikato, and has strong banking, risk management and financial skills. Hayden grew up on his family owned station in Central Otago, and has been involved in agribusiness throughout his career.

He holds a Bachelor of Commerce in Agriculture majoring in Farm Management and a Graduate Diploma in Applied Finance and Investment majoring in Treasury. He is a Fellow of the Financial Securities Institute of Australasia, a member of the IOD, and holds various directorships.



RICHARD HESLOP
TRUSTEE

Richard is a Retired Pharmacist who owned and operated Heslop Pharmacy in Putaruru for 35 years. As well as Pharmacy qualifications he has a NZ Institute of Management Retail Supervision Certificate.

Richard has been involved in many local organisations often at a Governance level. He was the President of the Pharmacy Guild of NZ for 3 years and Chairman of Pharmacy Wholesalers BOP Ltd for 6 years. Richard and his wife Sue have elected to retire in the South Waikato and he has an ongoing passion to see the area thrive and grow.







Our Finances

**PROTECTING
THE LEGACY**

2020

Financial Overview

The South Waikato Investment Fund Trust was established in June 2014. In November 2014 the Trust inherited a portfolio of \$21m, when this fund was moved from the management of the South Waikato District Council.

2020 has been a turbulent year for the Trust portfolio with COVID19 creating nervousness in markets and a good measure of instability. Interest rates continued to drop through 2020 and Trustees endeavoured to maintain the best balance between the liquidity needs of the trust and the desire for better returns from the portfolio. The focus has been on maintaining the maximum in conservative dividend yielding equity investments, while still staying within the Boards investment policy.

On the advice of the fund managers (JBWere) the investment team maintained a steady hand and overall all equities have weathered the year well, outperforming against the benchmarks.

The core fund appreciated in value closing at \$29.397m at the end December 2020, delivering a gross return in the year ended December 2020 of 13.57%.

While the return has been seen in equities, short-term cash assets are sitting at the highest they have been in the Trusts history in order to support the funding of large scale projects on the horizon in the very near future. This includes funds set aside for the development of the Trades Training Centre Tokoroa and another commercial development tagged in Putaruru.

The Trustees expect to see ongoing periods of market concern around inflation, and bond and equity market volatility. As such the trustees on the advice of the fund managers, continue to add cyclical and value exposures at the sector and stock level as the opportunities arise. This is expected to provide ongoing protection against inflation and bond yield scenarios moving into 2021.



For the **2020** calendar year the portfolio has delivered a gross return of **+13.57%** or **\$3,560,798**



Trust holding another **\$1.35m** held in **domestic property**



By **December 2020** the fund had grown to over **\$29.397m**



\$4.672m in **short term cash assets**



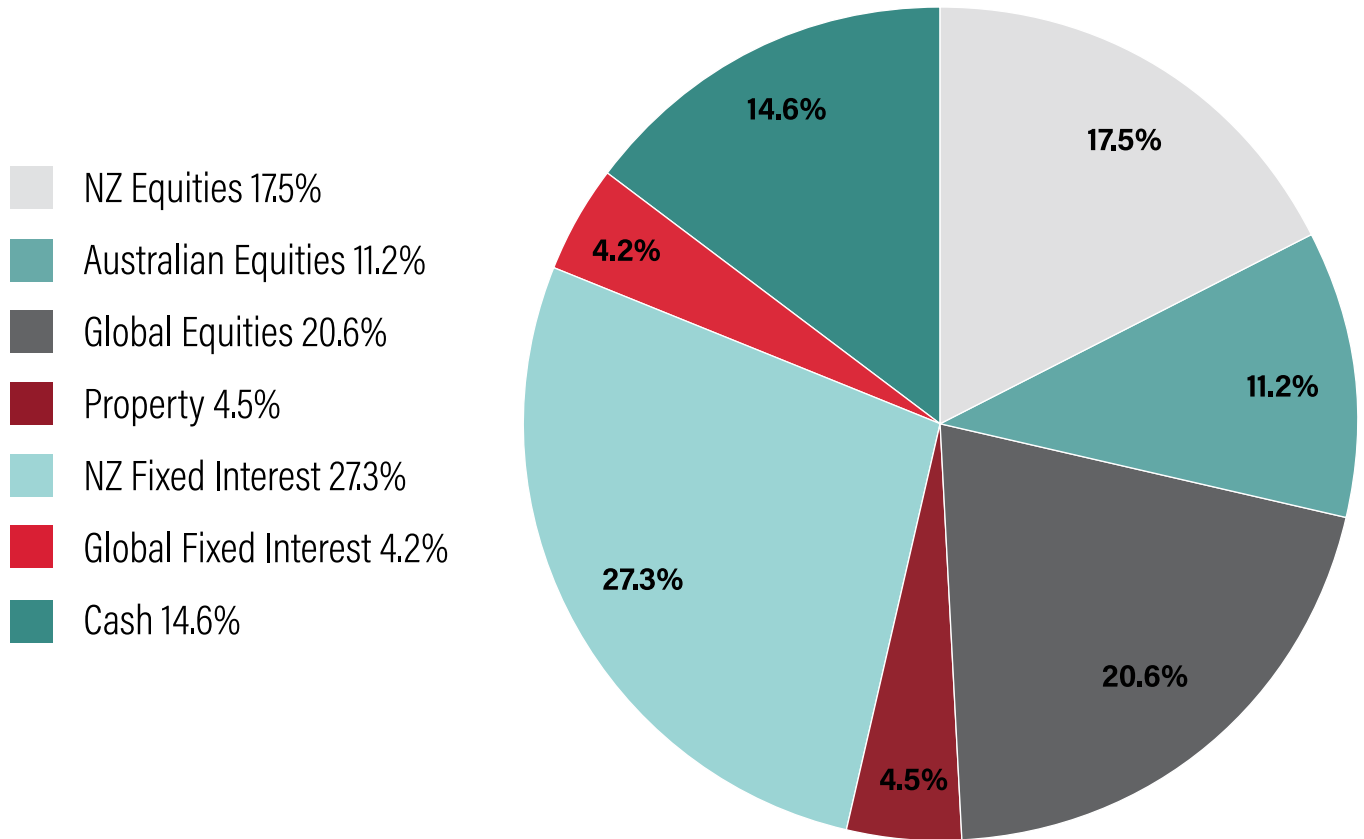
In the year ended **December 2020** a total of **\$213,489** was distributed in **Grants and donations** to the local community.



The **total asset base** of the Trust has **increased** by **\$2,800,401** between January 2020 and December 2020. (9.9%)

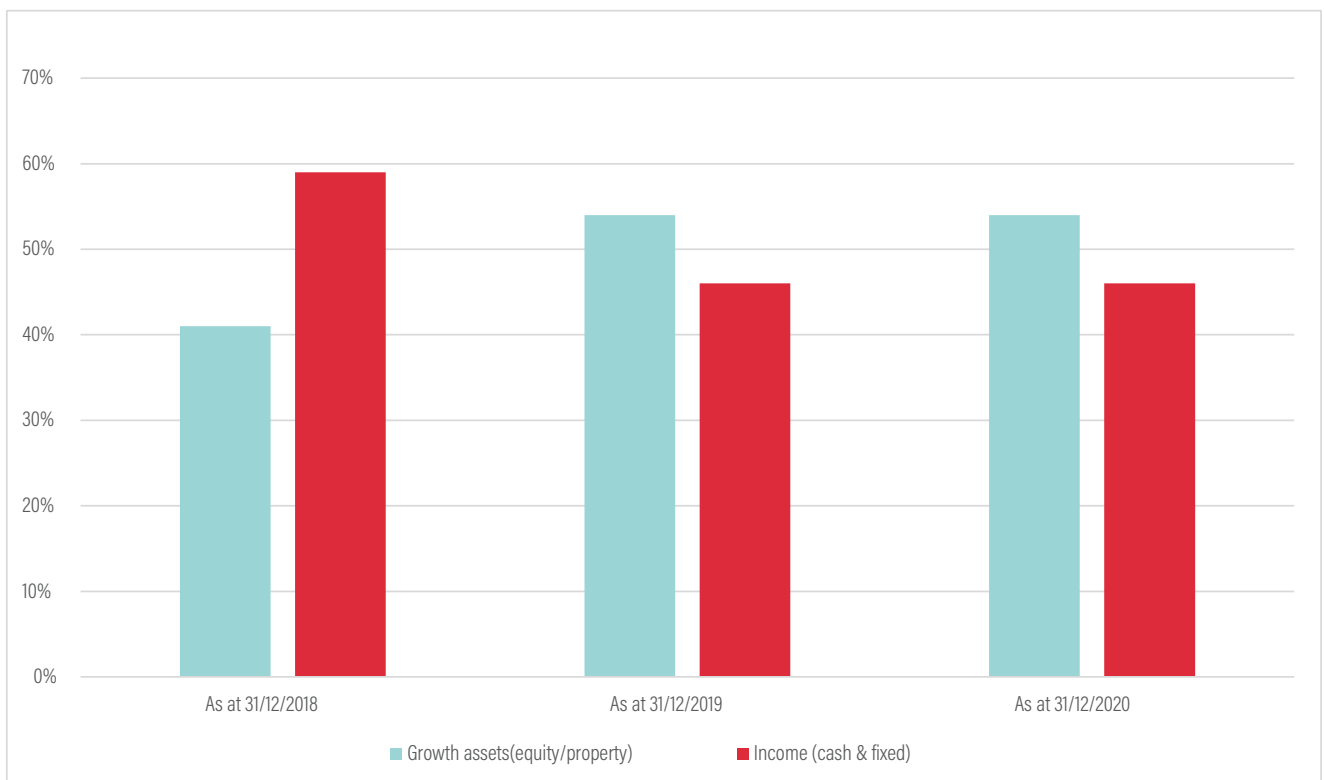
SWIFT MANAGED FUND ASSET ALLOCATION

as at 31st DECEMBER 2020*



SWIFT PORTFOLIO STRATEGIC ASSET ALLOCATION

2018 - 2020*



*Per Funds managed by JBWere



An aerial photograph of a dense forest, likely a pine plantation, with a wooden boardwalk winding through it. The image is partially covered by a large red diagonal overlay on the right side. The text 'Financial Statements' is written in a white, cursive font on the red background.

*Financial
Statements*

YEAR ENDED

31 DEC 2020

Summary

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

ENTITY INFORMATION

As at 31 December 2020

Nature of Business

Investment and Development in the South Waikato District

Entity Structure

The entity's Trust Deed states that the board of trustees shall comprise of no less than five trustees and no more than ten trustees. The Trust currently has nine trustees that constitute the governance board.

Trust Formation Date

9 June 2014

Main Sources of Cash and Resources

The entity's activities are funded by income from investments.

Entity's Reliance on Volunteers and Donated Goods or Services

The entity relies on gifts of volunteer time and expertise to complete work in many essential roles.

Accountants

Graham Brown & Co Ltd
Chartered Accountants
PO Box 204
Putaruru 3443

Auditor

PKF Hamilton Audit Limited
Chartered Accountants and Business Advisors
PO Box 187
Hamilton 3240

Bankers

Bank of New Zealand
PO Box 19207
Hamilton 3204

Solicitors

Clancy Fisher Oxner & Bryant
PO Box 27
Putaruru 3443

Tompkins Wake

PO Box 258
Waikato Mail Centre
Hamilton 3240

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

STATEMENT OF SERVICE PERFORMANCE

For the Year Ended 31 December 2020

Description of the Trusts' Outcomes

To promote and support the development and enhancement of the South Waikato District. The Trust Fund is used to provide funding for the promotion and execution of high quality projects and activities that involve and/or contribute to the economic advancement and revitalisation of the community and other charitable purposes.

Description of the Trusts' Outputs	2020	2019
Number of Community Projects supported	3	3
Number of Feasibility Studies supported	7	6
Number of Training & Education Programs supported	2	6
Number of Businesses supported via external training programmes	0	24
Number of Business Attraction activities supported	1	1
Number of Business Developments supported	6	3

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 December 2020

	Notes	2020 \$	2019 \$
Operating Revenue			
Contract & project revenue		46,037	20,000
Investment revenue		3,498,192	4,354,452
Total Operating Revenue		3,544,229	4,374,452
Expenses			
Contract & project expenses		176,993	180,897
Other operating expenses	5	131,642	89,067
Overheads		81,951	64,832
Finance costs		123,113	107,683
Depreciation		16,640	15,884
Total Expenses		530,339	458,363
Net Operating Surplus		3,013,890	3,916,089
Funds distributed		213,489	346,551
Net Surplus		2,800,401	3,569,538

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

Assets	Notes	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents		4,527,675	1,827,553
Trade and Other Receivables		114,678	106,659
Total Current Assets		4,642,353	1,934,212
Non-Current Assets			
Property, Plant and Equipment	3	1,491,491	1,350,614
Term Investments	4	25,097,519	25,143,642
Secured Loans		77,502	-
Total Non-Current Assets		26,666,512	26,494,256
Total Assets		31,308,865	28,428,468
Liabilities			
Current Liabilities			
Trade and Other Payables		60,001	53,534
Trustee Fees Payable	5	65,420	41,891
Unused Grants or Donations	6	50,000	-
Total Liabilities		175,421	95,425
Net Assets		31,133,444	28,333,043
Accumulated Funds			
Trust Capital		31,133,444	28,333,043
Total Accumulated Funds		31,133,444	28,333,043

SUMMARY STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2020

	2020 \$	2019 \$
Net Cash Flows from Operating Activities	2,831,313	1,109,218
Net Cash Flows from Investing and Financial Activities	(131,190)	(2,764,634)
Net Increase/ (Decrease) in Cash and Cash Equivalents	2,700,123	(1,655,416)
Cash and Cash Equivalents at the Beginning of the Period	1,827,553	3,482,969
Cash and Cash Equivalents at the End of the Period	4,527,675	1,827,553

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

For the Year Ended 31 December 2020

1 REPORTING ENTITY

South Waikato Investment Fund Trust (SWIFT) is a Trust incorporated under the Charitable Trusts Act 1957 and is domiciled in New Zealand.

2 BASIS OF PREPARATION

These Summary Financial Statements are extracted from the Performance Report of South Waikato Investment Fund Trust (SWIFT) for the year ended 31 December 2020. The summary was authorised for issue by the Trustees on 15 April 2021.

The Summary Performance Report have been prepared in compliance with the Public Benefit Entity Standards (PBE FRS 43).

Because of their aggregated and summarised nature, these Summary Performance Report cannot be expected to provide as complete an understanding of the Trust as is provided from the full set of Performance Report. A copy of these Performance Report is available from the registered office of the Trust.

The full Performance Report of South Waikato Investment Fund Trust (SWIFT) has been prepared according to generally accepted accounting practice in New Zealand as determined by the Financial Reporting Act 2013. The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting.

The performance report have been prepared on the historical costs basis modified as detailed in the specific accounting policies in the full performance report.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollars.

3 PROPERTY, PLANT & EQUIPMENT

	2020 \$	2019 \$
30-32 Chambers Street, Tokoroa		
Land – Tokoroa Trades Training Centre	536,400	536,400
Site Development - WIP	96,305	52,937
Land – Commercial Office Building	213,600	213,600
Site Development - WIP	122,634	25,180
	968,939	828,117
25-29 Tirau Street, Putaruru		
Land	168,014	168,014
Buildings	308,033	317,560
Site Development - WIP	39,392	22,697
	515,439	508,271
Website		
Website Development	7,113	14,226
	7,113	14,226
Total Property, Plant & Equipment	1,491,491	1,350,614

Property, plant and equipment is recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

5 HONORARIUM

Other operating expenses includes Trustee fee as follows:

	2020	2019
	\$	\$
Trustees fees		
Bruce C Sherman	27,000	13,542
Dean G Gittings	19,000	11,875
Debbie A Gisby	15,000	-
Franciscus J Aerts	15,000	11,042
John M Cronin	12,000	14,208
Hayden J Dillon	15,000	16,584
Amanda J Hema	8,307	-
Richard W Heslop	1,000	1,000
Stephen Veitch	12,000	3,333
Total Trustees fees	124,307	71,584

Payables to Trustees

Bruce C Sherman	15,525	9,823
Dean G Gittings	10,925	7,906
Debbie A Gisby	7,500	-
Franciscus J Aerts	5,025	4,048
John M Cronin	4,020	4,830
Hayden J Dillon	8,625	10,781
Amanda J Hema	6,900	-
Richard W Heslop	-	670
Stephen Veitch	6,900	3,833
Total Payables to Trustees	65,420	41,891

6 UNUSED GRANTS OR DONATIONS

Unused MSD Grant	2020	2019
	\$	\$
The Generation Programme (Forestry)	50,000	-
Total Unused Grants or Donations	50,000	-

The Trust entered into an agreement with Ministry of Social Development on 26 June 2020 for the Generation Programme Grant for \$50,000 to run from 24 June 2020 to 30 June 2021. The purpose of the Grant is to provide up to six weeks of training and support for the participants to undertake sustainable employment in a forestry industry role. The program is in progress.

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

7 Related Parties

Accountancy & Secretarial Costs of \$60,659 (2019: \$54,083) have been paid to Graham Brown & Co Ltd of which Debbie Gisby is a director.

Hayden Dillon is a Trustee of SWIFT and managing partner of Findex Hamilton. SWIFT has contracted Findex to review funding and loan applications and compliance. \$7,950 has been paid to date for the service.

8 Operating Commitments

As at 31 December 2020, the Trust agreed to fund the following projects:

	2020 \$	2019 \$
ArborGen New Zealand Limited	2,905	-
Forest Industry Contractors Association	10,000	-
Waikato River Trails Trust	110,965	110,965
Total Operating Commitments	123,870	110,965

9 Capital Commitments

The Trust entered into an agreement for the following capital projects as at 31 December 2020

	2020 \$	2019 \$
30-32 Chambers St, Tokoroa		
Commercial Office Building		
Greenstone Group Limited	112,500	-
DCA Architects of Transformation	168,730	-
Kingston Partners Limited	42,508	-
Enovate Structural Engineers	81,000	-
Innerscape Mechanical Engineers	55,600	-
Smart Fire Engineers	12,200	-
	472,538	-
Tokoroa Trades Training Centre		
Veros Property Services	225,500	-
25-29 Tirau Street, Putaruru		
Greenstone Group Limited	15,000	-
Total Capital Commitments	713,038	-

10 Contingent Liabilities and Guarantees

The Trust has no contingent liabilities and no guarantees as at 31 December 2020.

(Last Year: Contingent Liabilities Nil. Guarantees Nil.)



*Independent
Auditor's
Report*

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Trustees of South Waikato Investment Fund Trust (SWIFT)

Report on the audit of the summary financial statements

Opinion

We have audited the summary financial statements, which comprise the entity information, the statement of service performance, the summary statement of financial position as at 31 December 2020, the summary statement financial performance and summary statement of cash flows for the year then ended, and related notes. These summary financial statements are derived from the audited financial statements of SWIFT for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements in accordance with PBE FRS 43 *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

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

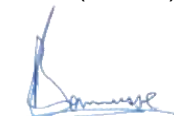
Board's Responsibility for the Summary Financial Statements

The Board is responsible on behalf of the Trust for the preparation of the summary financial statements in accordance with PBE FRS 43 Summary Financial Statements.

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

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

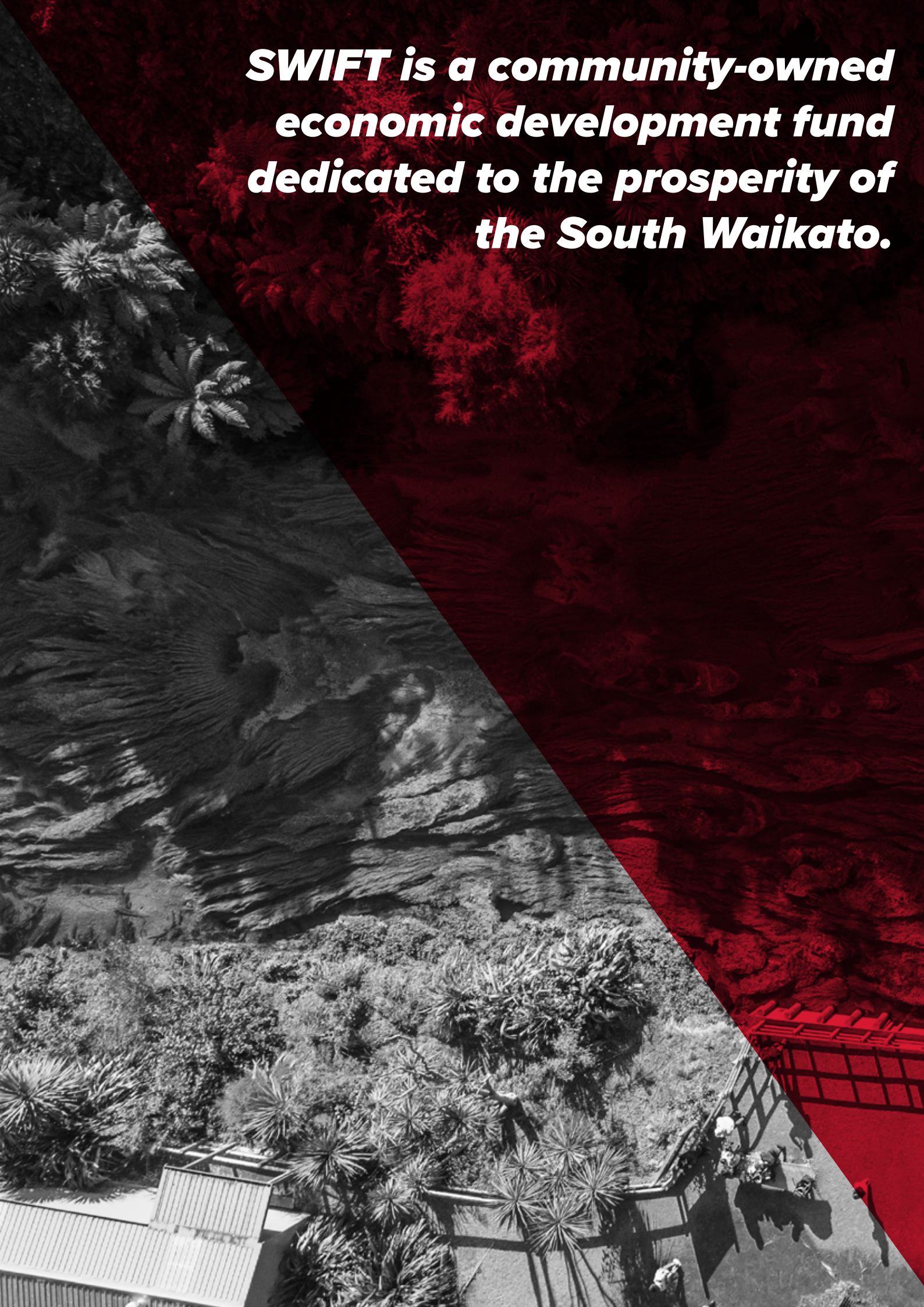
Other than in our capacity as auditor we have no relationship with South Waikato Investment Fund Trust (SWIFT).



Director
PKF Hamilton Audit Ltd
Hamilton, New Zealand

15 April 2021

***SWIFT is a community-owned
economic development fund
dedicated to the prosperity of
the South Waikato.***





**SOUTH
WAIKATO
INVESTMENT
FUND
TRUST**

ANNUAL REPORT 2020

