



S W I F T

ANNUAL **REPORT** **2021**

1st January 2021 - 31st December 2021

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**



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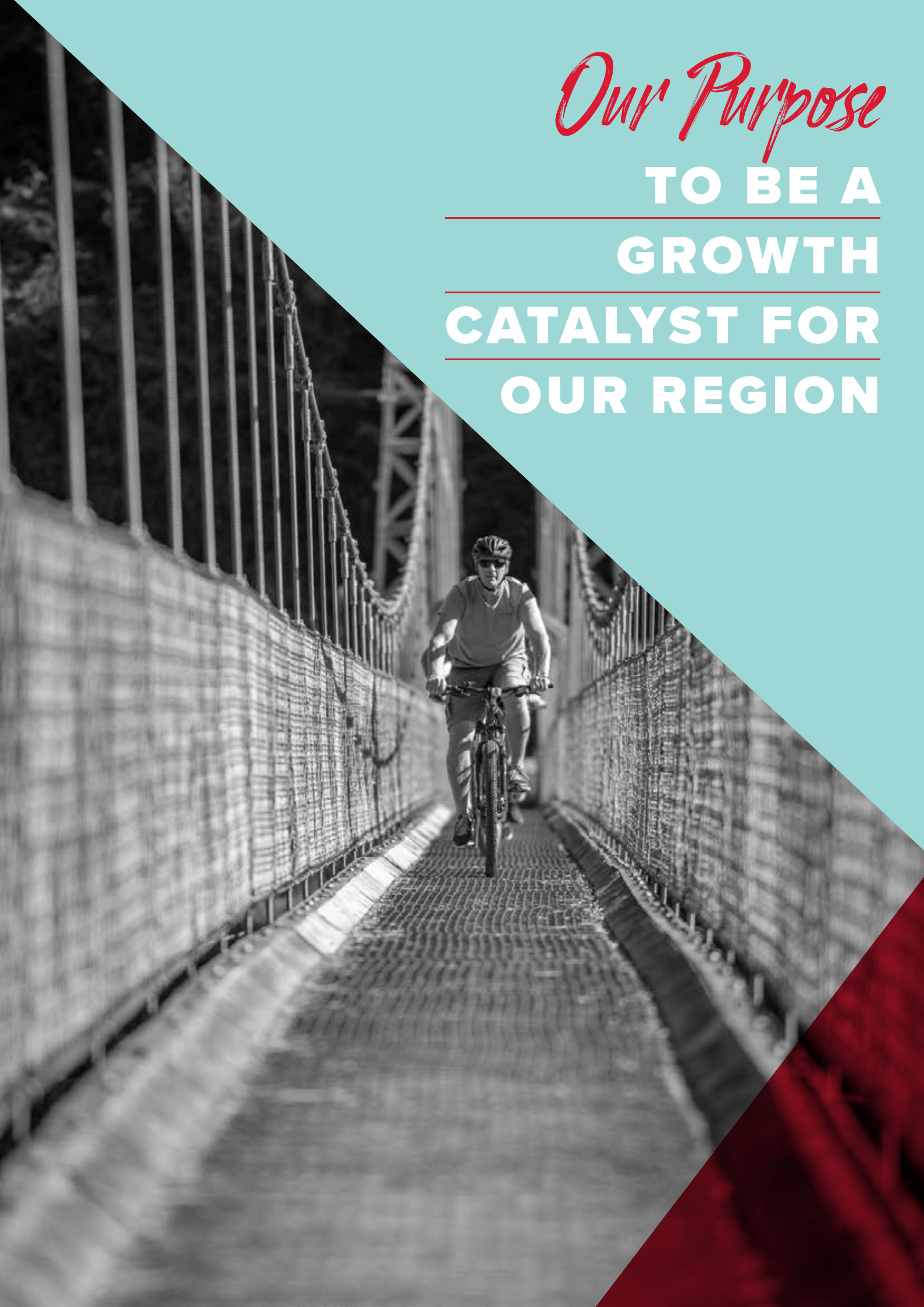
2021

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Our Purpose

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



CHAIRMAN'S REPORT

2021

Key highlights for the year:

Perhaps if there's one thing that 2021 has cemented into our minds it's that we've now entered a permanent state of societal change. When the pandemic first reared its head in late 2019, we would have reasonably expected it to last a year; and yet nearly three years later and it's clear that the pandemic affects will be felt for a generation.

We have witnessed a historic shift in wealth from small business owners held powerless by lockdowns, to corporations with extensive existing online capability and lobbying power.

Pre-Covid it would be reasonable to assume that few kiwi businesses would have seriously considered a pandemic in their business continuity plans. The lock downs showed that most of our small to medium enterprises had relatively slim resilience in their cash assets when cash flow was reduced to zero by external forces.

Looking forward, resilience is a key focus for SWIFT both in ensuring projects like the new Trades Training Centre and the Hancocks building are delivered amongst some of the toughest construction sector challenges our country has faced, but also in ensuring the make-up of your trust board is representative of our communities changing needs. With this in mind, the SWIFT board is undertaking a full board review assisted by an external expert to ensure it is operating in line with best practice. This is being conducted simultaneously with a review of the board strategy to ensure it is aligned with changing needs for community's economic development and wellbeing.

The past year has seen SWIFT continue to increase engagement with key stakeholders South Waikato District Council and Raukawa building on the success that began with the grant from Central Government agency Kanoa and Trust Waikato to enable the Trades Training Centre. Proof that when we work as a cohesive community, connected with our wider district and central Government, we can achieve great success that will provide opportunity for lasting change in our future generations.

As part of our strategy review the board identified that the Trust needed more operational capability and with this focus, we have employed Amanda Hema as our Chief Executive and Shannon Double and Anita Goodman as Operations Manager and Community Liaison Coordinator respectively.

The appointment of SWIFT's own management team was aligned with our decision to discontinue our contract with SWIFT's former contracted economic development service provided by Francis Pauwels of Karu NZ. I would like to recognise Francis's efforts in growing economic opportunities in our district while contracted to SWIFT and know that he will continue to be a staunch advocate for the South Waikato.

As SWIFT continues to strengthen our key stakeholder relationships, I would also like to thank Paul Bowden of South Waikato District Council for his support and passion for our district along with her Worship, Mayor Jenny Shattock's contribution.

There is no doubt that we have significant headwinds ahead, but I firmly believe that success for our community will be found in our community. We have many of the resources and attributes to continue to build a stronger and more resilient community, and through collaboration and innovation we will continue to see the South Waikato grow from strength to strength.



Bruce Sherman
Chairperson
SWIFT

A white, stylized signature of Bruce Sherman, written in a cursive script, positioned on a red background.



CHIEF EXECUTIVE REVIEW

2021

Key highlights for the year:

There is no doubt in the period since SWIFT was conceived in 2014, so much has changed – the world has been confronted by COVID, the faces of government look different, and our fabulous district has become increasingly known as a place of opportunities. SWIFT's commitment to being “a catalyst for growth” throughout this time has been unwavering.

The last few years have been spent preparing for development opportunities, building networks, nurturing partnerships, and understanding the community. 2021, however, saw substantial projects kick off that attest to SWIFT's efforts.

The South Waikato Trade Training Centre construction began in July 2021 with local business Tirau Earthmovers undertaking the significant civil works on the Chambers Street site (which will also accommodate a separate office building for Hancocks Forest Management). As this building continues to be constructed through 2022, it will take pride of place at the entrance to Tokoroa's CBD and in 2023 it will open to serve our community through localised training opportunities.

Funding from Kanoa and Trust Waikato has been critical to advancing this project and we are extremely grateful for their support.

Equally we are delighted to be partnering with Toi Ohomai to ensure Education is at the forefront of South Waikato's growth and that it provides the best and most relevant skills for our growing local industries and employment opportunities. We've also committed over \$600,000 for scholarships and training provision to support South Waikato rangatahi in this endeavour.

In 2021, our funding partnerships encouraged new enterprises to develop and/or move into the district, such as Green Frame, JT Scaffolding and Van Dam Plumbing, to name a few. We've continued to advocate for business support funds through the Regional Business Partner Programme following the government's COVID support and in October 2021 set aside funding to reduce barriers to South Waikato's small business community accessing partial government grants.

As our local authority partner, South Waikato District Council continues to be a valued and important part of the work SWIFT undertakes, we are pleased to have supported the Space to Grow brand and investment attraction workstream through 2021 and have committed to further funding to grow its impact and results. SWIFT is also excited to be working with Raukawa Settlement Trust to progress a local housing initiative following Raukawa Iwi Development's approach in 2021.

With SWIFT's drive to create meaningful impact and the increasing opportunities being presented, it is not surprising that the team grew in 2021 and from the start of 2022, now has additional resource for local engagement and community collaboration. Thanks, must be given to Francis Pauwels for his efforts since 2016 to seek out early opportunities and set up much of the foundational work of the Trust, and to the SWIFT Board for its continued passion and dedication to the South Waikato community.



Amanda Hema
Chief Executive
SWIFT

A white, handwritten signature of Amanda Hema on a red background.



2021

Key Achievements

WITH THE SUPPORT OF
OUR KEY PARTNERS



Grant funding committed by Partners to SWIFT Initiatives to date

\$12,485,000



\$14,051,977
funding approved

by SWIFT to date



Business loans funded by SWIFT to date

\$1,329,410



>75

Number of additional Businesses set up in our district over the last five years



566 Jobs

Number of additional People in work in our district over the last five years



185

Training Placements

Training Placements through SWIFT initiatives



\$29,071,000

Total funds under SWIFT management (held with JBWere & in cash)



1700

Number of additional People calling the South Waikato home over the last five years



IVECO

EUROCA

FIRE



Our Activities

GROWING BUSINESS

GROWING PEOPLE

The following stories celebrate the success of each project in 2021. Future support is conditional on new application to, and approval by the SWIFT Board

Growing People: **Van Dam Plumbing**

Van Dam Plumbing is well known across the South Waikato having been established 60 years ago. Stephen Mulholland who has recently purchased the business with his partner Jade Corry, had worked for Van Dam Plumbing for 15 years and is well known in the Putaruru sporting community.

Key customers include many of the major individual and corporate farmers across the district along with companies including Fonterra, Inghams, Mercury and SWDC.

SWIFT provided assistance to help expand the capability and capacity of the business through purchasing a new excavator and tradesman's van.

The timing is very good for businesses in construction/trades and the South Waikato is seeing growth across the sectors – residential/commercial developments, farm upgrades and corporate expansions as well as people spending previous holiday money on house upgrades.

66

The business currently provides employment for 8 people, all locally based, and is looking to take on an additional 3-4 staff in the medium term including a strong preference for training their own apprentices.



Growing Businesses: **Green Frame Ltd**

Green Frame Ltd are establishing a steel-frame and truss plant in Putaruru with the medium-term objective to build full modular transportable homes.

Light steel frame buildings are well-proven over 50 years in NZ house building. In fact, New Zealand is home to the world's highest regarded roll-form machine manufacturers (Scottsdale Napier, Hayes Rotorua and Howick Ltd Auckland and Framacad Auckland).

Market demand for housing and residential developments has never been stronger and doesn't look like slowing, in fact there is an increasing shortage.

The products are competitively priced and have benefits of value to group home builders, developers and homeowners alike as well commercial and industrial application. The production is computer controlled, highly accurate with millimeter precision.

The real prospects for the South Waikato lie in the future phases where the plan is to move into pre-fabricated, modular homes and including for Green Frames own developments. This opens up future expansion of the manufacturing facility, demand for workers and including the future of work (computerization, CNC machining, modular housing, fast build construction, internal pod systems).

The initial plan is for up to 42 jobs over the next couple of years which will be the largest prospective new business attracted to the South Waikato.

“

SWIFT management have been working closely with the directors on modular construction prospects for over 3 years and with the new GM over the last year so are well familiar with all aspects of the business, market, technologies and financial plan.



Growing Business: **Generation Programme**

2021 saw the commencement of the CNIWC Generation Programme, with 22 South Waikato youth enrolling in the initial July cohort. Alongside others, SWIFT funding provided the opportunity for the students to achieve NZ Certificate in Forest Industry Foundations Skills – Level 2 and gain employment upon completion of the programme.

The CNIWC Generation Programme also provided work ready skills such as physical fitness, health and nutrition, understanding an employment agreement, CV writing, first aid and health and safety, pastoral care support such as drug and alcohol education, communication skills, counselling, and a comprehensive introduction to the industry through field trips and industry presentations, and healthy and nutritious breakfasts and lunches and the provision of basic personal protective equipment. All critical skills to ensure the sustainability of the programme and students long term employment.



“

A good result of nine trainees completed the programme, eight of whom achieved employment with Knight Logging Ltd, FAST Harvesting and Forest Protech Services as an outcome of the course.

Many trainees entering the programme struggled with numeracy and literacy skills, and with Covid-19 restrictions throughout the year, there were substantial challenges for both trainees and tutors. The Generation Programme has undergone an in-depth review of the first cohort, adjusting the course schedule and pre course information to improve future results.

In 2021, SWIFT's major project, a new \$14 million Trades Training Centre, started to become a reality on the corner of State Highway 1 and Chambers Street, Tokoroa, when Tirau Earthmovers began work following the site blessing, in July.

“

The South Waikato Trades Training Centre development is being funded through the South Waikato Investment Fund Trust (SWIFT) with partnership funding through the Provincial Growth Fund and Trust Waikato.

The site was blessed by Raukawa kaumātua Te Hapuku Rikiriki and Poihaere Barrett at a ceremony attended by representatives from the South Waikato district's diverse cultures. Raukawa Charitable Trust Tumu Whakarae (General Manager) Maria Te Kanawa said the Trades Training Centre will enable many South Waikato rangatahi to train in Tokoroa rather than travelling out of the district away from the support of their whānau.

The Trades Training Centre is a great project that reflects the Trust's objectives as a community-owned economic development fund of advancing South Waikato's prosperity. The facility is being developed alongside Toi Ohomai Institute of Technology which will be the key tenant and training provider. The Centre will cater for up to 500 students a year.

For SWIFT, this development opportunity offers more than just a building. SWIFT facilitated the opportunity for South Waikato tradespeople and building suppliers to tender for this work to help the local economy and to provide job and learning opportunities.

The Centre will be a combined 3,500m² space purpose built for learning, with four workshops, a commercial kitchen, café and barbershop.

South Waikato District Council Mayor Jenny Shattock said the new Trades Training Centre was an excellent example of the South Waikato education, business and local government sectors working together to help the district thrive and grow economically and socially.

The Centre's location near State Highway 1 will provide a fabulous new gateway to the northern entrance of Tokoroa and will complement the recent town centre redevelopment.

Toi Ohomai Board of Directors Chairperson, Catherine Cooney, said the new campus will help breathe life into the community and it was exciting to see this initiative come to fruition after all the planning.

This campus will help provide a skilled workforce to see the South Waikato prosper and SWIFT is delighted to be leading this project for the community.





Our Team

**PROTECTING
THE LEGACY**

Swift Team



Amanda Hema
Chief Executive, SWIFT

A passionate South Waikato resident, Amanda's love for the district began in 2005 when she moved to Tokoroa to take on the role of Strategic Projects Manager for the South Waikato Economic Development Trust having previously been the Chief Executive of Cambridge Chamber of Commerce. She later moved on to South Waikato District Council and left a decade later having served as the GM for Community Services.

In more recent times Amanda's business, The Stakeholder Agency, has guided many organisations to initiate collaborations and explore strategic partnerships. She has also held the position of Project Manager for The Waikato Plan, a collective of regional leaders from central and local government, iwi, business and community, who work collectively to respond to regional priorities such as housing and wellbeing. Previous to Amanda joining the SWIFT team as CE, she held the role of Acting CE for the Waikato Regional Economic Development Agency – Te Waka.



BRUCE SHERMAN
CHAIRPERSON

Bruce has thirty years experience in manufacturing across the packaging and beverage sectors and now consults as a project manager and strategist to several emerging beverage businesses.

Bruce was formerly chairperson of the New Zealand Beverage Council and based in Arapuni with his wife Erin, has been actively involved in South Waikato community groups chairing the Arapuni Village Community Association and volunteering on the Putāruru Moving Forward Group.



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.





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.

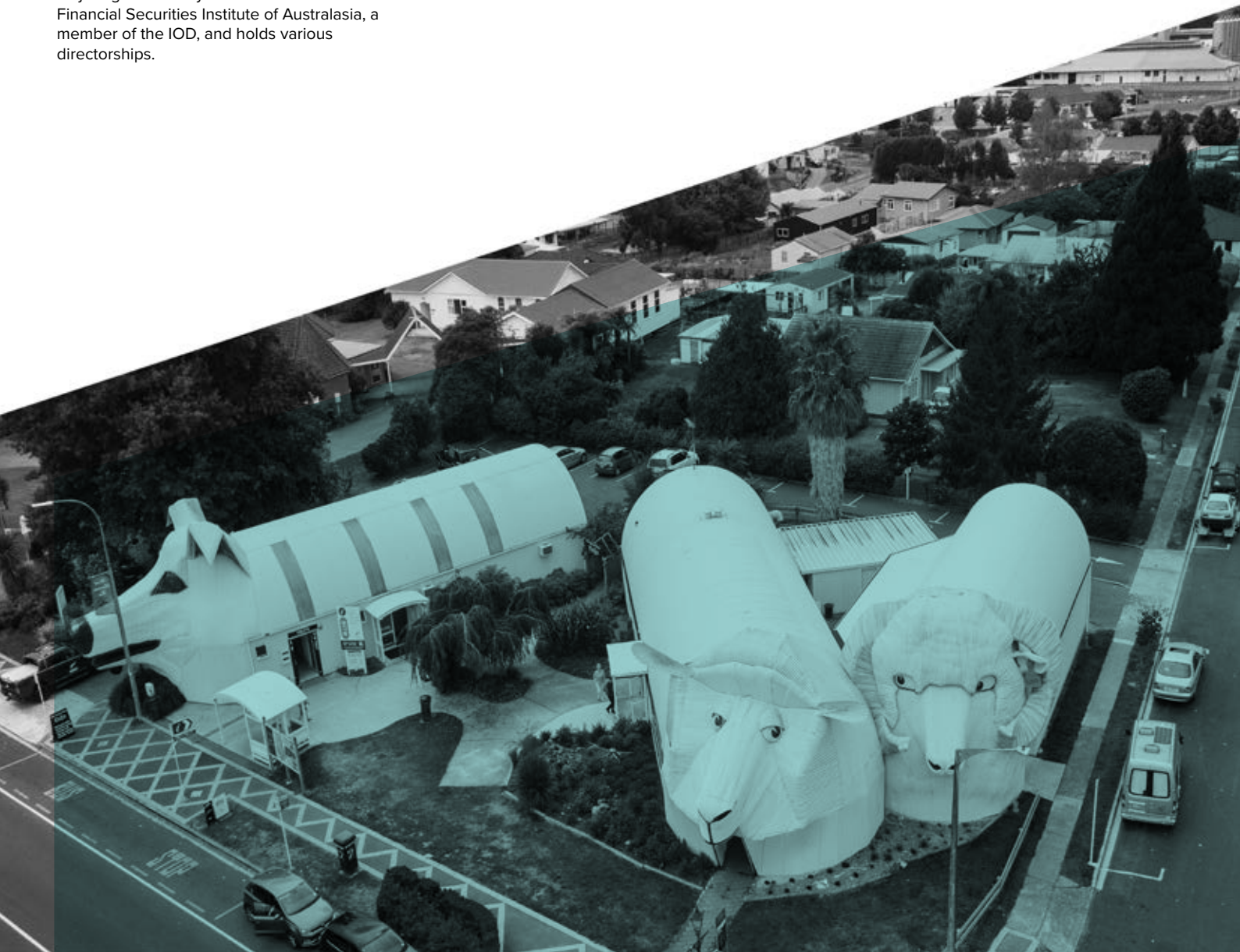
He holds a Bachelor of Commerce in Agriculture majoring in Farm Management and a Graduate Diploma in Applied Finance and Investment majoring in Treasury. He is a Fellow of the Financial Securities Institute of Australasia, a member of the IOD, and holds various directorships.



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**

2021

Financial Overview

The Trust continues to maintain a healthy asset base, despite the significant impact COVID19 continues to have on the market, coupled with low interest rates and inflation.

Although the Trust's overall return on investment is down on previous years, the Trust's gross return on the fund year ended December 2021 was 7.50%, with a closing value of \$28.089m at the end of December 2021.

The 2021 year saw a reasonable amount being invested back into the community by way of funding through Trust lead initiatives, business loans and community funding.

Under the Trust's SIPO (statement of Investment Policy and Objectives) it maintains an allocation of 50% Fixed Income Assets and 50% Growth Assets (Equities), this aligns with the trusts moderate tolerance for variability in the portfolio value. The SIPO is based on an investment horizon of greater than 10 years, therefore interim fluctuations in financial markets should be viewed with the appropriate perspective.

With the commencement of two of the Trust's large-scale projects in 2021 and keeping in mind future funding commitments, the Trustees focus remains on preserving a solid level of growth of the capital base to maintain purchasing power of investable assets, as well as to provide a solid income stream to fund future developments within the South Waikato.

The trustees continue to navigate the uncertain times to ensure the Trust is well positioned and protected, in line with advice from the fund manager.



For the **2021** calendar year the portfolio has delivered a gross return of **+7.12%** or **\$2,094,025**



Trust holding another **\$3,987,286** in **property investment**



By **December 2021** the fund had grown to over **\$28.089m**



\$4.993m in **short term cash assets**



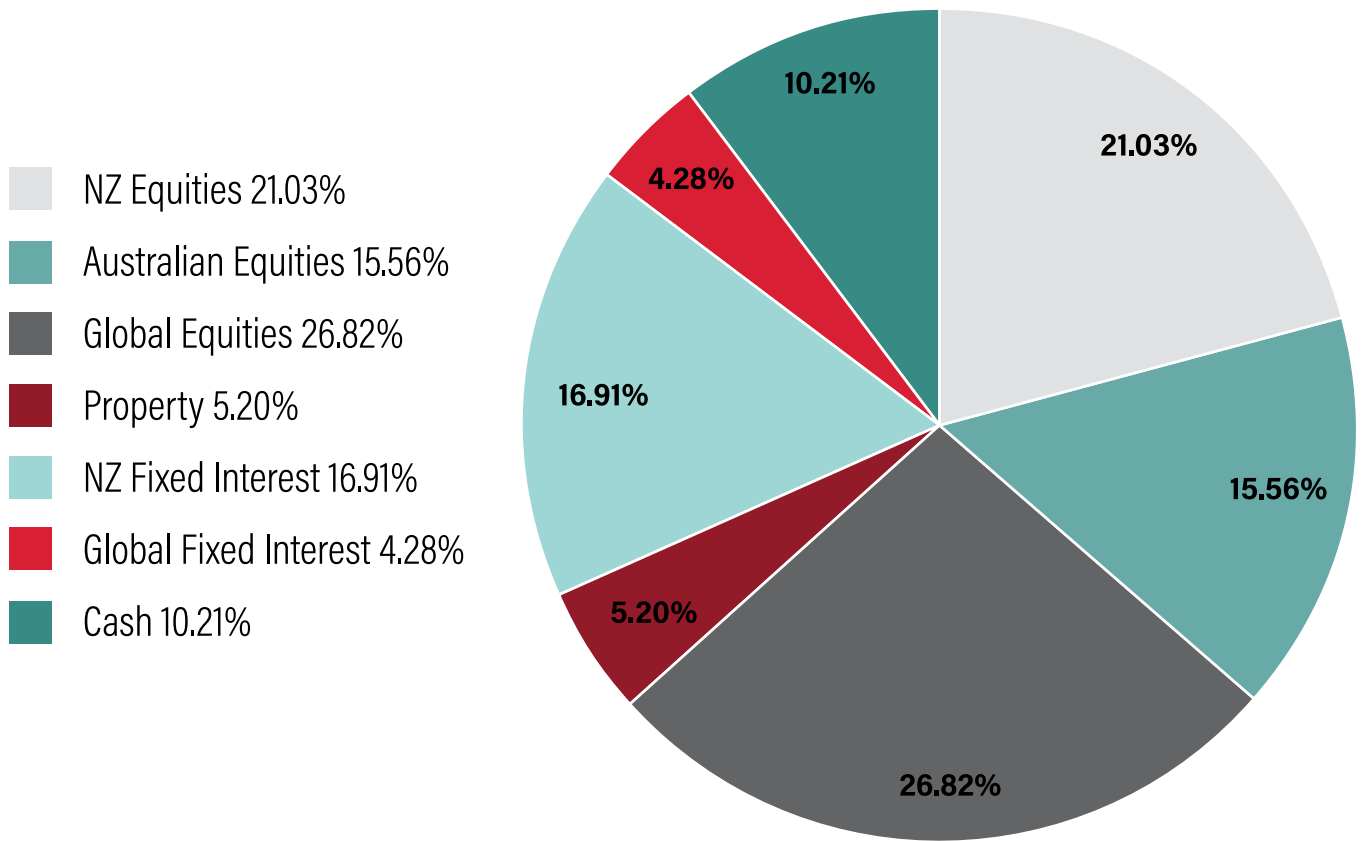
In the year ended **December 2021** a total of **\$356,204** was distributed in **Grants and donations** to the local community.



The **total asset base** of the Trust has **increased** by **\$2,863,784** between January 2021 and December 2021. (9.2%)

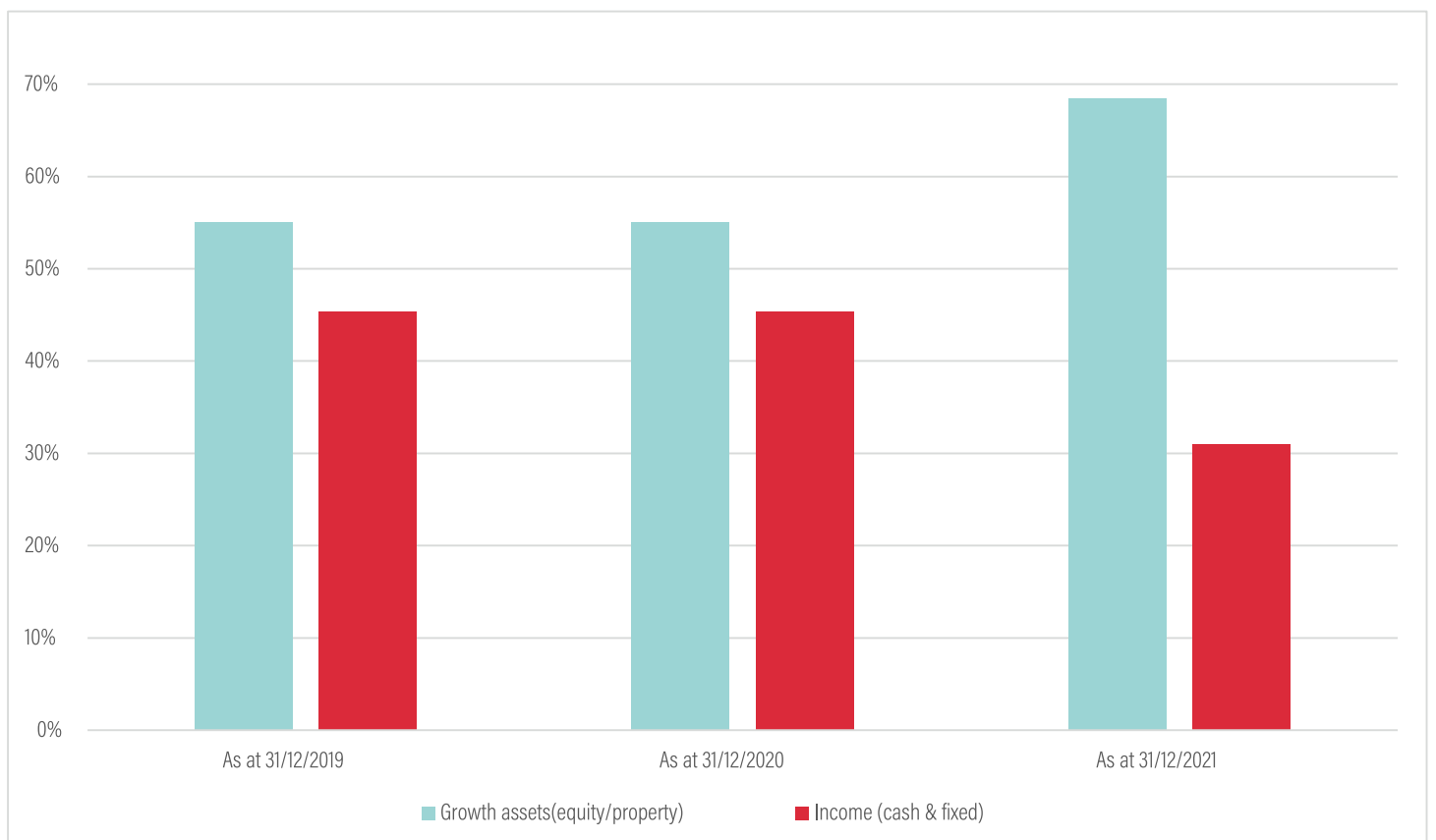
SWIFT MANAGED FUND ASSET ALLOCATION

as at 31st DECEMBER 2021*



SWIFT PORTFOLIO STRATEGIC ASSET ALLOCATION

2019 - 2021*



*Per Funds managed by JBWere





*Financial
Statements*

YEAR ENDED

31 DEC 2021

Summary

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

ENTITY INFORMATION

As at 31 December 2021

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

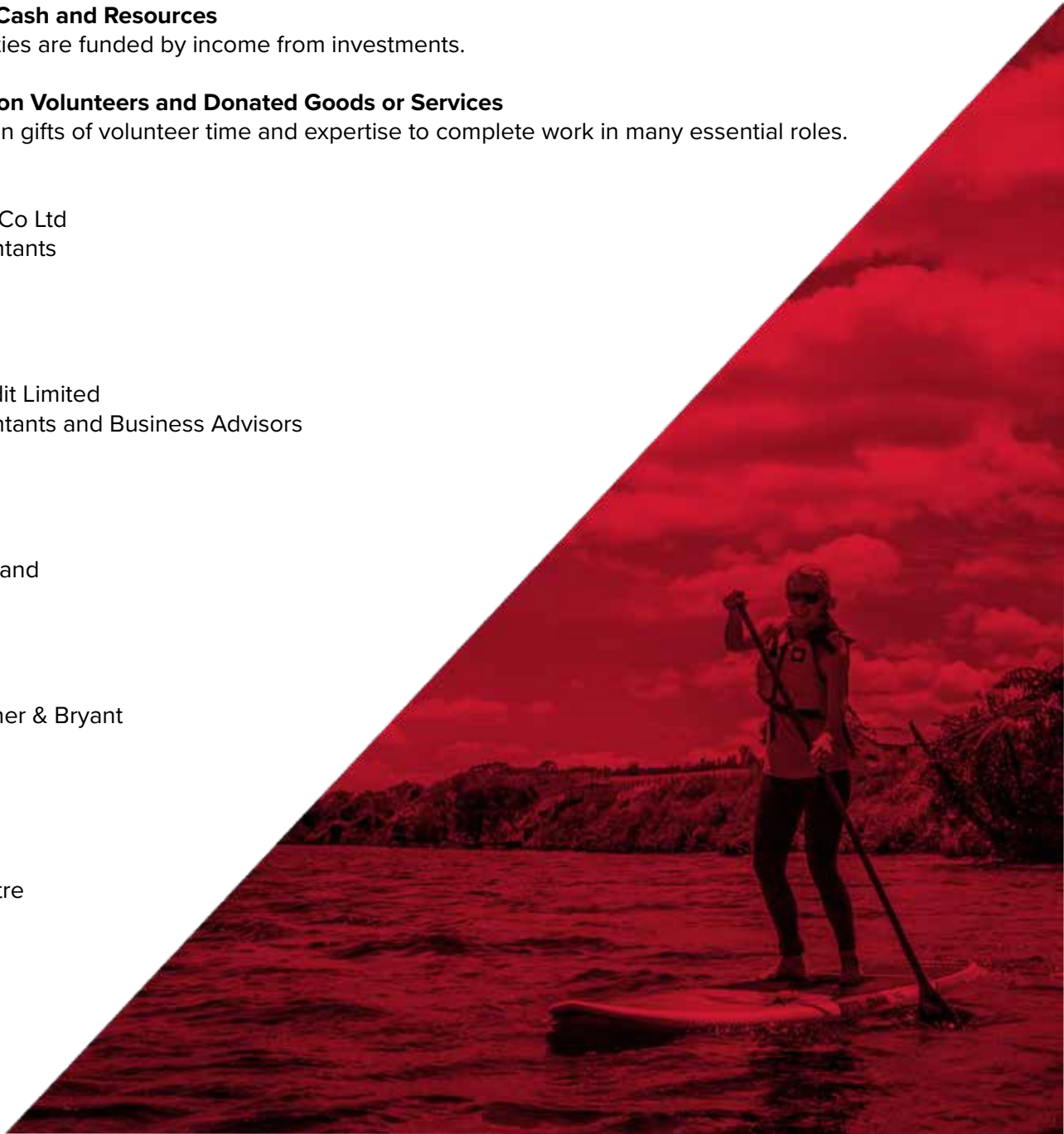
Bankers

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 2021

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	2021	2020
Number of Community Projects supported	5	3
Number of Feasibility Studies supported	5	7
Number of Training & Education Programs supported	3	2
Number of Business Attraction activities supported	1	1
Number of Business Developments supported	10	6

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 December 2021

	Notes	2021 \$	2020 \$
Operating Revenue			
Contract & project revenue		1,947,846	46,037
Investment revenue		2,019,376	3,498,192
Total Operating Revenue		3,967,222	3,544,229
Expenses			
Contract & project expenses		309,777	176,993
Other operating expenses	6	170,859	131,642
Overheads		135,579	81,951
Finance costs		118,221	123,113
Depreciation		12,797	16,640
Total Expenses		747,233	530,339
Net Operating Surplus		3,219,989	3,013,890
Funds distributed		356,204	213,489
Net Surplus		2,863,785	2,800,401

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Assets	Notes	2021 \$	2020 \$
Current Assets			
Cash and Cash Equivalents		3,850,458	4,527,675
Trade and Other Receivables		1,142,366	114,678
Total Current Assets		4,992,824	4,642,353
Non-Current Assets			
Property, Plant and Equipment	3	3,990,843	1,491,491
Term Investments	4	25,221,113	25,097,519
Secured Loans	5	1,044,439	77,502
Total Non-Current Assets		30,256,395	26,666,512
Total Assets		35,249,219	31,308,865
Liabilities			
Current Liabilities			
Trade and Other Payables		651,461	60,001
Trustee Fees Payable	6	73,193	65,420
Unused Grants or Donations	7	527,377	50,000
Total Liabilities		1,251,990	175,421
Net Assets		33,997,228	31,133,444
Accumulated Funds			
Trust Capital		33,997,228	31,133,444
Total Accumulated Funds		33,997,228	31,133,444

SUMMARY STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2021

	2021 \$	2020 \$
Net Cash Flows from Operating Activities	2,647,452	2,831,313
Net Cash Flows from Investing and Financial Activities	(3,324,669)	(131,190)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(677,217)	2,700,123
Cash and Cash Equivalents at the Beginning of the Period	4,527,675	1,827,553
Cash and Cash Equivalents at the End of the Period	3,850,458	4,527,675

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

For the Year Ended 31 December 2021

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 2021. The summary was authorised for issue by the Trustees on 22 April 2022.

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

	2021 \$	2020 \$
30-32 Chambers Street, Tokoroa		
Land – Tokoroa Trades Training Centre	619,500	536,400
Site Development - WIP	1,965,697	96,305
Land – Commercial Office Building	130,500	213,600
Site Development - WIP	730,794	122,634
	3,446,491	968,939
25-29 Tirau Street, Putaruru		
Land	168,014	168,014
Buildings	298,792	308,033
Site Development - WIP	73,989	39,392
	540,795	515,439
Website		
Website Development	3,557	7,113
	3,557	7,113
Total Property, Plant & Equipment	3,990,843	1,491,491

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)

4 TERM INVESTMENTS

All investments are held in a JBWere managed portfolio. The Portfolio is initially recorded at cost and is revalued at market value each balance date by JBWere. Gains or losses are recorded in the Statement of Financial Performance.

5 SECURED LOANS

The Trusts approved Proposal for Funding support, which will create opportunities for business and job growth, in and for the benefit of the South Waikato District. These loans are secured by all present and after acquired personal property of the borrower securing all existing and future obligation of the borrower to the Trust.

Interest Rates – from 2.50% to 5.00%

Term – from 36 months to 60 months

6 HONORARIUM

Other operating expenses includes Trustee fee as follows:

	2021 \$	2020 \$
Trustees fees		
Bruce C Sherman	28,000	27,000
Dean G Gittings	21,250	19,000
Debbie A Gisby	17,250	15,000
Franciscus J Aerts	16,667	15,000
John M Cronin	14,000	12,000
Hayden J Dillon	17,250	15,000
Amanda J Hema	-	8,307
Richard W Heslop	2,000	1,000
Stephen Veitch	14,583	12,000
Total Trustees fees	131,000	124,307
Payables to Trustees		
Bruce C Sherman	16,675	15,525
Dean G Gittings	13,512	10,925
Debbie A Gisby	9,750	7,500
Franciscus J Aerts	6,142	5,025
John M Cronin	5,360	4,020
Hayden J Dillon	11,215	8,625
Amanda J Hema	-	6,900
Richard W Heslop	670	-
Stephen Veitch	9,871	6,900
Total Payables to Trustees	73,192	65,420

7 UNUSED GRANTS OR DONATIONS

Unused MSD Grant	2021 \$	2020 \$
The Generation Programme (Forestry)	-	50,000
MBIE Grant - Trades Training Centre	527,337	-
Total Unused Grants or Donations	527,337	-

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 programme is now completed (LY- The programme is in progress).

The Trust entered into an agreement with Ministry of Business, Innovation and Employment on 16 December 2020 for the construction of the Southern Waikato Integrated Training Centre, comprising a tertiary building, an office building and surrounding impermeable surfaces. The project will be funded as follows: Trust Waikato \$1,000,000; Ministry of Business, Innovation & Employment - Provincial Development Unit \$10,835,000; Toi Ohomai Institute of Technology \$477,140; with the balance to be funded by the Trust for \$2,553,640 with total project cost of \$14,865,779. As at 31 December 2021, the Trust received \$1,000,000 (LY - Nil) from Trust Waikato and the Ministry advanced \$1,420,000 (LY - Nil) of which, \$527,337 (LY - Nil) is still unused. The site development is in progress.

8 RELATED PARTIES

Accountancy & Secretarial Costs of \$98,511 (2020: \$60,659) 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 consults Findex for reviewing funding applications and loan agreements and the amount of \$35,610 (2020: \$7,950) has been paid for the services rendered.

Building Development Project Consultancy Costs of \$40,000 (2020: Nil) have been paid to Manawa Advisory of which Stephen Veitch is a director.

9 Operating Commitments

As at 31 December 2021, the Trust agreed to fund the following projects:

	2021 \$	2020 \$
ArborGen New Zealand Limited	2,905	2,905
TFB Productions Limited	3,886	-
Central North Island Wood Council Incorporated	100,000	-
The Timber Museum of New Zealand Trust	35,900	-
Raukawa Settlement Trust	1,500,000	-
Forest Industry Contractors Association	-	10,000
Waikato River Trails Trust	110,965	110,965
Total Operating Commitments	1,753,656	123,870

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

10 CAPITAL COMMITMENTS

Capital Commitments

The Trust entered into an agreement with Greenstone Group Limited on February 2020 for the project management of the proposed Hancock Forest Management Office Building at 30-32 Chambers Street, Tokoroa. Kingstons Partners Limited conducted the initial project review on 15 April 2021 with an overall development budget estimate of \$4,057,936. The development budget was updated to \$4,100,000 based on civil tenders received during August 2021. As at 31 December 2021, Kingstons reported total completed costs of \$867,446 (2020: \$97,454) and estimated cost to complete of \$3,232,554. The construction is expected to start in February 2022 and estimated to be completed in October 2022. Tirau Earthmovers is the contractor for civil works. There is no contract entered for the main build.

The Trust also entered into an agreement with Veros Property Services on 9 September 2020 to provide development managerial services in the construction of a new two level building for Tokoroa Trades Training Centre at 30-32 Chambers Street, Tokoroa. Kingstons Partners Limited conducted the initial project review on 15 April 2021 and estimated the overall development budget cost of \$14,865,779. Kingstons reported total completed costs as at 31 December 2021 of \$2,648,164 (2020: \$43,368) and estimated cost to complete of \$12,217,615. The construction started September 2021 and estimated to be completed by February 2023. Tirau Earthmovers is the contractor for civil works and Marra Construction for the the main build.

The Trust also entered into an agreement with Greenstone Group Limited on 21 July 2020 to project manage the proposed redevelopment of 25 - 29 Tirau Street, Putaruru. Maltby's estimated the construction costs for the seismic upgrade and hard fit-out from \$902,000 to \$939,500. As at 31 December 2021, total costs of \$34,597 was incurred (2020: \$16,695). There is no contract entered for the re-development phase.

11 CONTINGENT LIABILITIES AND GUARANTEES

The Trust has no contingent liabilities and no guarantees as at 31 December 2021.
(Last Year: Contingent Liabilities Nil. Guarantees Nil.)

12 EVENTS OCCURRING AFTER BALANCE DATE

During the 2020 & 2021 year, a global pandemic called Covid-19 was declared by the World Health Organisation. The Covid-19 pandemic will have an impact on the Trust's activity, the extent of which is currently not quantifiable. However, it is estimated that the impact will not jeopardise the continuity of operations, as well as the financial commitments assumed.

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report (Last Year - Nil).



*Independent
Auditor's
Report*

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH WAIKATO INVESTMENT FUND TRUST

Report on the Performance Report

Opinion

We have audited the performance report of South Waikato Investment Fund Trust ("the Trust"), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2021, the statement of financial position as at 31 December 2021, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 December 2021;
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 31 December 2021, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) 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 Trust.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable, and understandable, to report in the statement of service performance;

- b) the preparation and fair presentation of the performance report on behalf of the Trust which comprises:
- the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the trustees are responsible on behalf of the Trust for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

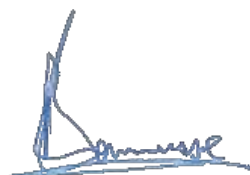
Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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 this performance report.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditing-standards/auditors-responsibilities/audit-report-8/>

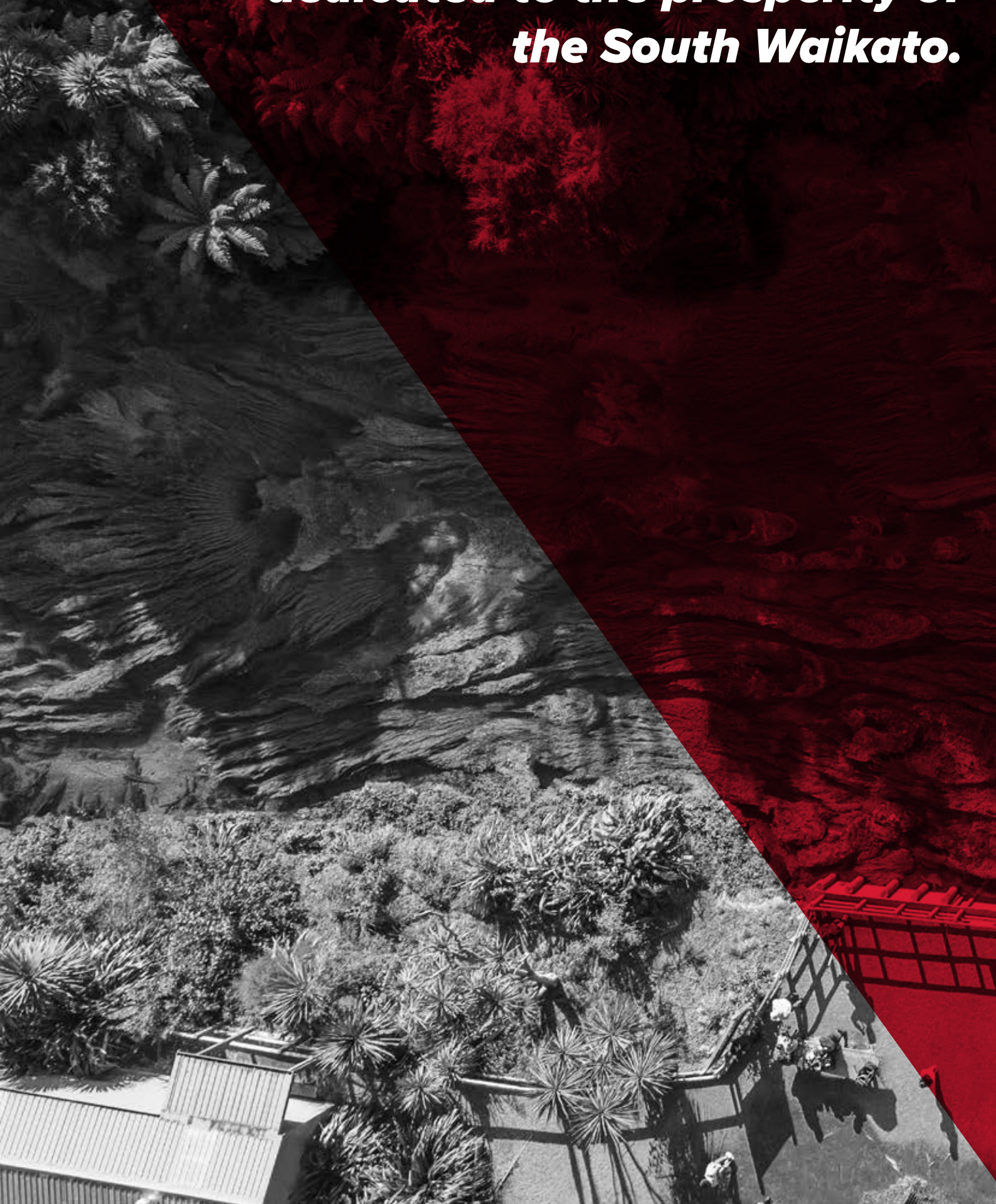
Who we Report to

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state 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 Trust and the trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Director
PKF Hamilton Audit Limited
Hamilton
New Zealand
27 April 2022

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





**SOUTH
WAIKATO
INVESTMENT
FUND
TRUST**

ANNUAL REPORT 2021

