



S W I F T

ANNUAL REPORT 2022

1st January 2022 - 31st December 2022

To be a growth catalyst for our region

SOUTH WAIKATO INVESTMENT FUND TRUST

**OUR
AIMS:**

**GROWING
BUSINESS**

OUR PURPOSE

To be a growth catalyst for our region

OUR VISION

South Waikato is the most prosperous region in Aotearoa, New Zealand.





**GROWING
PEOPLE**

**PROTECTING
THE LEGACY**

**GROWING
COMMUNITY**

on is where



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2022

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Our Purpose

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

CHAIRMAN'S REPORT

2022

Key Highlights for the year:



Bruce Sherman
Chairperson
SWIFT

Looking back across Swifts activities in 2022 and toward 2023 it is with a sense of accomplishment seeing the Trust deliver for our region despite significant economic headwinds.

The new commercial building in Tokoroa is nearing completion with Manulife due to start moving in late February early March. The Trades Training Centre which will be operated under Te Pūkenga is due for completion later in 2023, and the combination of those two projects has given the Northern entrance to Tokoroa a modern and professional makeover. Work is well underway on the commercial refurbishment of our building in Putāruru which is also due for completion in the second quarter of 2023 and will complement the revitalised park area and efforts to modernise the Putāruru town centre.

Our management team lead by Amanda Hema had a strong year for stakeholder and community engagement through activities such as supporting South Waikato District Councils economic development team led by Paul Bowden in taking a road show to parliament to highlight the efforts and needs of our district to Central Government, as well as running local employer networking events and strong day to day activity to engage with local businesses and understand their needs and aspirations.

Portfolio performance has been steady despite significant global market uncertainties as the world slowly adjusts to a post pandemic norm. We believe the challenges will continue in 2023 and 2024 as the board works to balance out income from the portfolio and commercial properties, commercial development opportunities to support district growth, and business growth opportunities through business loans to local businesses to help them scale and create additional employment.

In 2022 Swift undertook a full external review of our board to ensure the skill sets held on the board supported the trusts strategy and to ensure that tenure and retirements were planned and undertaken diligently.

CHAIRMAN'S REPORT

Debbie Gisby and Richard Heslop retired from the board, and I would like to sincerely thank them for their valuable contribution, especially Debbie who was one of SWIFT's original board trustees. With myself, John Cronin, and Dean Gittings due to retire in early 2023 the board advertised for three new Trustees, and we had an overwhelming response of high-quality candidates. As a result, Kate Searancke, Michael Crawford, and James Whetu have joined the SWIFT board and are well equipped to provide high quality governance for SWIFT's future.

As this will be my final report as SWIFT's chairperson it's been interesting to reflect on the past five years serving the board and how my view of SWIFT's benefit to our community has changed. As a rate payer it's reasonable to question what benefit SWIFT brings to our community and the hard reality is that for many of our current residents the answer may be, very little for them personally. But the challenges our district faces were not created in a decade, they've grown over a generation and to solve these issues we also need to take a long-term approach.

And that is the beauty and the benefit of the South Waikato Investment Fund Trust. An independent entity operating with the long-term economic wellbeing of our community at its fore. A focus on improvement that is separate from Political cycles, council mergers, and districts competing for central government attention.

SWIFT is our communities long term investment plan to ensure that the barriers that are holding back our people from economic prosperity and wellbeing are broken and aspirational pathways to success are built. We've built momentum over the past five years and I believe this demonstrates we have the skills in our management team, our stakeholder relationships, and our governance structure to see SWIFT help our district to go from strength to strength.

Bruce Sherman

Chairperson
SWIFT

CHIEF EXECUTIVE REVIEW

2022

Key Highlights for the year:



AMANDA HEMA
Chief Executive
SWIFT

What a difference a year makes!

After starting January with a new operations team, 2022 soon became the year that moved at speed for the South Waikato Investment Fund Trust.

SWIFT explored the areas of most need for the South Waikato community, identified opportunities and developed a strategy to drive activities for the next three years. The organisation's strategy was adopted in May 2022 which resulted in a significant review of key workstreams.

Property development continued to be a focus in building SWIFT's asset base throughout 2022, however, beyond this, we also made further efforts in the area of business development and support for local entrepreneurs.

The Regional Business Partner Programme run through SODA Inc, became far more accessible and relevant to local South Waikato organisations as SWIFT initiated a model to cover the lion's share of the businesses contribution, to help participants explore growth opportunities and capability development. Feedback has been exceptional with confidence growing across our district's business community which we look forward to continuing to facilitate in 2023.

After careful consideration and consultation with the region's wider philanthropic network, SWIFT's approach to community grants saw a commitment to larger project funding with an impact investment lense being implemented. This resulted in a new funding model to secure one delivery partner for Driver's License Training across the district's four high schools.

Business loans have been a part of SWIFT's toolkit for many years, but the focus for 2022 was to ensure that the structure of the loan approach moved from a financial transaction arrangement to creating a growth platform with additional business advisory services and workforce pathways becoming part of the lending relationship. A roadshow promoting the new model took place in October 2022.

CHIEF EXECUTIVE REVIEW

Bringing stakeholders together and ensuring that a collaborative focus drives economic opportunities for our district has been at the heart of how SWIFT has worked this year. SWIFT co-funded and supported the district's visit to the Beehive. The Government and Wellington couldn't help but hear the needs and opportunities of our community and discussions have continued with key leaders and decision makers since that time.

The operational relationship with Council shows clear alignment as we look at other methods and approaches to ensure collective impact for the South Waikato, be it events, investment initiatives or new work programmes. Space to Grow continues to be the shared brand which this work sits under.

As touched on previously, our building projects provided a significant focus for the wider SWIFT Team throughout 2022. We can't wait to share the results of this work in 2023, as doors start to open to educational, training and commercial opportunities, in addition to the building's physical doors. All three properties will be finished by mid-year. Significant thanks to our funders Kanoa (Ministry of Business, Innovation and Employment) and Trust Waikato for their ongoing support.

In conclusion 'thanks' must be given also, to the dedicated Board members that sit at the SWIFT table (including those that left in 2022 and those that joined) your enthusiasm and commitment will have a lasting impact on the South Waikato.

On a personal note, the passion and integrity of the team (Shannon Double and Kiani Tuhua) is second to none, they demonstrate all the things that make our community so very special. Thank you for your efforts, it couldn't be more appreciated.

AMANDA HEMA

Chief Executive
SWIFT

Key Achievements:

WITH THE SUPPORT OF
OUR KEY PARTNERS



**Grant Funding
committed by Partners
to SWIFT Initiatives to
date**

\$12,490,254



\$16,574,341

**Funding approved
by SWIFT to date**



**Business loans funded
by SWIFT to date**

\$1,329,410



99

Increase in Businesses in
our district throughout the
year.



269

**Additional people in
work** in our district
throughout the year



160

**Training
Placements**
through SWIFT
initiatives in 2022



\$23,728,458

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



300

**Additional People calling
the South Waikato home
in 2022.**





Our Activities

GROWING BUSINESS

GROWING PEOPLE

Taking South Waikato **to Parliament**

South Waikato Investment Fund Trust, South Waikato District Council, local iwi Raukawa, community and business representatives took the district to Parliament on Wednesday 31 August to advocate for long term co-investment to address multigenerational inequalities. Then, South Waikato District Council Mayor, Jenny Shattock, recognised that while the district had achieved remarkable growth it still found itself the fifth most deprived community in New Zealand.

Both SWIFT's and Council's desire for better collaboration between Government agencies and local stakeholders drove the roadshow with a focus on achieving enduring change through better funding and support models.

New multi-million-dollar projects announced over the previous two years including the Ofi dairy processing facility in Tokoroa, Better Eggs' free range forest farm, the 254 villa Putāruru Country Estate retirement village and the South Waikato Trades Training Centre in Tokoroa have created the momentum being faced within the district's economy.

The new growth adds to South Waikato's strong existing industries including Oji Fibre Solutions' Kinleith wood pulp and container board mill, Fonterra's Lichfield facility that employs 230 people and serves 322 dairy farm suppliers, and Waratah, a world leading developer and supplier of mechanised wood harvesting machinery.

However, while acknowledging the district's economic development and growth activity, both SWIFT and Council continue to recognise the challenge for the district in ensuring benefits for all.

“

“It's an exciting time for the South Waikato district. “We're growing at a rapid rate, and we are delighted to support this new era of development for our community.

“Being able to showcase the growth and vibrancy to decision makers and potential partners is critical to ensuring the momentum continues and that our community benefits from opportunities as they present themselves.” - Amanda Hema

South Waikato community groups that were also an integral part of the delegation to Wellington included Raukawa Charitable Trust, South Waikato Pacific Island Community Services, Momentum Waikato, the Generation Programme, Impact Hub Waikato, the Waikato Wellbeing Project, WORKIT, Te Waka, Trinity Lands, Trinity Koha Dental Clinic, Transform Aotearoa, Pokaiwhenua Catchment Group and Halo Charitable Trust.

In addition to the large industry partners recognised above, additional companies joining the South Waikato delegation to Parliament including the integrated logistics provider Lincoln Logistics, worm composting company MyNoke, and specialty cheese maker Over the Moon. Organisations exhibited their products and services to Parliamentarians in the Grand Hall of Parliament House on Wednesday 31 August hosted by South Waikato's Members of Parliament, Speaker Adrian Rurawhe, MP for Te Tai Hauāuru, and Hon Louise Upston, MP for Taupō.

Feedback from MPs and decision makers across the various government agencies was extremely positive and discussions have continued to advance key projects and partnership opportunities.

Growing Business: **Wood Automotive**

Collaborating for success and workforce growth

Ten months ago Bevan Wood bought Wood Automotive from his Aunty Kathy and Uncle Barry Wood who had owned and operated the small automotive service and repair business for 30 years.

Today, with support from Government-funded Regional Business Partner (RBP) Network, RBP manager Soda, South Waikato Investment Fund Trust (SWIFT), and the South Waikato District Council's WORKit initiative that places young people in jobs or training, the business is on the verge of becoming one of the biggest automotive repair shops in South Waikato.

"We have four people on the tools including two apprenticeship (one that joined in July 2022) and two in the office. If we take on one more person, I might be the biggest automotive shop in the district."

Bevan says the success and growth he is now experiencing was by no means guaranteed when he took over the business.

"I was originally going to buy another automotive business, but my uncle said, 'Why don't you take over the family business?' It seemed like a good idea, so I came to work for him four years ago and started picking everything up.

"When I started on my own, I was struggling to keep up with the workload and was juggling family life with my partner Hayley and our two young kids. I needed help with what to do around staff – what were good ideas, and what were bad ideas – and getting my name out there." (continued next page)



Growing Business: **Wood Automotive**

Through another new business owner, Bevan heard about the Government-funded Regional Business Partner Network that connects business owners with advice, people, and resources to help them work through their challenges and grow their businesses. RBP funds around 50% of the support up to \$5,000 and usually the business pays the rest – but to make the RBP network more accessible for businesses in South Waikato, SWIFT contributes the lion's share of the business's contribution, up to \$4,500.

SWIFT's co-funding helps to build the capability of South Waikato entrepreneurs and small business owners through which they gain the confidence to grow. This results in long term community benefits as the businesses provide jobs and training for local people as well as increasing economic activity in the district.

Bevan was introduced to Phil Wicks from BSP Advisors who has worked with many small to medium sized businesses.

“

“I wouldn't be where I am now without RBP, SWIFT, Soda and BSP. When you are a business rookie like I am one of the best things to do is get a business advisor to help you out. I'm glad I did. I've recommended to other businesses that they should connect with SWIFT to see how they can get business support to help their growth.”

The other agency that has been invaluable in helping Bevan to grow his business is WORKit which has helped to fund wages and tools for one of his apprentices.

“I'm always up for training and apprenticeships. I like teaching and we need more young people coming through. My apprentices are great”.



Growing People: **Generation Programme**

Since the commencement of the CNIWC Generation Programme in 2021, which, alongside others has been funded by SWIFT, there has been success with many students who have gained employment within the forestry industry or continued further education. Olive Williams has been a prime example.

Olive was part of the first cohort to have completed the Generation Programme run in Tokoroa in November 2021. Olive had been previously home-schooled by her mum who encouraged her to explore a future in the Forestry industry. At the time that Olive became interested in the programme and through-out the programme Olive worked part-time at the local New World Supermarket.

Throughout the programme Olive demonstrated determination to complete the programme and was able to relate well to her fellow students which was at times challenging due to being the only wāhine in this cohort that completed the programme.

Olive completed all ten-unit standards (64 credits in total) to be awarded the NZ Certificate in Forest Industry Foundation Skills (Level 2). (Story continues next page)



Growing People: **Generation Programme**

Olive's initial career choice was to become a 'logging truck driver' but after two industry field trips that opened her eyes to the forest harvesting machines (and a bit of encouragement from Min Tobenhouse, a very experienced female machine-operator), she had a change of heart.

After graduating from the Generation Programme in November 2021 and awarded the NZ Certificate in Forest Industry Foundation Skills - Level 2, in 2022 Olive gained employment with FAST Harvesting of Tokoroa and is currently working her way to becoming a machine-operator.

Olive was nominated for the Generation Programme Graduate of the Year award for the CNIWC Forestry Awards in 2022 and was awarded a Certificate of Excellence.





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 initial 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



S

Shannon Double

Operations Manager, SWIFT

Shannon comes from an accounting background where she was previously a Client Manager for 12 ½ years, and Health & Safety Representative for local firm Graham Brown & Co. She also currently owns and operates her own Ecommerce business.

As a South Waikato resident of 25+ years, and systems focused, Shannon is excited to be involved with the Trust to further create and implement policies and procedures to assist in achieving the Trust's objectives of making connections, growing people and businesses within the South Waikato.



S

Kiani Tuhua

Community Liaison Co-Ordinator, SWIFT

Kiani's career background is finance & banking, being a personal banker and service consultant for 9 years with ANZ in South Waikato. She also co-owns a Wāhine focused Personal Development Consultancy.

When she moved to South Waikato in 2013, she quickly realised this was home. It has been the perfect place to raise whanau, pursue a career and enjoy its abundance of natural wonders.

She is passionate about the success of this region and am proud to be part of the SWIFT team.



S

Swift Board:



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, Bruce and 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.



Hayden Dillon
TRUSTEE

Hayden is the Managing Partner for Waikato and head of Corporate Agribusiness New Zealand for Findex.

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



S

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 Putāruru. 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 Rangiora Trust Board, a director of Tokoroa Engineering, on the Tokoroa Business Association committee and the current President of the Lichfield Indoor Bowling Club.



S

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



S

Stephen Veitch

TRUSTEE

Stephen is a private consultant trading as Manawa 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



Kate Searanke **TRUSTEE**

He uri ahau nō te waka o Tainui. Ko Kaputuhi te whare e tū nei. Ko Ngāwaero me Ngāti Kapu Tuhi ngā hapū. Ko Ngāti Maniapoto te iwi. Mauri ora.

Kate was born and raised in Te Awamutu and has spent the majority of her professional career working in large corporate law firms in Auckland and Sydney.

Kate returned to the Waikato to join Tompkins Wake in 2014 and currently lives in Tamahere with her two children and extended whānau.

Appointed as SWIFT Trustee 29th November 2022.



Michael Crawford **TRUSTEE**

Michael Crawford has lived in the Waikato for thirty years and has four adult children. He has worked in the dairy industry and for Waikato-Tainui.

His diverse governance experience includes the Treasury, Wintec, iwi, horticulture, construction and the environment.

Appointed as SWIFT Trustee 29th November 2022.



James Whetu **TRUSTEE**

James Whetu, born and raised in Tokoroa, is of Raukawa, Waikato, and Ngāti Tūwharetoa descent, and lives in Ngāruawāhia with wife Amy and their four children.

He has a professional background in resource management policy and planning systems, with expertise to promote and incorporate Māori perspectives. James is Director of Whetū Consultancy Group and The Stream Limited.

Appointed as SWIFT Trustee 29th November 2022.



Debbie Gisby

TRUSTEE

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

Resigned as SWIFT Trustee 26th April 2022.



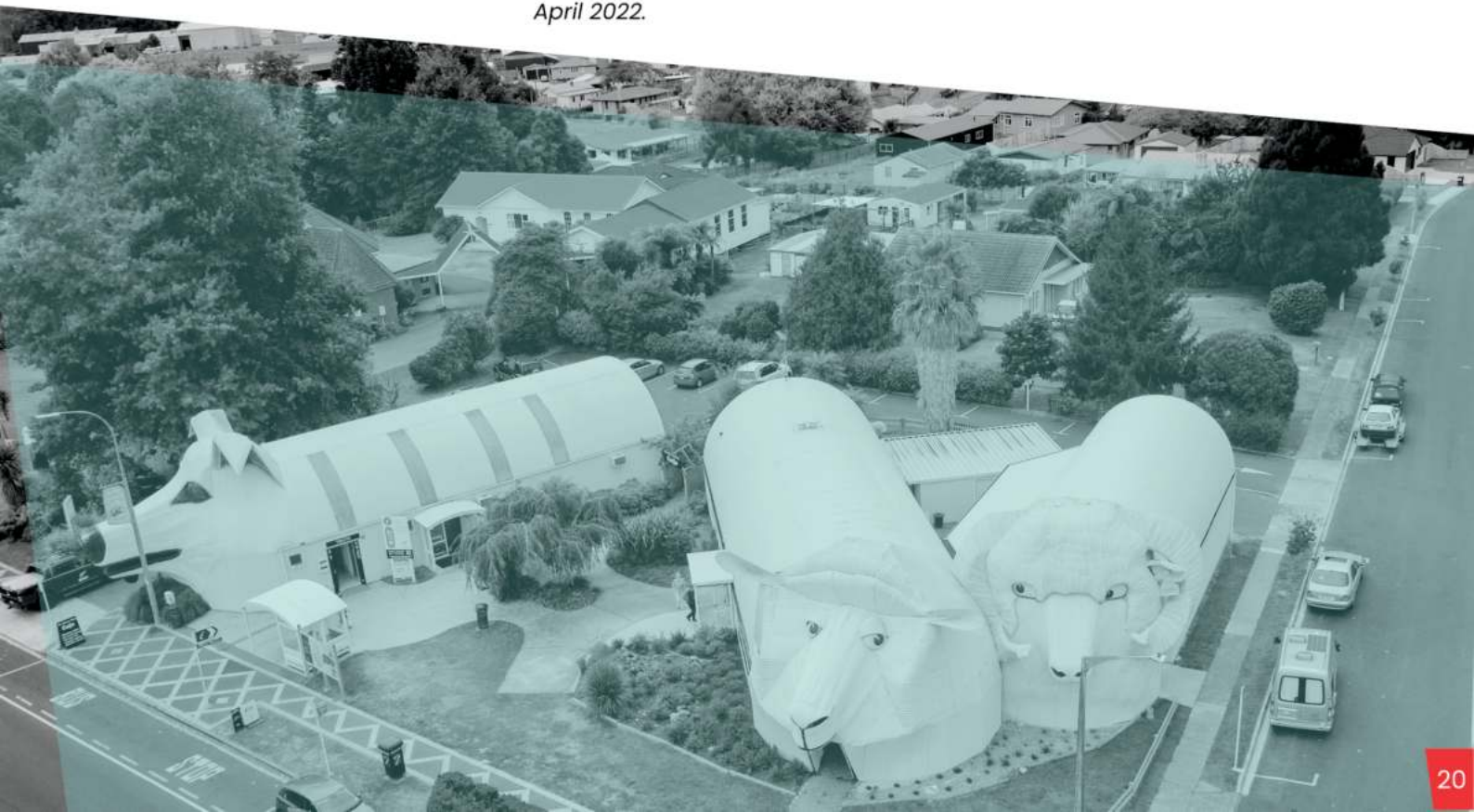
Richard Heslop

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.

Resigned as SWIFT Trustee 26th April 2022.





Our Strategy

**PROTECTING
THE LEGACY**





Swift Strategy 2022-2025

WHO WE ARE

SWIFT is a community-owned economic development fund dedicated to making South Waikato thrive.

OUR VISION

Making South Waikato the most prosperous region in Aotearoa New Zealand.

OUR PURPOSE

To be a development catalyst for South Waikato, supporting a resilient economy and enhancing community wellbeing by:

- » Growing our businesses,
- » Growing our people and our workforce,
- » Growing our competitive and productive industries.

OUR VALUES

In delivering our vision and fulfilling our purpose we will:

- » Focus on enabling transformational change for South Waikato,
- » Be evidence led and informed in our decision making,
- » Be bold and intentional in our investments,
- » Proactively partner with others to achieve collective impacts,
- » Protect the legacy of our investments and protect our funds

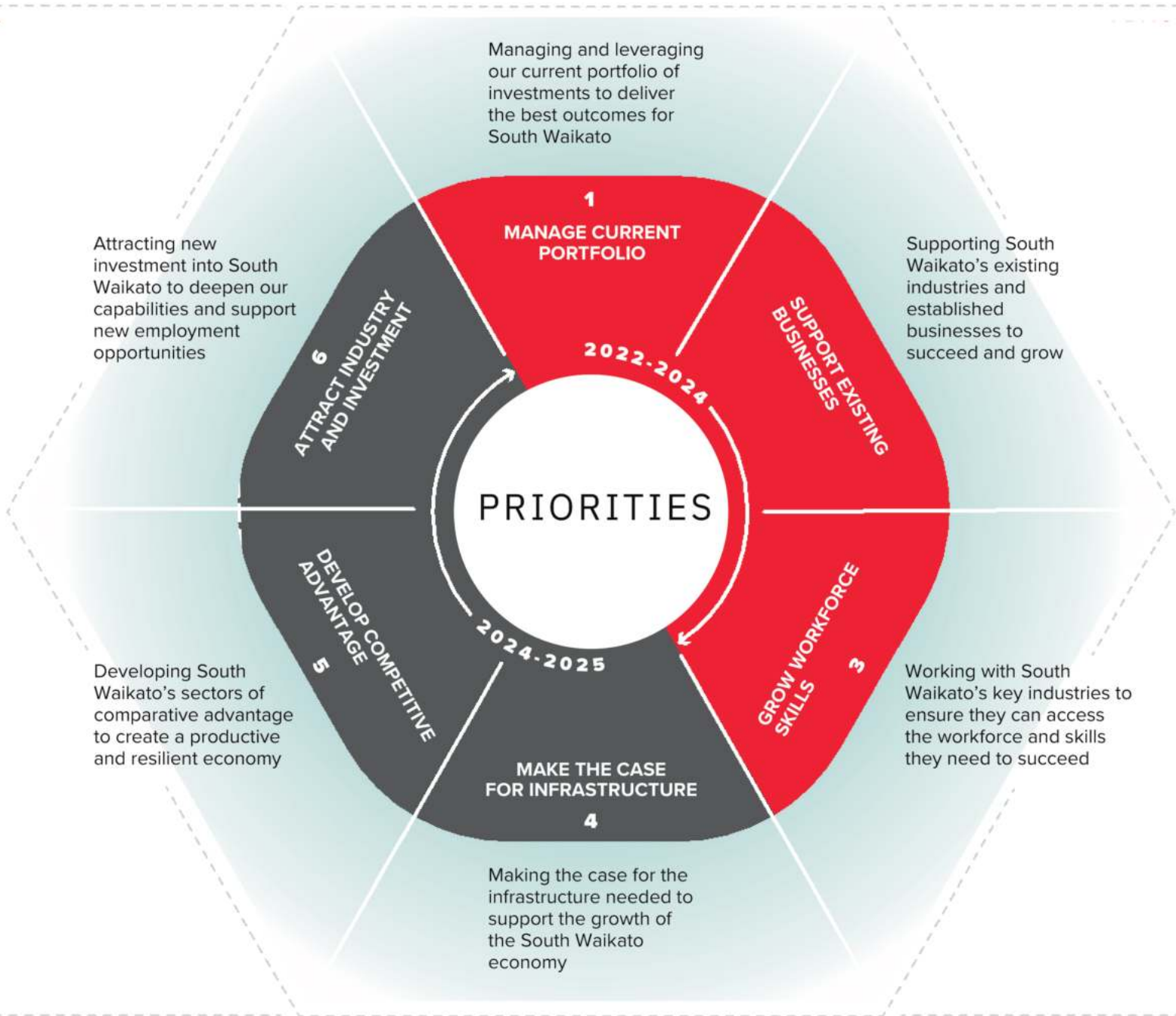
FACILITATING GROWTH – INVESTING IN ACTIVITIES THAT DELIVER

Workforce
development

Productivity
enhancement

Sector
collaboration

Employment
creation



ENABLING GROWTH – SUPPORTING PARTNERS IN ACTIVITIES THAT DELIVER

- Infrastructure development
- Education facilities and provision
- Regulatory and compliance improvements
- Research and development
- District perception

OUR COMMITMENT 2022 - 2025

INVEST

We invest in helping businesses so that they can create the jobs that will see South Waikato thrive.

PARTNER

We partner with other public and private organisations to provide businesses with the tools that they need to accelerate growth

ADVOCATE

We advocate for the needs and interests of South Waikato, for our businesses and our communities.

INFLUENCE

We seek to influence other local, regional and national organisations to ensure the best outcomes for South Waikato







Our Finances

PROTECTING

THE LEGACY

2022 *Financial Overview*

Inflation has, and continues to be, the dominant force impacting financial markets, which has meant a challenging year for many. Despite the Trust's gross return on its portfolio year ended December 2022 being down by -8.11%, largely due to the volatile market and funding requirements for its three large-scale projects, the closing value of the Trust's portfolio was \$21.57 mil at the end of December 2022.

The Trust's three large-scale projects continued to progress well throughout 2022, with all three projects due to be completed in 2023. The Trust's holding in Property Investment as at December 2022 was \$14.94 mil, with Property intended to be captured in the Trust's SIPO (Statement of Investment Policy and Objectives), scheduled for review early 2023.

The 2022 year again saw a reasonable amount being invested back into the community by way of funding through Trust lead initiatives and community funding. The Trustees implemented changes to its community grants and business loan's structure to support growth and large-scale impact projects.

The Trust's total assets at the end of December 2022 was \$40.53mil. To continue 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 focus remains on preserving a solid level of growth of the Trust's capital base, with its net asset base increasing by \$3.75 mil between January 2022 to December 2022.

Although the Trustees expect to see ongoing periods of market concern around inflation and market volatility, they are committed to ensuring the Trust is well positioned and protected, in line with advice from the fund manager.

The Trustees would like to thank Amanda and her team for their work to date and beyond.





For the 2022 calendar year the portfolio has a gross deficit of **-8.11%** or **-\$2,278,645**



Trust holding **\$14,942,084** in **Property Investment**



By December 2022 the funds under management were **\$21.578m**

\$\$\$ **\$4.110m** in **Short term Cash Assets**



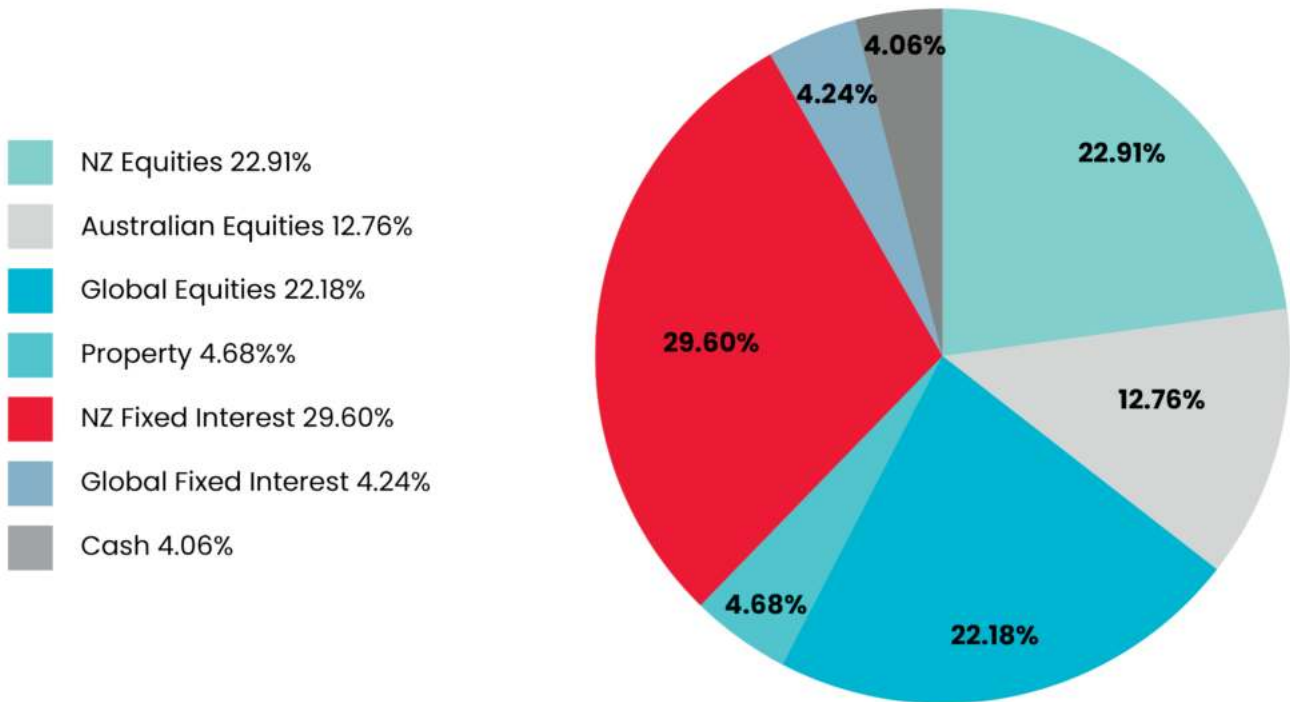
In the year ended December 2022 a total of **\$266,327** was distributed in **Grants and donations** to the local community



The **total asset base** of the Trust has **increased** by **\$3,756,182** between January 2022 and December 2022. (11.0%)

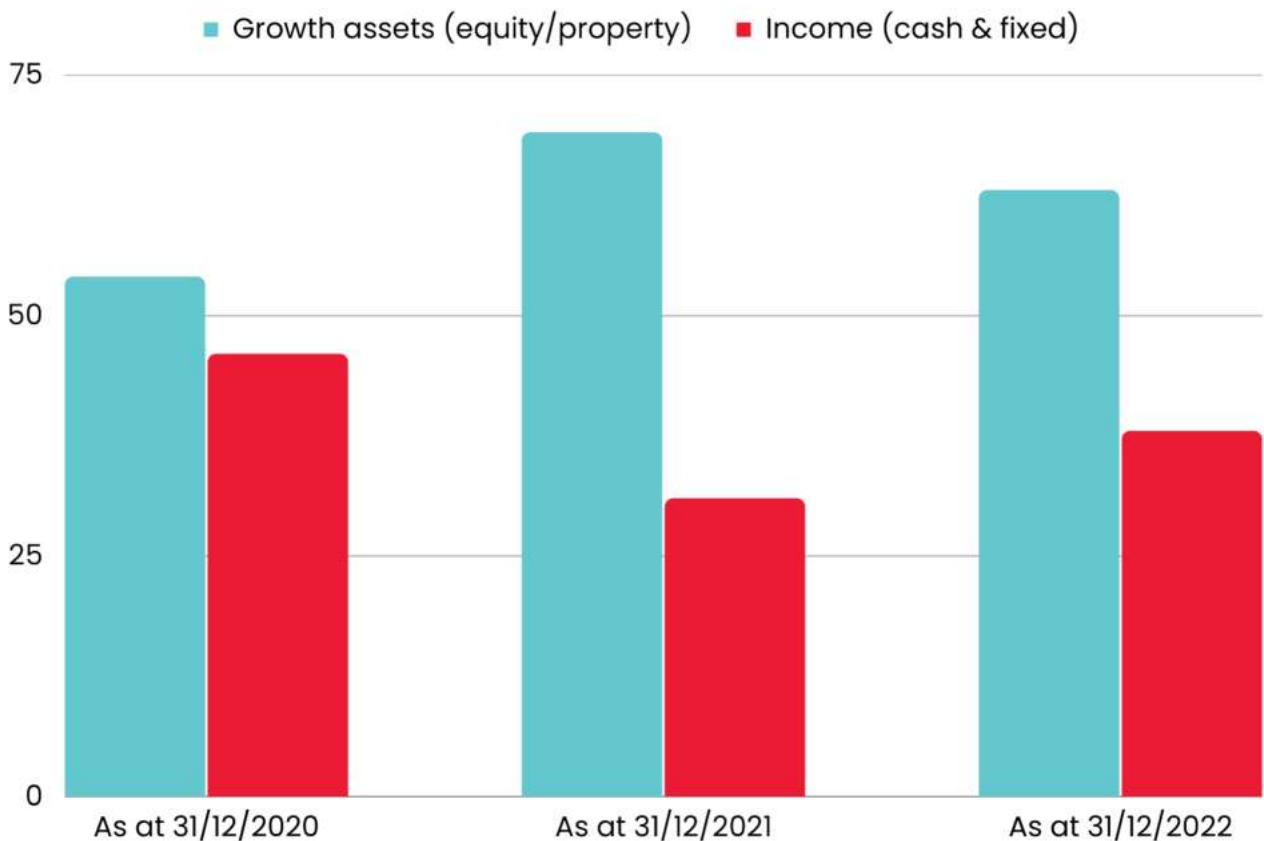
SWIFT MANAGED FUND ASSET ALLOCATION

as at 31st December 2022*



SWIFT PORTFOLIO STRATEGIC ASSET ALLOCATION

2020 - 2022*



*Per Funds managed by JBWere



Financial

Statements

YEAR ENDED

31 DEC 2022

Summary

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

ENTITY INFORMATION

As at 31 December 2022

Nature of 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
Putāruru 3443

Auditor

BDO Tauranga
Chartered Accountants
PO Box 15660
Tauranga 3144

Bankers

Bank of New Zealand
PO Box 19207
Hamilton 3204

Solicitors

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 2022

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

	2022	2021
Number of Community Projects supported	2	5
Number of Feasibility Studies supported	2	5
Number of Training & Education Programs supported	3	3
Number of Business Attraction activities supported	0	1
Number of Business Developments supported	7	10

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 December 2022

	Notes	2022 \$	2021 \$
Operating Revenue			
Contract & project revenue		7,065,267	1,947,846
Investment revenue		854,386	2,019,376
Total Operating Revenue		7,919,653	3,967,222
Less Expenses			
Contract & project expenses		179,008	309,777
Other operating expenses	6	374,559	170,859
Overheads		83,685	135,579
Finance & investment costs		3,247,300	118,221
Depreciation		12,593	12,797
Total Expenses		3,897,145	747,233
Net Operating Surplus		4,022,508	3,219,989
Funds distributed		266,327	356,204
Net Surplus		3,756,181	2,863,785

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 \$	2021 \$
Assets			
Current Assets			
Cash and Cash Equivalents		3,026,984	3,850,485
Trade and Other Receivables		1,083,244	1,142,366
Total Current Assets		4,110,228	4,992,824
Non-Current Assets			
Property, Plant and Equipment	3	14,948,913	3,990,843
Term Investments	4	20,701,474	25,221,113
Secured Loans	5	777,054	1,044,439
Total Non-Current Assets		36,427,441	30,256,395
Total Assets		40,537,669	35,249,219
Liabilities			
Current Liabilities			
Trade and Other Payables		1,938,488	651,461
Trustee Fees Payable	6	70,520	73,193
Unused Grants or Donations	7	767,985	527,337
Provision for Holiday Pay		7,266	-
Total Liabilities		2,784,259	1,251,990
Net Assets		37,753,410	33,997,228
Accumulated Funds			
Trust Capital		37,753,410	33,997,228
Total Accumulated Funds		37,753,410	33,997,228

SUMMARY STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2022

	2022 \$	2021 \$
Net Cash Flows from Operating Activities	7,410,495	2,647,452
Net Cash Flows from Investing and Financial Activities	(8,233,969)	(3,324,669)
Net Increase/(Decrease) in Cash and Cash Equivalents	(823,474)	(677,217)
Cash and Cash Equivalents at the Beginning of the Period	3,850,458	4,527,675
Cash and Cash Equivalents at the End of the Period	3,026,984	3,850,458

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

For the Year Ended 31 December 2022

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 18 April 2023.

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 has 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

	2022 \$	2021 \$
30-32 Chambers Street, Tokoroa		
Land – Tokoroa Trades Training Centre	619,500	619,500
Site Development - WIP	2,243,444	1,965,697
Land – Commercial Office Building	130,500	130,500
Site Development - WIP	591,686	730,794
Tokoroa Trades Training Centre – WIP	6,228,465	-
Trade Training Centre Fitout - WIP	405,015	-
Commercial Office Building - WIP	3,689,084	-
300 SQM Space - WIP	6,490	-
	13,914,184	3,446,491
25-29 Tirau Street, Putaruru		
Land	168,014	-
Site Development - WIP	73,989	168,014
Buildings	289,828	73,989
Building Renovations - WIP	496,069	298,792
	1,027,900	540,795
Website		
Website Development	1,779	3,557
	1,779	3,557
Office Equipment		
Toshiba Satellite Notebook & Bag - Ops	851	-
Toshiba Satellite Notebook & Bag - CLO	854	-
Surface Pro, Monitor & Dock Station - CE	3,345	-
	5,050	-
Total Property, Plant & Equipment	14,948,913	3,990,843

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.

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

	2022 \$	2021 \$
Trustees Fees		
Bruce C Sherman	29,000	28,000
Dean G Gittings	20,000	21,250
Debbie A Gisby	6,500	17,250
Franciscus J Aerts	16,000	16,667
John M Cronin	16,000	14,000
Hayden J Dillon	19,500	17,250
Stephen Veitch	19,500	14,583
Richard W Heslop	-	2,000
Michael Crawford	2,667	-
Kate Searancke	2,667	-
James Whetu	2,667	
Total Trustees Fees	134,501	131,000

Payables to Trustees

Bruce C Sherman	16,675	16,675
Dean G Gittings	11,500	13,512
Debbie A Gisby	-	9,750
Franciscus J Aerts	5,360	6,142
John M Cronin	5,360	5,360
Hayden J Dillon	11,212	11,212
Stephen Veitch	11,212	9,871
Richard W Heslop	-	670
Michael Crawford	3,067	-
Kate Searancke	3,067	-
James Whetu	3,067	
Total Payables to Trustees	70,520	73,192

7. Unused Grants or Donations

Unused Grant	2022 \$	2021 \$
MBIE Grant – Trades Training Centre	767,985	527,337
Total Unused Grants or Donations	767,985	527,337

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 follow: Trust Waikato \$1,000,000 (LY- \$1,000,000); Ministry of Business, Innovation & Employment – Provincial Development Unit \$10,835,000 (LY – \$10,835,000); Toi Ohomai Institute of Technology \$705,015 (LY – \$477,140); with the balance to be funded by the

Trust for \$2,325,764 (LY - \$2,553,640) with total project cost of \$14,865,779 (LY - \$14,865,779). As at 31 December 2022, the Trust received \$1,000,000 (LY - \$1,000,000) from Trust Waikato; \$405,015 (LY - Nil) from Te Pukenga - Toi Oho-mai Institute of Technology and the Ministry advanced \$8,320,000 (LY - 1,420,000) of which, \$767,985 (LY - \$527,337) is still unused. The site development is in progress.

8. Related Parties

Debbie Gisby was a Trustee of SWIFT up until April 2022 and the Managing Director of Graham Brown & Co Limited (GBC). SWIFT engages GBC for accounting and payroll services and the amount of \$32,002 (2021: \$98,511) has been paid for services rendered.

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 \$35,300 (2021: \$35,610) has been paid for the services rendered.

Stephen Veitch is a Trustee of SWIFT and a Director of Manawa Management Limited (MML). SWIFT consults MML on building development project and the amount of \$32,500 (2021: \$40,000) has been paid for the services rendered.

Kate Searancke is a Trustee of SWIFT from November 2022 and a Partner at Tompkins Wake. SWIFT engages Tompkins Wake for legal services and the amount of \$37,892 (2021: \$48,922) has been paid for the services rendered.

9. Operating Commitments

As at 31 December 2022, the Trust agreed to fund the following projects:

	2022	2021
	\$	\$
ArborGen New Zealand Limited	2,905	2,905
TFB Productions Limited	(30)	3,886
Central North Island Wood Council Incorporated	50,000	100,000
The Timber Museum of New Zealand Trust	14,750	35,900
Raukawa Settlement Trust	1,400,000	1,500,000
Waikato River Trails Trust	-	110,965
South Waikato Pacific Islands Community Services Trust	2,500	-
Transform Aotearoa Charitable Trust	118,000	-
Pokaiwhenua Catchment Group	41,850	-
Total Operating Commitments	1,629,975	1,753,656

10. 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. The development budget has been updated further by the Board of Trustees to \$4,600,000 on February 2022 and to \$4,850,000 in June 2022 to include additional contribution towards fitout. As at 31 December 2022, Kingstons reported total completed costs of \$4,467,968 (2021:

\$867,446) and estimated cost to complete of \$382,032 (2021: \$3,232,554). The construction started in April 2022 and estimated to be completed in February 2023. Tirau Earthmovers is the contractor for civil works and Alaska Construction & Interiors 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 2022 of \$9,745,969 (2021: \$2,648,164) and estimated cost to complete of \$5,119,810 (2021: \$12,217,615). The construction started in September 2021 and estimated to be completed by June 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. The Board of Trustee approved the project budget of \$1,885,625 in December 2022. Kingstons reported total completed costs as at 31 December 2022 of \$1,102,983 (2021: \$34,597) and estimated cost to complete of \$782,642 (2021: Nil). The construction started in September 2022 and estimated to be completed by May 2023. Line Construction is the contractor for the development project.

11. Contingent Liabilities and Guarantees

The Trust has no contingent liabilities and no guarantees as at 31 December 2022. (Last Year: Contingent Liabilities Nil. Guarantees Nil.)

12. Events Occurring After Balance Date

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

Opinion

We have audited the performance report of South Waikato Investment Fund (“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 2022, the statement of financial position as at 31 December 2022, 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 2022
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 31 December 2022 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 *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 or 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.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

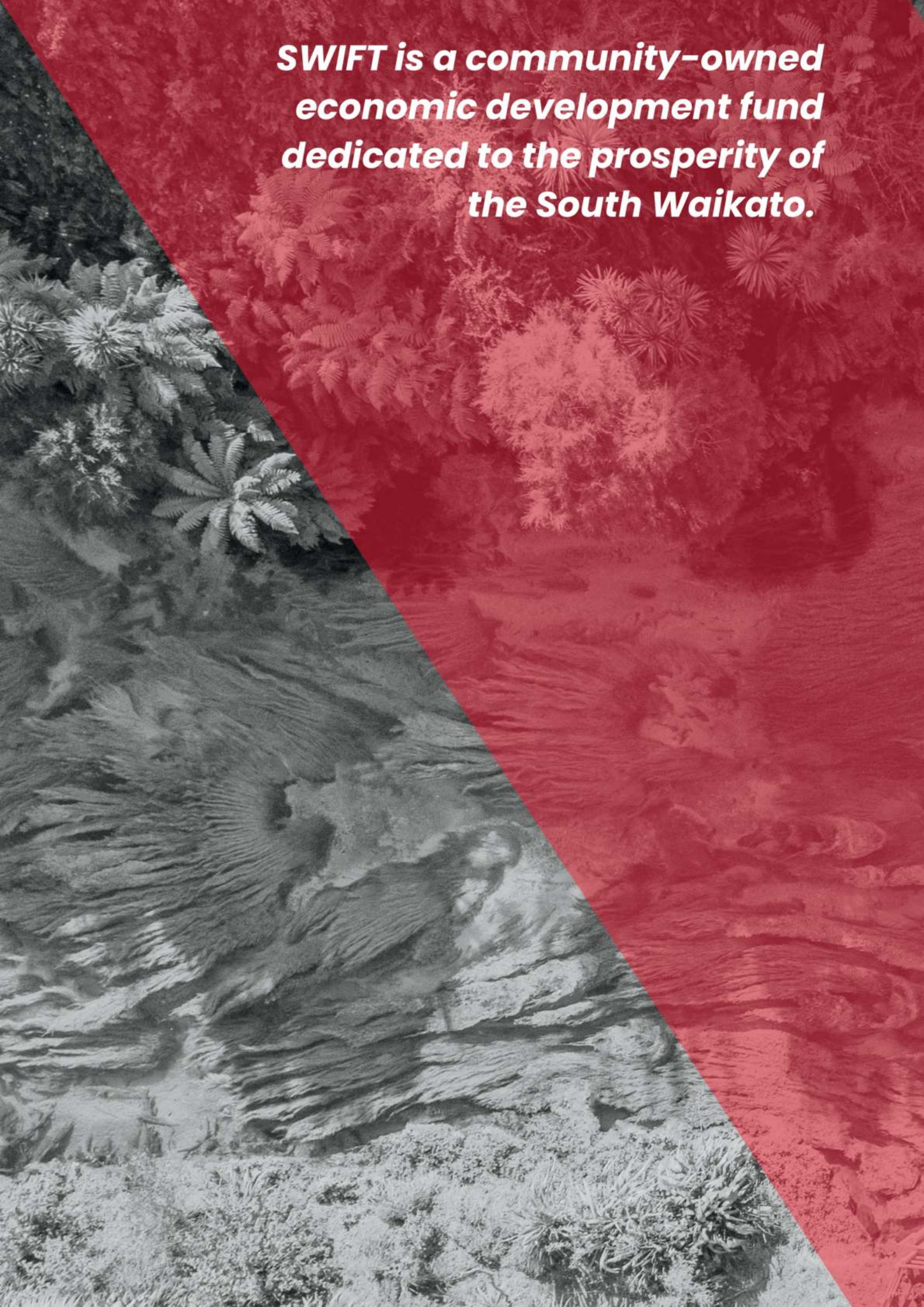
Who we Report to

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.



BDO Tauranga
Tauranga
New Zealand
5 April 2023

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





**SOUTH
WAIKATO
INVESTMENT
FUND
TRUST**

ANNUAL REPORT 2022

