





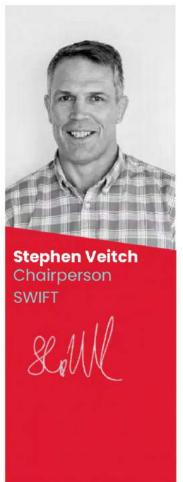




CHAIRMAN'S REPORT

2023





As the chairperson of SWIFT, we are pleased to present the annual report for the year 2023. It has been a year of consolidation and growth for our trust, as we completed several building development projects, welcomed new trustees, and conducted a strategic review of our vision and goals.

SWIFT is a charitable trust that was established in 2014 as an endowment fund for future generations. Funds are invested with the intent of using our investment returns to create positive social impact. This requires carefully balancing current and future needs. We have a diversified portfolio of direct property ownership, listed equities, and bonds.

In recent years, we have intentionally used direct property redevelopment as a mechanism to unlock economic activity. This now requires a period of consolidation and investment portfolio rebalancing to maintain our endowment focus.

Acknowledgements

Firstly, I would like to acknowledge the commitment and contribution of our former trustees, Hayden Dillion, John Cronin, Dean Gittings, and former chairperson, Bruce Sherman. They have been instrumental in building the momentum and reputation that SWIFT enjoys today. They have served with dedication and professionalism.

Secondly, I would like to acknowledge the contribution of our management team, for their dedication to the Trust's Kaupapa. The team lead by Amanda have shown resilience, a wide range of skills and capability required to deliver SWIFTs outcome. A real highlight being our community contribution award at Waikato Business Awards.

Strategic Review

In 2023, we conducted a strategic review of key priorities.

Our vision is to create a thriving and prosperous South Waikato community, where all people have access to opportunities and resources to achieve their full potential.

Our key focus areas are:

- Managing our portfolio to maximise returns and supporting existing businesses in the region. The timing is appropriate to update our Statement of Investment Principles and Objectives to incorporate our direct property investments.
- Supporting education and workforce development initiatives that address current and future skills gaps and enhance employability and productivity.
- Engaging with local businesses and entrepreneurs to provide mentoring, networking, and capability building opportunities.

CHAIRMAN'S REPORT

- Strengthening our governance diversity and wider skill set to ensure we can deliver our focus areas.
- Partnering with other organisations and institutions that share our vision and goals and can add value to our work.

Highlights and Achievements

In 2023, we achieved some significant milestones and outcomes, despite the challenging economic and social environment. Some of the highlights and achievements are:

- We completed several building development projects, including the SWIFT office, which
 provides us with a visible and accessible presence in the community. The office also serves
 as a collaborative space for local businesses to network and access our services and
 resources.
- We supported Manulife's (global insurance company) forest management arm, to establish
 its regional headquarters.
- We also attracted Latitude, a residential housing company into the South Waikato into our Putaruru building.
- We increased our engagement with key partners across the region the University of Waikato, Te Pūkenga, Soda Inc., Trust Waikato, and the Waikato Chamber of Commerce, to identify and pursue partnership opportunities to serve the South Waikato community.
- We awarded over 23 scholarships to local students and learners, covering a range of fields and levels. We also supported over 200 individuals with mentoring, networking, and capability building opportunities.
- We achieved a gross return of 12.86% pa on our portfolio investments, while also safeguarding our endowment.
- We won the Community Contribution Award at the Waikato Business Awards, recognising our positive impact and contribution to the South Waikato, validating our work and approach.

Conclusion

In conclusion, 2023 was a year of consolidation and growth for SWIFT, as we completed several building development projects, welcomed new trustees, and conducted a strategic review. We also achieved significant milestones and outcomes, despite the challenging economic and social environment. We are proud of our work and impact, and we are grateful for the support and collaboration of our stakeholders and beneficiaries.

Looking ahead, we are confident and optimistic about the future of SWIFT and the South Waikato community. We have a robust, diverse, and resilient investment portfolio, with a range of education and business development initiatives and partnerships. We are committed to continuing our work that enables the community to access opportunities and resources to achieve their full potential. We invite you to join us on this journey, and we thank you for your interest and support.

Stephen Veitch

Chairperson SWIFT

CHIEF EXECUTIVE REPORT

2023

Key Highlights for the year.



As I reflect on 2023, it's evident that the year brought with it many successes for South Waikato Investment Fund Trust (SWIFT) despite the challenging economic climate faced by our community.

There is no doubt that our achievements are something to be celebrated and acknowledged, however, the juggle of trying to future proof the fund for coming generations while continuing to support the needs of our people today, remain at the forefront of the Trust's decision-making and always will. In 2023, these considerations never strayed far from discussions about the organisation's investment, time and energy.

Our strategic priorities of managing the portfolio, supporting businesses and growing our workforce, were well represented in the organisation's workstreams throughout the year.

Property developments, that had been years in the making came to fruition, serving as not just a financial investment for the Trust but a demonstration of our belief in the district's growth projections and position, while harnessing opportunities to partner.

Most noteworthy, was the completion of the South Waikato Trade Training Centre (gifted the name of Pūkenga Rau by Raukawa) that was blessed in June, officially opened in November and now stands proudly at the northern entrance to Tokoroa as the home of Toi Ohomai | Te Pūkenga, and the SWIFT office.

Already Pūkenga Rau has generated a level of interest and appetite for tertiary study not previously felt within the community. Thanks much be given to our key funders, Kānoa - Regional Economic Development & Investment Unit (Ministry of Business Innovation and Employment) and our friends at Trust Waikato, who's investment in our community will provide access to educational opportunities and in turn employment pathways for many years to come.

Following this investment and the focus of many discussions with community partners, it became clear that "Education" (in all forms) could serve the district today and unlock opportunities for future generations, so with that, SWIFT introduced a number of supporting activities in 2023.

 The inaugural SWIFT Scholarship Programme was introduced with \$50,000 committed annually for the next five years. In November, twenty-three recipients were awarded scholarships and are now being supported with the cost of tertiary education focussing on Nursing to Construction and everything in between.

CHIEF EXECUTIVE REPORT

- continued
- A partnership with Community Governance Aotearoa and the NZ Mentoring Foundation established a local mentoring programme to support community leadership which began in October supporting passionate individuals wanting to upskill with the help of existing leaders looking to give back to the South Waikato.
- SWIFT's commitment to driver licensing continued in 2023 with a significant increase in licensing (316 licenses!!) being achieved by rangatahi, thanks to the dedication of Transform Aotearoa and the partnerships with local kura and secondary schools.

We've always recognised the value of business support, but with a focus on building the capability of business owners, SWIFT deepened its relationship with Soda and the Regional Business Partner Network to leverage its educational opportunities and attract Central Government support.

Our organisation continues to be committed to bringing stakeholders together and ensuring that a collaborative focus drives economic opportunities for our district's wellbeing.

Considering that, it's important to acknowledge that SWIFT being announced as the winner of the Community Contribution Award at the 2023 Waikato Business Awards, was really a credit to our community as a whole and the many stakeholders that we work with. Every activity, initiative or workstream of SWIFT's has multiple contributors, partners and champions – thank you to all who have played one of those roles this year.

In conclusion, "thanks" must also be given to the dedicated Board members (those who are current and those who retired this year) for your dedication and guidance. Your drive and thoughtfulness 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. Thanks for your effort and enthusiasm.

May 2024 bring as much impact, success and opportunity as 2023!

AMANDA HEMA

Chief Executive

SWIFT

Key Achievements:

WITH THE SUPPORT OF OUR KEY PARTNERS



Grant Funding committed by partners to SWIFT Initiatives to

\$12,528,554





\$20,932,638

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



200

Additional people calling South Waikato their home in 2023



90

Additional people in work in our district throughout the year



347

Training
Placements

through SWIFT initiatives in 2023



SWIFT Scholarships

Boosting Learning in South Waikato

Ripeka Snowden, Jenna Macpherson and Maine Natua will study nursing, construction, and counselling respectively in 2024 with the financial support of a scholarship from the South Waikato Investment Fund Trust (SWIFT).

Altogether 23 scholarships of \$1,000 to \$5,000 were announced at the official opening of Pūkenga Rau, the \$15 million South Waikato Trades Training Centre in Tokoroa, by South Waikato District Mayor Gary Petley and local MP Louise Upston on 18 November.

SWIFT endorses 'whole of life' education and welcomed applicants who are in employment looking to upskill and / or members of the community who are looking to reintegrate into the job market by upskilling or gaining employment in another sector.

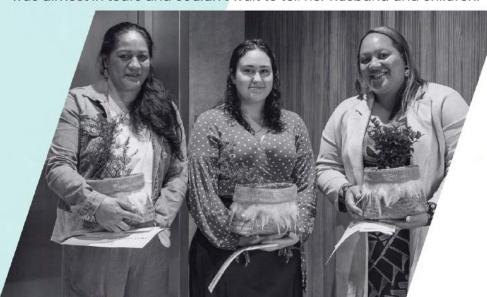
Ripeka Snowden is a 42-year-old mother of six children with a very supportive husband. Ripeka has been a support worker for the past 10 years.

She admired the work nurses do (especially during the community's response to Covid 19). Ripeka wanted to pursue a career in nursing when she attended a Wānanga at her marae in Putāruru where discussions were held about opening a Hauora clinic. She thought, "That's the place I would like to be" and set about becoming a registered nurse. In 2024 she will be heading into Year 3 in her Bachelor of Nursing thanks to SWIFT's support.

"Many in my family are living with diabetes, heart problems and fighting cancer to name a few, so if I can help just a little towards health education and health literacy within the community, I may be able to assist towards better health outcomes," says Ripeka.

"I have left off study to a lot later in life for two main reasons, the first that it was not important to my parents to further my education when I was younger as being employed was pushed to the fore. The second was the expense. I saw it as a debt I would rather avoid and it was not until I experienced life that I saw the value of higher education, not for the money gained but for the feeling of accomplishment to help others and leave an example to guide my children to pursue their dreams which I truly believe they can."

When Ripeka was told she was one of the inaugural recipients of the SWIFT Scholarship, she was almost in tears and couldn't wait to tell her husband and children.



Left to RightRipeka Snowden,
Jenna Macpherson
and Maine Natua

Driving For a Positive Change

SWIFT were delighted to commit to a third year of funding for the South Waikato Drivers Licensing programme with Transform Aotearoa taking over as lead providers in 2023.

The concept of the programme being that every student across the district's five high schools / Kura kaupapa could access driver training, support and licensing free of charge to enable connections to work and education opportunities. Ministry of Social Development statistics in 2020 had showed that of the 500 youth (18–24-year old's) seeking employment in the South Waikato:

- 5% had a restricted licence.
- 3% had a full licence.
- approximately 10% had a learners licence.

Comparing to national statistics that showed 15% of youth held a restricted and 9% held a full licence, it was clear that the district rangatahi were substantially disadvantaged.

The impact of SWIFT funding has been significant for rangatahi now gaining employment and participating in training.

The results of this programme and the quality training provided are evident in the data with 483 driving lessons provided in 2023 and 316 licenses being achieved throughout the year

Feedback from the students and high schools has been positive especially with relationships formed with the driver instructors from Transform Aotearoa.

One school stating, "Matua Lamen possesses a unique blend of patience, empathy, and expertise that enables him to connect with young drivers on a deep level."

It's no wonder the feedback from students continues to be positive, with all expressing gratitude that this opportunity is available to them.



Building Capability: The Pressie Box

A local entrepreneur is being hailed as a leading example of the business power possible within South Waikato. The South Waikato region has steadily been gaining recognition as a hub for business success, says the group tasked with driving business growth here, the South Waikato Investment Fund Trust (SWIFT).

The Pressie Box is a thriving small business run by local-born-and-bred entrepreneur Rachael Beale setting the pace, SWIFT chief executive Amanda Hema says.

The success of Pressie Box is a testament to the region's potential for growth and the help provided by SWIFT, which helped remove the financial burden for Beale to access specialised capability and development training.

The Pressie Box specialises in curating and delivering gift baskets and hampers containing chocolates, beverages, magazines and more to customers across New Zealand.

SWIFT's support for Rachael was complemented by the opportunity for Beale to work closely alongside a mentor who provided insights, guidance, and expertise.

Beale participated in workshop sessions with SWIFT, setting the stage for her businesses' growth and development. "The SWIFT support has meant I have been able to work with people who are experts in their field, such as Courtney Haines, who helped me further develop my skills," Beale says.

Hema says Beale has the right proactive attitude. "Rachael is very driven and has attended several business growth initiatives that SWIFT provide," she says. "The team at SWIFT are delighted to have purchased gift boxes in the past and can attest to receiving a beautiful, high-quality product".

"SWIFT looks forward to supporting other locals through business development training and education opportunities in the same way." As South Waikato continues to rise as a prime destination for businesses, investors, and residents, the collaboration between SWIFT and The Pressie Box shows the possibilities that await those who choose to be a part of the community, Hema says.





South Waikato Shines at Awards

South Waikato Investment Fund Trust (SWIFT) and Putāruru-based Central Kids Early Education and have done the district proud at the Waikato Business Awards.

SWIFT won the Community Contribution Award with Central Kids taking out both the For Purpose and People's Choice Awards.

South Waikato District Council Mayor Gary Petley praised Central Kids and SWIFT for their awards success. "Both these organisations are setting a foundation for South Waikato to flourish by nurturing whanau and tamariki from early childhood through vocational training and into our workforce."

The judges described Central Kids as an inspiring group of people. "The CEO has clearly created an environment that allows her team to thrive and pour everything into their work. We loved that the bi-cultural approach is multifaceted and woven into the fabric of everything the organisation does, making it authentic and meaningful.

Accepting the For Purpose award, Central Kids CEO Christine Hall said, "The role we play for whānau and tamariki is life changing and intergenerational, with grandparents now bringing mokopuna back to the service they attended. Not many businesses can boast this!"

Equally the judges praised the Community Contribution Award winner South Waikato Investment Fund Trust. "SWIFT is playing an impactful role in the economic development and revitalisation of the South Waikato, a district facing significant barriers to prosperity and wellbeing.



South Waikato Shines at Awards

"The Trust has demonstrated innovation and courage in leveraging its fund to promote and execute high impact, collaborative initiatives and projects such as Pūkenga Rau South Waikato Trades Training Centre, which will address the shortage of skilled industry workers while also providing training and employment for local rangatahi."

"As well as acting as a growth catalyst for the region by supporting its businesses, industries and workforce, SWIFT also aims to generate community wellbeing and resilience through understanding the needs and aspirations of its people and community and integrating them into its strategic approach."

"This is amazing work by a relatively small team of incredibly hard-working people! The property investments recently completed really put Tokoroa on the map. Pūkenga Rau is so much more than an investment property - it is creating economic opportunities for the people of the region every day.

SWIFT Chief Executive Amanda Hema said the \$15 million building, Pūkenga Rau has the capacity for the training of 500 students and support pathways into local job opportunities.



Swift Team:



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 Truest 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

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 the community within the South Waikato.



S

Kiani Tuhua

Community Ligison 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 is proud to be part of the SWIFT team.

Swift Board:



Stephen Veitch CHAIRPERSON

Stephen has executive management experience in commercial banking, commercial property and primary industries. He currently splits his time leading Waikato Innovation Park as CEO, executive director and shareholder with Waimarino Farms Ltd and an advisory role with NZ Carbon farming. Waimarino Farms Ltd is a dairy farming business based in the South Waikato between Whakamaru and Tokoroa, employing 14 staff.

Stephen's prior executive management experience has been with BNZ for 16 years, CEO of Ata Rangi Pastoral, Head of Farms and Forestry with Tainui Group Holdings before joining Waikato Innovation Park Ltd as CEO.

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 lives in Hamilton with his wife and three children and enjoys outdoor activities including hunting, mountain biking, squash, water & snow skiing in his spare time.



Kate Hatwell DEPUTY CHAIRPERSON

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 whanau.



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 the original South Waikato Trade Training Centre (2007) that graduated 30 engineering apprentices.

He was formerly on the Board of the South Waikato Economic Development Trust and the Rangiura Trust Board, and remains a director of Tokoroa Engineering.



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.



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.

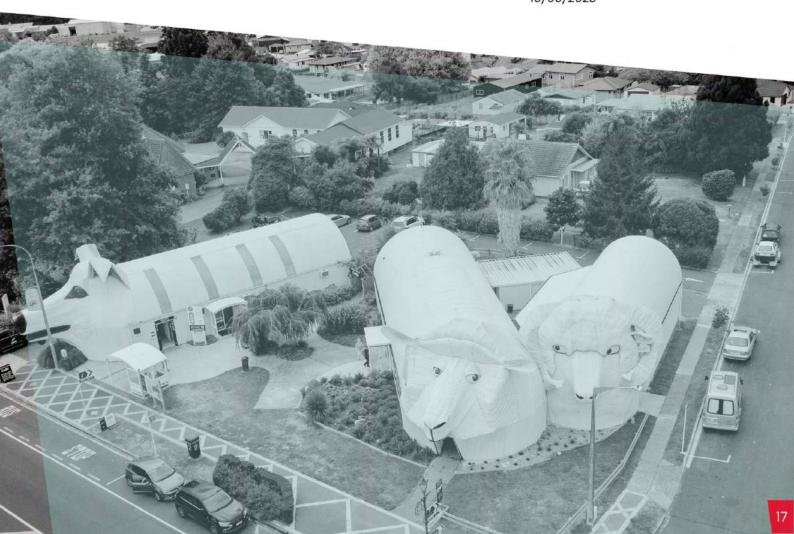


John Bartley TRUSTEE

John was born and raised in Tokoroa and is of NZ and Samoan descent. He has an investment analysis and corporate strategy background having previously worked at banks and investment funds in NZ and overseas.

Currently he is the Chief Investment Officer at Tainui Group Holdings. John's governance experience includes directorships across the manufacturing, infrastructure, property and technology sectors.

Appointed as SWIFT Trustee 19/09/2023



Retired Trustees

We thank the below trustees who retired during 2023 for their dedication and commitment to the South Waikato District.



Bruce Sherman FORMER 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.

Resigned as a SWIFT Trustee 18/04/2023



Dean Gittings FORMER 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.

Resigned as a SWIFT Trustee 18/04/2023



Hayden Dillon FORMER 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.

Resigned as a SWIFT Trustee 21/11/2023



John Cronin FORMER 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.

Resigned as a SWIFT Trustee 18/04/2023



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

Our Commitment

INVEST

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

PARTNER

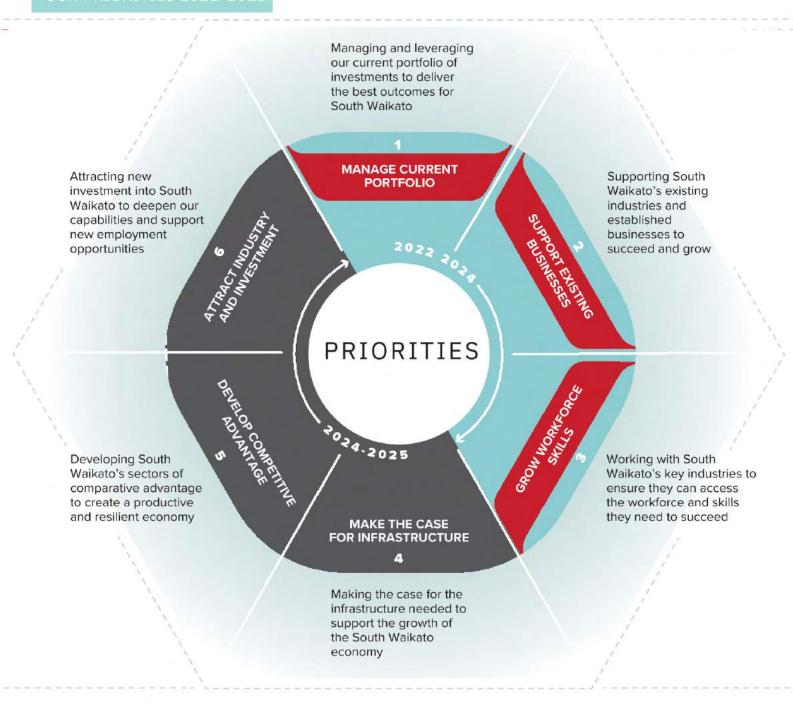
We partner with other public and private organisations to provide businesses with the tools that they need to accelerate growth

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 FOCUS 2022-2025

FACILITATING GROWTH - INVESTING IN ACTIVITIES THAT DELIVER

Workforce Productivity Sector Employment collaboration

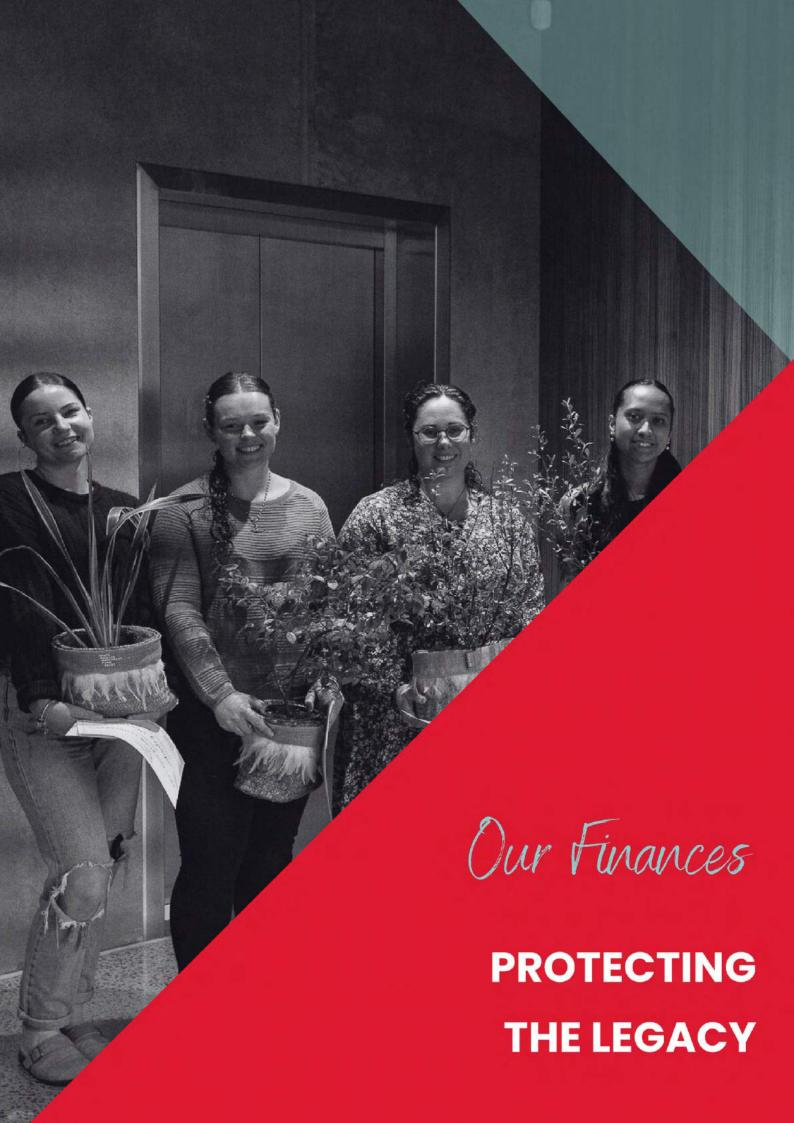
ENABLING GROWTH - SUPPORTING PARTNERS IN ACTIVITIES THAT DELIVER

Infrastructure development

Education facilities and provision Regulatory and compliance improvements

Research and development

District perception



2023 Financial Overview

The Trust continues to sustain a healthy asset base, despite the impact inflation had on the financial market the year prior. The Trust's return on investment bounced back, reporting a gross return on the fund year ended December 2023 of 12.86%. The closing value of the Trust's investment portfolio was \$20.321 mil at the end of December 2023.

2023 saw the Trust's three large-scale projects draw to a close, the projects of which have provided amazing new premises in the South Waikato, as well as the refurbishment of an existing property. The Trust holds \$21.070 mil in Property Investment as at December 2023. It is intended for Property to be captured in the Trust's SIPO (Statement of Investment Policy and Objectives), with review being rescheduled for 2024.

The Trustees implemented changes to its funding structure to support growth and large-scale impact projects, with SWIFT investing \$340k throughout the 2023 and reporting commitments of \$1.793 mil at the end of December 2023.

The total assets of the Trust at the end of December 2023 were \$42.797 mil, with its net asset base increasing by 11.8%.

The Trustees focus remains on preserving a solid level of growth of the Trust's capital base. Although the macroeconomic landscape seems less threatening than it has for a few years, the Trustees continue to take a cautious stance on tactical asset allocation and portfolio construction, in line with advice from the fund manager.



Financials Snapshot:



For the 2023 calendar year the portfolio has a gross return of 12.86% or

\$2,538,013



Trust holding

\$21,070,000

in Property Investment



By December 2023 the funds under management were

\$20.321m





In the year ended December 2023 a total of

\$340,070

was distributed in **Grants and donations** to the local community



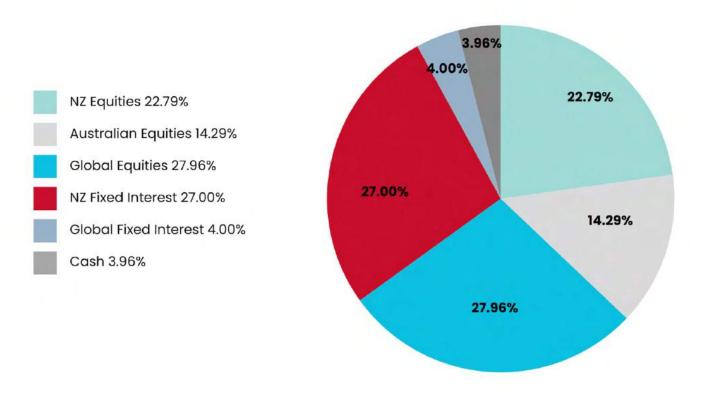
The **net asset base** of the Trust has **increased** by

\$4,455,170 between January 2023 and December 2023.

ana becemb (11.8%)

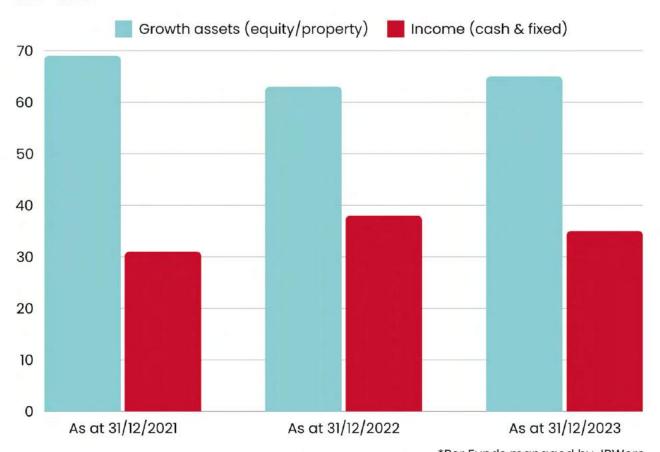
SWIFT MANAGED FUND ASSET ALLOCATION

as at 31st December 2023*



SWIFT PORTFOLIO STRATEGIC ASSET ALLOCATION

2021 - 2023*







SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

ENTITY INFORMATION

As at 31 December 2023

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 six 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.



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



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 2023

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	2023	2022
Number of Community Projects supported	7	2
Number of Feasibility Studies supported	4	2
Number of Training & Education Programs supported	3	3
Number of Business Developments supported	7	7

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 December 2023

	Notes	2023	2022
		\$	\$
Operating Revenue			
Contract & project revenue		4,281,617	7,065,267
Investment revenue		2,576,110	854,386
Donations, fundraising and other revenue		95,668	
Total Operating Revenue		6,953,395	7,919,653
Less Expenses			
Contract and project expenses		190,552	179,008
Other operating expenses		495,329	374,559
Overheads		152,228	83,685
Finance & investment costs		642,379	3,247,300
Depreciation		356,591	12,593
Total Expenses		1,837,079	3,897,145
Net Operating Surplus		5,116,316	4,022,508
Funds distributed		340,070	266,327
Surplus before Income Tax		4,776,246	3,756,181
Income Tax Expense	3	321,075	-
Surplus		4,455,171	3,756,181

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023	2022
ssets	Notes	\$	\$
Current Assets		<u> </u>	
Cash and Cash Equivalents		1,416,737	3,026,984
Trade and Other Receivables		305,456	1,083,244
Prepayments		25,951	
Total Current Assets		1,748,144	4,110,228
Non-Current Assets			
Property, Plant and Equipment	4	21,153,579	14,948,913
Term Investments	5	19,515,900	20,701,474
Secured Loans	6	380,078	777,054
Total Non-Current Assets		41,049,557	36,427,441
Total Assets		42,797,701	40,537,669
Total Assets abilities Current Liabilities		42,797,701	40,537,669
abilities		42,797,701 301,181	
abilities Current Liabilities	7		1,938,488
Current Liabilities Trade and Other Payables	7 8	301,181	1,938,488 70,520
Current Liabilities Trade and Other Payables Trustee Fees Payable		301,181	1,938,488 70,520
Current Liabilities Trade and Other Payables Trustee Fees Payable Unused Grants and Donations		301,181 10,220 -	1,938,488 70,520 767,985 - 7,266
Current Liabilities Trade and Other Payables Trustee Fees Payable Unused Grants and Donations Income Tax Payable		301,181 10,220 - 255,146	1,938,488 70,520 767,985 -
Current Liabilities Trade and Other Payables Trustee Fees Payable Unused Grants and Donations Income Tax Payable Provision for Holiday Pay		301,181 10,220 - 255,146 22,574	1,938,488 70,520 767,985 - 7,266
Current Liabilities Trade and Other Payables Trustee Fees Payable Unused Grants and Donations Income Tax Payable Provision for Holiday Pay Total Liabilities		301,181 10,220 - 255,146 22,574 589,121	1,938,488 70,520 767,985 - 7,266 2,784,259
Current Liabilities Trade and Other Payables Trustee Fees Payable Unused Grants and Donations Income Tax Payable Provision for Holiday Pay Total Liabilities Net Assets		301,181 10,220 - 255,146 22,574 589,121	1,938,488 70,520 767,985 - 7,266 2,784,259

SUMMARY STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2023

	2023	2022
	\$	\$
Net Cash Flows from Operating Activities	3,501,871	7,410,495
Net Cash Flows from Investing and Financial Activities	(5,112,118)	(8,233,969)
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,610,247)	(823,474)
Cash and Cash Equivalents at the Beginning of the Period	3,026,984	3,850,458
Cash and Cash Equivalents at the End of the Period	1,416,737	3,026,984

SOUTH WAIKATO INVESTMENT FUND TRUST (SWIFT)

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

For the Year Ended 31 December 2023

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. Profit Reconciliation

Tax Expense	321,075	
Under provision for Income Tax in Prior Years	183,765	
Current Tax Expense	137,310	-
Taxable Income	490,391	625,928
Donations	(241,826)	(131,039)
Tax adjustments	(4,044,029)	(2,999,214)
Permanent Differences		
Surplus (Deficit) before Income Tax	4,776,246	3,756,181
	\$	\$
	2023	2022



4. Property, Plant & Equipment

	30-34 Chambers Street, Tokoroa	25-29 Tirau Street, Putāruru	Furniture & Fittings	Office Equipment	Website	Total
Cost & Valuation						
Balance as at 01/01/2023	13,914,184	1,067,098	-	6,901	22,019	15,010,202
Additions/ (Disposal)	6,772,887	(297,572)	78,499	7,443	-8	6,561,257
Balance as at 31/12/2023	20,687,071	769,526	78,499	14,344	22,019	21,571,459
Balance as at 1/01/2022	3,446,491	571,029	-	-	22,019	4,039,539
Additions/ (Disposal)	10,467,693	496,069	-	6,901		10,970,663
Balance as at 31/12/2022	13,914,184	1,067,098	_	6,901	22,019	15,010,202
Accumulated Depreciat	<u>ion</u>					
Balance as at 01/01/2023		39,198	-	1,851	20,240	61,289
Additions	317,071	30,328	4,603	3,700	889	356,591
Balance as at 31/12/2023	317,071	69,526	4,603	5,551	21,129	417,880
Balance as at 01/01/2022	-	30,234			18,462	48,696
Additions	=3	8,964	_	1,851	1,778	12,593
Balance as at 31/12/2022	-	39,198	-	1,851	20,240	61,289
Carrying Value						
As at 31/12/2023	20,370,000	700,000	73,896	8,793	890	21,153,579
As at 31/12/2022	13,914,184	1,027,900	=	5,050	1,779	14,948,913

Property, plant and equipment is recognised initially at cost and depreciated using the Diminishing Value method over the estimated useful lives (except for land) using the following rates.

Buildings 3-10% Diminishing Value
Furniture & Fittings 13-40% Diminishing Value
Office Equipment 50% Diminishing Value
Website 50% Diminishing Value

Land and buildings are revalued to fair value. Fair value is determined with reference to comparable property prices by independent professional property valuers CBRE Limited. The most recent valuation was dated 31 December 2023. Changes in fair value are recognised in the Statement of Financial Performance.

5. 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.

6. 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

7. Honorarium

Other operating expenses includes Trustee fee as follows:

	2023	2022
	\$	\$
<u>Trustee fees</u>		
Stephen Veitch	26,552	19,500
Kate Hatwell	21,312	2,667
Franciscus J Aerts	15,998	16,000
Michael Crawford	18,188	2,667
James Whetu	15,999	2,667
John Bartley	3,767	-
Bruce Sherman	9,667	29,000
Dean Gittings	5,000	20,000
John Cronin	5,333	16,000
Hayden Dillon	14,646	19,500
Debbie Gisby		6,500
<u>Total Trustee Fees</u>	136,462	134,501

	2023	2022
	\$	\$
<u>Payables to Trustees</u>		
Stephen Veitch	2,779	11,212
Kate Hatwell	2,252	3,067
Franciscus J Aerts	893	5,360
Michael Crawford	1,869	3,067
James Whetu	1,533	3,067
John Bartley	893	-
Bruce Sherman	TEA	16,675
Dean Gittings		11,500
John Cronin	-	5,360
Hayden Dillon	-	11,212
Total Payables to Trustees	10,219	70,520
8. Unused Grants or Donations		
<u>Unused Grant</u>	2023	2022
	\$	\$
MBIE Grant - Trades Training Centre		767,985
Total Unused Grants or Donations		767,985

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, a new two-level building comprising a tertiary building, office space and surrounding impermeable surfaces.

The project was funded as follows: Trust Waikato \$1,000,000; Ministry of Business, Innovation & Employment - Provincial Development Unit \$10,835,000; Toi Ohomai Institute of Technology \$787,825 and the balance to 31 December 2023 funded by the Trust being \$2,763,639. The total project budget was \$15,386,464.

All funds advanced from third parties have been fully utilised (LY - \$767,985 was still unused). The construction was completed on 23 June 2023 (LY - The site development was in progress).

Related Parties

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 Nil (2022: \$32,500) has been paid for the services rendered.

Kate Hatwell is a Trustee of SWIFT and a Partner at Tompkins Wake. SWIFT engages Tompkins Wake for legal services and the amount of \$118,206 (2022: \$37,892) has been paid for the services rendered. Kate is not involved in any legal advice given to the Trust by Tompkins Wake in her capacity as a partner/lawyer at Tompkins Wake.

Hayden Dillon was a Trustee of SWIFT and managing partner of Findex Hamilton. SWIFT consults Findex for reviewing funding applications and loan agreements and the amount of \$22,750 (2022: \$35,300) has been paid for the services rendered.

10. Operating Commitments

As at 31 December 2023, the Trust agreed to fund the following projects:

	2023	2022
	\$	\$
Ka Uruora Ki Te Raki Housing Trust (previously Known as Raukawa Settlement Trust)	1,350,000	1,400,000
Driver Licencing Programme	168,000	118,000
Central North Island Wood Council Incorporated	25,000	50,000
The Timber Museum of New Zealand Trust	2.	14,750
South Waikato Pacific Islands Community Services Trust	7	2,500
Pokaiwhenua Catchment Group	-	41,850
AborGen New Zealand Limited	-	2,905
TFB ProductionsLimited	_ =	(30)
SWIFT Scholarship Scheme	250,000	. L
Total Operating Commitments	1,793,000	1,629,975

11. Capital Commitments

The Trust entered into an agreement with Greenstone Group Limited on February 2020 for the project management of the proposed Manulife Investment Management Forest Management (NZ) Ltd 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, to \$4,850,000 in June 2022 and to \$5,130,000 in February 2023 to include Manulife Investment Management Forest Management's contribution towards fitout. As at 31 December 2023, Kingstons reported total completed costs of \$4,867,377 (2022:

\$4,467,968) and estimated cost to complete of \$260,281 (2022: \$382,032). The construction started in April 2022 and was completed in February 2023. Tirau Earthmovers was 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 South Waikato 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. During the year, the budget was updated to \$15,386,464 to include additional contribution towards fitout. The project was funded as detailed in Note 8 of the Performance Report. Kingstons reported total completed costs as at 31 December 2023 of \$15,333,739 (2022: \$9,745,969) and estimated cost to complete of \$52,724 (2022: \$5,119,810). The construction started in September 2021 was completed in June 2023. Tirau Earthmovers was the contractor for civil works and Marra Construction for 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, Putāruru. 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 (including land) of \$1,885,625 in December 2022. Contract was entered into with Economech Maintenance Limited commencing 6 September 2023 for the supply and install of HVAC system with Code of Compliance being granted 6 November 2023. Kingstons reported total completed costs as at 31 December 2023 of \$1,811,304 (2022: \$1,102,983) and estimated cost to complete of \$74,321 (2022: 782,642). The construction started in September 2022 and was completed in May 2023. ILine Construction was the contractor for the development project.

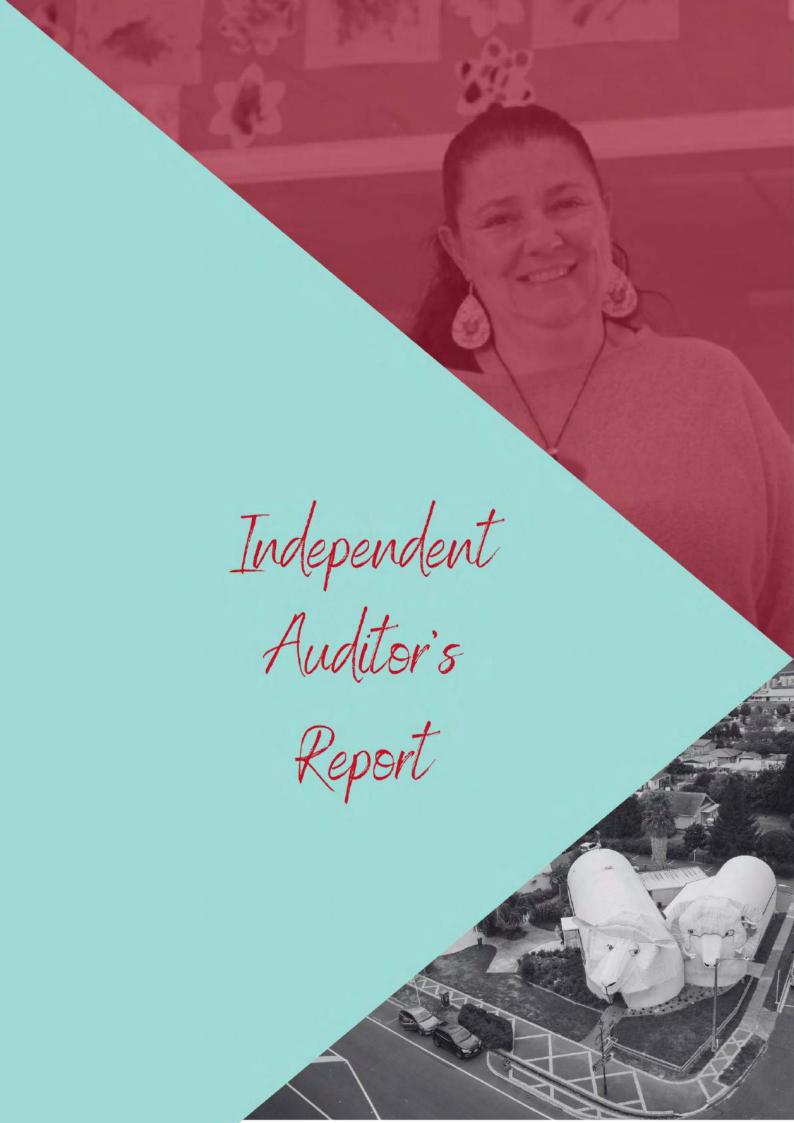
12. Contingent Liabilities and Guarantees

The current tax liability recorded in the December 2023 results does not include potential interest or penalties, which may be charged by Inland Revenue. As the amount of interest and penalties cannot be reasonably estimated at this time, they have not been accrued into the financial statements. (Last Year: Contingent Liabilities Nil. Guarantees Nil.)

13. Events Occurring After Balance Date

At the time SWIFT was established, the Trustees obtained a binding ruling from Inland Revenue which confirmed its income tax exempt status pursuant to section CW 40 of the Income Tax Act 2007. The binding ruling expired 31 March 2017. An application for a new binding ruling was subsequently made, however on 14 June 2021 Inland Revenue concluded section CW 40 does not apply. Subsequent to balance date, SWIFT engaged with Inland Revenue to reach a mutually acceptable resolution in relation to its historic tax liability. A tax liability of \$255,146 has been recorded in the December 2023 financial statements relating to this matter. The final liability will be determined after completion of the financial statements.

SWIFT is reviewing its options to achieve charitable status for future periods, including a potential change of entity. (Last Year - Nil).







BDO TAURANGA Level 1, 525 Cameron Road, Tauranga 3110 PO Box 15660, Tauranga 3144 New Zealand

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 2023, the statement of financial position as at 31 December 2023, 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 2023
- · the service performance for the year then ended; and
- the financial position of the Trust as at 31 December 2023 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.

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

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

26 April 2024

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