

WHAI RAWA UNIT TRUST

Financial Statements

For the Year Ended 31 March 2024

WHAIRAWA UNIT TRUST
Financial Statements
For the Year Ended 31 March 2024

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Independent Auditor's Report

To the Members of Whai Rawa Unit Trust

We have audited the financial statements of Whai Rawa Unit Trust (the 'Trust'), which comprise the statement of net assets as at 31 March 2024, and the statement of comprehensive income, statement of changes in unit holder funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements, on pages 3 to 14, present fairly, in all material respects, the financial position of the Trust as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, the audit of Whai Rawa Fund Limited and the Net Intangible Asset (NTA) Calculation, we have no relationship with or interests in the Trust. These services have not impaired our independence as auditor of the Trust.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors of the Manager is responsible on behalf of the Trust for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

**Manager's responsibilities
for the financial statements**

The Board of Directors of the Manager is responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Board of Directors of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Manager is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 financial
statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 and ISAs (NZ) 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 these financial statements.

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2>

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

**Anthony Smith, Partner
for Deloitte Limited**

22 July 2024

WHAI RAWA UNIT TRUST
Statement of Net Assets
As at 31 March 2024

	Note	2024 \$NZD	2023 \$NZD
ASSETS			
Cash and cash equivalents			
- Cash at bank (New Zealand accounts)		425,158	349,517
- Cash at bank (Australian account)		21,993	19,923
Financial assets at fair value through profit or loss	4	161,537,642	130,627,904
PIE tax receivable		-	314,782
Related party receivables	11	3,268,967	1,285,515
Other receivables		32,000	27,861
Total Assets		165,285,760	132,625,502
Less LIABILITIES			
PIE tax payable		576,471	-
Benefits Payable		16,302	-
Unallocated Contributions	8 & 11	93,892	54,688
Total Liabilities		686,665	54,688
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		164,599,095	132,570,814
Represented by:			
Unit holders' funds		164,598,289	132,570,008
Reserve funds	7	806	806
		164,599,095	132,570,814

These Financial Statements were authorised for issue by Whai Rawa Fund Limited, the Manager, on 22 July 2024.

Director		22 July 2024
Director		22 July 2024

WHAI RAWA UNIT TRUST
Statement of Comprehensive Income
For the Year Ended 31 March 2024

	Note	2024 \$NZD	2023 \$NZD
INVESTMENT INCOME			
Gains/(Losses) on financial assets at fair value through profit or loss	5	13,059,168	(2,185,160)
OTHER INCOME			
Interest income		25,902	14,541
Investment management fee rebates		374,661	320,926
Bank charges reimbursed	11	391	449
Total Other Income		<u>400,954</u>	<u>335,916</u>
Total Operating Income/(Loss)		13,460,122	(1,849,244)
EXPENSES			
Investment management fees		(1,103,402)	(964,555)
Bank charges		(391)	(449)
		<u>(1,103,793)</u>	<u>(965,004)</u>
NET PROFIT/(LOSS)		<u>12,356,329</u>	<u>(2,814,248)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>12,356,329</u>	<u>(2,814,248)</u>

This statement is to be read in conjunction with the notes on pages 7 to 14.
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WHAI RAWA UNIT TRUST
Statement of Changes in Unit Holder Funds
For the Year Ended 31 March 2024

	Note	Unit Holders' Funds \$NZD	Reserve Funds \$NZD	Total \$NZD
Balance as at 1 April 2023		132,570,008	806	132,570,814
Total Comprehensive Income		12,356,329	-	12,356,329
<i>add:</i>				
Contributions from unit holders		8,811,331	-	8,811,331
Contributions from Te Rūnanga o Ngāi Tahu				
Ngāi Tahu annual distribution	11	4,434,694	-	4,434,694
Ngāi Tahu other contributions	11	-	-	-
Ngāi Tahu newborn distribution	11	42,818	-	42,818
Ngāi Tahu matched savings	11	3,003,443	-	3,003,443
Ngāi Tahu special distribution	11	9,658,166	-	9,658,166
<i>less:</i>				
PIE tax payable on behalf of unit holders		(577,376)	-	(577,376)
Redemptions by unit holders		(5,701,124)	-	(5,701,124)
Balance as at 31 March 2024		164,598,289	806	164,599,095

	Note	Unit Holders' Funds \$NZD	Reserve Funds \$NZD	Total \$NZD
Balance as at 1 April 2022		123,427,187	806	123,427,993
Total Comprehensive Loss		(2,814,248)	-	(2,814,248)
<i>add:</i>				
Contributions from unit holders		8,286,159	-	8,286,159
Contributions from Te Rūnanga o Ngāi Tahu				
Ngāi Tahu annual distribution	11	3,885,560	-	3,885,560
Ngāi Tahu child bonus	11	827,477	-	827,477
Ngāi Tahu newborn distribution	11	47,397	-	47,397
Ngāi Tahu matched savings	11	2,893,499	-	2,893,499
<i>less:</i>				
PIE tax receivable on behalf of unit holders		317,640	-	317,640
Redemptions by unit holders		(4,300,663)	-	(4,300,663)
Balance as at 31 March 2023		132,570,008	806	132,570,814

This statement is to be read in conjunction with the notes on pages 7 to 14.
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WHAI RAWA UNIT TRUST
Statement of Cash Flows
For the Year Ended 31 March 2024

	Note	2024 \$NZD	2023 \$NZD
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash provided from</i>			
Interest received		25,902	14,541
Reimbursement of costs		449	325
Sale of investments		842,000	427,000
		<u>868,351</u>	<u>441,866</u>
<i>Cash applied to</i>			
Purchase of investments		(19,425,450)	(12,031,000)
Expenses		(391)	(449)
		<u>(19,425,841)</u>	<u>(12,031,449)</u>
Net Cash Flows from Operating Activities		<u>(18,557,490)</u>	<u>(11,589,583)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash provided from</i>			
Contributions from unit holders		8,850,535	8,278,513
Contributions from Te Rūnanga o Ngāi Tahu		15,155,611	7,586,732
PIE tax receivable on behalf of unit holders		314,979	9,911
		<u>24,321,125</u>	<u>15,875,156</u>
<i>Cash applied to</i>			
PIE tax payable on behalf of unit holders		(1,102)	-
Withdrawals		(5,684,822)	(4,300,663)
		<u>(5,685,924)</u>	<u>(4,300,663)</u>
Net Cash Flows utilised by financing activities		<u>18,635,201</u>	<u>11,574,493</u>
Net Increase/(Decrease) in Cash Held		77,711	(15,090)
Cash at Beginning of the Year		369,440	384,530
Cash at End of the Year		<u>447,151</u>	<u>369,440</u>
Cash and cash equivalents for the purpose of the Statement of Cash Flows comprise of:			
- Cash at bank (New Zealand accounts)		425,158	349,517
- Cash at bank (Australian account)		21,993	19,923
		<u>447,151</u>	<u>369,440</u>

This statement is to be read in conjunction with the notes on pages 7 to 14.
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WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

1. Trust Description

Whai Rawa Unit Trust (the "Trust") is a unit trust formed under the Unit Trust Act 1960 to operate for the benefit of members by way of encouraging savings for retirement and other benefits. The Trust is domiciled in New Zealand and the address of its registered office is 15 Show Place, Addington, Christchurch. The Trust was established in 2006 and under the Trust Deed the Trust is to be wound up 80 years from its establishment date.

Funding Arrangements

Under the Trust Deed, contributions are made by Trust unit holders and Te Rūnanga o Ngāi Tahu ("TRONT") match the contributions to a certain value. For the year ended 31 March 2024, TRONT have matched unit holder contributions at the rate of \$4 for every \$1 contributed by child unit holders, and \$1 for every \$1 contributed by adult unit holders. Each member enrolled with Whai Rawa before their first birthday is entitled to a \$100 newborn distribution (subject to Māori authority tax credits and Retirement Scheme Contribution Tax (RSCT) deductions). The maximum contribution from TRONT is presently \$200 per unit holder plus any distributions.

Termination Terms

The Trust Deed sets out the basis on which the Trust can be terminated.

Changes in the Trust Deed

There were no changes made to the Trust Deed during the year.

Nature of Operations

The Trust obtains funding from its members and TRONT who provide an annual distribution and matched savings distribution on behalf of the members of the Trust. As a for profit entity the Trust then invests these funds in highly liquid investments to derive investment income for the members of the Trust.

2. Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Financial Markets Conduct Act 2013 and other relevant legislative requirements as appropriate for For-profit entities.

The financial statements have been prepared on the historical basis, except the revaluation of certain financial assets that are measured at revalued amounts or fair values at the end of each reporting period as explained in the accounting policies below.

Statement of Compliance

These financial statements comply with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board, as appropriate for profit-oriented entities and also with IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board. The Trust is a FMC reporting entity.

The Trust has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities Update) (XRB A1). XRB A1 establishes a for-profit tier structure and outlines which suite of accounting standards entities in different tiers must follow. The Trust is a Tier 1 entity as it is publicly accountable.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Trust operates.

Presentation of Assets and Liabilities

Assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

3. Material Accounting Policy Information

The following are the material accounting policies which have been adopted in the preparation of the financial statements:

Measurement of Financial Instruments at Fair Value Through Profit or Loss

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When measuring the fair value of an asset or liability, the Trust uses market observable data as far as possible.

WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

3. Material Accounting Policy Information (Continued)

Measurement of Financial Instruments at Fair Value Through Profit or Loss (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer a liability takes place either:

- In the principal market of the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or most advantageous market must be accessible by the Trust.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming market participants act in their economic best interests.

Financial Assets at Fair Value Through Profit or Loss

The Trust classifies its investments as designated at Fair Value through Profit or Loss. The financial assets are recognised and derecognised on the trade date where a purchase or sale is under contract whose terms require delivery within the time frame established by the market concerned, initially measured at fair value. Subsequent to initial recognition all Financial Assets through Profit or Loss are measured at fair value.

Gains or losses arising from changes in fair value of the Financial Assets through Profit or Loss category are presented in the Statement of Comprehensive Income when they arise. Interest and dividends related to Financial Assets at Fair Value through Profit or Loss are recognised as part of the gains and losses presented in the Statement of Comprehensive Income.

The Fair Value of financial assets is determined using the last sale price ("exit" price) as calculated by the fund manager at balance date.

Income Recognition

- (i) Interest income is recognised as interest accrues using the effective interest method. Interest income is earned on cash and cash equivalents.
- (ii) Gains or losses on Financial Assets at Fair Value through Profit or Loss are recognised in the Statement of Comprehensive Income as disclosed above.
- (iii) Dividends and Distributions from unitised investments are recognised on a due and receivable basis.

Interest income, distribution income and other income from managed funds are recognised to the extent that it is probable that the economic benefits will flow to the Trust and the income can be reliably measured.

Foreign Currencies

Transactions in currencies other than NZ dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on balance date. Gains and losses arising on translation are included in the Statement of Comprehensive Income for the year.

Expenses

All expenses are accounted for on an accrual basis.

Investment Management Fees and Rebates

Investment management fees are charged within the underlying MITNZ unit trust investments and are incurred through a reduction of the value of the investment on a daily basis. The difference between the fees charged and the agreed rate is rebated back on a monthly basis. The investment management fee and the rebate components are recorded separately in the Statement of Comprehensive Income.

Taxation

On 1 October 2007, the Trust became a Portfolio Investment Entity ("PIE") and is taxed at prescribed unit holder tax rates rather than a flat rate of 28%.

As a PIE, the Trust allocates income on a daily basis to each investor and deducts tax from that allocated income at the prescribed investor rate for each investor. The tax that is paid to the Inland Revenue is not shown as income tax in the profit or loss, rather it is part of the distribution to Unit Holders. PIE tax payable by the Trust, on behalf of the members, is recognised in the Statement of Net Assets at amortised cost.

The Investment Manager calculates the Trust's return on a gross basis (pre tax) rather than a net basis (tax paid). The Trust will calculate the total taxable income for the period and tax the unit holders on the basis of their share of the taxable income at their prescribed investor tax rates.

WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

3. Material Accounting Policy Information (Continued)

Unit Holders' Funds

The unit holders' funds represent entitlements to unit holders and have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities and PIE tax liabilities as at balance date.

Statements of Cash Flows

The cash flows of the Trust do not include those of the Investment Manager. The following are the definitions of the terms used in the Statement of Cash Flows:

- (a) Cash and cash equivalents comprise cash on hand, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.
- (b) Operating activities include all transactions and other events that are not financing or investing activities. This includes all interest and dividends.
- (c) Financing activities include activities that result in changes in the size and composition of the contributed portfolios and borrowings of the Trust.

Receivables

Financial assets measured at amortised cost are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any impairment losses. This because the business model is to collect contractual cashflows. All known bad debts are written off in profit and loss during the period.

The Trust measures the loss allowance for trade receivables at an amount equal to lifetime credit losses ("ECL"). The expected credit losses are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at operating date.

The Trust writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Payables

Trade payables and other accounts payable are initially measured at fair value and are subsequently measured at amortised cost. Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

Guaranteed Benefits

No guarantees have been made in respect of any part of the unit holders' funds.

Goods and Services Tax (GST)

The Trust is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Contributions and Benefits

Contributions and benefits are accounted for on an accrual basis.

Distributions

In accordance with the Trust Deed the Trust, at the Trust Manager's discretion, may distribute to unit holders by way of cash or reinvestment into the Trust its distributable income. Distributable income equals all income after deduction of fees, expenses, taxes and any amount that the Trust Manager considers prudent to withhold.

Distributions to unit holders comprise the income of the Trust to which unit holders are presently entitled. The distributions are payable on an annual basis at the end of March for the period 1 January to 31 December of the previous calendar year. Additional distributions may also be paid.

On 31 July 2023, TRONT has made a one-off distribution to the Trust of 10% of the Relativity Mechanism payment. The special distribution constitutes the relativity payment.

Redemptions

Redemptions from the Trust are recorded gross of any exit fees payable, if any, to the Trust's Manager. The redemption value is determined as the current value of the Trust account less any transaction costs, if any, plus any additional net earnings entitlements.

WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

3. Material Accounting Policy Information (Continued)

Critical Judgement and Accounting Estimates

It is possible to determine the fair values of all financial assets through prices provided by the Investment Manager. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of making material adjustments to the carrying amounts of assets and liabilities at period end. However as with all investments, their value is subject to variation due to market fluctuations. For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Trustees have to apply their judgement as to what constitutes "quoted prices in an active market". For further details please refer to note 4, 5, 8 (Hierarchy of fair value measurements) and 9.

Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the Trustee to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. The Trustee has also used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13 Fair Value Measurement.

Application of Accounting Standards

New and amended standards adopted by the Trust:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2023 that have a material effect of the financial statements of the Trust.

New and amended standards not yet adopted by the Trust:

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements and additional guidance on aggregation and disaggregation principles in the financial statements. The Trust has not early adopted this standard and is yet to assess its impacts.

4. Financial Assets at Fair Value Through Profit or Loss

	2024	2023
	\$NZD	\$NZD
<i>Mercer Investment Trusts New Zealand</i>		
- Mercer SR Conservative Portfolio	81,694,711	72,822,303
- Mercer SR Balanced Portfolio	28,413,016	22,387,050
- Mercer SR Growth Portfolio	51,429,915	35,418,551
Total Financial Assets	161,537,642	130,627,904

The Mercer SR Conservative Portfolio invests mostly in cash and fixed interest, with only some investment in shares and real assets.

The Mercer SR Balanced Portfolio invests in a wide range of assets and seeks to provide long-term capital growth by using a diversified portfolio with a slight bias towards growth assets.

The Mercer SR Growth Portfolio invests mainly in shares and property related assets and seeks to provide long-term capital growth from a strong exposure to growth assets and lower investment in defensive assets.

The fair values of the Portfolios are determined using the exit price as calculated by the Investment Manager at balance date.

5. Losses on Financial Assets at Fair Value Through Profit or Loss

	2024	2023
	\$NZD	\$NZD
<i>Mercer Investment Trusts New Zealand</i>		
- Mercer SR Conservative Portfolio	4,785,956	(791,442)
- Mercer SR Balanced Portfolio	2,642,010	(484,429)
- Mercer SR Growth Portfolio	5,631,202	(909,289)
Total	13,059,168	(2,185,160)

The portfolios earned gross returns as follows:

	2024	2023
<i>Mercer Investment Trusts New Zealand</i>		
- Mercer SR Conservative Portfolio	6.50%	(1.10%)
- Mercer SR Balanced Portfolio	11.10%	(2.76%)
- Mercer SR Growth Portfolio	14.00%	(3.25%)

WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

6. Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Flows from Operating Activities

	2024 \$NZD	2023 \$NZD
Total Comprehensive Income/(Loss)	12,356,329	(2,814,248)
Non-Cash Items		
(Gains)/Losses on Fair Value Through Profit or Loss	(13,059,168)	2,185,160
Investment management fees (net of rebates)	728,741	643,629
Reimbursement of costs	449	325
Costs to be reimbursed	(391)	(449)
Redemption of funds	842,000	427,000
Application of funds	(19,425,450)	(12,031,000)
Net Cash Flows from Operating Activities	<u>(18,557,490)</u>	<u>(11,589,583)</u>

7. Reserve Account

Pursuant to the Trust Deed, the Trustees shall establish a Reserve Account which shall be credited or debited with the following:

- (a) An initial contribution of \$10;
- (b) Unclaimed benefits and amounts forfeited to the Trust;
- (c) All other monies or amounts received or held by the Trust not allocated to Members' Accounts and which in the opinion of the Manager (whose decision shall be final) are not immediately required for the payment of benefits to Members;
- (d) Any unclaimed monies that can properly be paid to external parties;
- (e) Meeting any expenses of the Trust;
- (f) Any amounts not previously allocated to a Member's Account that the Manager has determined cannot properly be allocated to a Member's Account; and
- (g) Any other amounts that can properly be credited or debited to the Reserve account.

Provided that if there are insufficient funds in the Reserve Account to meet the expenses of the Trust or if the Trust or any Portfolio has incurred a negative earning rate pursuant to Clause 18 then the Trust Manager may determine that such expenses or negative earnings be debited to Members' Accounts in proportion to these account balances or the case of a negative earning rate incurred in respect of a Portfolio then on such proportionate basis as the Trust Manager considers equitable having regard to any relevant Portfolio Elections.

8. Financial Instruments

The Trust utilises a number of financial instruments in the course of its normal investing activities. Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

Categories of Financial Instruments - 31 March 2024

FINANCIAL ASSETS	Fair Value Through Profit or Loss \$	Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Cash at Bank	-	447,151	-	447,151
<i>Mercer Investment Trusts New Zealand</i>				
- Mercer SR Conservative Portfolio	81,694,711	-	-	81,694,711
- Mercer SR Balanced Portfolio	28,413,016	-	-	28,413,016
- Mercer SR Growth Portfolio	51,429,915	-	-	51,429,915
Related party and other receivables	-	3,300,967	-	3,300,967
Total Financial Assets	<u>161,537,642</u>	<u>3,748,118</u>	<u>-</u>	<u>165,285,760</u>
FINANCIAL LIABILITIES				
Other Payables	-	-	93,892	93,892
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>93,892</u>	<u>93,892</u>

WHAI RAWA UNIT TRUST
Notes to the Financial Statements
For the Year Ended 31 March 2024

8. Financial Instruments (Continued)

Categories of Financial Instruments - 31 March 2023

FINANCIAL ASSETS	Fair Value Through Profit or Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	\$	\$	\$	\$
Cash at Bank	-	369,440	-	369,440
<i>Mercer Investment Trusts New Zealand</i>				
- Mercer SR Conservative Portfolio	72,822,303	-	-	72,822,303
- Mercer SR Balanced Portfolio	22,387,050	-	-	22,387,050
- Mercer SR Growth Portfolio	35,418,551	-	-	35,418,551
Related party and other receivables	-	1,313,376	-	1,313,376
Total Financial Assets	130,627,904	1,682,816	-	132,310,720
FINANCIAL LIABILITIES				
Other Payables	-	-	54,688	54,688
Total Financial Liabilities	-	-	54,688	54,688

Hierarchy of Fair Value Measurements

The following table provides an analysis of financial instruments that are measured subsequent to initial value at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets below have been classified as level 2 as the fair value of these investments is determined using the last available unit price of those funds (31 March 2023: Level 2). There were no transfers between levels in the period.

31 March 2024

	Level 1	Level 2	Level 3	Total
Description	\$	\$	\$	\$
Financial Assets at Fair Value Through Profit or Loss				
<i>Mercer Investment Trusts New Zealand</i>				
- Mercer SR Conservative Portfolio	-	81,694,711	-	81,694,711
- Mercer SR Balanced Portfolio	-	28,413,016	-	28,413,016
- Mercer SR Growth Portfolio	-	51,429,915	-	51,429,915
Total	-	161,537,642	-	161,537,642

31 March 2023

	Level 1	Level 2	Level 3	Total
Description	\$	\$	\$	\$
Financial Assets at Fair Value Through Profit or Loss				
<i>Mercer Investment Trusts New Zealand</i>				
- Mercer SR Conservative Portfolio	-	72,822,303	-	72,822,303
- Mercer SR Balanced Portfolio	-	22,387,050	-	22,387,050
- Mercer SR Growth Portfolio	-	35,418,551	-	35,418,551
Total	-	130,627,904	-	130,627,904

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8. Financial Instruments (Continued)

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially expose the Trust to credit risk consist of cash and cash equivalents, related party and other receivables and financial assets at fair value through profit or loss. The maximum exposure to credit risk is the carrying value of these financial instruments. A significant counterparty of the Trust is Mercer Investment Trusts New Zealand (its "Investment Manager"), which the Trustees consider to be a financial institution of high quality. The investments are held in trust by the Investment Manager for the benefit of the Trust and comprise investments in cash, fixed income, shares and real estate assets. The credit risk is predominantly on the cash and fixed income assets and real estate assets. The Trust does not require collateral or other security to support financial instruments with credit risk. The Trustees manage and monitor this credit risk by agreeing on target asset allocations for the Trust and diversifying the Trust's investment portfolio over a range of investment products.

The other significant counterparty is Te Rūnanga o Ngāi Tahu ("TRONT"), from which the Trust receives contributions and distributions on behalf of its members. The Trustees consider the credit risk in respect of this relationship to be rated low due to the financial position of TRONT and its financial ability to fulfil its obligations.

Concentration of Credit Risk

The majority of the Trust's assets are invested in the Mercer SR Conservative Portfolio, Mercer SR Balanced Portfolio and the Mercer SR Growth Portfolios which are Portfolio Investment Entities. The Portfolios are managed by Mercer Investment Trusts New Zealand whose ultimate holding company is Marsh & McLennan Companies Inc., a company incorporated in the United States of America.

Market Risk

Market risk is the risk that market factors such as interest rates, equity prices, unit prices or foreign exchange rates will affect the Trust's income or the fair value of the investments. It is not the Trust's policy to hedge its exposures to market risk. The Trust has specific policies and procedures for identifying and evaluating investment opportunities. The Trustees in conjunction with the asset consultant receive monthly reports from the Investment Manager which are reviewed in detail and assessed against relevant asset allocation profiles and performance targets. The Trust is indirectly exposed to market risk in that future currency movements will affect the valuation of investments in unitholdings which invest in foreign denominated investments. Risk management activities are undertaken by the Trust's Investment Manager to operate within the guidelines provided by the Trustees.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust is exposed to currency risk in that future currency movements will affect the valuation of foreign currency denominated investments. The Trust is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unitholdings which invest in foreign currency denominated investments. Risk management activities are undertaken by the Trust's Investment Manager to operate within the guidelines provided by the Trustees.

Other Price Risk

Other price risk is the risk that the value of the Trust's investments will increase or decrease due to a change in the unit prices of the Trust's managed funds. The Trust is exposed to other price risk through its investments in unitholdings. The Trust is indirectly exposed to underlying equities. The Investment Manager tracks these underlying equities on a daily basis through appropriate monitoring of the market conditions and analysis against benchmark returns. The Trustees in conjunction with the asset consultant receive monthly reports from the Investment Manager which are reviewed in detail and assessed against relevant asset allocation profiles and performance targets.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is indirectly exposed to interest rate risk in that future interest rate movements will indirectly affect the valuation of investments in managed funds which invest in cash and fixed interest investments. There is no maturity period for unitholdings.

The Trust's interest rate risk is monitored on a daily basis by the Investment Manager in accordance with the policies and procedures in place including monitoring of exposure to interest rates and assessment of actual interest rates against the relevant benchmarks. The Trustees monitor interest rate risk on a monthly basis by monitoring of asset allocation and performance against relevant asset allocation profiles and performance targets.

Liquidity Risk

Liquidity risk represents the risk that the Trust may not have the financial ability to meet its contractual obligations. The Trust evaluates its liquidity requirements on an ongoing basis. All financial assets at fair value through profit and loss are highly liquid. There are no significant financial liabilities.

The Trust's holdings in the Mercer SR Conservative Portfolio, Mercer SR Balanced Portfolio and Mercer SR Growth Portfolio are considered to be readily realisable. There are no restrictions on the redemption of units as they may be redeemed for cash at any time, subject to the approval of the Trustees. Other financial liabilities of the Trust comprising of accounts payable and accrued expenses and other current liabilities have no contractual maturity date but are typically settled within 30 days or within the timeframe as set out in the Trust Deed.

WHAI RAWA UNIT TRUST
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For the Year Ended 31 March 2024

8. Financial Instruments (Continued)

Capital Risk

The Trust's Capital includes Unit Holders Funds. The Trust's policy is to maintain a strong capital base so as to maintain members' and creditors' confidence and sustain future growth of the Trust. There have been no material changes to the Trust's management of capital during the period. The Trust's objectives when managing capital risk are to safeguard its ability to continue as a going concern in order to provide returns to its members and to maximise the Trust's members value.

9. Sensitivity Analysis

A one percent movement in the unit prices of the Trust's investments in Mercer Investment Trusts New Zealand would have an impact on the value of the Trust's assets of \$1,615,000 (31 March 2023: \$1,306,000).

10. Reconciliation of Unit Holdings

The following units in Mercer Investment Trusts New Zealand were bought and sold over the period.

31 March 2024

	Opening Balance Units	Applications Units	Rebates Units	Redemptions Units	Closing Balance Units
Mercer Investment Trusts New Zealand					
Mercer SR Conservative Portfolio	65,317,340	7,572,689	178,877	(3,765,622)	69,303,284
Mercer SR Balanced Portfolio	17,289,967	2,885,051	48,792	(290,447)	19,933,363
Mercer SR Growth Portfolio	27,287,019	7,834,204	77,334	(111,974)	35,086,583
Total	109,894,326	18,291,944	305,003	(4,168,044)	124,323,230

31 March 2023

	Opening Balance Units	Applications Units	Rebates Units	Redemptions Units	Closing Balance Units
Mercer Investment Trusts New Zealand					
Mercer SR Conservative Portfolio	62,681,310	4,715,308	168,103	(2,247,382)	65,317,340
Mercer SR Balanced Portfolio	14,675,425	2,940,834	41,505	(367,797)	17,289,967
Mercer SR Growth Portfolio	22,872,763	4,433,863	62,155	(81,761)	27,287,019
Total	100,229,498	12,090,005	271,763	(2,696,940)	109,894,326

11. Related Parties

Te Rūnanga o Ngāi Tahu ("TRONT") make contributions under a matched savings program in accordance with a prospectus dated 22 September 2009. For the current period, matched savings were \$3,003,443 (31 March 2023: \$2,893,499) including \$3,268,576 accrued at balance date (31 March 2023: \$1,285,092). TRONT made annual distributions of \$4,434,694 (31 March 2023: \$3,885,560), total newborn distributions and child bonuses of \$42,818 (31 March 2023: \$874,874) and a special distribution of \$9,658,166 (31 March 2023: \$nil). TRONT reimbursed the Trust for bank fees of \$391 (31 March 2023: \$449).

The beneficiaries of TRONT are eligible to participate in Whai Rawa Unit Trust.

Unallocated contributions at 31 March 2024 were \$93,892 (31 March 2023: \$54,688).

Whai Rawa Fund Limited paid audit fees of \$24,700 and administration fees of \$745,178.12 on behalf of Whai Rawa Unit Trust (31 March 2023: \$23,000 and \$663,594 respectively).

12. Commitments and Contingent Liabilities

There were no commitments or contingent liabilities outstanding as at 31 March 2024 (31 March 2023: Nil).

13. Events After the Reporting Period

As at 31 March 2024, a decision was pending with Inland Revenue with respect to RSCT on the Relativity Payment paid by TRoNT to the Trust during the year. In May 2024, Inland Revenue decided RSCT was not applicable, and TRoNT therefore paid an additional Special Contribution to the Trust of \$1,878,909. This has been reflected in the Statement of Net Assets and Statement of Changes in Unit Holder Funds.