

For the cost of a burger a week,
you can help them into their own home.





From the Whai Rawa Fund Limited Chair

Whai Rawa celebrated its fifth birthday last year and, despite the continuing impact of earthquakes in

Christchurch, saw continued steady growth in membership (up 4% to 16,600), and total funds under management (up \$5.4 million to \$23 million). The Whai Rawa Fund Limited (WRFL) board was also pleased to see the steady increase in numbers of members setting up regular savings plans and we look forward to this continuing.

Whai Rawa Fund Limited (WRFL) is very committed to ensuring all whānau benefit from Whai Rawa. Therefore, we have decided to undertake an evaluation that will provide us with valuable information to help determine what changes, if any, we need to make to Whai Rawa, its incentives and the way we promote it, to increase the growth of membership and savings. Members will be invited to contribute their ideas as part of the evaluation process soon.

This year the fund yielded a return on member savings of 6.65% (before PIE tax), once again a positive result for members, especially given the current ongoing global financial problems.

With a view to ensuring future returns meet member needs, WRFL has begun work to look at the options for providing members with investment choice. This would enable members to choose the level of risk they wish to take. This will vary from member to member depending on a range of issues such as timeframe, how much they have to invest and whether they have other investments. However, because of the significant costs of implementing such a change, and the additional ongoing costs, there needs to be strong evidence of the demand for it from members and potential members, and of the likely benefits that it would provide. The evaluation should provide a good steer on this. Before providing members with any choice around investment, WRFL will also need to ensure sufficient information and education is available to ensure members are able to make informed choices about investment options.

Diana Crossan

Diana Crossan



From the Kaiwhakahaere

It's now almost six years since Whai Rawa was started. In that time we've seen close to 17,000 whānau members

join the Whai Rawa pathway to plan and save for important life goals.

For those that are involved, it's been an opportunity to share in the benefits Te Rūnanga provides through Whai Rawa. Since Whai Rawa started, Te Rūnanga has contributed over \$13.5 million in payments to members accounts and associated tax payments on members behalf, and also met all the costs of Whai Rawa to date. We look forward to continuing to support Whai Rawa as a key distribution mechanism for Te Rūnanga.

Increasing numbers of members are now also using their funds to help them through university or polytech, buy their first home or access funds to help them later in life. Over 800 withdrawals totalling over \$1.3 million have now been made by members.

We still have many whānau not yet in Whai Rawa and they are missing out. The sooner they join, the more they can receive in matched savings, distributions and other benefits. This will lead to greater levels of home ownership, more success in tertiary education, greater financial security in old age, and ultimately better levels of wellbeing among whānau, hapū and our iwi as a whole. I urge whānau to spread the word and to encourage those you know to join now.

In the wake of the Canterbury earthquakes and the ongoing financial difficulties many whānau face, financial preparedness has become increasingly important. Work in the financial literacy arena has continued alongside Whai Rawa with delivery of the ANZ Money Minded Programme taking place through the year and around the motū. Information on key topics related to being financially prepared was also distributed to all Ngāi Tahu households. We are also pleased to announce that funding has been secured from JR McKenzie Trust for the development of an interactive financial education website. This is now under development and we look forward to bringing you more information regarding this in the near future.

Mark Solomon

Mark Solomon



Member Profile

Encouraging Self-Help

Lex Dillon

When Lex Dillon was in his first year of tertiary education, a Ngāi Tahu education grant paid for his commercial law text book. That may have been decades ago but Lex, 57 (Ngāi Tahu – Ōnuku, Koukourarata), remembers it well.

"That book was worth a week and a half's wages back then and the Ngāi Tahu grant made a huge difference to me. That's one of the reasons I

signed up to Whai Rawa as soon as possible. I know the value and power that good financial schemes like this have to change lives," he says.

Lex, director of NZ Hothouse Ltd in Auckland, signed up to Whai Rawa when it began in 2006, along with his three children, Luke, Sean and Hannah, now 30, 28 and 25 respectively. Luke's one-year-old daughter, Indi has also been signed up to the savings scheme.

"My wife, Robyn and I have always felt it was up to us to take care of ourselves in retirement and when Whai Rawa started we were very keen to participate and to encourage our children to save for their futures. I commend the people at Ngāi Tahu who had the vision and foresight to put this scheme together. It's about the iwi helping people who choose to help themselves. That's a great thing," says Lex.

He saw Whai Rawa as a low risk, conservative fund that, in tough financial times, provided an important level of security. Lex acknowledges that he's fortunate to have other retirement schemes in addition to Whai Rawa, which enable him to invest in higher-earning, riskier schemes if he chooses. That aside, he still sees Whai Rawa as one of the best savings schemes available.

"Even if you only put aside a few dollars a week it soon mounts up when you include the matched savings and the iwi distributions."

From the outset, Lex has paid into Whai Rawa by automatic payment – "that way it's completely painless" – and he and Robyn have gifted their children money for their Whai Rawa accounts for Christmas and birthdays.

"It's the gift you know will mature. We're doing the same thing for our granddaughter, Indi. I started my account much later in life – too late to make a huge difference; but for someone starting young, Whai Rawa definitely has the power to change lives. Our children and grandchildren have the opportunity to build up substantial amounts of money that will give them much more choice in how they live their lives."

Lex and Robyn have no plans for withdrawing from their Whai Rawa account before their retirement but son, Sean has already cashed-in to buy his first home and Hannah is looking to do the same sometime in the future. Luke is saving for retirement, as he already owns a home.

For Lex, Whai Rawa has also provided a valuable link back to his iwi.

"I was brought up in South Auckland but I've always had an interest in my Ngāi Tahu heritage. One of the challenges for Ngāi Tahu in contemporary society is maintaining the integrity of the iwi in face of social change. Whai Rawa is a valuable way of addressing that, of keeping iwi members in touch and I'd encourage all Ngāi Tahu to join, no matter how small the contribution, even if it's only a small regular contribution."

He Ara Whai Rawa Mō Ngāi Tahu Whānui

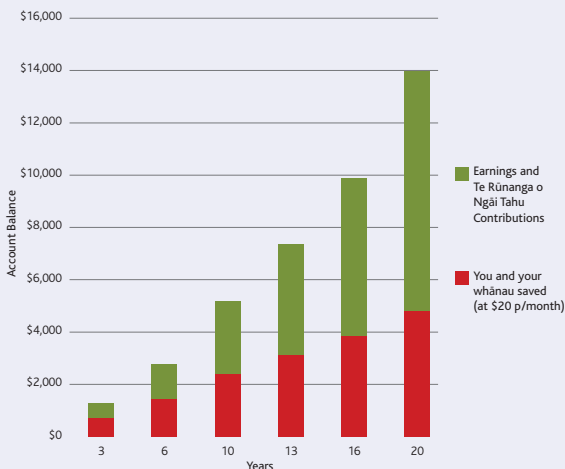
A Pathway to Financial Wellbeing for Ngāi Tahu Whānui

Your Whai Rawa Savings Plan?

If you haven't started saving with Whai Rawa for yourself and your whānau, now is the best time to do it.

This example shows how with a regular saving of \$20 per month, you might generate a reasonable sized fund that could help buy a first home or study at polytech or university*. And if you could put away a little more and save for a little longer it could make a bigger difference to the end result.

Contact us now on 0800 942 472 to find out more about setting up your Whai Rawa savings plan. It could make all the difference in the world.



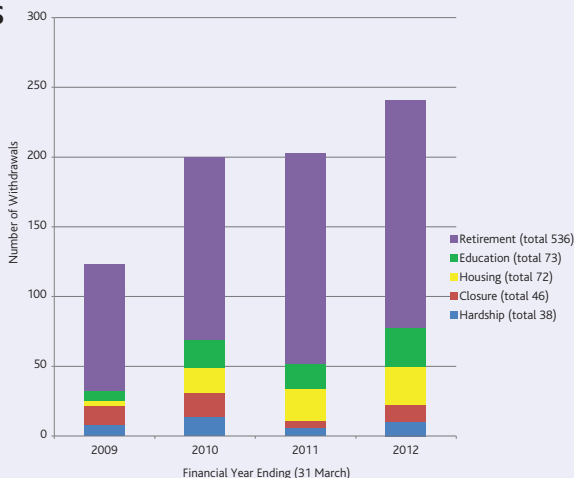
Karawhiua whānau!

** The sample projection above is based on the assumptions set out in the current Whai Rawa prospectus and is not a guaranteed return. The assumptions cover things such as rate of returns (earnings), tax rates, Te Rūnanga matched savings. Contact us now for a free copy of the prospectus or view it at www.whairawa.com.*

Whai Rawa Withdrawals

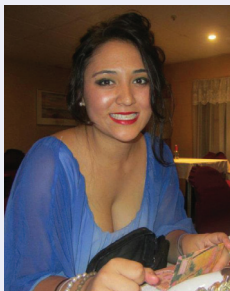
The volume of Whai Rawa withdrawals continues to steadily increase with retirement withdrawals continuing to be the most common type of withdrawal while education withdrawals and housing withdrawals continue to increase in number.

In this report and on the new Whai Rawa website you can see whānau stories about the difference Whai Rawa is making to them.



Member Profiles

Real People, Real Aspirations



Tarere Thatcher, Education Withdrawal 2011, Ōnuku, Ngāti Wheke, Tūāhuriri, Arowhenua, Moeraki, Taumutu, Wairewa.

"I am 23 and have had an account with Whai Rawa since I was 16. I've never been good at saving, having dipped into many accounts during my time at university.

Having a Whai Rawa account has helped me immensely during my final years of study. The money I had been saving came in handy for study essentials and relieved a lot of unnecessary stress that I didn't need during that time - it was a lifesaver.

Now that I am working full-time as a journalist in the Bay of Plenty, I continue to put money aside on a monthly basis so that eventually, I will have a small nest egg to make a deposit on a house. Whai Rawa has been great for me."



Ariana Silver, saver aged 11, Ngāti Waewae, Ngāi Tūāhuriri, Te Taumutu, Waihao, Kāti Huirapa Rūnaka ki Puketeraki, Hokonui.

Ariana and her whānau live in Australia, where she was born. Ariana says that if she had her way, "Te Waipounamu would be my choice of place to live. The rivers aren't the same over here".

Ariana's parents Murray and Michelle who are both Ngāi Tahu work in education, Murray as a teacher and Michelle as a teacher aide. "We know education is important to us because we work at the coal face" says Murray. "So while we don't have a lot of spare cash, we have made saving into Whai Rawa for Ariana and her sisters (Amai and Aloeet) a priority".

Murray continues "As parents, we are really trying to promote the importance of having a solid education as a basis to setting up your future. Whai Rawa plays a role in this and we have been putting a little money into the girl's accounts each year."



Alexander & Anabelle Batchelor, savers aged 5 & 6, Hokonui rūnanga, Oraka Apirima rūnaka, Te Taumutu rūnanga, Waihōpai rūnanga

Kylie Batchelor and her husband Grant, enrolled their tamariki, Alexander and Anabelle, with Whai Rawa as soon as they were born.

Says Kylie "We always wanted to put away a little bit of money for our children and not being able to save very much when we had one income and two preschoolers, Whai Rawa really maximised every single cent with the matched savings without being a burden on our family."

Kylie is also in Whai Rawa, and continues "Whai Rawa is a great way to supplement my retirement savings".

Member Profile

Inter-Generational Rewards

Mark Scott



Mark Scott wants to be debt-free by the time he is 65 and he is looking forward to enjoying the fruits of his Whai Rawa investments on his retirement. He is not convinced that government-based superannuation funds will provide for the sort of future he and his wife, Gina want to enjoy on their Pukekohe 'pocket of paradise' in twenty years' time but by investing in Whai Rawa now, he knows they will be able to have 'extras' like a new car, or travel anywhere in the world to visit their children.

Mark, 44 (Ngāi Tahu) is Operations Support Manager at Electrix in Auckland. When he heard about Whai Rawa through the Ngāi Tahu network, he jumped at the chance to sign up with his two sons, Jayden and Calem, now aged ten and eight respectively.

"Although the boys already had Kiwi Saver accounts, I wanted them to have roots and a connection to their iwi; I wanted them to create a worthwhile nest egg for their futures."

"I loved the concept of Whai Rawa and its focus on changing inter-generational behaviour around saving. Ngāi Tahu has recognised that they won't survive as a tribe without healthy, smart people. They have recognised the need to develop both cultural and investment streams that will encourage people to look after themselves and to develop self-determining strategies geared toward a comfortable financial future," he says.

Mark is a big believer in self-determination and he and Gina are teaching their sons to be good people who give to the world. "Life is a team effort" he says and the Whai Rawa scheme fits well with his belief that his sons should learn that rewards come from self-initiation and a willingness to work and wait.

He has no plans to cash-in his own investment until retirement but he is pleased to know that by the time Jayden and Calem reach their late teens, there will be enough in their accounts to put them through university if they choose that path; or later, enough to enable them to consider purchasing their first homes.

"My vision is that Whai Rawa will provide them with choices. I'm trying to instill in them the benefits of hard work, risk and reward and delayed gratification. I think it's important to encourage a savings habit early and Whai Rawa fits into that perfectly."

Mark also sees the scheme as an excellent way to connect with his iwi. "I was never raised in that world and I feel a sense of loss that I never had those opportunities but I pride myself on being attached to Ngāi Tahu. As an organisation they're a fabulous contributor to New Zealand life and they have a longer term vision than any of us. They're thinking inter-generationally and actively working toward that. Whai Rawa is a building block for the future of iwi sustainability and for us, it's one of multiple strands aimed at providing the best we can for our children. It's a very positive conduit for that and it's great to be a part of it."

Whai Rawa Unit Trust

Financial Statements for the year ended 31 March 2012

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WHAIRAWA UNIT TRUST

Balance Sheet

for the year ended 31 March 2012

	Notes	2012 NZ\$	2011 NZ\$
CURRENT ASSETS			
Cash and Cash equivalents:			
- Cash at Bank (New Zealand Account)	This represents funds held on call	7,918	17,932
- Cash at Bank (Australian Account)		3,253	1,521
Financial Asset Fair Valued Through Profit (on call Mercer Defensive Fund)	These are the funds placed on investment with Mercer and are made up of member and Te Rūnanga contributions plus earnings minus withdrawals	22,993,456	17,582,153
Related Party Receivable - Ngāi Tahu		551,884	508,722
Contributions Receivable		254	-
Other Receivables		7,649	4,087
Total Current Assets		23,564,414	18,114,415
less: CURRENT LIABILITIES			
PIE Tax Payable	5	248,318	31,016
Benefits Payable		3	3
Related Party Payables - Ngāi Tahu	This represents amounts committed by Te Rūnanga to match savings made by members in the first quarter of 2012 (to be distributed in 2013)	5,103	7,451
Total Current Liabilities		253,424	38,470
TOTAL FUNDS		23,310,990	18,075,945
Represented by:			
Unit Holders' Funds		23,310,626	18,075,945
Reserve Funds		364	-
		23,310,990	18,075,945

The accompanying notes form an integral part of these financial statements.

The Manager approved the issue of these financial statements on 1 August 2012



Tim McGuinness



Diana Crossan

WHAIRAWA UNIT TRUST

Reserve Fund

for the year ended 31 March 2012

	Notes	2012 NZ\$	2011 NZ\$
Reserve Funds at beginning of period		-	-
Plus:			
Profit and Total Comprehensive Income		1,246,957	475,507
Less:			
Reinvested to Unit Holders		(1,246,593)	(475,507)
Reserve Funds at end of period		364	0

This represents the money left over after the fourth quarterly allocation of earnings to members. This will be added to the earnings to be allocated to members in next quarter.

WHAIRAWA UNIT TRUST

Statement of Changes in Unit Holders' Funds

for the year ended 31 March 2012

	Notes	2012 NZ\$	2011 NZ\$
Unit Holders' Funds at beginning of period		18,075,945	14,379,057
Comprehensive Income transferred from Reserve (reinvested to unit holders)		1,246,593	475,507
Plus:			
Contributions from Unit Holders	This is the amount contributed by members	2,403,904	2,401,736
Ngāi Tahu annual distribution		757,642	-
Ngāi Tahu newborn distribution	These are the amounts contributed by Te Rūnanga to member accounts	8,409	-
Ngāi Tahu matched savings		1,482,681	1,401,974
		4,652,636	3,803,710
Less:			
PIE tax payable on behalf of unit holders	5	(248,702)	(30,826)
Redemptions by Unit Holders	This represents member withdrawal payments	(415,846)	(551,503)
Unit Holders' Funds at end of period		23,310,626	18,075,945

The accompanying notes form an integral part of these financial statements.

WHAI RAWA UNIT TRUST

Statement of Comprehensive Income

for the year ended 31 March 2012

	Notes	2012 NZ\$	2011 NZ\$
Investment Income			
Change in fair value of financial asset fair valued through profit	3	1,246,547	475,128
ING interest income		-	39
Total Investment Income	4	1,246,547	475,167
OTHER INCOME			
Other interest		410	340
Investment management fee rebate		28,704	10,740
Investment management fee reimbursed		95,681	35,376
Bank charges reimbursed		13,391	10,993
Total Other Income	4	138,186	57,449
EXPENSES			
Investment management fee		(124,385)	(46,116)
Bank charges		(13,391)	(10,993)
		(137,776)	(57,109)
Net Profit before Taxation		1,246,957	475,507
Income tax expense	5	-	-
Net Profit after Taxation		1,246,957	475,507
Total Comprehensive Income		1,246,957	475,507

This represents the increase of the undistributed earnings on funds invested

This represents expenses met by Te Rūnanga. See note 8 for more information

The accompanying notes form an integral part of these financial statements.

WHAI RAWA UNIT TRUST

Statement of Cash Flows

for the year ended 31 March 2012

	Notes	2012 NZ\$	2011 NZ\$
Cash flows from operating activities			
Cash provided from:			
Interest received		410	340
Investment income - ING		-	286,651
Reimbursement of costs		103,920	3,651
		104,330	290,642
Net cash inflow from operating activities	6	104,330	290,642
Cash flows from financing activities			
Cash provided from:			
Contributions received		2,398,634	2,395,529
Ngāi Tahu annual distribution and matched savings		2,200,000	1,330,000
		4,598,634	3,725,529
less: Cash applied to:			
Taxation paid on behalf of unit holders		(31,765)	(102,459)
Withdrawals		(415,481)	(549,950)
		(447,246)	(652,409)
Net cash inflow from financing activities		4,151,388	3,073,120
Cash flows from investing activities			
Cash provided from:			
Redemption of funds - Mercer		110,000	-
less: Cash applied to:			
Application of funds - Mercer		(4,374,000)	(17,433,100)
Net cash outflow from financing activities		(4,264,000)	(17,433,100)
Net decrease in cash held		(8,282)	(14,069,338)
Add cash at start of period		19,453	14,088,791
Cash and cash equivalents at end of period		11,171	19,453
Cash and Cash Equivalents for the purpose of the Statement of Cash Flows comprise of:			
Cash at bank - New Zealand Account		7,918	17,932
Cash at bank - Australian Account		3,253	1,521
		11,171	19,453

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2012

1. Trust Description

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 50 Corsair Drive, Wigram, 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 period ended 31 December 2011, 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 \$60 newborn distribution (subject to Māori authority tax credits and RSCT deductions). The maximum contribution from TRONT is presently \$200 per Unit Holder.

Termination Terms

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

Changes in the Trust Deed

The Trust Deed was amended on 9 September 2011 to reinsert amendments recorded in the Trust Deed as amended on 6 June 2007 but omitted from the Trust Deed as amended on 22 September 2010.

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. The Trust then invests these funds in highly liquid investments to derive investment income for the members of the Trust.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Financial Reporting Act 1993.

Statement of Compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-orientated entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of investments categorised as financial assets fair valued through profit or loss which are measured at fair value at balance date.

Presentational 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.

Classification of Assets and Liabilities

Assets and liabilities are disclosed in the Balance Sheet in an order that reflects their relative liquidity.

Accounting Policies

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

Investments

Investments are recognised and derecognised on the trade date and are initially measured at fair value. Investments are categorised as fair value through profit or loss. As the Trust's business is investing in financial assets with a view to profiting from their total return in the form of interest, distributions or increases in fair value investments are designated as fair value through profit or loss on initial recognition. Financial assets designated as at fair value through profit or loss, are measured at subsequent reporting dates at fair value, which is the bid price of the exchange on which the investment is quoted.

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%.

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 income tax liabilities as at balance date. Unit holders' funds include amounts allocated to unit holders' accounts after allowing for income that is non assessable and expenses that are not deductible.

Statement of Cashflows

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 Cashflows:

- (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 equity and borrowings of the Trust.
- (d) Investing activities include application and redemption of investment funds.

Loans and Receivables

Accounts receivable are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any impairment losses. All known bad debts are written off in profit and loss during the financial year.

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cashflows from the asset have been impacted. The amount of the impairment is the difference between the carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

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 Withdrawals

Contributions and withdrawals are accounted for on an accruals basis.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2012

Investment Income

Revenue is measured at the fair value of the consideration received or receivable. Interest income is recognised using the effective interest rate method. Dividend revenue is recognised when the right to receive payment has been established.

Distributions from unlisted investments are taken to income on a due and receivable basis. Net realised and unrealised gains and losses are recognised in the Statement of Comprehensive Income in the period in which they occur. The gain or loss on the investment is determined based on the quoted interest rate of the investment funds.

Impairment Policy

The carrying amounts of assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists for an asset, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amounts are the higher of fair value (less costs to sell) and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 the 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 a quarterly basis at the end of June, September, December and March.

Redemptions

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

Adoption of new and revised Standards and Interpretations

The Trust has adopted all new standards issued by the New Zealand External Reporting Board which are effective for the current year, however these standards have had no impact on these financial statements.

Standards and Interpretations in issue not yet adopted

The following are the new or revised Standards or Interpretations in issue, of relevance to the Trust, that are not yet required to be adopted by entities preparing financial statements for periods ending on 31 March 2012:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
NZ IFRS 9 'Financial Instruments'	1 January 2013	31 March 2014
*Revised NZ IFRS 9 'Financial Instruments'	1 January 2013	31 March 2014
Amendments to NZ IFRS 7 'Financial Instruments: Disclosures'	1 July 2011	31 March 2013
Amendments to NZ IFRS 9 'Measurement of Financial Assets and Liabilities'	1 January 2015	31 March 2016

**the revised NZ IFRS 9 adds guidance on the classification and measurement of financial liabilities and derecognition of financial instruments. The effective date remains the same as the previous version of NZ IFRS 9, with earlier adoption permitted.*

3. Change in Fair Value

	2012 NZ\$	2011 NZ\$
ING Wholesale Cash Investment Fund - realised	-	286,612
Mercer Defensive Fund - unrealised	1,246,547	188,516
	<u>1,246,547</u>	<u>475,128</u>

Up until 19 October 2010, the Trust invested through the on call ING Wholesale Cash Investment Fund. From 20 October 2010, the Trust invested through the Mercer Defensive Fund which was made up of assets including Cash, Government Bonds, Global Bonds, NZ and Overseas Shares, NZ and Overseas Property. The Mercer Defensive Fund achieved a before tax and investment management fees return of 7.16% for the year ended 31 March 2012.

4. Total Operating Income

Total operating income is calculated as the sum of total investment income and other income.

	2012 NZ\$	2011 NZ\$
Total Investment Income	1,246,547	475,167
Total Other Income	138,186	57,449
	<u>1,384,733</u>	<u>532,616</u>

5. Income Tax

Income tax is calculated as follows:

Net Profit	1,246,957	475,507
Non assessable income and expenditure	(1,246,957)	(475,507)
Taxable profit	-	-

The Trustees elected for the Trust to become a Portfolio Investment Entity (PIE) with effect from 1 October 2007.

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 balance sheet at amortised cost. Tax expense charged in the Statement of Comprehensive Income is calculated by reference to the amount of income tax payable or recoverable in respect of the income withheld for asset impairment by way of a provision. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date.

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 year and tax the unit holders on the basis of their share of the taxable income at their prescribed investor tax rates.

Notes to the Financial Statements (cont'd)

for the year ended 31 March 2012

6. Reconciliation of Net Cash Flow from Operating Activities

	2012 NZ\$	2011 NZ\$
Net Profit After Taxation	1,246,957	475,507
Add/(less) non-cash items:		
Unrealised (Gains)/Losses on Mercer Investment	(1,246,547)	(188,516)
Add/(less) movement in other working capital items:		
Decrease/(Increase) in Related Party Receivable	103,920	3,651
Net cash inflow from operating activities	104,330	290,642

7. Financial Instruments

Credit Risk

Financial instruments which potentially expose the Trust to credit risk consist of cash and cash equivalents and receivables. The maximum exposure to credit risk is the carrying value of these financial instruments. The significant counterparty of the Trust is its investment manager (Mercer Investment Trust New Zealand), 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. The Trust does not require collateral or other security to support financial instruments with credit risk.

Market Risk

Market Risk is the risk that the value of the Trust's assets and liabilities will fluctuate due to changes in market prices. 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 Trust is exposed to interest rate risk in that future interest rate movements will affect cash flows and the market value of fixed interest and other investment assets. Risk management activities are undertaken by the Trust's Investment Manager to operate within guidelines provided by the Trustee. The investment in the Mercer Defensive Fund is repriced on a regular basis.

Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Trust's accounting policies. The Trust's Financial Assets primarily comprise of cash at bank and a Mercer Unit Investment Fund which are all on-call funds. The Trust does not hold any significant financial liabilities.

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 on call. There are no significant financial liabilities.

Capital Management

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.

Sensitivity Analysis

A 1% increase/decrease in the unit price of the Mercer Defensive Fund would have a positive/adverse impact on the value of the Trust's assets by \$230,000. Any such change in the Trust's assets would be recognised in profit or loss.

Categories of Financial Assets:	2012 NZ\$	2011 NZ\$
Loans and Receivables (including cash and cash equivalents)	570,958	532,262
Financial Assets designated as fair valued through profit and loss - Mercer Defensive Fund	<u>22,993,456</u>	<u>17,582,153</u>

The Mercer Investment fund (financial asset designated as fair valued through profit and loss) is a 'Level 2' Fair Value measurement financial asset. Such financial assets are those derived from inputs that are observable for the asset either directly or indirectly.

Categories of Financial Liabilities:		
Financial liabilities held at amortised cost	5,106	7,454

8. 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 these matched savings were \$1,482,681 (31/03/11: \$1,401,974). \$523,168 (2011: \$470,356) has been accrued at balance date. TRONT also made an annual distribution of \$757,642 (31/03/11: \$Nil) for the period on behalf of the members. TRONT also made an annual newborn distribution of \$8,409 (31/03/11: \$Nil). The beneficiaries of TRONT are eligible to participate in Whai Rawa Trust. TRONT currently also pays the administration costs of the Trust and of the Whai Rawa Scheme as a whole. All of these costs are included in TRONT's annual accounts. All related party transactions are at arms length.

9. Contingent Liabilities and Commitments

There are no significant contingent liabilities and commitments. (31/03/11: Nil)

10. Events After Balance Date

There have been no material events after balance date that require adjustment to or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHAI RAWA UNIT TRUST

Deloitte

Report on the Financial Statements

We have audited the financial statements of Whai Rawa Unit Trust on pages 8 to 17, which comprise the balance sheet as at 31 March 2012, and the statement of comprehensive income, statement of changes in unit holders' funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the trust's members, as a body, in accordance with Section 11 of the Unit Trust Act 1960. Our audit has been undertaken so that we might state to the trust's 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 trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Managers' Responsibility for the Financial Statements

The Manager is responsible for the preparation of financial statements, in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Other than in our capacity as auditor we have no relationship with or interests in Whai Rawa Unit Trust.

Opinion

In our opinion, the financial statements on pages 8 to 17:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of Whai Rawa Unit Trust as at 31 March 2012, and its financial performance and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2012:

- we have obtained all the information and explanations we have required
- in our opinion proper accounting records have been kept by Whai Rawa Unit Trust as far as appears from our examination of those records.

Deloitte

Chartered Accountants
3 July 2012
Christchurch, New Zealand

This audit report relates to the financial statements of Whai Rawa Unit Trust for the year ended 31 March 2012 included on Whai Rawa Unit Trust's website. The Manager is responsible for the maintenance and integrity of Whai Rawa Unit Trust's website. We have not been engaged to report on the integrity of the Whai Rawa Unit Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 3 July 2012 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS

WHAI RAWA FUND LIMITED DIRECTORS

Whai Rawa Fund Limited manages Whai Rawa. It is a company wholly owned by Te Rūnanga o Ngāi Tahu. The directors of Whai Rawa Fund Limited are:

Diana Crossan (Chair)

Diana is New Zealand's Retirement Commissioner. She has worked extensively in the business and public sectors and has held numerous voluntary and community roles.

Diana's career started as a probation officer after graduating from Otago University and the University of Wales. She has held several senior roles in the public service. She was in the set up team for Contact Energy and was GM Hydro at Clyde and Roxburgh for a short time. Her financial services industry experience began with AMP in New Zealand and the UK.

Diana has been on several boards including New Zealand Post and Mighty River Power Limited. She is currently chair of a group helping refugees into business.

Sir Tipene O'Regan (Kaiārahi)

Sir Tipene was the long serving Chairman of the Ngāi Tahu Māori Trust Board and led the Ngāi Tahu Treaty Settlement process which concluded in 1998.

He was the founding Chairman of the Māwhera Incorporation, the Ngāi Tahu Holdings Corporation and the reconstituted Sealord Group Ltd. He has held a wide variety of company directorships and chairmanships in both the public and private sectors in New Zealand and Australia and is a Distinguished Fellow of the Institute of Directors. He is on the Advisory Board, University of Otago Business School and chairs Ngā Pae o Te Maramatanga, (CORE) University of Auckland.

He holds honorary degrees from the University of Canterbury, Lincoln University and Victoria University of Wellington.

He is Upoko o Te Rūnanga o Awarua.

Hon. David Caygill

David is a former Cabinet Minister and Member of Parliament.

He served on the Christchurch City Council for three terms (1971-80). In 1978 he was elected to Parliament and was a Member of Parliament for the following 18 years, including 6 years (1984-90) as a Minister of the Crown.

During the Lange and Palmer governments he held a number of Ministerial portfolios, including Minister of Trade and Industry (1984-88), Minister of Health (1987-88) and Minister of Finance (1989-90).

Following his retirement from politics in 1996 he returned to his former profession as a lawyer, joining the national firm of Buddle Findlay as a partner specialising in public law.

In December 2003 he left Buddle Findlay and was appointed Deputy Chair of the Commerce Commission. He is currently Deputy Chair of the Environment Canterbury Commissioners.

Tim McGuinness

Tim has held senior executive and board / trustee positions with substantial New Zealand based investment management organisations and funds for over 15 years and has an extensive specialist knowledge and experience built up through involvement with managing investment funds for over 25 years.

He is currently Chairman of Trustees of the Dairy Industry Superannuation Scheme and Fonterra Superannuation Scheme and a trustee of the New Zealand Fire Service Superannuation Scheme, the Police Superannuation Scheme. He was on the Board of the Government Superannuation Fund Authority for 10 years (including 3 as Chair) and Board of the Earthquake Commission for 8 years.

These positions followed senior funds management positions with Royal & SunAlliance and Norwich Union / State Insurance, and membership of the NZ Stock Exchange Surveillance Panel for a number of years.

Kristen Kohere-Soutar

Kristen is from Ngāi Tahu (Ngāi Tūāhuriri, Kāti Huirapa, and Ngāti Rakiamō).

Kristen is Head of Specialist Markets at Kiwibank. She works in an enterprise wide role across key divisions of the bank, including personal and business banking strategy, to meet Māori customer needs. She has a particular focus in business markets, providing specialist integrated planning for the bank to assist Māori and iwi enterprises with their capital requirements and asset management.

Kristen is a trustee on the ASB Community Trust, which holds \$1bn in assets and determines distribution strategy and policy to the population of the greater Auckland and Northland regions. She is also a director of the Ngāti Porou Holdings Company, and a director of Aotearoa Credit Union the fastest growing Māori credit union in New Zealand. Kristen is also a trustee of her whānau farm, Rangiatā Ahuwhenua Trust; her Ngāti Porou whānau continue to work and occupy the farm.

Kristen was educated at Queen Victoria School and graduated from Auckland University with a BA/LLB. In her earlier career, she worked as a management consultant for KPMG and for a brief time with Minter Ellison.

Kristen enjoys, and is very passionate about traditional Māori performing arts – she has been a senior performer for national title winning kapa haka teams and judged both secondary and regional adult competitions.



Te Rūnanga o **NGĀI TAHU**

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