



Chief Executive Open Report

Submitted by: Gavin Murphy, CEO

Purpose: This paper updates trustees on progress towards delivery of Trust priorities as outlined in Tākina te Kawa – our Statement of Intent 2022-23.

Recommendation: Trustees **note** the report as received.

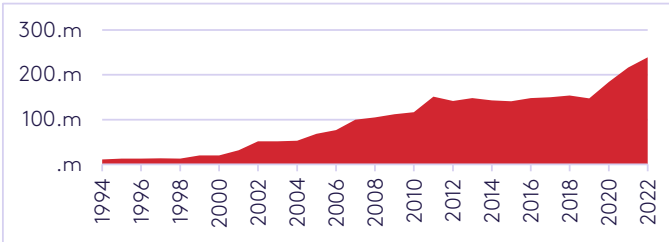
Trust Tairāwhiti dashboard

Delivering the trust purpose through to 31 March 2022

Future Generations

We will play a leading role in ensuring that future generations benefit from the assets of the Trust and from a more resilient region.

Preserved Capital



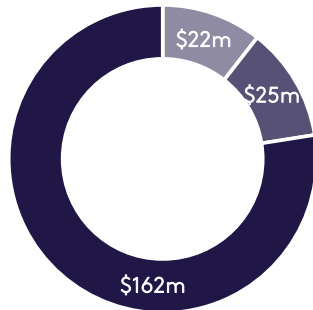
Mar-22



The Trust formed following the electricity reforms in the early 1990s, when the majority of Tairāwhiti residents supported the \$20m equity of the local power board being retained in the region through a community trust model. The fund has grown from \$20m to \$452m.

As at 31 March 2022, the Trust's income fund, which is used to provide for beneficiaries, has been built up to \$209m. However the majority of this is invested in infrastructure assets in Eastland Group. Aside from reserves, only \$22m is available as cash and this limits Trustees' ability to benefit beneficiaries.

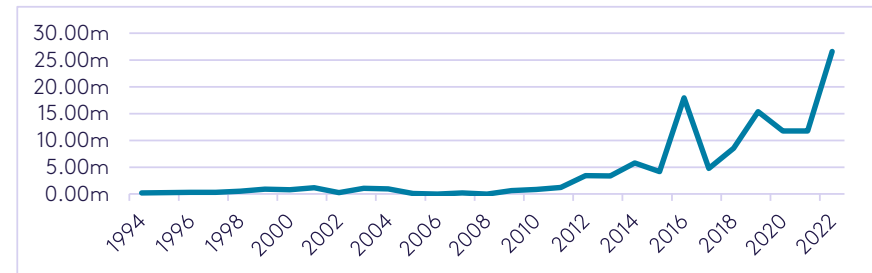
Preserved Income



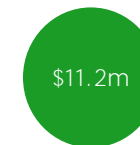
■ Cash ■ Reserve ■ Long term assets

Providing for beneficiaries

Annually to March 2022



Cumulative



Total Trust Fund

incl. minority interests



Trust Tairāwhiti dashboard

Delivering the trust purpose through to 31 July 2022

Preserving capital

To preserve capital in line with the Trust deed, capital needs to grow by



Estimated increased based on inflation of 2.5%, if this was 5% the amount preserved would need to be \$12m. We anticipate that revaluations within Eastland Group in FY23 will preserve the value of capital.

Providing for beneficiaries

Community initiatives



Enabling others
through grant funding

21 organisations supported to date

\$1.9 million of distributions approved to date

Excl. balance of in principle support for community facilities



Delivering
targeted operations

	Act.	Bud.
Delivering economic development	\$,000	\$,000
Revenue from external services	446	432
Economic development costs	(1,762)	(2,099)
Net delivery	(1,316)	(1,666)



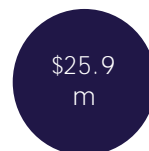
Investing
capital including via Eastland Group

\$1.83 million directly invested to date
by Trust Tairāwhiti

Cashflow insights

The following are the graphical presentation of the cash projections as at 31 July 2022.

Funds Available



Commitments to be paid (incl. community facilities)



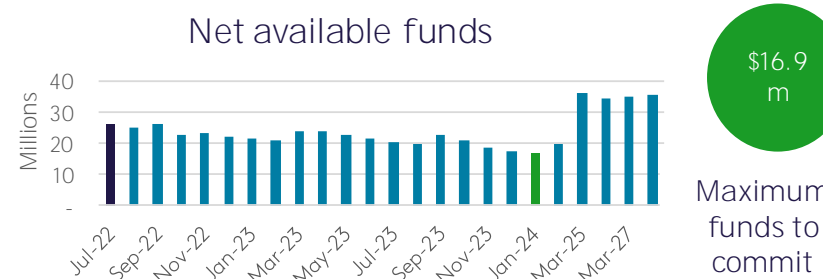
Enabling others
through grant funding

\$16.7m



Investing
capital including via Eastland Group

\$0.7m



Funds required from investment portfolio in the next quarter \$0.1m

In addition to those committed a summary of requests being assessed against He Rangitapu, He Tohu Ora and overall pipeline is noted.

Decisions within three months	13 Applications totaling	\$5.9m
Decisions within six months	- Applications expected	\$0.0m
Pipeline projects	20 opportunities	\$42.1m
Investment opportunities		\$48.0m








Note: total community facilities projects that require funding \$110.0m

Trust financial performance

Trust Tairāwhiti

Financial management reporting

Financial performance

	Jul YTD Actual \$000	Jul YTD Budget \$000	Var \$000	Mar YTD SOI Budget \$000
Income				
EGL Interest & Dividend	401	401	-	10,000
Investment Income	473	247 	226	740
Other Income	834	833	1	2,500
Other Investment Income	1	-	1	-
Total income	1,709	1,481	228	13,240
Costs				
Admin and operating	417	657 	240	1,670
Communications	75	120 	45	320
Personnel	731	758 	27	2,443
Trustee	139	167 	28	436
Total costs	1,362	1,702	340	4,869
Operating surplus	347	(221) 	568	8,371
Realised/Unrealised gains/(loss)	17	-	17	-
Depreciation	(42)	(40)	(2)	114
Distributions enabling others	(1,368)	- 	(1,368)	-
Surplus before other subsidiary transactions	(1,046)	(261)	(785)	8,485







Trust financial position


	Jul YTD Actual \$000	Mar 2022 \$000
Assets		
Current assets		
Cash & Equivalents	7,978	10,399
Receivables	946	244
Other receivables	550	328
Current assets	9,474	10,971
Non-current assets		
Inter Group	98,996	96,687
Plant and vehicles	646	639
Other investments	41,134	42,178
Non-current assets	140,776	139,504
Total assets	150,250	150,475
Current liabilities		
Account & Sundry Payables	(6,327)	(6,544)
Payroll payables	(120)	(101)
Tax payable	(25)	1,330
Current liabilities	(6,472)	(5,315)
Net assets	143,778	145,160
Equity		
Capital	20,000	20,000
Revaluations	12,830	13,166
Retained earnings	110,948	111,994
Total equity	143,778	145,160


Trust Tairāwhiti Limited

Financial management reporting

Financial performance

	Jul YTD Actual \$000	Jul YTD SOI Bud \$000	Var \$000	Mar YTD SOI Budget \$000	Budget Remain \$000
Income					
Contract and trading revenue	447	432	15	1,428	981
Direct costs	(40)	(94) 	54	(377)	(337)
Gross profit	407	338	69	1,051	644
Costs					
Administration	1,028	1,153 	125	3,403	2,375
Regional marketing, development and events	141	226 	85	726	585
Personnel	504	539 	35	1,690	1,186
Independent Investment Committee	17	58 	41	175	158
Total costs *	1,690	1,976	286	5,994	4,304
Operating surplus	(1,283)	(1,638) 	355	(4,943)	(3,660)
Unrealised gains/(loss)	-	-	-	-	-
Depreciation	(33)	(28)	5	(81)	(48)
Surplus before other subsidiary transactions	(1,316)	(1,666)	360	(5,024)	(3,708)

 Ahead of income or behind in expenditure by \$20k or more

 Behind in income or ahead in expenditure by \$20k or more.

Commentary

Income is slightly ahead of budget with the additional digital boost funding and the balance of TEAP funding offsetting the reduction in iSITE revenue.

Direct costs relate to iSITE retail costs and on-behalf tickets purchases. These costs are behind budget which is expected with the reduction in iSITE revenue.

Administration costs include strategic initiative costs and are tracking behind budget. This is expected to be timing and will align as the year progresses.

Regional marketing, development and events relate mainly to tourism activity, and although currently behind budget, this is expected to come back into line as the activity increases over the coming months.

Personnel costs are behind budget due to vacant roles and timing of recruitment. Independent Investment Committee fees have been allowed for the full year. This will be reviewed along with the investment strategy and it's expected that actual will be below budget at year end.