

Annual Report

Wai Kōkopu Incorporated
For the year ended 31 March 2021

Prepared by Stem Rural Accountants Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAI KOKOPU INCORPORATED

Report on the Performance Report

Opinion

We have audited the performance report of Wai Kokopu Incorporated (“the Society”), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2021 the statement of financial position as at the 31 March 2021, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2021;
 - the service performance for the year then ended; and
 - the financial position of the Society as at the 31 March 2021, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE (NZ) 3000 (Revised)”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Janine Hellyer CA
Paul Manning CA

Jenny Lee CA

ASSOCIATE: Michael Lim CA

Responsibilities of the Trustee's for the Performance Report

The Trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Tauranga
Tauranga
New Zealand
27 October 2021

Entity Information

Wai Kōkopu Incorporated For the year ended 31 March 2021

'Who are we?', 'Why do we exist?'

Wai Kōkopu Incorporated is a community driven co-governance group that connects, informs and lobbies agencies, organisations, industry and landowners towards achieving the reductions required to meet catchment water quality targets. It will also be supported by appropriate hau kainga representation at governance and operational levels with relevant guidance from primary sector groups, local authorities and community care groups.

Legal Name of Entity

Wai Kōkopu Incorporated

Entity Type and Legal Basis

Incorporated Society

Registration Number

9429048790284

Entity's Purpose or Mission

Working together over the next 20 years to restore and replenish the Waihi estuary; Pongakawa, Kaikōkopu and Wharere rivers and surrounding lands, contributing waters and associated biodiversity.

Entity Structure

The Society shall be governed by a Board consisting of ten members and, if any, up to two Co-opted Board Members.

Main Sources of Entity's Cash and Resources

Government and community grants

Main Methods Used by Entity to Raise Funds

Telling the story including key strategies and work-streams where potential funding can be targeted to achieve measurable outcomes

Entity's Reliance on Volunteers and Donated Goods or Services

The strategy is to employ professional, qualified resources to manage and deliver outcomes that contribute towards achieving the mission. This will include engaging with the community and mobilising volunteers as required.

Additional Information

Refer to Wai Kokopu website <https://www.wai-kokopu.org.nz/about/>

Postal and Physical Address

879 Old Coach Road,

Te Puke

Approval of Financial Report

Wai Kōkopu Incorporated
For the year ended 31 March 2021

The Committee are pleased to present the approved financial report including the historical financial statements of Wai Kōkopu Incorporated for year ended 31 March 2021.

APPROVED



Andre Hickson

Trustee

Date 15/10/2021



Rick Rapana

Trustee

Date 22/10/2021



John Burke

Trustee

Date 15 October 2021

Statement of Service Performance

Wai Kōkopu Incorporated
For the year ended 31 March 2021

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

Wai Kokopu has only recently commenced operations. Targeted outcomes in the next 5 years include:

- That Wai Kokopu is actively involved with eight interested iwi and hapu groups across the catchment. (Ngati Pikiāo, Ngati Makino, Ngati Whāuae, Ngati Whakahemo, Tapuika, Ngati Pukenga, Ngati Rangitihī, Waitaha).
- Land Environmental Plans completed by 100% of land owners.
- Over 400ha of erosion prone land, wetland and riparian corridors retired.
- All impediments to fish passageways rectified.

Additional Output Measures

The objects of the Society are to:

- Initiate and support conservation and restoration activities for the natural environment within the Pongakawa catchment and Waihi estuary.
- Support local recreational opportunities, indigenous biodiversity, environmental health including identifying and addressing land and water management issues that affect the rivers and estuary in the catchment.
- Have due regard for mana whenua and matters of historic importance.
- Support the health and well-being of the communities connected to the Pongakawa catchment and Waihi estuary.
- Identify and obtain funding and resources to assist the Society's activities.
- Support the education of residents in connection with environmental conservation issues within the catchment and surrounding communities.

Targeted Strategic Outcomes

	Short-term (1 to 5 Yrs) outcomes (detailed from Logic Model)	Measure
1	Land Environmental Plans: Completed by 100% of landowners with meaningful KPIs link to estuary health.	By 2025 100% of landowners have completed LEP with meaningful KPIs linked to estuary Health. Note: assumes regulation requirement for LEP within this time frame.
2	Kaitiaki are actively engaged in the project *	Wai Kokopu is actively involved with eight interested Iwi and Hapu groups across the catchment. (Ngati Pikiāo, Ngati Makino, Ngati Whāuae, Ngati Whakahemo, Tapuika, Ngati Pukenga, Ngati Rangitihī, Waitaha). Six monthly reporting on restoration activities and relationship milestones where Active participation is demonstrated (ie: wetlands, planting, training, pest control activities and biological monitoring) including a science leader for developing an estuary monitoring and restoration plan involving mana whenua.



3	100% Lighthouse farms telling farm story	Annual Reporting on progress on 15 lighthouse farms and relevant activities of restoration underway each year reported. Annual reporting on media releases from lighthouse farm progress.
4	Retirement of high priority land being CSA, wetlands, riparian margins and erosion prone sidlings. Highest priority will go to land retirement that has most beneficial impact on water quality.	YEAR 1 Report: 150ha of signed BOPRC Environmental Programs for retirement YEAR 2: Additional 150ha of signed EP. YEAR 3: Additional 200ha of signed EP Total 500ha signed EP over 3 years
5	80% of dairy effluent disposal systems meet best practice incl. 100% high priority sites	Annual Reports/Updates on Dairy Effluent Ponds 80% of dairy effluent disposal systems meet best practice (lined ponds, SMD irrigation, and actively monitoring of applications)
6	105 of impediments to fish passageways rectified	Progress report each year on numbers towards goal of >105 of fish passageways
7	Increased areas of native bush, wetlands and estuary margins are under pest management	Establishing 5 Pest Management Projects in a range of subcatchments, with community or Iwi collaboration. Annual Reporting on established projects progress, and new ones as they begin. (note, this includes 1135 Ha of Kokako Trust Land.)
8	5 Sub-catchment groups operational	Report Annually on 5 Sub-catchment groups operational with >8 landowners in each demonstrating relevant mitigations.
9	Minimum of 3 Planting days a year.	Report Annually on Planting days achieved, numbers attended, ideally on private land where possible. Ideally have sponsored planting days (e.g. by banks, agribusiness)
10	Riparian corridor restoration	Annual report on 15 km of Riparian corridors achieved annually and are under restoration management (weed control, and restoration planting)
11	Local schools are actively engaged in the project	Annual report on progress made with local schools, starting with Pongakawa, Paengaroa, Pukehina, & Te Puke High, 4 Schools.
12	TARGET to achieve a moderately healthy estuary over time: Water quality meets targeted metrics (to be finalised) for moderately improved quality Reductions of contaminants required over 2 generations: Phosphorous = 30% E. coli reduce = 50% Nitrogen = 66% Sediment = 14%	Annual reporting from BOPRC against these metrics from the integrated monitoring network between BOPRC and Wai Kokopu: (we will report against what is observed) YEAR 1: report on the full monitoring plan being put in place, 10 telemetered sampling will start in Sept 2021, and grab sampling from 100 sites, will begin from September 2021. Report on this will be compiled in July 2022. YEAR 2 – Report again at end of July 2023, showing baseline monitoring from site sampling. YEAR 3 – Report of results from baseline, over 3 years, in July 2024.



13	30,000 hours of work will be created over the 3 years.	Report 6 monthly on hours worked by part time contractors or full time units involved in direct Bay Trust funded activity. In kind or paid work associated with Wai Kokopu restoration.



Statement of Financial Performance

Wai Kōkopu Incorporated
For the year ended 31 March 2021

'How was it funded?' and 'What did it cost?'

	NOTES	2021
Revenue		
Donations, fundraising and other similar revenue	1	87,767
Interest, dividends and other investment revenue	1	1
Total Revenue		87,769
Expenses		
Volunteer and employee related costs	2	42,943
Costs related to providing goods or service	2	2,611
Other expenses	2	42,213
Total Expenses		87,767
Surplus/(Deficit) for the Year		1



These financial statements should be read in conjunction with the accounting policies, notes to the financial statements and independent auditors report.

Statement of Financial Position

Wai Kōkopu Incorporated

As at 31 March 2021

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2021
Assets		
Current Assets		
Bank accounts and cash	3	149,891
Total Current Assets		149,891
Total Assets		149,891
Liabilities		
Current Liabilities		
Creditors and accrued expenses	4	62,653
Unused donations and grants with conditions	4	87,238
Other current liabilities	4	-
Total Current Liabilities		149,890
Total Liabilities		149,890
Total Assets less Total Liabilities (Net Assets)		1
Accumulated Funds		
Accumulated surpluses or (deficits)	5	1
Total Accumulated Funds		1



These financial statements should be read in conjunction with the accounting policies, notes to the financial statements and independent auditors report.

Statement of Cash Flows

Wai Kōkopu Incorporated
For the year ended 31 March 2021

'How the entity has received and used cash'

2021

Cash Flows from Operating Activities

Donations, fundraising and other similar receipts	175,005
Interest, dividends and other investment receipts	1
GST	19,551
Payments to suppliers and employees	(44,666)
Total Cash Flows from Operating Activities	149,892

Cash Flows from Investing and Financing Activities

Cash Flows from Other Investing and Financing Activities	-
Total Cash Flows from Investing and Financing Activities	-

Net Increase/ (Decrease) in Cash

149,891

Cash Balances

Cash and cash equivalents at end of period	149,891
Net change in cash for period	149,891



These financial statements should be read in conjunction with the accounting policies, notes to the financial statements and independent auditors report.

Statement of Accounting Policies

Wai Kōkopu Incorporated

For the year ended 31 March 2021

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Wai Kōkopu Incorporated Society was formed on 12th November 2020, as such this is the first set of financial statements, drawn up to an annual balance date of 31 March.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Wai Kōkopu Incorporated has been set up as a Charitable Trust. It has applied to the Charities Commission to become a New Zealand registered Charity. The application for this is pending. Once approved, Wai Kōkopu Incorporated will be exempt from New Zealand income tax.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue recognition

Donations:

Donations and grants with no "use or return" condition attached are recorded as revenue when cash is received.

Donations and grants with a "use or return" condition attached are recorded as a liability when cash is received, and as the conditions are met the liability is reduced and revenue is recorded.

Interest:

Interest is recorded as it is earned.

Donated goods and services:

Donated assets that are significant and have useful lives of 12 months or more are recorded on receipt at readily obtainable values.

Donated goods or services are not recorded.



Notes to the Performance Report

Wai Kōkopu Incorporated For the year ended 31 March 2021

2021

1. Analysis of Revenue

Donations, fundraising and other similar revenue

Government MPI - SLU Program	87,767
Total Donations, fundraising and other similar revenue	87,767

Interest, dividends and other investment revenue

Interest Received	1
Total Interest, dividends and other investment revenue	1

2021

2. Analysis of Expenses

Volunteer and employee related costs

Project Management - Alison Dewes (Tipu Whenua Ltd)	35,100
Restoration Management	7,843
Total Volunteer and employee related costs	42,943

Costs related to providing goods or services

Insurance	1,930
Vehicle Expenses	681
Total Costs related to providing goods or services	2,611

Other expenses

Secretarial Roana	3,840
Accountancy Expenses	1,832
Communication - Artwork & Social Media	13,295
Lighthouse & LEP Implementation	23,246
Total Other expenses	42,213

2021

3. Analysis of Assets

Bank accounts and cash

ANZ 00	149,891
Total Bank accounts and cash	149,891

2021

4. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable (Xero)	49,567
GST	13,086
Total Creditors and accrued expenses	62,653



2021

Unused donations and grants with conditions

Unused Grant	87,238
Total Unused donations and grants with conditions	87,238

Other current liabilities

Resident Withholding Tax	-
Total Other current liabilities	-

2021

5. Accumulated Funds**Accumulated Funds**

Accumulated surpluses or (deficits)	1
Total Accumulated Funds	1
Total Accumulated Funds	1

6. Commitments

There are no commitments as at 31 March 2021 (Last year - nil).

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2021 Last year - nil).

8. Significant Grants and Donations with Conditions not Recorded as a Liability

Ministry for Primary Industries (MPI) have a contract with Wai Kokopu Incorporated, that clearly states where funds are to be allocated for spending, as per the contract signed and dated by both parties on 8th day of December 2020.

Of the Grants reported in these reports approximately \$87,000 was still to be spent on the following items:

- Lighthouse Farm Project Manager appointment
- Lighthouse Farm Data collection and processing for 5 farms
- Health and safety personal appointment and plan developed
- Formalise a project advisory group
- Develop an annual activity plan and sub-catchment groups activity plans including data collection and KPI reporting as agreed
- Lighthouse farm plan data collection and reports

2021

9. Goods or Services Provided to the Entity in Kind

None recorded as at 31 March 2021

10. Assets Held on Behalf of Others

None



11. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

12. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

13. Covid-19 and the ability of the entity to continue as a going concern - Additional note to the accounts

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all non-essential businesses were closed and international travel was restricted. On 17 August 2021 Covid-19 was once again detected in the community, leading to another level 4 national lockdown. At the present time the majority of New Zealand is at alert level 2 and there is currently no evidence to suggest that a new widespread Covid-19 event could occur in New Zealand nor specifically in the proximity of the Bay of Plenty, but it is now well known that the virus can transmit rapidly.

14. Post Balance sheet Events - Additional Note to the accounts

On 17 August 2021 Covid-19 was once again detected in the community in Auckland, leading to another level 4 national lockdown. There is currently renewed uncertainty around the extent of this latest Covid-19 outbreak, and the length of time that the latest restrictions and business disruptions might last. But there is currently no evidence to suggest that the virus will spread to the region of the Incorporation. See the above note for the wider impacts of Covid-19 on the business.

