NORFOLK
MORTGAGE TRUST

2021 - 2022

ANNUAL REPORT AND
FINANCIAL STATEMENTS

Awatere Valley

Front and back cover: Lake Ohau

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NORFOLK MORTGAGE TRUST LOANS BY REGION

LETTER
FROM THE CHAIR

Dear Unitholders

I have the pleasure of presenting the accounts for Norfolk Mortgage Trust for the year ending 31 March 2022. It has been a successful year for the Trust, with the size of the fund growing by 30.71% over the period.

I am pleased to report that the average gross (pre tax) annual return to unitholders over the year was 5.89% and we continue to focus on ensuring that every decision made is in the best interests of our unitholders.

The directors’ objective is to provide a competitive rate of return compared to other trusts to attract investors. Our trading history indicates so far we have achieved this goal.

We are looking forward to the next 12 months and would like to thank you for your ongoing support of Norfolk Mortgage Trust.

Yours faithfully

Jack Porus
CHAIR
NORFOLK MORTGAGE MANAGEMENT LIMITED

OUR PEOPLE

JACK PORUS LLB, BCom
Chairman

A founder of Norfolk Mortgage Trust, Jack brings extensive experience to his role as Chairman at Norfolk Mortgage Management Ltd. He has been the managing partner of Glaister Ennor, a well-respected Auckland law firm for over 30 years. He brings a wealth of experience in property investment, commercial law and business advisory work with both private and public companies and investors.

Jack is the director of a number of substantial companies and a trustee of both personal and charitable trusts. He and his wife have two sons and enjoy travelling.

STU SMITH BAgr, Dip (Finance & Banking)
Executive Director

Stu Smith is a director on the Norfolk Mortgage Management board. In 2006, together with Jack Porus, he started Norfolk Mortgage Trust. Originally a property valuer in the Waikato with a strong interest in the environment, Stu joined the Rural Bank. He was seconded to the National Bank in Wellington where he gained a wide range of experience in all aspects of commercial banking. Stu left the bank in 2000 to start a finance company, which remains his primary business today.

Stu and his family are passionate about cycling and the environment.

DON HOWDEN LLB
Director

Don Howden is a director on the Norfolk Mortgage Management board. He has recently retired from his position as senior partner at law firm Jones Howden in Matamata but continues as a consultant to the practice. He has over 40 years' experience in rural legal practice and considerable expertise in conveyancing, trusts and estate planning.

AMY CAVANAUGH BCA, BA, CMInstD

Director

Amy Cavanaugh is a director of the Norfolk Mortgage Management board. Amy is Head of Customer Experience at GoCar Finance and has experience in strategy and operations in the financial services industry.

Amy enjoys running and spending time with her two daughters.

GLENYS HOLDEN LLB

Chief Executive Officer

Glenys Holden is Norfolk Mortgage Management CEO. She joined Norfolk in 2016 and has a background in corporate and commercial banking.

Glenys enjoys spending time with friends and family, as well as attending both comedy and musical shows.

LETTER
FROM THE CEO

Dear Unitholders

I would like to thank you all for your support over the last 12 months.

We are very pleased with Norfolk's performance for the 2022 financial year and the return we have been able to provide to our investors. In addition, we have had an excellent response to our Top Up offers, resulting in fund growth of 30.71% and an increase in investor numbers of 17%.

At Norfolk, our priority is to ensure that all our decisions are in the best interests of our unitholders. To meet our goal of preserving investor capital and providing above market returns, we have a stringent credit assessment process to ensure we maintain loan quality and a rigorous financial risk management process.

Finally, a word of thanks to our Executive Director Stu Smith, who provides us with the wonderful photos of New Zealand, used in the financial statements and our monthly newsletters.

Kind regards

Glenys Holden
CHIEF EXECUTIVE OFFICER
NORFOLK MORTGAGE MANAGEMENT LIMITED

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FINANCIAL STATEMENTS

NORFOLK MORTGAGE TRUST

FINANCIAL STATEMENTS

For the year ending 31 March 2022

NORFOLK MORTGAGE TRUST
TRUST DIRECTORY
As at 31st March 2022

Nature of Business
Investment in Mortgages

Manager
Norfolk Mortgage Management Limited

Trustee
Covenant Trustee Services Limited

Address
The Offices of Glaister Ennor
Barristers & Solicitors
18 High Street
Auckland 1010

Banker
ASB Bank Limited

Auditor
RSM Hayes Audit
Auckland

Accountant
Bendall and Cant Limited
Auckland

NORFOLK MORTGAGE TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Note	2022 $	2021 $
Investment Income			
Interest Income		2,906,962	2,235,124
Interest Income - Mortgage Penalty		105,734	106,583
Other Investment Income		247,847	185,282
Total Investment Income		3,260,543	2,526,989
Operating Expenses			
Administration	3	(1,082,679)	(821,066)
Finance Costs		(110)	(131)
Net Profit Before Taxation		2,177,754	1,705,792
Income Tax		-	-
Net Profit for the Year		2,177,754	1,705,792
Other Comprehensive Income		-	-
Total Comprehensive Income		2,177,754	1,705,792

NOTE: Read in conjunction with the Notes to the Financial Statements

NORFOLK MORTGAGE TRUST

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

		Unit Capital	Retained Earnings	Total Equity
For the Year ended 31 March 2022				
Opening Equity Balances		32,059,338	(219,152)	31,840,186
Total Comprehensive Income for the Year		-	2,177,754	2,177,754
Transactions with Owners				
Units Issued	4	10,951,886	-	10,951,886
Units Redeemed		(1,195,486)	-	(1,195,486)
Distributions Paid		-	(2,129,621)	(2,129,621)
Total Transactions with Owners		9,756,400	(2,129,621)	7,626,779
Balance at 31 March 2022	4	41,815,738	(171,019)	41,644,719
For the Year ended 31 March 2021				
Opening Equity Balances		25,871,464	(224,058)	25,647,406
Total Comprehensive Income for the Year		-	1,705,792	1,705,792
Transactions with Owners				
Units Issued	4	10,669,202	-	10,669,202
Units Redeemed	4	(4,481,328)	-	(4,481,328)
Distributions Paid		-	(1,700,886)	(1,700,886)
Total Transactions with Owners		6,187,874	(1,700,886)	4,486,988
Balance at 31 March 2021	4	32,059,338	(219,152)	31,840,186

NOTE: Read in conjunction with the Notes to the Financial Statements

NORFOLK MORTGAGE TRUST

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2022

	Note	2022 $	2021 $
CURRENT ASSETS			
Cash and Cash Equivalents	5	2,170,337	1,744,438
Accounts Receivable	7	133,427	117,208
Investments	8	2,065,856	2,014,519
Mortgage Portfolio	9	23,991,244	19,496,660
Total Current Assets		28,360,864	23,372,825
NON-CURRENT ASSETS			
Mortgage Portfolio	9	13,716,349	8,819,136
Total Non-Current Assets		13,716,349	8,819,136
TOTAL ASSETS		42,077,213	32,191,961
CURRENT LIABILITIES			
Accounts Payable	10	274,881	229,183
Distribution Payable		157,613	122,592
Total Current Liabilities		432,494	351,775
TOTAL LIABILITIES		432,494	351,775
NET ASSETS		41,644,719	31,840,186
Represented by:			
Retained Earnings		(171,019)	(219,152)
Units on Issue	4	41,815,738	32,059,338
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		41,644,719	31,840,186

For and on behalf of the Directors of the Manager:

Director ________________ Director ________________

Date: 20 July 2022

NOTE: Read in conjunction with the Notes to the Financial Statements

NORFOLK MORTGAGE TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Note	2022 $		2021 $
Cash Flows from Operating Activities				
Cash was provided from:				
Interest Income		2,996,478		2,330,075
Fee Income		-		-
Interest Income from Other Investments		239,510		187,482
Processing Fees Received		-		-
Cash was applied to:				
Payments to Suppliers			(996,335)	(763,944)
Net Cash Inflow from Operating Activities	6		2,239,653	1,753,613
Cash Flows from Financing Activities				
Cash was provided from:				
Subscription Funds Received		10,625,272		10,459,439
Cash was applied to:				
Distributions Paid to Unitholders		(1,737,048)		(1,466,316)
Units Redeemed		(1,195,487)		(4,481,327)
Net Cash Inflow from Financing Activities			7,692,737	4,511,796
Cash Flows from Investing Activities				
Cash was provided from:				
Net Mortgage Advances		(9,463,491)		(7,241,263)
Cash was applied to:				
Purchases of Other Investments	8	(43,000)		(1,260,000)
Net Cash Outflow to Investing Activities			(9,506,491)	(8,501,263)
Net Increase in Cash Held			425,899	(2,235,855)
Opening Cash brought forward			1,744,438	3,980,293
Ending Cash carried forward			2,170,337	1,744,438
Represented By:				
Cash and Cash Equivalents	5		2,170,337	1,744,438
			2,170,337	1,744,438

NOTE: Read in conjunction with the Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements presented here are for Norfolk Mortgage Trust ("the Trust"), a trust formed and domiciled in New Zealand. The financial statements of Norfolk Mortgage Trust are general purpose financial statements which have been prepared according to generally accepted accounting practice in New Zealand.

The Trust is registered as a managed fund investment scheme under the Financial Markets Conduct Act 2013 ("FMCA 2013") and prepares financial statements in compliance with that Act.

The Directors of Norfolk Mortgage Management Limited ("the Manager") are responsible for the day-to-day management of the Trust. The Directors of the Manager do not have the power to amend these financial statements once issued.

Measurement Base
The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and also with International Financial Reporting Standards. For the purpose of complying with NZ GAAP, the Trust has designated itself as profit-oriented. The information is presented in New Zealand Dollars, rounded to the nearest dollar.

Specific Accounting Policies
The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

(a) **Revenue**
Revenue Recognition
Revenue is recognised to the extent that it is probable that economic benefit will flow to the Trust and that the revenue can be reliably measured. Sources of revenue include interest income and income from limited partnerships.

Interest Income
Financial instruments are classified in the manner described in the financial assets and liabilities sections below.
For financial instruments measured at amortised cost, interest income and expense is recognised on a time-proportion basis using the effective interest method.

(b) **Goods & Services Tax**
These financial statements have been prepared inclusive of GST as Norfolk Mortgage Trust is not registered for GST.

(c) **Income Tax**
The Trust is a Portfolio Investment Entity ("PIE"). As such, income is allocated to each unitholder and tax is paid to the Inland Revenue Department on the investors' behalf at the unitholders prescribed rate. All Trust income is allocated and as a result no tax is directly payable by the Trust itself.

(d) **Investments**
Investments are initially recognised at fair value and subsequently measured at amortised cost.

(e) **Units and Distributions**

Units are classified as equity as all units are entitled to a pro-rata share of the Trust's net assets on liquidation, the units are subordinate to all other instruments, the units have identical features other than redemption period, and the total cash flows to unitholders are based substantially on the net profit.

Distributions on units are recognised when the amount for the relevant period has been set by the Manager.

(f) **Financial Assets and Liabilities**

Financial assets and liabilities are recognised in the Statement of Financial Position when the Trust becomes party to a financial contract. They include cash balances, deposits, mortgages, receivables, payables and related party balances.

The Trust's financial instruments are initially recognised at fair value. The Trust has not entered into any financial instrument with off balance sheet risk.

Financial Assets

The Trust classifies its financial assets based on both the business model for managing the financial assets and the asset's contractual cash flow characteristics.

The Trust classifies its financial assets at amortised cost if the asset is held within a business model with the objective of collecting the contractual cash flows, and if the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Trust does not currently hold assets that are not classified at amortised cost (i.e. those that would be classified at fair value through comprehensive income or at fair value through profit and loss).

Subsequent to initial recognition financial assets are measured at amortised cost using the effective interest method.

Financial Liabilites

Financial liabilities are recognised when an obligation arises and derecognised when it is discharged, cancelled or expired.

The Trust's financial liabilities include balances due to related parties, distributions payable, and other liabilities.

Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest method.

Impairment of Financial Assets

The Trust now applies a three-stage approach to measuring credit loss provision (CLP) on debt instruments accounted for at amortised cost. Such assets may move through the following three stages based on their change in credit quality since their initial recognition:

Stage 1: 12-month CLP - Performing

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime CLP associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime CLP - Under Performing
For credit exposures where there has been a significant increase in credit risk since initial recognition, but that are not credit impaired, a lifetime CLP is recognised. Lifetime CLP represents the credit loss provision that will result from all possible default events over the expected life of a financial instrument.

Stage 3: Lifetime CLP - Not Performing
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime CLP is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Assessment of Significant Increase in Credit Risk
At each reporting date, the Trust assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life between that of the reporting date to that of the date of initial recognition.

The Trust assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purposes of collective evaluation, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, internal credit risk rating, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Regardless of other changes since the origination of the financial asset, it will be considered to have had a significant increase in credit risk where it is more than 30 days past due.

Subsequent Improvement in Credit Quality
If, in a subsequent reporting period, the credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for credit losses reverts from full lifetime CLP to 12-month CLP.

Measurement of Credit Loss Provision
The estimated amount of CLP is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Trust and all the cash flows that the Trust expects to receive. The amount of the loss is recognised using a provision for credit loss allowance.

The Trust considers its historical loss experience and adjusts this for current observable data. In addition, the Trust uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. The Trust assesses a range of macroeconomic factors which include, but are not limited to, unemployment rates, interest rates, gross domestic product, inflation and property prices, and requires an evaluation of both the current and future direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect CLP. The methodology and assumptions, including any forecasts of future economic conditions are reviewed regularly.

Collective Assessment of Credit Loss Allowances
For collectively assessed provisions, credit loss provision are estimated based on the probability of default, loss given default, and the anticipated exposure at default.

The Probability of Default ("PD")
This estimates the likelihood of default occurring either over the lifetime of the financial instrument, or within the 12 months from reporting period.

Exposure at Default ("EAD")
This represents the estimate of the exposure at a future default date, taking into account expected changes in the exposure after reporting date for instance due to available borrowing facilities.

Loss Given Default ("LGD")
This represents the estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Trust would expect to receive, including cash flows expected from collateral and other credit enhancements.

Indivdually Assessed Loss Allowances
For credit-impaired financial assets that are assessed on an individual basis, a discounted cash flow calculation is performed and multiple cash flow scenarios are considered.

Credit Impaired Assets
In defining default for the purposes of determining the risk of a default occurring, the Trust applies a default definition consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers qualitative indicators when appropriate. The Trust applies a presumption that default does not occur later than when a financial asset is 90 days past due, or where it operates outside of agreed facility limits for a period of more than 90 days.

Write-off of Financial Assets
Financial assets (and the related impairment allowances) will be written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security.

(g) **Statement of Cash Flows**
The statement of cash flows has been prepared using the direct approach modified by the netting of certain items.

The following are the definitions of the terms used in the statement of cash flows:

- Cash and cash equivalents means current accounts and cash on deposit with banks.
- Investing activities are those which relate to the mortgage advances
- Financing activities are those activities which result in changes in Trust unit capital.
- Operating activities include all transactions that are not investing or financing activities, and include all interest received and paid.

Mortgage principal receipts and advances have been presented on a net basis.

(h) **Changes in Accounting Policies**
The Trust has adopted no new accounting standards during the year.
There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Where appropriate, corresponding amounts have been amended to reflect current year classification.

Significant Judgements, Estimates and Assumptions
The preparation of financial statements requires the Directors of the Manager to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Estimates are based both on historical experiences and on assumptions that are believed to be reasonable in the circumstances. They form the basis of judgements made as to appropriate carrying values disclosures for assets, which are not readily ascertainable from other sources. Actual results may differ from these estimates and judgements.

The uncertainty associated with judgements and estimates that has the most significant effect on the financial statements as at 31 March 2022 is commented on as follows:

Liquidity
Liquidity profile disclosures include the timing of cash flows from finance receivables based on current expectations. These cash flow timings have been estimated by the Directors of the Manager based upon their assessments of the current status of borrower's property, recent valuations and their assumptions relating to the time it may take to sell the secured property.

There have been no changes in unit redemption patterns over the last year.

Recognition of Credit Loss Provision ("CLP")
In determining the CLP, management is required to exercise judgement in defining what is considered to be a significant increase in credit risk and default events.

Assumptions and estimates have been made based on readily obtainable and relevant information about past credit experience, current conditions and forecasts of economic conditions.

The probability of default, loss given default, and exposure at default assumptions which support the expected credit loss estimate is reviewed regularly in light of differences between loss estimates and actual loss experience.

The impact of the COVID-19 outbreak on the Trust and its operations have been the subject of detailed analysis and close monitoring by the Manager. Not only has the general economic impact on the New Zealand economy, the overall property market, and specific industry exposures been considered, but also how the lockdown affected both unitholders and borrowers. As the country recovers from the impact of COVID-19, the Manager has reviewed current economic conditions and forecasts to assess any difficulties the Trust may face.

The Manager has used the CLP model and the Trust's internal scoring system to assess the loan portfolio and identify any mortgages where a change in scoring would be required. The loan portfolio has been the subject of ongoing monitoring and assessment over the 2022 financial year particularly as the country adapts to the changing economic environment created by COVID-19.

The Manager has also considered the current downturn in the in the property market, increased inflation and general economic uncertainty in assessing the appropriate inputs to the CLP model.

2. NEW STANDARDS AND INTERPRETATION

The Trust has not early adopted any new standards or interpretations in advance of their effective dates.

3. ADDITIONAL INFORMATION

Expenses deducted in calculation of Net Profit Before Taxation include the following:

	2022 $	2021 $
Administration Costs		
Audit Fees - Trust	32,142	33,257
Audit Fees - Custodian Controls	5,463	4,905
Audit Fees - Register Assurance	863	863
Accounting Fees - Trust	22,310	26,163
Management Fees - Norfolk Mortgage Management Limited	948,549	713,587

Other than audit fees no other fees were paid to the auditors (2021: Nil).

4. UNITS ON ISSUE

The Trust issues units that are redeemable at the unitholders' option, are entitled to receive a pro-rata share of net assets on wind-up and have identical features other than redemption period. All units share equally in distributions.

	2022		2021	
	Number	$	Number	$
At the Beginning of the Year	32,932,983	32,059,338	26,524,667	25,871,464
Units Issued	11,323,156	10,951,886	11,032,232	10,669,201
Units Redeemed	(1,235,934)	(1,195,486)	(4,623,916)	(4,481,327)
At the End of the Year	43,020,205	41,815,738	32,932,983	32,059,338

As at 31 March 2022, the number of unitholders was 293 (2021: 251) with an average holding per unitholder of 146,827 units (2021: 131,207 units). A number of these units are held by related parties, please refer to the Related Parties Note (Note 15).

Units in the Trust are redeemable at net asset value per unit at the time of redemption. The Trust's net asset value is calculated by taking the gross asset value of the fund, deducting all liabilities of the fund calculated on an accrual basis and deducting any other provisions that the Manager or Trustee thinks necessary or desirable for accrued or contingent liabilities.

5. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Current Accounts	2,170,337	1,744,438
	2,170,337	1,744,438

There were no interest bearing deposits for the period ending 31 March 2022. Last year the interest rates received on interest bearing deposits were ranging from 0.30% to 2.15%. No interest was earned on the current account. Interest income on interest bearing deposits during the year to 31 March 2021 was $6,036.

As there were no interest bearing deposits during the year ended 31 March 2022 any decrease in the weighted average interest rate would have no impact on interest income.

In the prior year a 0.5% decrease in the weighted average interest rate would have reduced the interest income on interest bearing deposits from $6,036 to $1,672. A 0.25% decrease in the weighted average interest rate would have reduced the interest income on interest bearing deposits from $6,036 to $3,854.

6. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	2022 $	2021 $
Net Profit for the Year	2,177,754	1,705,792
Add / (Less) Non Cash Items:		
Credit Loss Allowance	71,693	33,382
Add / (Less) Movements in other Working Capital items:		
Accounts Payable and Accruals	14,760	26,072
Accounts Receivable and Prepayments	(24,554)	(11,632)
Net Cash Inflow from Operating Activities	2,239,653	1,753,613

7. ACCOUNTS RECEIVABLE & ACCRUALS

	2022	2021
Interest Accrued Receivable	133,427	117,208
	133,427	117,208

8. INVESTMENTS

	2022 $	2021 $
Vulcan Mortgage Limited Partnership	2,058,000	2,015,000
Interest Accrued Receivable	7,856	(481)

Investments in Vulcan Mortgage Limited Partnership are permitted investments under the terms of the Trust's Statement of Investment Policies and Objectives as the Limited Partnership invests solely in mortgages. Vulcan Mortgage Limited Partnership is a related party, for further details, refer to Note 15.

9. MORTGAGE PORTFOLIO

First Mortgage Advances - Current	24,109,657	19,576,379
Provision for Credit Impairment	(118,413)	(79,719)
Total Mortgages Advances - Current	23,991,244	19,496,660
First Mortgage Advances - Non-Current	13,784,558	8,854,346
Provision for Credit Impairment	(68,209)	(35,210)
Total Mortgages Advances - Non-Current	13,716,349	8,819,136
Total Net Mortgage Advances	37,707,593	28,315,796

These represent mortgages to unrelated parties at commercial interest rates and are contractually repayable within 24 months. Interest rates range from 6.95% to 10.60% (2021: 6.95% to 10.60%). Loans which are past due and where any agreed contractual grace period has passed incur penalty interest rates ranging from 16.95% to 20.60% (2021: 14.50% to 20.60%).

10. ACCOUNTS PAYABLE

Accounts Payable and Accruals comprise the following:

Accounts Payable	-	5,952
Accrued Management Fees - Norfolk Mortgage Management Ltd	88,435	68,356
PIE Tax Payable	125,453	93,684
Distribution Funds Held in Trust	274	1,106
Sundry Payables and Accruals	60,719	60,085
	274,881	229,183

11. CAPITAL COMMITMENTS

At balance date, the Trust had no capital commitments (2021: Nil).

12. CONTINGENT LIABILITIES

At balance date, there are no known contingent liabilities (2021: Nil). Norfolk Mortgage Trust has not granted any securities in respect of liabilities payable by any other party whatsoever.

13. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events or transactions subsequent to balance date that have been deemed to potentially have a material impact on these financial statements.

14. CONCENTRATION OF RISK

Loans advanced by the Trust including interest accrued receivable have the following geographical concentration (based on land registration district):

	2022 $	2021 $
Auckland	14,463,033	13,810,315
Bay of Plenty	165,153	551,213
Canterbury	1,891,157	801,246
Hawkes Bay	3,761,998	3,204,365
King Country / Taranaki	4,870,406	1,503,356
Northland	5,166,555	3,455,531
Otago	602,170	-
Waikato	6,106,651	2,947,783
Wellington	1,000,426	2,274,122
	38,027,549	28,547,933

Loans advanced by the Trust including interest accrued receivable have been secured by the following property types:

	2022 $	2021 $
Residential - Home & Land	23,964,359	19,850,807
Residential - Lifestyle	6,235,458	1,664,531
Rural - Farming	1,274,141	946,574
Rural - Other	1,811,150	-
Commercial - Industrial	2,636,363	2,121,807
Commercial - Retail	2,106,077	3,964,214
	38,027,548	28,547,933

The Trust has the following unit geographical concentration with all figures shown being in number of units issued.

	2022 Units	2021 Units
Auckland	18,625,851	14,594,461
Bay of Plenty	4,005,035	3,812,603
Canterbury	679,716	435,715
North Island - Other	302,374	171,827
King Country / Taranaki	822,508	718,807
Northland	345,941	152,509
Overseas Resident	146,421	140,601
South Island - Other	1,374,074	50,117
Waikato	15,083,952	11,595,473
Wellington	1,634,333	1,260,870
	43,020,205	32,932,983

15. RELATED PARTIES

The Trust is associated with its Manager, Norfolk Mortgage Management Limited. Management fees paid to the Manager during the year were $948,549 (2021: $713,587). The balance payable to Norfolk Mortgage Management Limited for management fees at year end was $88,432 (2021: $68,356). The Manager also derives fees from borrowers related to loan processing.

The Manager offered investors in the Trust a top up of units to the value of $250 if they invested a minimum of $5,000. This offer was open to all investors, new and existing with one top-up per investor and ran from 15 May 2021 to 15 August 2021. A second offer started 7 March 2022 and will end on the 10 June 2022. The Manager purchased units at the unit price applicable on the day of acceptance of the investor's application to the value of $250 and the units were transferred to the unitholder's account. The total value of units issued under this arrangement was $22,250 (2021: $12,750).

J L Porus is associated with Vulcan Mortgage Limited Partnership and Vulcan Mortgage (No.2) Limited Partnership, entites that themselves invest in mortgages. The Trust acquired and disposed of investments in the Limited Partnerships during the year and held an investment of $2,058,000 at year-end (2021: $2,015,000). The Trust derived investment income of $247,847 (2021: $185,282) from the Limited Partnerships. Investments in these limited partnerships were made on the same terms as any other investor in the relevant offer.

S A Smith is a director and shareholder of Bridging Finance Group Limited ("BFG"), an entity that itself is a mortgage lender. The Trust acquired loans from BFG during the year with a face value of $504,739 (2021: $1,541,734). The loans were acquired at their face value and no premium or discount was applied to the acquisitions, nor any commission or fees paid to BFG.

Some of the Directors of the Manager and/or the firm(s) of which they are members may from time to time receive fees direct from borrowers for arranging mortgage advances by the Trusts. These fees are payable by the borrowers at commercial rates.

Related Party Unitholders
Related party investments are on a normal basis as systems and processes do not allow favourable treatment to investors. All unitholders are treated equally including any distributions paid. Related parties include the Directors and Senior Management of the Manager, and their close family members.

Related Party Unitholdings at 31 March

	2022 Units Held	2021 Units Held
Non-Beneficial Interest	4,274,089	4,656,652
Beneficial Interest	1,059,340	1,013,954

Distributions were paid to each of these units on a normal basis and in all respects in the same manner as for other unitholders.

16. ASSET QUALITY

Gross Loan Exposures by Internal Rating

The Trust's internal rating approach scores loans out of 70 across seven different indicators. Each indicator is ranked 1 to 10 with 10 being most favourable and therefore the total rating being out of 70. Deposits held by the Trust are not scored. A summary of gross loan exposures by internal rating is as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Year Ended 31 March 2022				
Below 40	-	-	-	-
40-45	-	-	-	-
46-50	2,299,493	-	-	2,299,493
51-55	7,257,899	-	-	7,257,899
56-60	19,963,358	-	-	19,963,358
Above 60	7,609,729	-	897,068	8,506,797
				38,027,548
Year Ended 31 March 2021				
Below 40	-	-	-	-
40-45	-	-	-	-
46-50	4,576,147	-	-	4,576,147
51-55	6,661,237	-	-	6,661,237
56-60	10,032,964	-	-	10,032,964
Above 60	7,277,584	-	-	7,277,584
				28,547,933

Analysis of Days Past Due

Gross amount of finance receivables that are past due but not impaired are as follows:

	Stage 1	Stage 2	Stage 3	Total
Year Ended 31 March 2022				
Less than 30 Days Past Due	-	-	-	-
At Least 30 Days but less than 60 Days Past Due	-	-	-	-
More than 60 Days but less than 90 Days Past D	-	-	-	-
At Least 90 Days Past Due	-	-	897,068	897,068
Total Past Due but Not Impaired Loans				897,068
Year Ended 31 March 2021				
Less than 30 Days Past Due	345,975	-	-	345,975
At Least 30 Days but less than 60 Days Past Due	-	-	-	-
More than 60 Days but less than 90 Days Past D	-	-	-	-
At Least 90 Days Past Due	-	-	-	-
Total Past Due but Not Impaired Loans				345,975

Gross Exposure (by Credit Loss Allowance Stage)

A summary of gross loan exposures by credit loss allowance stage is as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Year Ended 31 March 2022				
At the Beginning of the Year	28,547,933	-	-	28,547,933
Transfers Between Stages				-
From Stage 1 to 2	-	-	-	-
From Stage 2 to 1	-	-		-
Transfer to Stage 3	(794,178)	-	794,178	-
Transfer from Stage 3	-	-	-	-
Net Lending/(Repayment) - Existing Loans	(949,684)	-	102,890	(846,794)
Net Lending/(Repayment) - New Loans	20,822,309	-	-	20,822,309
Asset Derecognised including Final Repayments	(10,495,899)	-	-	(10,495,899)
Assets Written Off	-	-	-	-
	37,130,480	-	897,068	38,027,548
Assessment Approach:				
Collectively Assessed	37,130,480	-	897,068	38,027,548
Individually Assessed	-	-	-	-
Year Ended 31 March 2021				
At the Beginning of the Year	20,679,711	610,858	-	21,290,569
Transfers Between Stages				-
From Stage 1 to 2	-	-	-	-
From Stage 2 to 1	-	-	-	-
Transfer to Stage 3	-	-	-	-
Transfer from Stage 3	-	-	-	-
Net Lending/(Repayment) - Existing Loans	883,446	-	-	883,446
Net Lending/(Repayment) - New Loans	14,137,396	-	-	14,137,396
Asset Derecognised including Final Repayments	(7,152,620)	(610,858)	-	(7,763,478)
Assets Written Off	-	-	-	-
	28,547,933	-	-	28,547,933
Assessment Approach:				
Collectively Assessed	28,547,933	-	-	28,547,933
Individually Assessed	-	-	-	-

17. CREDIT LOSS ALLOWANCE

Credit Loss Provision on collectively assessed mortgages are as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Year Ended 31 March 2022				
At the Beginning of the Year	114,929	-	-	114,929
Transfers Between Stages				
From Stage 1 to 2	-	-	-	-
From Stage 2 to 1	-	-	-	-
Transfer to Stage 3	(3,292)	-	5,378	2,087
Transfer from Stage 3	-	-	-	-
Net Lending/(Repayment) - Existing Loans	(3,616)	-	430	(3,186)
Net Lending/(Repayment) - New Loans	103,079	-	-	103,079
Changes in Models/Risk parameters	12,199	-	-	12,199
Asset Derecognised including Final Repayments	(42,486)	-	-	(42,486)
Assets Written Off	-	-	-	-
	180,814	-	5,808	186,622
Charge / (Credit) to profit or loss	65,885	-	5,808	71,693
Year Ended 31 March 2021				
At the Beginning of the Year	72,527	9,020	-	81,547
Transfers Between Stages				
From Stage 1 to 2	-	-	-	-
From Stage 2 to 1	-	-	-	-
Transfer to Stage 3	-	-	-	-
Transfer from Stage 3	-	-	-	-
Net Lending/(Repayment) - Existing Loans	3,225	-	-	3,225
Net Lending/(Repayment) - New Loans	54,750	-	-	54,750
Changes in Models/Risk parameters	9,503	-	-	9,503
Asset Derecognised including Final Repayments	(25,076)	(9,020)	-	(34,096)
Assets Written Off	-	-	-	-
	114,929	-	-	114,929
Charge / (Credit) to profit or loss	42,402	(9,020)	-	33,382

Impact of Changes in Gross Carrying Amount on CLP

Significant changes in the gross carrying amount of mortgages that contributed to changes in the loss allowances were largely due to new mortgages issued during the period in excess of those derecognised on repayment. Total mortgages issued increased by 33% (2021: 34%) at year end from the previous year with a corresponding increase in the loss allowance.

Financial Assets other than Mortgages

All other financial assets have been assessed to have expected credit losses that are not material.

18. FINANCIAL RISK MANAGEMENT

Exposure to credit, market and interest rate risks arise in the normal course of the Trust's business.

Credit Risk

To the extent that the Trust has a receivable from another party there is a credit risk in the event of non performance by that other party.

Financial instruments which potentially subject the Trust to credit risk principally consist of mortgages advanced to third parties. All advances made have first ranking security. Maximum exposures to credit risk at balance date are the carrying amounts of financial assets as follows:

	2022 $	2021 $
Mortgage Portfolio - Current Portion	23,991,244	19,496,660
Mortgage Portfolio - Term Portion	13,716,349	8,819,136
Cash and Cash Equivalents	2,170,337	1,744,438
Interest Accrued Receivable	133,427	117,208

The above maximum exposures are net of any recognised impairment losses on these financial instruments. Mortgage advances and interest receivable are secured by registered mortgage over property.

Credit Risk Management

The Trust's investment policies are published in the Product Disclosure Statement and Statement of Investment Policies and Objectives which are both available on the Companies Office's Disclosure Register.

The Trust invests in mortgage-secured loans, which are either first or second mortgages. For first mortgage-secured loans, at the time of approval, the loan must be within 75% of the value of the mortgaged property. For second mortgage-secured loans, at the time of approval, the loan together with the prior first mortgage must be within 75% of the value of the mortgaged property.

Loans may be spread between the residential, commercial, rural and mixed-use sectors, and in no set proportions. Generally, loans are predominantly within the residential and commercial sectors. The board has considered a sector allocation policy and after careful review have decided not to impose any sector allocation rules.

Origination and Assessment

Loan applications are generally received from brokers and are subject to a detailed credit assessment that normally includes enhanced due diligence of the borrower and guarantors, assessment and review of the proposed security property and its valuation, assessment and review of financial information, and assessment and review of the proposed structure of the loan including debt servicing and exit plan.

Monitoring
Each loan is monitored to ensure it is performing in accordance with the contracted terms. In the event of an issue with the performance of the contracted terms, a management plan is put in place which has been approved at director level.

Each loan is reviewed quarterly and checked to ensure it is correctly categorised and any CLP provisions are identified and calculated.

The Trust has a very hands on management style with close monitoring and review by the Directors and its Board on a regular basis.

Concentration of Credit Risk
No mortgage exceeded 10% of the gross asset value of the Trust (2021: Nil). Geographic information regarding mortgages is disclosed in Note 14.

At balance date, cash and interest bearing deposits were held with one bank. During the year the Trust also held funds on trust with Glaister Ennor. There was no overdraft at balance date and no facility arranged. The Trust does not have any other significant concentrations of credit risk.

Market Risk
The Trust's mortgages portfolio is linked to the property market which may vary from time to time. However, the Trust's weighted average loan to asset ratio is not able to exceed 75% per the investment policy. This means that the Trust has no exposure to a property market downturn of up to 25% based on the most recent valuations obtained.

As at 31 March 2022, the weighted average loan to asset ratio was 45.82% (2021: 53.15%), excluding accrued interest.

Interest Rate Risk
The Trust has exposure to interest rate risk to the extent it borrows or invests for a fixed term at fixed rates. The Trust has no borrowings at balance date. In general the interest rate risk associated with lending by the Trust is managed by lending for relatively short terms and ensuring that interest rates on initial lending or renewal are appropriate given the prevailing market interest rates.

At 31 March 2022, the weighted average interest rate on the mortgage portfolio was 8.64% (2021: 8.85%), with rates ranging from 6.95% to 10.60% (2021: 6.95% to 10.60%). All loans have agreed penalty interest rates to apply in the event of the loan being past due. Penalty interest rates range from 16.95% to 20.60% (2021: 14.50% to 20.60%) with a weighted average of 18.64% (2021: 18.68%).

The distribution to unitholders is based on the net profit arising from operations, after allowing for expenses, impairment losses, taxes and any other amount the Manager considers prudent to set aside.

The key driver of this distribution is interest income from loans to customers. Assuming nil impairment losses, a 1 percent increase/(decrease) in the interest rates received from loans to customers and bank deposits would normally drive a corresponding 1 percent increase/(decrease) in the distribution to unitholders.

The interest rate risk profile of the Trust is consistent with the Trust's contractual liquidity profile. The liquidity profiles shown in the Liquidity Risk Note below can therefore also be used to provide an interest rate repricing analysis of the Trust's financial assets.

Liquidity Risk

Liquidity risk represents the Trust's ability to meet its financial obligations on time. The Trust's redemption policies allow sufficient time to collect finance receivables in order to meet the cash flows resulting from redemptions. The Trust's cash flows enable it to make timely payments.

Units issued after 16 September 2016 are redeemable within six months from the date of request. Units issued before this date have other redemption terms. A summary of the value of units based on redemption term is as follows:

	2022 $	2021 $
Redeemable within three months	2,140,747	2,138,073
Redeemable within six months	37,529,162	27,701,011
Redeemable within twelve months	1,974,810	2,001,102

The Manager can elect to redeem units on an earlier date at the Manager's discretion. As units issued do not have fixed maturity dates, they have not been included in the liquidity analysis below. The actual units redeemed during the year were 1,235,936 units (2021: 4,623,916 units) with a redemption value of $1,195,486 (2021: $4,481,327). The historical redemption rate is 5.83% (2021: 6.08%) and is a 10-year historical rate.

Redemptions of units paid subsequent to the reporting date amount to $403,196 (2021: $147,660). Redemption requests of $133,500 (2021: $9,968) have been received but not yet actioned.

The following provides analysis of the Trust's liquidity profile as at 31 March 2022 and 31 March 2021. This analysis is of both contractual and expected undiscounted cash flows. Where contract terms have been re-documented, the maturity profile is based on the maturity date per the new contract.

	Total	0-6 mths	7-12 mths	13-24 mths	24+ mths
As at 31 March 2022					
Cash flows based on contractual obligations:					
Finance Receivables	41,335,481	13,337,778	13,107,222	9,676,773	5,213,708
Cash & Cash Equivalents	2,170,337	2,170,337	-	-	-
Total	43,505,818	15,508,115	13,107,222	9,676,773	5,213,708
Cash flows based on Trust's expectations of likely flows:					
Finance Receivables	41,331,897	13,334,194	13,107,222	9,676,773	5,213,708
Cash & Cash Equivalents	2,170,337	2,170,337	-	-	-
Total	43,502,234	15,504,531	13,107,222	9,676,773	5,213,708
As at 31 March 2021					
Cash flows based on contractual obligations:					
Finance Receivables	30,441,677	15,371,887	5,848,261	8,539,087	682,442
Cash & Cash Equivalents	1,744,438	1,744,438	-	-	-
Total	32,186,115	17,116,325	5,848,261	8,539,087	682,442
Cash flows based on the Trust's expectations of likely flows:					
Finance Receivables	30,440,189	15,370,399	5,848,261	8,539,087	682,442
Cash & Cash Equivalents	1,744,438	1,744,438	-	-	-
Total	32,184,627	17,114,837	5,848,261	8,539,087	682,442

The cash flows based on Trust's expectations take into consideration the expected renewal of existing facilities upon maturity for past due assets, which lead to increased cash flows from interest and later principal repayments.

Accounts payable and accruals, representing all the financial liabilities of the Trust, are all due to be settled within six months. This takes into consideration the expected renewal of existing facilities upon maturity.

Capital Management

Net assets attributable to unitholders are considered to be the Trust's capital for the purposes of capital management. The Trust does not have to comply with externally imposed capital requirements.

The Trust's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its unitholders and to support future development and growth of the business to maximise the Trust's unitholders value as well as ensuring its net assets attributable to unitholders are sufficient to meet all present and future obligations, considering the level of units on issue and their redemption periods as disclosed above.

In order to meet its objectives for capital management the Manager reviews the Trust's performance on a regular basis.

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Independent Auditor's Report

To the unitholders of Norfolk Mortgage Trust

Opinion

We have audited the financial statements of Norfolk Mortgage Trust (the Trust) which comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 2 to 22 present fairly, in all material respects, the financial position of the Trust as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with 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 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) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has provided other services to the Trust in relation to regulatory assurance services on the Trust's register of unitholders. The provision of this service has not impaired our independence. Except in this regard, and other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. The key audit matter identified on the next page was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Mortgage advances – allowance for expected credit losses and related disclosures

Why we considered this to be a key audit matter	How our audit addressed this key audit matter
Mortgage advances represent the most significant assets of the Norfolk Mortgage Trust. The allowance for expected credit losses on mortgage advances is considered to be a key audit matter as it requires the application of judgement and use of subjective assumptions by management in determining the probability of default and extent of loss in the event of default, in order to determine the expected credit losses. Judgment is also required as to whether a loan has exhibited indicators of a significant increase in credit risk. Details of the mortgage advances, asset quality and credit loss allowances are described in Notes 9, 16 and 17 to the financial statements.	We tested of the accuracy of the underlying mortgage data through comparison to loan agreements and evidence of security registration. We obtained Norfolk Mortgage Trust's workings for the allowance for expected credit losses, and ensured the information utilised to compile the allowance was consistent with the above data, and latest available repayment information related to the mortgage advances. For collectively assessed credit loss allowances we considered the basis and assumptions of the expected credit loss calculations and assessed whether these appeared reasonable and supportable, based Norfolk Mortgage Trust's credit loss experience and broader market data. We noted there were no individually assessed credit loss allowances. We considered whether this conclusion was appropriate through a review of the performance of mortgages. We evaluated the accuracy and adequacy of the disclosures within the financial statements in relation to credit risk, expected credit losses and the overall requirements of NZ IFRS 9 *Financial Instruments.*

Other information

The directors of the manager, Norfolk Mortgage Management Limited, are responsible for the other information. The other information comprises the Trust Directory on page 1 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the manager for the financial statements

The directors of the manager, Norfolk Mortgage Management Limited, are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors of the manager determine 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 directors of the manager are 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 those charged with governance 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 (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 the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

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

Who we report to

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

The engagement partner on the audit resulting in this independent auditor's report is Colin Henderson.

RSM

RSM Hayes Audit
Auckland

22 July 2022

NORFOLK MORTGAGE MANAGEMENT LIMITED

Presents this Annual Report to the Investors of the Norfolk Unit Trusts for the year ended 31 March 2022 (“accounting period”)

1 Details of the Scheme

The name of the scheme is Norfolk Unit Trusts (‘Scheme”). It is a managed investment scheme under the Financial Markets Conduct Act 2013 (“FMC Act”). The manager of the Scheme is Norfolk Mortgage Management Limited (“Manager”). The supervisor of the Scheme is Covenant Trustee Services Limited (“Supervisor”).

The current Product Disclosure Statement (PDS) was registered on 5 August 2022. Norfolk Mortgage Trust’s PDS status remains open for applications.

The latest fund update for Norfolk Mortgage Trust is dated 30 June 2022 and was made publicly available on 21 July 2022.

The Scheme’s latest financial statements that comply with and have been registered under the FMC Act cover the accounting period and were authorised by the Manager on 20 July 2022. The auditor’s report on those financial statements was dated 22 July 2022 and lodged with the Registrar. The auditor’s report did not refer to any fundamental uncertainty, and nor was it qualified or modified in any respect.

1.1 Information on contributions and Scheme Participants

The total number of managed investment products (being units in the Scheme) on issue at the start of the accounting period was 32,932,983. The total number of managed investment products (being units in the Scheme) on issue at the end of the accounting period was 43,020,205.

1.2 Changes relating to the Scheme

There have been no material changes to the FMC Act during the accounting period.

2 Governing documents

There have been no material changes to the terms of the governing documents of the Scheme during the accounting period.

2.1 The terms of the offer of interests in the Scheme

There have been no material changes to the terms of offer of interests in the Scheme during the accounting period.

2.2 Statement of investment policy and objectives of the Scheme’s Funds (SIPO)

There have been no material changes to the terms of offer of interests in the Scheme during the accounting period.

2.3 Related party transactions

There have been no material changes to the nature or scale of related party transactions during the accounting period. There have been no related party transactions during the accounting period not on an arm’s length basis.

2.4 Other information for types of managed funds

The price for the units in the Scheme at the start of the accounting period was $0.9671 cents and at the end of the accounting period was $0.9681 cents.

3 Changes to persons involved in the Scheme

3.1 Manager

In respect of Norfolk Mortgage Management Limited, in the year ending 31 March 2022, the following change has occurred:

- Myles John Prestidge ceased being a director on 24 November 2021.

3.2 Supervisor

In respect of Covenant Trustee Services Limited, in the year ending 31 March 2022, the following changes have occurred:

- James Earl Douglas ceased being a director on 30 November 2021
- Ultimate holding company changed from Complectus Limited to Trivium Europe SPV effective 25 November 2021

3.3 Custodian

In respect of Norfolk Nominees Limited there have been no changes in the year ending 31 March 2022.

3.4 Securities registrar and auditor

There have been no changes to the securities registrar or auditor.

4 How to find further information

Copies of documents relating to the Scheme, such as the Trust Deed, SIPO, Product Disclosure Statement, quarterly fund updates, and annual financial statements are available on the Disclose Register at https://disclose-register.companiesoffice.govt.nz/, scheme number SCH11124.

Copies of the above documents will be provided free of charge on request to the Manager. You may request, at any time, copies of the Trust Deed, SIPO, Product Disclosure Statement, most recent financial statements, and most recent annual report for the Scheme by contacting the Manager at the address below. These documents are also available for public inspection on the Disclose Register and at the offices of the Manager.

P O Box 37341
Parnell
Auckland 1151

E: info@norfolktrust.co.nz

Suite D, Level 1
7 Windsor Street
Parnell
Auckland 1052

4.1 Contact details and complaints

Glenys Holden
Chief Executive Officer
Norfolk Mortgage Management Limited
P O Box 37341
Parnell
Auckland 1151

E: info@norfolktrust.co.nz

Suite D, Level 1
7 Windsor Street
Parnell
Auckland 1052

P: 09 303 1525

4.2 Supervisor

Attention: Richard Spong
General Manager
Covenant Trustee Services Limited
Level 6
191 Queen Street
Auckland 1010

P O Box 4243
Shortland Street
Auckland 1140

E: team@covenant.co.nz
P: 09 302 0638

5 A complaint about a fund or the Scheme can be made to the Manager or the Supervisor (Please see above for details of contact person for complaints)

The Manager is a member of the Insurance & Financial Services Ombudsman Scheme ("IFSO") an approved dispute resolution scheme. The Supervisor is a member of the Financial Services Complaints Limited ("FSCL") an approved dispute resolution scheme. If a complaint is not resolved within 40 days after contacting either the Manager or the Supervisor or if an investor is dissatisfied with the proposed resolution, then the investor can refer it to IFSO:

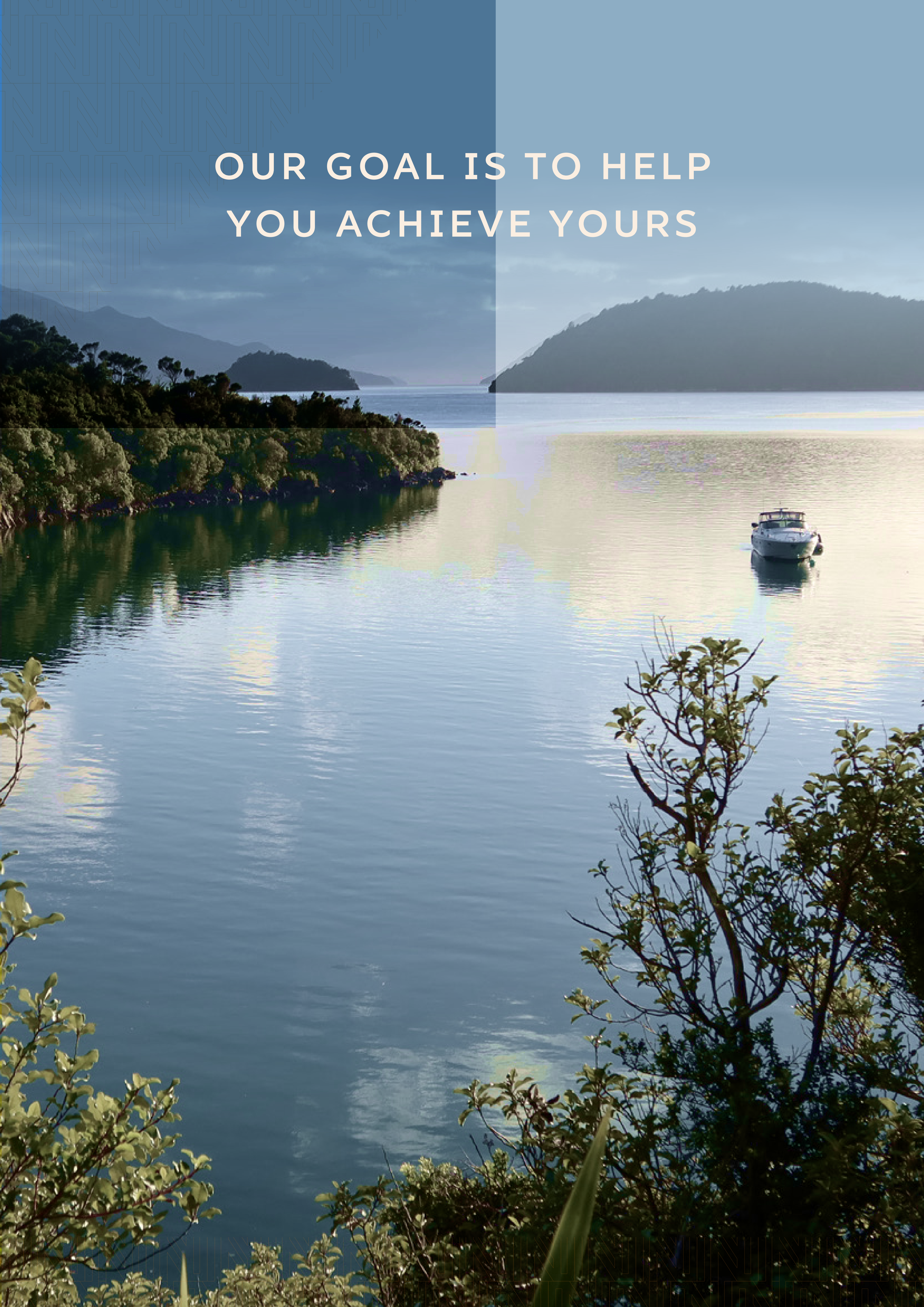
Insurance & Financial Services Ombudsman Scheme
P O Box 10-845
Wellington 6143

Level 2, Solnet House
The Terrace
Wellington 6143

E: info@ifso.nz

P: 0800 888 202

Full details of how to access the IFSO scheme can be obtained from its website www.ifso.nz. There is no cost to use the services of IFSO.


OUR GOAL IS TO HELP
YOU ACHIEVE YOURS

norfolktrust.co.nz | info@norfolktrust.co.nz | 09 303 1525