Consolidated Financial Statements

Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

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Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

Nature of Business

Receive, hold, manage, and administer the Trust's assets on behalf of and for the benefit of the present and future members of NgāiTakoto

Trust Formation Date

08 March 2013

Trustees

Trudy Brown-Patuwairua

Cyril Cook

Dion Hobson

Jasmine Marino

Wallace Rivers

Robert Tamati

Group Members

Te Rūnanaga O NgāiTakoto Trust

Te Make Farms Limited

Sweetwater Farms Limited Partnership

Pioke Corporate Limited

Te Rūnanaga O NgāiTakoto Custodian Trustee Limited

NgāiTakoto Australia Pty Limited

NgāiTakoto Australia Charitable Fund

Chartered Accountant

Sumpter Baughen Chartered Accountants Limited

Bankers

ANZ and BNZ

Solicitors

Tuia Group

Auditor

Silk Audit

SUMPTER BAUGHEN
Chartered Accountants

Consolidated Statement of Comprehensive Revenue and Expense

Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

	NOTES	CONSOLIDATED 2017	CONSOLIDATED 2016
Revenue			
Revenue from Exchange Transactions	2	207,809	76,781
Revenue from Non Exchange Transactions	2	76,205	9,882,616
Total Revenue		**284,014**	**9,959,397**
Expenses			
Cost of Services Provided	3	(111,496)	(200,001)
Administration Expenses	3	(605,561)	(704,765)
Occupancy Expenses	3	(17,936)	(15,505)
Operating Expenses	3	(462,758)	(240,448)
Total Expenses		**(1,197,752)**	**(1,160,719)**
Surplus / (Deficit) before Net Financing Costs		**(913,738)**	**8,798,679**
Financing			
Finance Income	4	865,561	968,998
Finance Costs	4	(320)	(8,387)
Foreign Currency Gains/Losses	4	(1,522)	1,102
Net Financing Expenses		**863,719**	**961,713**
Share of Equity Accounted Investees Surplus/(Deficit) for the year			
Sweetwater Farms Limited Partnership	12	565,260	464,430
Total Revenue and Expense for the Year		**515,242**	**10,224,821**
Other Comprehensive Revenue and Expenses			
Income Tax (Expense)/Benefit	5	(26,882)	(15,019)
Total Other Comprehensive Revenue and Expenses		**(26,882)**	**(15,019)**
Total Comprehensive Revenue and Expense for the Year		**488,360**	**10,209,803**

These Financial Statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

SILKS AUDIT

Consolidated Statement of Financial Position

Te Rūnanga O NgāiTakoto Group
As at 31 March 2017

	NOTES	CONSOLIDATED 2017	CONSOLIDATED 2016
Current Assets			
Cash and Cash Equivalents	7	2,722,837	3,418,595
Trade and Other Receivables	8	154,390	21,670
Income Taxes Receivable	5	208,862	168,571
Investments Current	9	3,500,000	4,500,000
Total Current Assets		**6,586,090**	**8,108,835**
Current Liabilities			
Trade and Other Payables	13	101,001	158,232
Employee Entitlements	14	-	18,983
Total Current Liabilities		**101,001**	**177,216**
Working Capital		**6,485,088**	**7,931,619**
Non-Current Assets			
Property, Plant and Equipment	11	10,236,766	10,250,547
Investments	10	8,936,052	8,341,780
Equity Accounted Investees	12	1,818,829	464,430
Total Non-Current Assets		**20,991,647**	**19,056,757**
Total Non-Current Assets and Working Capital		**27,476,736**	**26,988,376**
Total Net Assets		**27,476,736**	**26,988,376**
Equity			
Total Net Assets/Equity		27,476,735	26,988,375
Total Equity		**27,476,735**	**26,988,375**

These financial statements have been authorised for issue by the Board of Trustees:

Trustees: ____________________ Trustees: ____________________

Date: 6 December 2024 Date: 6 December 2024

These Financial Statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

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Consolidated Statement of Changes in Net Assets/Equity

Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

	Notes	Accumulated Revenue & Expense	Total
		$	$
Balance at 1 April 2016		26,988,376	**26,988,376**
Total Comprehensive Revenue & Expense for the Year		488,360	488,360
Balance at 31 March 2017		27,476,736	**27,476,736**
Balance at 1 April 2015		16,778,573	16,778,573
Total Comprehensive Revenue & Expense for the Year		10,209,803	**10,209,803**
Balance at 31 March 2016		26,988,376	**26,988,376**

These Financial Statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Comprehensive Statement of Cash Flows

Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

	NOTES	CONSOLIDATED 2017	CONSOLIDATED 2016
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from customers and funders		94,003	3,042,086
Net Goods & Services Tax		57,514	117,251
Total Cash Provided		**151,518**	**3,159,337**
Cash was applied to:			
Payments to suppliers and employees		(1,116,794)	(1,036,486)
Grants & Scholarships		(47,412)	(30,284)
Total Cash Applied		**(1,164,206)**	**(1,066,771)**
Total Cash Flows from Operating Activities		**(1,012,689)**	**2,092,566**
Cash Flows from Investing Activities			
Cash was provided from:			
Movement in BNZ Investments		993,930	413,873
Interest Received		170,237	590,613
Total Cash Provided		**1,164,166**	**1,004,485**
Cash was applied to:			
Purchase of property, plant and equipment		(57,775)	(950,000)
Total Cash Flows from Investing Activities		**1,106,392**	**54,485**
Cash Flows from Financing Activities			
Cash was applied to:			
Finance Costs		(321)	(8,387)
Loans made to other parties		(789,139)	-
Total Cash Flows from Financing Activities		**(789,460)**	**(8,387)**
Net Increase/ (Decrease) in Cash		**(695,757)**	**2,138,664**
Cash Balances			
Cash and cash equivalents at beginning of period		3,418,595	1,279,930
Cash and cash equivalents at end of period	7	2,722,837	3,418,595
Net change in cash for period		(695,757)	2,138,664

These Financial Statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Notes to the Comprehensive Financial Statements

Te Rūnanga O NgāiTakoto Group
For the year ended 31 March 2017

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) for not-for-profit entities issued by the External Reporting Board. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it is not defined as large.

The Board of Trustees have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (“RDR”) disclosure concessions.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for assets and liabilities as disclosed below that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated and the consolidated financial statements have been prepared on a going concern basis.

Key Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with PBE Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, revenue and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the Group that have a significant effect on the consolidated financial statements:

i) Control over Pioke Corporate Limited and Te Make Farms Limited

The Rūnanga has determined that it controls these companies by way of appointment of directors and through ultimate ownership of Te Rūnanga O NgāiTakoto Custodian Trustee Limited. The Trustees of Te Rūnanga O Ngāi Takoto Trust are the shareholders of Te Rūnanga O Ngāi Takoto Custodian Trustee Limited. Te Rūnanga O Ngāi Takoto Custodian Trustee Limited is the sole shareholder of Pioke Corporate Limited. Pioke Corporate Limited is the sole shareholder of Te Make Farms Limited. Te Make Farms Limited is a partner in the Sweetwater Farms Limited Partnership, a dairy operation operating on the Sweetwater Station.

ii) Significant Influence over Sweetwater Farms Limited Partnership

Te Make Farms Limited is an equal partner in the Sweetwater Farms Limited Partnership with Te Rarawa Farms Limited. The Sweetwater Farms Limited Partnership was set up to form a dairy operation joint venture with Pāmu Farms of New Zealand, a state owned enterprise using land of the Rūnanga and Te Rarawa Farms Limited.

The Rūnanga has determined that it controls Te Make Farms Limited as above therefore considers that it has Significant Influence in The Sweetwater Farms Limited Partnership being one of two partners.

iii) Impairment of Assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.
An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the reported profit or loss.

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iv) Collection of Receivables

Estimates are used in determining the level of receivables that may not be collected. Bad debts are written off when they are considered to have become uncollectable. There has been no uncollectable debts identified in the current or previous years.

Presentation Currency

The Consolidated Financial Statements are presented in New Zealand dollars ($). All values are rounded to the nearest NZ$.

There has been no change in the functional currency of the Group.

1. Accounting Policies

Standards Issued & Not Yet Effective & Not Early Adopted

There are no new, revised or amended standards that have been issued but are not yet effective that would have a significant impact on the consolidated financial statements.

Basis of Consolidation

i) Controlled Entities
Controlled entities are entities controlled by the Group, being where the Group has the power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.
Subsequent changes in a controlled entity that do not result in a loss are accounted for as transaction with controllers of the controlling entity in their capacity as controllers, within net assets/equity.
The financial statements of the controlled entities are prepared for the same reporting period, using consistent accounting policies.
ii) Associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.
Investments in associates are accounted for using the equity method and are recognised initially at cost.
The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.
When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term investments that form part thereof is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.
iii) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.
Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the investee.
Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv) Loss of control of a controlled entities
On the loss of control, the group derecognises the assets and liabilities of the controlled entity, any minority interest, and the other components or net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control Is recognised in surplus or deficit.
If the group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associate or an available-for-sale financial asset depending on the level or influence retained.

Joint Ventures

Te Make Farms Limited has an interest in joint venture operations of Sweetwater Farms Limited Partnership where they are entitled to a share of future economic benefits. Te Make Farms Limited's interest is recorded using the equity method which recognises the share of earnings and distributions received (in the Consolidated Statement of Comprehensive Revenue and Expense) and the share of net assets as an investment in joint ventures (in the Consolidated Statement of Financial Position)

Revenue Recognition

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised:

i) Revenue from exchange transactions

Government Contracts and other Contracting Revenue

Revenue from contracting is recognised in surplus or deficit when earned and is reported in the financial period to which it relates.

The stage of completion is assessed by reference to milestones stipulated in the individual contracts. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Interest Revenue and Dividends
Interest Revenue is recognised as it accrues, using the effective interest method.

Dividend income is recognised when the dividend is declared.

Rental Income

Rental Income is recognised in surplus or deficit on a straight line basis over the term of the lease. Lease incentives are recognised as an integral part of the total rental income over the term of the lease

ii) Revenue from non-exchange transactions
Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.
With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:
• It is probable that the associated future economic benefit or service potential will flow to the entity and
• Fair value is reliably measurable.
Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:
• It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
• The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Non-Exchange Government Contracts

When non-exchange government contract are received with deliverables outlined in the contract the revenue is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. Under this method, revenue is recognised in the accounting period in which the services are provided with the final amount recognised upon completion of the contract period.

Financial Instruments

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The group has the following financial instruments;

Financial assets - Accounts Receivable, Other Receivables, Cash and cash equivalents classified at amortised cost; Investments (Term deposits and Bonds) as Held to Maturity, Investments (Shares in listed companies) at fair value through surplus deficit.
Financial liabilities - Accounts Payable and Cash and cash equivalents (bank overdrafts) classified at amortised cost

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

Assets at amortised cost

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's Cash and Cash Equivalents, Accounts Receivable, Other Receivables and Investment in Related Entities fall into this category of financial instruments.
Held-to-maturity
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. The Group's term deposits and bonds held in the BNZ Portfolio fall into this category.
Liabilities at amortised cost
Financial liabilities are measured at amortised cost using the effective interest method. The Group's Accounts Payable fall into this category.
Assets at Fair Value
Financial assets not held at amortised cost or cost are held at fair value. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Gains and losses are recognised in in the Consolidated Statement of Comprehensive Revenue and Expense for movements in the fair value of the assets and when the assets are derecognised. The Group holds listed shares as part of the BNZ Portfolio are valued at fair value through surplus deficit.

Impairment of non-derivative financial assets
A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of

impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset and can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterpart, restructuring of an amount due to the on terms that would not be considered otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

i) Financial assets classified as held-to-maturity and loans and receivables
The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables or held-to-maturity.

Interest on the impaired asset continues to be recognised.
When an event occurring after the impairment was recognised causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Employee Benefits
i) Short - term benefits
Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date. Allowance is also made for unused sick leave entitlement but the Runanga has no contractual obligations for long service leave or retirement leave.

ii) Kiwi Saver Contributions

Obligations for contributions to Kiwi Saver are accounted for as defined contribution superannuation schemes and are recognised as an expenses in the surplus or deficit as incurred.

Property, Plant & Equipment

Recognition and Measurement
Items of property, plant and equipment are initially measured at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement is at cost less accumulated depreciation and accumulated impairment losses.

Depreciation
Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

The depreciation methods and periods used are:

Buildings	1.5% SL
Office Equipment	13 - 48% DV
Motor Vehicles	24 - 26% DV
Plant & Equipment	13% DV

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Some assets transferred to Te Rūnanga O Ngāi Takoto Trust through the Cultural Redress and Statutory Acknowledgement process have no value assigned. These are included as assets in the Group with no allocated value. Valuations may be assessed in future years.
There are assets not yet transferred as they are under negotiation or title is yet to be transferred. These are Deferred Selection Properties (Option to purchase as they become surplus to crown requirements), Cultural Properties in negotiation to be returned (Far North District Council) and Properties Held as Mana Whenua (title yet to transfer).
The following properties are owned in the name Te Rūnanga O Ngāi Takoto Custodian Trustee Limited as a bare trustee for Te Rūnanga O Ngāi Takoto Trust:

76 Allan Bell Drive, Kaitaia	80 Allan Bell Drive, Kaitaia
6 Summerville Avenue, Kaitaia	Part of the Northern Block/Dairy 3 of Sweetwater Station
Waiharara School Land	Awanui School Land
Paparore School Land	Land transferred by Deed of Settlement with the Crown

Deferred Selection Properties

There is an option to purchase the following properties as they become surplus to Crown needs:

Kaitaia Aerodrome	Te Kura Kaupapa Maori o Te Rangi Aniwaniwa Land
Kaitaia Intermediate School Land	Kaitaia College Land
Kaitaia College School House Land	Kaitaia Courthouse
42 Church Road Kaitaia	

Properties Held as Mana Whenua

Title is yet to be transferred on the following property:

Te Hiku Forest 4,256 ha (20% share of 21,283 ha)
Carbon Credits (NZUs) - Te Hiku Forest 70,494 units

Provisions

Provisions are recognised when the Group has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Where the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement (i.e. insurance settlement).

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in profit or loss.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Taxation

Judgement and Estimates

Preparation of the annual financial statements requires management to make estimates as to the amount of tax that will ultimately be payable, the availability of losses to be carried forward, if any, and the amount of foreign tax credits it will receive. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities. Any difference between the final tax outcomes and the estimations made in previous years will affect current year balances.

Key Policy

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment t tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

When there is uncertainty concerning the entity's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

Determines if it is probably that the tax authorities will accept the uncertain tax treatment; and

- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Tax

These consolidated financial statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable which are stated with GST included. Where GST input tax is irrecoverable then it is recognised as part or the cost of the related asset or expense.
The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities classified as an operating cash flow in the statements of cash flows.

Trade and Other Payables

Trade Payables

Creditors are recognised at amounts to be paid in the future for goods and services already received, whether or not billed to the Group. They are non-interest bearing and are normally settled on 30-60 day terms.

Contract liabilities - Deferred Revenue

Unearned income is held on the Statement of Financial Position as a liability and classified as deferred revenue in advance, until such time as it can be classified as meeting the definition of revenue.

	2017	2016
2. Revenue		
Revenue from Exchange Transactions		
Festival Registrations	4,287	892
Land Lease Funds Received	173,627	59,174
Other Revenue	-	2,259
Services Provided	29,895	14,456
Total Revenue from Exchange Transactions	**207,809**	**76,781**
Revenue from Non-Exchange Transactions		
Funding Received	76,205	146,283
Treaty Settlement	-	9,736,334
Total Revenue	**284,014**	**9,959,397**

	2017	2016
3. Expenses		
Cost of Services Provided		
Beach Park Expenses	6,478	-
Lake Ngatu Expenses	1,447	3,159
Sweetwater Expenses	43,142	55,139
Project Direct Expenses	49,806	77,361
Events	10,623	64,343
Total Cost of Services Provided	**111,496**	**200,001**
Administrative Expenses		
Accountancy and Consultancy Fees	51,186	85,390
Audit Fees	961	14,933
Consultancy	15,932	49,163
Depreciation	71,556	40,088
Donations	7,460	11,721
Legal Fees	16,572	22,149
Wages	216,545	286,348
Other Administrative Expenses	225,349	194,973
Total Administrative Expenses	**605,561**	**704,765**

	2017	2016
Occupancy Expenses		
Rates	16,318	7,333
Rent	1,618	8,172
Total Occupancy Expenses	**17,936**	**15,505**
Operating Expenses		
BNZ Portfolio Fees	39,725	37,728
Grants & Scholarships		
Distributions - Tangihanga & Other	-	5,905
Educational Grants	8,265	4,335
Marae Grants		
Marae - Mahimaru	6,000	-
Marae - Te Paa A Parore	3,140	-
Marae - Wharemaru	30,007	-
Marae - Waimanoni	-	20,048
Total Grants & Scholarships	**47,412**	**30,288**
Treaty Settlement Expenses	229,785	55,543
Other Operating Expenses	145,836	116,888
Total Operating Expenses	**462,758**	**240,448**
Total Expenses	**1,197,752**	**1,160,719**

4. Net Finance

	2017	2016
Finance Income		
Dividends Received	276,773	192,999
Fair Value Gain / (Loss) on Financial Assets	102,004	(92,408)
Interest Received	276,544	703,166
Overseas Income	210,240	165,240
Total Finance Income	**865,561**	**968,998**
Finance Expense		
Interest - Bank	-	40
Interest - Overdraft	20	-
Interest - IRD	-	3,577
IRD Penalties	300	4,770
Total Finance Expense	**320**	**8,387**
Foreign Currency Gains/Losses		
Unrealised Currency (Gains) Losses	1,522	(1,102)
Total Foreign Currency Gains/Losses	**1,522**	**(1,102)**
Total Net Finance	863,719	961,713

5. Income Tax

a) Income tax recognised in profit or loss and other comprehensive income

	2017	2016
Income Tax Expense		
Net Profit (Loss) Before Tax	515,242	10,224,821
Additions to Taxable Profit		
Permanent Differences		
Foreign Investment Fund Income	65,058	55,251
Imputation Credits on Dividends Received	19,954	18,421
IRD Penalties	300	4,770
Entertainment - Non deductible	2,915	-
Grants & Scholarships	8,265	10,240
Marae Grants	39,147	20,048
Treaty Settlement	-	(10,159,224)
Treaty Settlement Expenses	229,785	55,543
Fair Value (Gain) Loss on Financial Assets	(102,004)	92,408
Australian Charitable Fund (Income) Loss	38,110	39,549
Depreciation on Buildings	40,554	15,069
Total Permanent Differences	**342,085**	**(9,847,924)**
Timing Differences		
Change in Annual Leave	(18,983)	3,199
Accounting & Audit Accruals	-	34,000
Total Timing Differences	**(18,983)**	**37,199**
Total Additions to Taxable Profit	**323,102**	**(9,810,726)**
Other Deductions		
PIE Excluded Income	53,372	83,554
FIF Excluded Income	168,362	126,375
Imputation Credits Converted to a Loss	114,024	105,263
Losses Carried Forward	435,645	534,549
Total Other Deductions	**771,403**	**849,740**
Taxable Profit (Loss)	66,941	(435,644)
Tax Payable by Members	26,882	15,019
Deductions from Tax Payable		
Opening Balance	168,570	115,496
Tax Obligations of Group Members	(26,882)	(15,019)
Resident withholding tax paid	67,174	68,093
Total Deductions from Tax Payable	**208,862**	**168,570**
Income Tax (Payable) Refund Due for Group	208,862	168,570

6. Deferred Tax

No deferred tax is recognised given the previous losses carried forward of the Group.

	2017	2016
7. Cash and Cash Equivalents		
Bank accounts and cash		
ANZ Bank	233,865	395,114
BNZ Bank	1,959,849	2,488,287
BNZ Portfolio - Cash Accounts	529,124	535,194
Total Bank accounts and cash	**2,722,837**	**3,418,595**

	2017	2016
8. Trade and Other Receivables		
Exchange Transactions		
Accounts Receivable	130,534	2,270
Accrued Interest Receivable	224	-
Total Exchange Transactions	**130,758**	**2,270**
Other Receivables		
GST Receivable	23,632	19,399
Total Trade and Other Receivables	**154,390**	**21,670**

	2017	2016
9. Investments Current		
BNZ Term Deposits (Held to Maturity)	3,500,000	4,500,000

	2017	2016
10. Investments		
BNZ Portfolio - Listed Equities (Fair Value) FVTS&D	6,357,812	5,763,046
BNZ Portfolio - Bonds (Held to Maturity)	2,578,241	2,578,734
BNZ Portfolio Total	8,936,052	8,341,780

Refer to Note 17 - Financial Instruments.

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	2017	2016

11. Property, Plant and Equipment

	2017	2016
Land & Buildings	10,159,417	10,193,477
Motor Vehicles	23,899	31,548
Office Equipment	19,212	12,909
Plant and Equipment	34,238	12,612
Total Property, Plant and Equipment	**10,236,766**	**10,250,547**

Cost	Land & Buildings	Motor Vehicles	Office Equipment	Plant & Equipment	Total
Balance as at 1 April 2015	2,400,000	53,810	35,241	21,227	2,510,277
Additions	7,808,546	-	-	-	7,808,546
Balance as at 31 March 2016	**10,208,546**	**53,810**	**35,241**	**21,227**	**10,318,824**
Additions	7,110	-	14,850	35,815	57,775
Balance as at 31 March 2017	**10,215,656**	**53,810**	**50,091**	**57,042**	**10,376,599**

Accumulated Depreciation	Land & Buildings	Motor Vehicle	Office Equipment	Plant & Equipment	Total
Balance as at 1 April 2015	-	11,713	12,854	3,622	28,189
Depreciation	15,069	10,549	9,478	4,992	40,088
Balance as at 31 March 2016	**15,069**	**22,262**	**22,332**	**8,614**	**68,277**
Depreciation	41,170	7,649	8,547	14,190	71,556
Balance as at 31 March 2017	**56,238**	**29,911**	**30,879**	**22,804**	**139,833**

Net Carrying Amount	Land & Building	Motor Vehicles	Office Equipment	Plant & Equipment	Total
Balance as at 31 March 2016	**10,193,477**	**31,548**	**12,909**	**12,612**	**10,250,547**
Balance as at 31 March 2017	**10,159,417**	**23,899**	**19,212**	**34,238**	**10,236,766**

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12. Equity Accounted Investees

The Group holds joint control over the following joint venture which are accounted for using equity method.

	2017	2016
Sweetwater Farms Limited Partnership		
Investment in Joint Venture		
Opening Balance	464,430	-
Capital Contributions	1,354,400	464,430
Total Investment in Joint Venture	**1,818,829**	**464,430**

Summarised Financial Information of Equity Accounted Entities	**Assets**	**Liabilities**	**Revenues**	**Profit/(Loss)**	**Group Interest**	**Group Share of Profit/(Loss)**
Sweetwater Farms Limited Partnership	3,637,659	-	1,193,175	1,130,521	50%	565,260

Refer to Note 19 - Capital Commitments.

	2017	2016
13. Trade and Other Payables		
Accounts Payable	99,437	156,668
Accrued Interest Payable	1,564	1,564
Total Trade and Other Payables	**101,001**	**158,232**

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms.

	2017	2016
14. Employee Entitlements		
Provision for Leave	-	18,983
Total Employee Entitlements	**-**	**18,983**

	2017	2016
15. Operating Lease		
Less than one year	46,412	19,512
Less than two years	56,526	46,412
Two to Five Years	263,385	294,724
Total Operating Lease	**366,323**	**360,648**

The future non-cancellable minimum lease payments of operating leases as leasee at balance date are detailed above. The Group has entered into a number of leases for office rent, computer and office equipment. Most of the leases can be renewed by the Group.

16. Board Member Fees

The Group classifies its key management personnel into one of two classes:

- Members of the Governing Body
- Senior Executive Officers

Members of the governing body are paid annual fees in relation to meeting attendance during the period. Senior Executive Officers are employed as employees of the Group, on normal employment terms.

Board Member	**2017**	**2016**
Awarau, Mangu	-	7,280
Brown Patuwairua, Trudy	4,375	4,662
Cook, Cyril	4,875	7,458
Hobson, Dion	3,875	4,402
Karipa, Kaio	426	1,500
Marino, Jasmine	4,775	6,175
Marino, Mark	426	435
McCaughey, Keitiria	426	435
Rivers, Kaio	3,192	435
Rivers, Wallace	12,900	15,801
Tamati, Robert	15,457	17,927
Total Board Member Fees Paid	**50,727**	**66,075**

Transactions with Key Management Personnel

	2017	**2016**
Senior Executive Officers - 1 FTE	134,713	148,856
Number of Directors	7	8

17. Financial instruments by category

2017	Note	Amortised Cost $	Held to Maturity $	Fair Value (FVTS&D) $
Cash and bank	7	2,193,713		
Trade and other receivables	8	130,534		
Term Deposits	9		3,500,000	
BNZ Portfolio - Cash	7	529,124		
BNZ Portfolio - Bonds	10		2,578,241	
BNZ Portfolio - Equities Securities (Listed)	10			6,357,812
TOTAL FINANCIAL ASSETS		**2,853,371**	**6,078,241**	**6,357,812**
Trade and other payables	13	101,001		
TOTAL FINANCIAL LIABILITIES		**101,001**		
NET FINANCIAL INSTRUMENTS		**2,752,370**	**6,078,241**	**6,357,812**

2016	Note	Amortised Cost $	Held to Maturity $	Fair Value (FVTS&D) $
Cash and bank	7	2,883,401		
Trade and other receivables	8	74,015		
Term Deposits	9		4,500,000	
BNZ Portfolio - Cash	7	535,194		
BNZ Portfolio - Bonds	10		2,578,734	
BNZ Portfolio - Equities Securities (Listed)	10			5,763,046
TOTAL FINANCIAL ASSETS		**3,440,264**	**7,078,734**	**5,763,046**
Cash and bank	7			
Trade and other payables	13	158,232		
TOTAL FINANCIAL LIABILITIES		**158,232**		
NET FINANCIAL INSTRUMENTS		**3,282,032**	**7,078,734**	**5,763,046**

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18. Group Entities

Entity	Main Activity	Country of Incorporation	Balance Date	2016 %	2015 %
Pioke Corporate Limited	Holding Company	NZ	31 March	100	100
Te Rūnanga o NgāiTakoto Custodian Trustee Limited	Corporate Trustee	NZ	31 March	100	100
NgāiTakoto Australia Pty Limited	Corporate Trustee	AU	31 March	100	100
Te Make Farms Limited	Dairy Farming	NZ	31 March	100	100
Sweetwater Farms Limited Partnership	Dairy Farming	NZ	31 March	50	50
Te Rūnanga o NgāiTakoto Charitable Trust	Charitable Purposes	NZ	31 March	N/A	N/A
NgāiTakoto Australia Charitable Fund	Charitable Purposes	AU	31 March	N/A	N/A

Related Party Transactions

Te Runanga o NgāiTakoto Trust is the parent of the Group and controls those entities in Note 18. During the year the Trust entered into the following transactions with related parties:

	2017 $	2016 $
Te Make Farms Limited		
Licence Fee payable to the Runanga	411,647	378,608
Receivable at year end	473,394	435,399

The Trust has not made any allowance for bad or doubtful debts in respect of related party transactions.

19. Capital Commitments

In the following year the Group contributed $150,000 toward the development of irrigation infrastructure for the Sweetwater dairy farm on behalf of Te Make Farms Limited (2016: $789,139)

20. Events Subsequent to Balance Date

No events subsequent to balance date have occurred that would materially impact on the Financial Statements and thus require disclosure.

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Chartered Accountants

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AUSTRALIA + NEW ZEALAND

INDEPENDENT AUDITORS REPORT

To the Trustees of Te Rūnanga O NgāiTakoto Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Te Rūnanga O NgāiTakoto Trust (the Group) on pages 5 to 24, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated and the statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners 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 Trust or any of its subsidiaries.

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Emphasis of Matter

As disclosed in note 12 to the financial statements the Trust has invested in Sweet Water Farms Limited. The financial information is based upon unaudited financial statements of Sweet Water Farms Limited as at the approval date of these financial statements. As the financial statements are not audited we are unable to determine whether any material adjustments needs to be made to the carrying value of investment as the information financial statements provided were not subject to audit. We have not modified our opinion in respect to this matter.

Other information

The Trustees are responsible on behalf of the Group for the other information. The other information comprises the Directory but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, 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.

Trustees Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduce Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the Group for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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A detailed description of the auditors' responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the external reporting board website: http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/

Other Matter

The financial statements of Te Rūnanga O NgāiTakoto Trust for the year ended 31 March 2016 were audited by another auditor who expressed an Qualified opinion on those statements on the 5 December 2024.

Restriction on Distribution or Use

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

Silks Audit

Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 6 December 2024

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