

# Consolidated Financial Statements

Te Rūnanga O Ngāi Takoto Group  
For the year ended 31 March 2021

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## Te Rūnanga O NgāiTakoto Group For the year ended 31 March 2021

### 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

Craig Hobson

Jasmine Marino

Wallace Rivers

Kaio Karipa

Bronwyn Cook

### Group Members

Te Rūnanga O NgāiTakoto Trust

Te Make Farms Limited

Rakau Ora Orchards Limited

Ngapae Holiday Park Limited

Sweetwater Farms Limited Partnership

Pioke Corporate Limited

Te Rūnanga 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



# Consolidated Statement of Comprehensive Revenue and Expense

## Te Rūnanga O Ngāi Takoto Group For the year ended 31 March 2021

	NOTES	CONSOLIDATED 2021	CONSOLIDATED 2020
<b>Revenue</b>			
Revenue from Exchange Transactions	2	1,851,468	857,192
Revenue from Non Exchange Transactions	2	154,400	146,745
<b>Total Revenue</b>		<b>2,005,868</b>	<b>1,003,937</b>
<b>Expenses</b>			
Cost of Services Provided	3	(213,417)	(303,649)
Administration Expenses	3	(1,900,477)	(725,877)
Occupancy Expenses	3	(153,005)	(63,736)
Operating Expenses	3	(1,655,501)	(491,776)
<b>Total Expenses</b>		<b>(3,922,400)</b>	<b>(1,585,038)</b>
<b>Surplus / (Deficit) before Net Financing Costs</b>		<b>(1,916,532)</b>	<b>(581,102)</b>
<b>Financing</b>			
Finance Income	4	326,656	295,928
Finance Costs	4	(17,925)	(2,509)
Foreign Currency Gains/Losses	4	(139)	(812)
<b>Net Financing Expenses</b>		<b>308,592</b>	<b>292,607</b>
<b>Share of Equity Accounted Investees Surplus/(Deficit) for the year</b>			
Sweetwater Farms Limited Partnership	11	54,590	282,685
<b>Total Revenue and Expense for the Year</b>		<b>(1,553,350)</b>	<b>(5,810)</b>
<b>Other Comprehensive Revenue and Expenses</b>			
Income Tax (Expense)/Benefit	5	-	(44,920)
<b>Total Other Comprehensive Revenue and Expenses</b>		<b>-</b>	<b>(44,920)</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(1,553,350)</b>	<b>(50,730)</b>

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



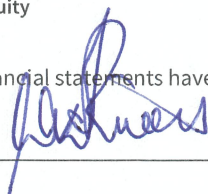
# Consolidated Statement of Financial Position

## Te Rūnanga O Ngāi Takoto Group As at 31 March 2021

	NOTES	CONSOLIDATED 2021	CONSOLIDATED 2020
<b>Current Assets</b>			
Cash and Cash Equivalents	7	620,942	1,005,881
Trade and Other Receivables	8	1,460,601	857,724
Inventory		305,280	317,794
Income Taxes Receivable	5	94,721	174,890
<b>Total Current Assets</b>		<b>2,481,545</b>	<b>2,356,289</b>
<b>Current Liabilities</b>			
Trade and Other Payables	12	815,339	470,248
Employee Entitlements	13	83,814	54,003
Deferred Income		-	24,665
Current portion of Term Loans	14	41,830	-
<b>Total Current Liabilities</b>		<b>940,983</b>	<b>548,917</b>
<b>Working Capital</b>		<b>1,540,562</b>	<b>1,807,372</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	19,126,065	16,960,459
Investments	9	3,757,170	7,078,367
Equity Accounted Investees	11	1,700,319	1,700,319
<b>Total Non-Current Assets</b>		<b>24,583,554</b>	<b>25,739,145</b>
<b>Total Non-Current Assets and Working Capital</b>		<b>26,124,116</b>	<b>27,546,517</b>
<b>Non-Current Liabilities</b>			
Loans	14	130,949	-
<b>Total Non-Current Liabilities</b>		<b>130,949</b>	<b>-</b>
<b>Total Net Assets</b>		<b>25,993,167</b>	<b>27,546,517</b>
<b>Equity</b>			
Total Net Assets/Equity		25,992,646	27,545,996
Reserves		521	521
<b>Total Equity</b>		<b>25,993,167</b>	<b>27,546,517</b>

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

Trustee:



Trustee:



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.

# Consolidated Statement of Changes in Net Assets/Equity

**Te Rūnanga O Ngāi Takoto Group**  
**For the year ended 31 March 2021**

	Notes	Accumulated Revenue & Expense	Total
		\$	\$
<b>Balance at 1 April 2019</b>		27,596,727	<b>27,596,727</b>
Total Comprehensive Revenue & Expense for the Year		(50,730)	(50,730)
Reserves		521	521
<b>Balance at 31 March 2020</b>		27,546,518	<b>27,546,518</b>
<b>Balance at 1 April 2020</b>		27,546,518	27,546,518
Total Comprehensive Revenue & Expense for the Year		(1,553,350)	(1,553,350)
<b>Balance at 31 March 2021</b>		25,993,168	<b>25,993,168</b>

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 Ngāi Takoto Group For the year ended 31 March 2021

	NOTES	CONSOLIDATED 2021	CONSOLIDATED 2020
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Receipts from customers and funders		1,756,717	1,199,362
Net Goods & Services Tax		(403,056)	(654,626)
<b>Total Cash Provided</b>		<b>1,353,661</b>	<b>544,736</b>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(2,912,537)	(1,554,174)
Grants & Scholarships		(139,163)	(94,836)
<b>Total Cash Applied</b>		<b>(3,051,700)</b>	<b>(1,649,011)</b>
<b>Total Cash Flows from Operating Activities</b>		<b>(1,698,039)</b>	<b>(1,104,275)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Movement in BNZ Investments		3,704,681	6,693,459
Interest Received		126	26,490
<b>Total Cash Provided</b>		<b>3,704,807</b>	<b>6,719,948</b>
<b>Cash was applied to:</b>			
Purchase of property, plant and equipment		(2,544,197)	(6,866,042)
Investments		(2,363)	-
<b>Total Cash Flows from Investing Activities</b>		<b>1,158,247</b>	<b>(146,093)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash was provided from:</b>			
Proceeds from Treaty Settlement		-	521
Loan Advances		172,779	-
<b>Total Cash was provided from:</b>		<b>172,779</b>	<b>521</b>
<b>Cash was applied to:</b>			
Finance Costs		(17,925)	(2,509)
Equity Accounted Investments		-	406,406
Payments for Treaty Settlement		-	-
<b>Total Cash Flows from Financing Activities</b>		<b>154,854</b>	<b>404,418</b>
<b>Net Increase/ (Decrease) in Cash</b>		<b>(384,939)</b>	<b>(845,950)</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period		1,005,881	1,851,831
Cash and cash equivalents at end of period	7	620,942	1,005,881
Net change in cash for period		(384,939)	(845,950)

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 Ngāi Takoto Group For the year ended 31 March 2021

### 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 Ngāi Takoto 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.



#### 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 counterpart 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



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
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 to 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 of 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.

	2021	2020
<b>2. Revenue</b>		
<b>Revenue from Exchange Transactions</b>		
COVID Funding Received	163,036	335
Festival Registrations	-	36,414
Land Lease Funds Received	511,590	782,692
Milk Production (Net)	1,127,053	-
Services Provided	49,789	37,751
<b>Total Revenue from Exchange Transactions</b>	<b>1,851,468</b>	<b>857,192</b>
<b>Revenue from Non-Exchange Transactions</b>		
Funding Received	154,400	146,745
<b>Total Revenue</b>	<b>2,005,868</b>	<b>1,003,937</b>
	2021	2020

## 3. Expenses

### Cost of Services Provided

Beach Park Expenses	-	60,311
Project Direct Expenses	213,417	237,868
Events	-	5,470
<b>Total Cost of Services Provided</b>	<b>213,417</b>	<b>303,649</b>

### Administrative Expenses

Accountancy and Consultancy Fees	44,584	21,106
Consultancy	147,401	48,222
Depreciation	458,760	75,859
Donations	-	2,584
Legal Fees	45,671	86,248
Wages	866,590	316,276
Other Administrative Expenses	337,472	175,583
<b>Total Administrative Expenses</b>	<b>1,900,477</b>	<b>725,877</b>





	2021	2020
<b>Occupancy Expenses</b>		
Rates	112,340	13,785
Rent	40,665	49,951
<b>Total Occupancy Expenses</b>	<b>153,005</b>	<b>63,736</b>
<b>Operating Expenses</b>		
Animal & Feed Expenses	445,501	-
BNZ Portfolio Fees	29,719	41,468
Directors Fees	30,707	38,350
<b>Grants &amp; Scholarships</b>		
Distributions - Tangihanga & Other	20,646	19,276
Educational Grants	5,000	25,748
<b>Marae Grants</b>		
Marae - Mahimaru	-	20,579
Marae - Te Paa A Parore	4,531	24,234
Marae - Wharemaru	108,986	-
Marae - Waimanoni	-	5,000
<b>Total Grants &amp; Scholarships</b>	<b>139,163</b>	<b>94,836</b>
Land Maintenance	484,125	17,562
Sweetwater Expenses	61,443	-
Treaty Settlement Expenses	-	81,695
Other Operating Expenses	464,843	217,865
<b>Total Operating Expenses</b>	<b>1,655,501</b>	<b>491,776</b>
<b>Total Expenses</b>	<b>3,922,400</b>	<b>1,585,038</b>
	2021	2020

#### 4. Net Finance

<b>Finance Income</b>		
Dividends Received	251,432	325,712
Fair Value Gain / (Loss) on Financial Assets	68,567	(100,861)
Interest Received	6,658	66,274
Overseas Income	-	4,804
<b>Total Finance Income</b>	<b>326,656</b>	<b>295,928</b>
<b>Finance Expense</b>		
Interest - Loans	4,767	-
Interest - Bank	1,228	1,102
Interest - IRD	803	79
IRD Penalties	11,127	1,328
<b>Total Finance Expense</b>	<b>17,925</b>	<b>2,509</b>
<b>Foreign Currency Gains/Losses</b>		
Unrealised Currency (Gains) Losses	139	812
Realised Currency (Gains) Losses	-	-
<b>Total Foreign Currency Gains/Losses</b>	<b>139</b>	<b>812</b>



	2021	2020
Total Net Finance	308,592	292,607

## 5. Income Tax

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

	2021	2020
<b>Income Tax Expense</b>		
Net Profit (Loss) Before Tax	(1,553,350)	(5,810)
<b>Additions to Taxable Profit</b>		
<b>Permanent Differences</b>		
Imputation Credits on Dividends Received	4,683	17,570
IRD Penalties	11,127	1,328
Entertainment - Non deductible	2,909	-
Grants & Scholarships	25,646	45,024
Marae Grants	113,517	49,812
Treaty Settlement Expenses	-	81,695
Fair Value (Gain) Loss on Financial Assets	(68,567)	100,861
Australian Charitable Fund (Income) Loss	11,033	25,939
Depreciation on Buildings	40,554	40,554
<b>Total Permanent Differences</b>	<b>140,903</b>	<b>362,783</b>
<b>Timing Differences</b>		
Change in Annual Leave	12,955	11,549
<b>Total Timing Differences</b>	<b>12,955</b>	<b>11,549</b>
<b>Total Additions to Taxable Profit</b>	<b>153,858</b>	<b>374,332</b>
<b>Other Deductions</b>		
PIE Excluded Income	-	300
FIF Excluded Income	-	-
Imputation Credits Converted to a Loss	26,761	-
Losses Carried Forward	-	-
<b>Total Other Deductions</b>	<b>26,761</b>	<b>300</b>
Taxable Profit (Loss)	(1,426,253)	368,222
Tax Payable by Members	-	44,920

	2021	2020
<b>Deductions from Tax Payable</b>		
Opening Balance	174,890	193,528
Income tax paid	-	18,259
Tax Adjustments	(80,388)	(19,988)
Tax Obligations of Group Members	143	(44,504)
Resident withholding tax paid	77	27,594
<b>Total Deductions from Tax Payable</b>	<b>94,721</b>	<b>174,890</b>
Income Tax (Payable) Refund Due for Group	94,721	174,890

## 6. Deferred Tax

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

	2021	2020
<b>7. Cash and Cash Equivalents</b>		
<b>Bank accounts and cash</b>		
ANZ Bank	58,445	190,585
BNZ Bank	245,668	302,967
BNZ Portfolio - Cash Accounts	316,830	512,329
<b>Total Bank accounts and cash</b>	<b>620,942</b>	<b>1,005,881</b>

## 8. Trade and Other Receivables

	2021	2020
<b>Exchange Transactions</b>		
Accounts Receivable	316,189	127,501
Accrued Interest Receivable	-	(6,332)
<b>Total Exchange Transactions</b>	<b>316,189</b>	<b>121,169</b>
<b>Other Receivables</b>		
GST Receivable	1,133,081	730,025
Prepayments	11,330	6,530
<b>Total Trade and Other Receivables</b>	<b>1,460,600</b>	<b>857,724</b>

## 9. Investments

	2021	2020
BNZ Portfolio - Listed Equities (Fair Value) FVTS&D	2,383,571	4,038,483
BNZ Portfolio - Bonds (Held to Maturity)	1,331,183	2,999,830
BNZ Portfolio Total	3,714,753	7,038,313
Ngapae Holiday Park	40,054	40,054
Shares - Ballance	2,363	-
<b>Total Investments</b>	<b>3,757,170</b>	<b>7,078,367</b>

Refer to Note 17 - Financial Instruments.



2021

2020

**10. Property, Plant and Equipment**

Land & Buildings	16,464,395	15,071,451
Motor Vehicles	572,385	440,943
Office Equipment	65,066	69,805
Plant and Equipment	2,024,219	1,378,260
<b>Total Property, Plant and Equipment</b>	<b>19,126,065</b>	<b>16,960,459</b>

Cost	Land & Buildings	Motor Vehicles	Office Equipment	Plant & Equipment	Total
Balance as at 1 April 2019	10,215,656	77,455	53,957	79,107	10,426,174
Additions	5,036,118	407,417	62,623	1,359,885	6,866,043
<b>Balance as at 31 March 2020</b>	<b>15,251,774</b>	<b>484,872</b>	<b>116,580</b>	<b>1,438,991</b>	<b>17,292,217</b>
Additions	1,537,373	227,562	16,646	780,415	2,561,996
Disposals	-	-	-	(11,527)	(11,527)
<b>Balance as at 31 March 2021</b>	<b>16,789,147</b>	<b>712,433</b>	<b>133,226</b>	<b>2,207,879</b>	<b>19,842,686</b>

Accumulated Depreciation	Land & Buildings	Motor Vehicle	Office Equipment	Plant & Equipment	Total
Balance as at 1 April 2019	139,022	30,318	40,573	45,985	255,899
Depreciation	41,300	13,611	6,202	14,747	75,859
<b>Balance as at 31 March 2020</b>	<b>180,323</b>	<b>43,929</b>	<b>46,776</b>	<b>60,732</b>	<b>331,758</b>
Depreciation	144,430	96,119	21,385	125,909	387,843
Depreciation Recovered	-	-	-	(2,980)	(2,980)
<b>Balance as at 31 March 2021</b>	<b>324,753</b>	<b>140,047</b>	<b>68,161</b>	<b>183,661</b>	<b>716,622</b>

Net Carrying Amount	Land & Building	Motor Vehicles	Office Equipment	Plant & Equipment	Total
<b>Balance as at 31 March 2020</b>	<b>15,071,451</b>	<b>440,943</b>	<b>69,805</b>	<b>1,378,260</b>	<b>16,960,459</b>
<b>Balance as at 31 March 2021</b>	<b>16,464,394</b>	<b>572,385</b>	<b>65,066</b>	<b>2,024,219</b>	<b>19,126,064</b>



## 11. Equity Accounted Investees

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

	2021	2020
<b>Sweetwater Farms Limited Partnership</b>		
<b>Investment in Joint Venture</b>		
Opening Balance	1,700,319	1,824,040
Capital Contributions	-	(123,721)
<b>Total Investment in Joint Venture</b>	<b>1,700,319</b>	<b>1,700,319</b>

<b>Summarised Financial Information of Equity Accounted Entities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Profit/(Loss)</b>	<b>Group Interest</b>	<b>Group Share of Profit/(Loss)</b>
Sweetwater Farms Limited Partnership	3,409,389	-	-	109,180	50%	54,590

	2021	2020
<b>12. Trade and Other Payables</b>		
Accounts Payable	814,708	470,248
Accrued Interest Payable	631	-
<b>Total Trade and Other Payables</b>	<b>815,339</b>	<b>470,248</b>

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

	2021	2020
<b>13. Employee Entitlements</b>		
Provision for Leave	60,950	47,334
PAYE Payable	22,864	6,669
<b>Total Employee Entitlements</b>	<b>83,814</b>	<b>54,003</b>

	2021	2020
<b>14. Loans</b>		
ASB Bank	172,779	-
Current Portion of Term Loans	41,830	-
Non Current Term Loans	130,949	-
<b>Total Loans</b>	<b>172,779</b>	<b>-</b>

2021 2020

**15. Operating Lease**

Less than one year	69,135	59,758
Less than two years	80,019	69,135
Two to Five Years	244,713	205,755
<b>Total Operating Lease</b>	<b>393,867</b>	<b>334,648</b>

The future non-cancellable minimum lease payments of operating leases as lessee 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. Related Party Transactions**

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.

<b>Board Member</b>	<b>2021</b>	<b>2020</b>
Brown Patuwairua, Trudy	12,706	5,000
Cook, Cyril	1,625	5,375
Hobson, Craig	13,381	4,125
Karipa, Kaio	1,125	625
Marino, Jasmine	5,875	5,250
Marino, Mark	-	250
Rivers, Wallace	48,000	24,000
<b>Total Board Member Fees Paid</b>	<b>82,712</b>	<b>44,625</b>

**Transactions with Key Management Personnel**

	<b>2021</b>	<b>2020</b>
Senior Executive Officers - 1.5 FTE	148,017	
Senior Executive Officers - 2.0 FTE		233,206
Directors Fess	30,707	38,350
Number of Directors (Group)	7	7

During the year the Group contracted Koru Services Limited, a company owned by Craig Hobson and Kiri Hobson-Sloane to undertake the management and delivery of multiple projects. \$48,250 was paid to Koru Services Limited in the year ending 31 March 2021.





## 17. Financial instruments by category

2021	Note	Amortised Cost \$	Held to Maturity \$	Fair Value (FVTS&D) \$
Cash and bank	7	304,112		
Trade and other receivables	8	1,460,601		
BNZ Portfolio - Cash	7	316,830		
BNZ Portfolio - Bonds	9		1,331,183	
BNZ Portfolio - Equities Securities (Listed)	9			2,383,571
Shares in Supplier Organisations	9	2,363		
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,083,906</b>	<b>1,331,183</b>	<b>2,383,571</b>
Trade and other payables	13	897,153		
Loans	15	172,779		
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>1,069,932</b>		
<b>NET FINANCIAL INSTRUMENTS</b>		<b>1,013,974</b>	<b>1,331,183</b>	<b>2,383,571</b>

2020	Note	Amortised Cost \$	Held to Maturity \$	Fair Value (FVTS&D) \$
Cash and bank	7	493,552		
Trade and other receivables	8	857,724		
BNZ Portfolio - Cash	7	512,329		
BNZ Portfolio - Bonds	9		2,999,830	
BNZ Portfolio - Equities Securities (Listed)	9			4,038,483
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,863,605</b>	<b>2,999,830</b>	<b>4,038,483</b>
Trade and other payables	13	524,251		
Deferred Income		24,665		
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>548,916</b>		
<b>NET FINANCIAL INSTRUMENTS</b>		<b>1,314,689</b>	<b>2,999,830</b>	<b>4,038,483</b>



## 18. Group Entities

Entity	Main Activity	Country of Incorporation	Balance Date	2021 %	2020 %
Pioke Corporate Limited	Holding Company	NZ	31 March	100	100
Te Rūnanga o Ngāi Takoto Custodian Trustee Limited	Corporate Trustee	NZ	31 March	100	100
Ngāi Takoto Australia Pty Limited	Corporate Trustee	AU	31 March	100	100
Te Make Farms Limited	Dairy Farming	NZ	31 March	100	100
Rakau Ora Orchards Limited	Avocado Grower	NZ	31 March	100	100
Ngapae Holiday Park Limited	Accommodation	NZ	31 March	100	100
Sweetwater Farms Limited Partnership	Dairy Farming	NZ	31 March	50	50
Te Rūnanga o Ngāi Takoto Charitable Trust	Charitable Purposes	NZ	31 March	N/A	N/A
Ngāi Takoto Australia Charitable Fund	Charitable Purposes	AU	31 March	N/A	N/A

## 19. 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.

## 20. Impact of COVID19

The Group is aware of the World Health Organisation's declaration of a global health emergency related to the spread of COVID-19 on the 31 January 2020 and the New Zealand governments subsequent decision that all non-essential businesses were to close from 25 March 2020 for a period of four weeks.

In the year ending 31 March 2021 there were rolling lockdowns for Auckland. This had a national effect on all industries in New Zealand

## **INDEPENDENT AUDITORS REPORT**

To the Trustees of Te Rūnanga O Ngāi Takoto Trust

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Te Rūnanga O Ngāi Takoto Trust (the Group) on pages 5 to 25, which comprise the consolidated statement of financial position as at 31 March 2021, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, 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 Qualified Opinion on Financial Performance and Financial Position**

In common with similar organisations control over certain revenues (Ngapae Park Revenue) of the organisation prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

We were appointed auditor after balance date and therefore feed on hand had no independent count was performed for the feed on hand as at 31 March 2021. As such, we were unable to verify the existence or completeness of this balance and whether any adjustments were required to the carrying value of the stock on hand at balance date.

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.

### **Emphasis of Matter**

As disclosed in note 11 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.

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/>

### **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.



**Cameron Town  
Silks Audit Chartered Accountants Ltd  
Whanganui, New Zealand**

**Date: 6 December 2024**