

Special Purpose Financial Report

Ngati Paoa Iwi Trust
For the year ended 30 June 2018

Prepared by Account to Succeed Limited

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Directory

Ngati Paoa Iwi Trust For the year ended 30 June 2018

Nature of Business

Management of Iwi Assets

Address

11 Britomart Place,
Auckland, 1010

IRD Number

112-693-343

Beneficiaries

Ngati Paoa Iwi

Trustees

Gary Thompson

Bryce Heron

Jasmine Castle

James Ratahi

Tania Tarawa

Gwen Tepania-Palmer

David Gray

Tax Consultants

Ernst & Young Limited

Auckland

Bankers

BNZ Bank Limited

Solicitors

Kahui Legal

Wellington

Auditor

Blackmore Virtue & Owens

Newmarket, Auckland

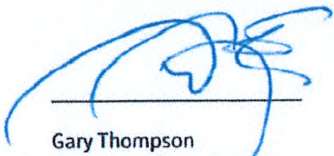
Approval of Financial Report

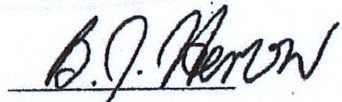
Ngati Paoa Iwi Trust For the year ended 30 June 2018

The Trustees are pleased to present the approved financial report including the historical financial statements of the Ngati Paoa Iwi Trust for the year ended 30 June 2018.

APPROVED

For and on behalf of the Trustees.



Gary Thompson
Date 3/9/2021

Bryce Heron
Date 3-9-2021

Statement of Profit or Loss

Ngati Paoa Iwi Trust For the year ended 30 June 2018

	NOTES	2018	2017
Trading Income			
Sales		50,400	50,400
Sales - RMA		354,194	347,919
Other Income		50,000	165,638
Total Trading Income		454,594	563,957
Total Income		454,594	563,957
Expenses			
ACC Levies		63	-
Advertising		534	1,783
Bank Fees		9,922	11,065
Computer Expense		1,307	7,386
Consulting		5,800	6,235
Contractors		454,668	659,828
Database Marketing		-	7,042
Depreciation		2,061	4,581
Entertainment		169	1,298
Event Expenses		3,793	5,642
Office Expenses		487	26,481
Insurance		8,050	9,057
Interest Expense		74,677	61,289
Legal expenses		85,102	190,427
Meeting Expense		4,084	10,453
Projects		16,084	42,793
Salaries		37,261	20,290
Staff Expenses		212	-
Subscriptions		7,675	6,997
Telephone & Internet		2,531	230
Travel and Accommodation		5,608	2,495
Trustees Fee		53,726	43,552
Total Expenses		773,815	1,118,924
Net Trustees Income for the Year (Deficit)		(319,221)	(554,967)
Taxation and Adjustments			
Income Tax Expense		443,310	-
Net Trustees Income after tax		(762,531)	(554,967)

Audit Disclaimer : The accompanying notes and Audit Report form part of these financial statements.



Balance Sheet

Ngati Paoa Iwi Trust As at 30 June 2018

	NOTES	30 JUN 2018	30 JUN 2017
Assets			
Current Assets			
Trade receivables		108,599	65,567
Prepayments		6,038	6,038
Bond		-	1,200
GST Receivable		-	4,105
Total Current Assets		114,637	76,909
Non Current Assets			
Investment in Ngati Paoa Trust Associated Entities	5	15,625,100	15,625,100
Total Non Current Assets		15,625,100	15,625,100
Fixed assets			
Property, Plant and Equipment	10	2,052	4,113
Total Fixed assets		2,052	4,113
Total Assets		15,741,789	15,706,122
Liabilities			
Current Liabilities			
Bank			
BNZ	8	462,634	349,121
Total Bank		462,634	349,121
Creditors		54,319	88,076
Employee Related Dues		7,037	4,004
GST Payable		2,536	-
Income Tax Payable		(31,785)	-
Shareholder Advance Account		1,024,658	330,000
Current Liabilities			
Income in Advance		50,000	-
Total Current Liabilities		50,000	-
Total Current Liabilities		1,569,399	771,202
Total Liabilities		1,569,399	771,202
Net Assets		14,172,390	14,934,920
Trustee Funds			
Total Trustee Funds	4	14,172,390	14,934,920

Audit Disclaimer : The accompanying notes and Audit Report form part of these financial statements.



Notes to the Financial Statements

Ngati Paoa Iwi Trust For the year ended 30 June 2018

1. Statement of Accounting Policies

2. Reporting Entity

Ngati Paoa Iwi Trust is a trust established by a trust deed dated October the 4th 2013,

Ngati Paoa Iwi Trust is engaged in the business of managing Iwi Assets.

This special purpose financial report was authorised for issue in accordance with a resolution of trustees.

Basis of Preparation

The financial statements have been specifically prepared for the purposes of meeting the trust's income tax requirements and to comply with obligations under the entity's loan agreement(s) and for trustee management purposes.

The Trust has investments in various associated entities as disclosed under note 5. Consolidated financial statements to include these entities have not been completed. Due to restructuring within the Trust investment entities (Ngati Paoa Commercial Group) consolidated financial statements of these entities have been prepared for the special purpose to comply with bank funding requirements. Consolidated financial statements of the group comprising the Ngati Paoa Iwi Trust including associated investment entities will be completed for the year ended 30 June 2018 as a separate report.

These financial statements may not be suitable for any other purpose.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis during the year of operation.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.



An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in the statement of profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

The Trust's share of Marutuahu Ropu Limited Partnership has not been agreed to by the respective parties. As a consequence any share of income or (Loss) from the partnership has not been incorporated in current taxation expense calculations. When the share due to the trust has been quantified, amended income tax returns for the trust will be completed.

Goods and Services Tax

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

	2018	2017
3. Income Tax		
Net Trustees income		
Net Trustees Income for the Year	(319,221)	(554,967)
Non Deductible Expenses	37,392	62,960
Total Net Trustees Taxable Income / (Loss to C'fwd)	(281,829)	(492,007)
Accumulated Tax Losses C'fwd		
Accumulated Tax Losses B'fwd	-	(635,113)
Total Net Trustees Taxable Income / (Loss to C'fwd)	(281,829)	(492,007)
Revised Prior year tax losses (1)	-	234,746
Losses Attributed to Taxable Income	-	892,374
Total Accumulated Tax Losses C'fwd	(281,829)	-
Taxable Profit / (Loss)		
Ngati Paoa Group Investments Limited (2)	(233,916)	3,425,572
Ngati Paoa Iwi Trust - Losses Attributed	(281,829)	(892,374)
Total Taxable Profit / (Loss to C'fwd)	(515,745)	2,533,198
Income Tax Payable / (Refund Due)		
Income Tax Payable at 17.5%	-	443,310
Resident Withholding Tax	-	(10,056)
Income Tax Paid (3)	-	(465,039)
Income Tax Refund B'Fwd	(31,785)	-
Total Income Tax Payable / (Refund Due)	(31,785)	(31,785)

- Adjustment following finalization and filing of prior years income tax returns.
- Taxable income for 2017 includes Look Through income from Ngati Paoa Group Investments limited of \$3,425,571.56.
- Tax paid includes tax of \$465,039.48 paid by Ngati Paoa Group Investments limited on behalf of Ngati Paoa Iwi Trust.



	2018	2017
4. Trustee Funds		
Retained Earnings		
Opening Balance	(1,190,080)	(635,112)
Current Year Earnings (Loss) after Tax	(762,531)	(554,967)
Accumulated Retained earnings (Deficit)	(1,952,611)	(1,190,079)
Other Funds (Settlement ex the crown)		
Opening Balance	16,125,000	16,125,000
Total Other Funds (Settlement ex the crown)	16,125,000	16,125,000
Total Trustee Funds	14,172,389	14,934,921
	2018	2017

5. Related Parties**Investment and Loans**

Shares in Ngati Paoa Group Investments Limited	15,625,000	15,625,000
Shares in Ngati Paoa Group Holdings Limited	100	100
Total Investment and Loans	15,625,100	15,625,100

The Trust has the following investments in Associates :

a. Ngati Paoa Group Investments Limited -100% shareholding, Entity is engaged in the business of property sale and development and managing iwi investments. The company is registered as a Look Through Company (LTC) for taxation purposes.

b. Ngati Paoa Group Holdings Limited -100% shareholding, Entity is engaged in the business of property sale and development. The company is not registered as a Look Through Company (LTC) for taxation purposes.

c. Marutuahu Ropu Limited Partnership - registered in the name of Hauauru Eugene Rawiri acting on behalf of the Ngati Paoa Iwi Trust. The various shares held by each partner in the Partnership has not been agreed upon by the respective parties.

6. Commitments

The Trust has no capital or revenue commitments as at balance date (Prior year \$ nil)

7. Contingencies

The Trust has no current contingent liabilities as at balance date. (Prior year \$ nil)

8. Borrowings

Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost (using the effective interest method). Fees for establishing new borrowings are spread over the terms of those borrowings.

a. Overdraft with the BNZ Bank with a limit of \$500,000 for a period until Treaty Settlement at a current interest rate of 8.63%

9. Other Information

Treaty settlement date is still unknown as at balance date



	2018	2017
10. Fixed Assets		
Office Equipment	12,648	12,648
Less Accumulated Depreciation on Office Equipment	(10,596)	(8,535)
Total Fixed Assets	2,052	4,113



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES NGATI PAOA IWI TRUST

REPORT ON THE ANNUAL SPECIAL PURPOSE FINANCIAL STATEMENTS

We have audited the accompanying annual special purpose financial statements on pages 5 to 11 which comprises the statement of profit or loss, for the year ended 30 June 2018, the balance sheet as at 30 June 2018, and the statement of accounting policies and other explanatory information for the Iwi Trust only and does not include the activities of Iwi investment activities which are included in a separate consolidated report of all Iwi investment activities.

OPINION

In our opinion the annual special purpose financial statements on pages 5 to 11 presents fairly, in all material respects,

- the financial position of Ngati Paoa Iwi Trust as at 30 June 2018, and its financial performance, for the year then ended

in accordance with Special Purpose Reporting Standards as adopted by the Trustees for reporting to the Iwi the financial management of the trust by the trustees .

THE RESPONSIBILITY OF THE TRUSTEES FOR THE ANNUAL SPECIAL PURPOSE FINANCIAL STATEMENTS

The Trustees are responsible on behalf of the trust for:

- (a) The preparation and fair presentation of the annual financial statements which comprise:
- the statement of profit or loss, balance sheet, and statement of accounting policies and notes to the annual special purpose financial statements.

in accordance with Special Purpose Reporting Standards as adopted by the trustees for reporting to the members of the Iwi the financial management of the trust by the Trustees

- (b) for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the annual special purpose financial statements based on our audit. We conducted our audit of the statement of statement of profit or loss, the balance sheet, statement of accounting policies and notes to the annual special purpose financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual special purpose financial statements are free from material misstatement.



Your Chartered Accountants and Business Advisors

PRINCIPAL
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INCORPORATING
DAVID KNIGHTLEY
ACCOUNTING

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**GGI**
INDEPENDENT MEMBER

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual special purpose financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the annual special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the annual special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

[https://xrb.govt.nz/Site/Auditing Assurance Standards/Current Standards/Description Auditors responsibilities.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx).

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

Other than in our capacity as auditor we have no relationship with, or interests in the Ngati Paoa Iwi Trust.

OTHER MATTER

The financial statements of Ngati Paoa Iwi Trust for the year ended 30 June 2017 were audited by another auditor who expressed a similar opinion to the above on those financial statements on the 9th November 2018.

WHO WE REPORT TO

This report is made solely to the trustees as a body. Our audit 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 trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

Blackmore Virtue & Owens

**BLACKMORE VIRTUE & OWENS
NEWMARKET
AUCKLAND**

10 September 2021

