

Special Purpose Financial Report

Ngati Paoa Iwi Trust
As at 30 June 2014

Prepared by Account to Succeed Limited



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Directory

Ngati Paoa Iwi Trust For the year ended 30 June 2014

Nature of Business

Management of Iwi Assets

Address

c/- SBA, 275 Great South Road, Papakura, New Zealand, 2110

IRD Number

112-693-343

Trustees

Gary Thompson

Bryce Heron

Beneficiaries

Ngati Paoa Iwi

Accountant

Account to Succeed Limited

Bankers

BNZ Bank Limited

Solicitors

Minter Ellison

Auditor

David Knightley Accounting

Approval of Financial Report


Ngati Paoa Iwi Trust

For the year ended 30 June 2014

The Trustees are pleased to present the approved financial report including the historical financial statements of the Ngati Paoa Iwi Trust for the period from Commencement 4 October 2013 to year ended 30 June 2014.

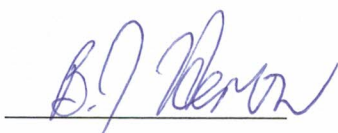
APPROVED

For and on behalf of the Trustees.



Gary Thompson

Date 27 April 2017



Bryce Heron

Date 27 April 2017

Statement of Profit or Loss

Ngati Paoa Iwi Trust

For the year ended 30 June 2014

	NOTES	2014	2013
Trading Income			
Sales		317,697	-
Total Trading Income		317,697	-
Gross Profit		317,697	-
Total Income		317,697	-
Expenses			
Travel and Accommodation		1,476	-
Advertising		260	-
Bank Fees		3,615	-
Computer Expense		4,712	-
Consulting		110,394	-
Contractors		86,536	-
Office Expenses		1,612	-
Insurance		2,333	-
Interest Expense		2,442	-
Legal expenses		73,796	-
Meeting Expense		3,271	-
Salaries		6,686	-
Subscriptions		723	-
Tavel - KM		8,697	-
Telephone & Internet		154	-
Trustees Fee		26,308	-
Total Expenses		333,016	-
Profit (Loss) Before Taxation		(15,319)	-
Trustees Income Before Tax		(15,319)	-
Net Trustees Income for the Year		(15,319)	-

Balance Sheet

Ngati Paoa Iwi Trust As at 30 June 2014

	NOTES	30 JUN 2014	30 JUN 2013
Assets			
Current Assets			
Trade and Other Receivables			
Prepayments		1,667	-
Total Trade and Other Receivables		1,667	-
GST Receivable		4,143	-
Total Current Assets		5,810	-
Non Current Assets			
Ngati Paoa Group Holdings Limited	5	15,604,275	-
Total Non Current Assets		15,604,275	-
Total Assets		15,610,085	-
Liabilities			
Current Liabilities			
Trade and Other Payables		404	-
Total Current Liabilities		404	-
Total Liabilities		404	-
Net Assets		15,609,681	-
Trustee Funds			
Total Trustee Funds	4	15,609,681	-

Notes to the Financial Statements

Ngati Paoa Iwi Trust For the year ended 30 June 2014

1. 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 dated 27 April 2017.

2. Statement of Accounting Policies

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).

The financial statements have been prepared for the reporting of the administration of the trust assets to members of the iwi.

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 first year of operation which commenced 4 October 2013.

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 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.

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.

	2014	2013
3. Income Tax Expense		
Net Profit (Loss) Before Tax	(15,319)	-
Additions to Taxable Profit		
Non deductible expenses		
Non deductible expenses	3,296	-
Total Non deductible expenses	3,296	-
Total Additions to Taxable Profit	3,296	-
Taxable Profit (Loss)	(12,023)	-
Tax Payable at 17.5%	-	-
Income Tax Payable (Refund Due)	-	-
	2014	2013

4. Trustee Funds

Trustee Funds		
Opening Balance	-	-
Current Year Earnings	(15,319)	-
Total Trustee Funds	(15,319)	-
Other Funds		
Opening Balance	-	-
Settlement ex the crown	15,625,000	-
Total Other Funds	15,625,000	-
Total Trustee Funds	15,609,681	-
	2014	2013

5. Related Parties

Investment and Loans		
Shares in Ngati Paoa Group Holdings Limited	100	-
Loan to Ngati Paoa Group Holdings Limited	15,604,175	-
Total Investment and Loans	15,604,275	-

- Loans to related parties are interest free and repayable by agreement



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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Ngati Paoa Iwi Trust

Report on the Financial Statements

I have audited the special purpose financial Statements of Ngati Paoa Iwi Trust on pages 5 to 8, which comprise the balance sheet as at 30 June 2014, and the statement of Profit and Loss, for the period from 4 October 2013 to 30 June 2014, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of special purpose financial statements in accordance with the objective of reporting on their administration of the Trust assets to members of the Iwi, and for such internal control as they determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on these special purpose financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the special purpose financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unmodified opinion on the separate financial statements of Ngati Paoa Iwi Trust and my modified opinion on the consolidated financial statements..

Other than in my capacity as auditor I have no relationship with, or interests in Ngati Paoa Iwi Trust or any of its investment properties.

Basis for Modified Opinion

The Trust has received a partial settlement from the Crown to a value of \$15,625,000. This settlement is in the form of a share in a farm property together with four other Iwi. The Trust's settlement share interest of this property is 29.21%. The trust has chosen to hold it's interest in the farm property in a separate wholly owned Company (Ngati Paoa Farming Ltd), which in turn is owned by Ngati Paoa Group Holding Ltd (NPGHL). All the shares in NPGHL are wholly owned by the Trust, thus presenting a "Group" relationship of the respective entities.

Under the Deed of Settlement for the trust, it is a requirement that Consolidated Financial Statements be prepared for each income year after Settlement Date. Currently Settlement Date has not been determined. Accordingly Group Financial statements have not been prepared.

Further, I have not reviewed or audited the farm property entities, nor am I aware of an audit or review having been conducted on these entities. This investment is therefore accounted for on a cost basis. Accordingly I do not express any opinion on the value or otherwise of this investment.

Under the New Zealand Equivalents to International Financial Reporting Standards, the associate investment entity should have been consolidated because it is controlled by the Trustee. Had NPGHL been consolidated, many elements in the accompanying financial statements could have been materially affected. The effects on the financial statements for not preparing consolidated financial statements have not been determined.

Modified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Modified Opinion paragraph, the special purpose financial statements on pages 5 to 8 present fairly, in all material aspects, the financial position of the Ngati Paoa Iwi Trust as at 30 June 2014 and of its financial performance for the period from the date of the Trust's settlement (4 October 2013) to 30 June 2014 in accordance with the special purpose requirements for reporting to the Iwi. :

I have obtained all the information and explanations that I have required.

In my opinion, proper accounting records have been kept by the Trustees as far as appears from an examination of those records.

Without modifying my opinion, I draw attention to the note under the heading "Basis of Preparation" on page six, which describes the basis of accounting. The special purpose for which these financial statements have been prepared is to assist the Trustees planning and management obligations and to report the Trustee's stewardship of the financial affairs of the Trust to its Iwi members. These financial statements may not be suitable for any other purpose.



David G Knightley
28 April 2017
Newmarket
AUCKLAND