

# Special Purpose Financial Report

Ngati Paoa Iwi Trust  
For The Year Ended 30 June 2015

Prepared by Account to Succeed Limited



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# Directory

## Ngati Paoa Iwi Trust For the year ended 30 June 2015

### Nature of Business

Management of Iwi Assets

### Address

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

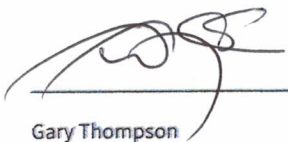
**Ngati Paoa Iwi Trust**

**For the year ended 30 June 2015**

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 2015.

APPROVED

For and on behalf of the Trustees.



Gary Thompson

Date 27.11.2017



Bryce Heron

Date 27-11-17

# Statement of Profit or Loss

Ngati Paoa Iwi Trust

For the year ended 30 June 2015

	NOTES	2015	2014
<b>Trading Income</b>			
Sales		58,139	317,697
Sales - RMA		169,349	-
<b>Total Trading Income</b>		<b>227,488</b>	<b>317,697</b>
<b>Gross Profit</b>		<b>227,488</b>	<b>317,697</b>
<b>Total Income</b>		<b>227,488</b>	<b>317,697</b>
<b>Expenses</b>			
Travel and Accommodation		2,099	1,476
ACC Levies		23	-
Advertising		1,330	260
Bank Fees		(749)	3,615
Collective		1,217	-
Computer Expense		3,227	4,712
Consulting		43,622	110,394
Contractors		347,373	86,536
Depreciation		1,199	-
Equipment Hire		396	-
Event Expenses		6,804	-
Office Expenses		3,829	1,612
Insurance		3,667	2,333
Interest Expense		12,810	2,442
Interest Expenses - IRD UOM		717	-
Legal expenses		33,249	73,796
Meeting Expense		10,328	3,271
Non Deduction Expenses		678	-
Rent		6,900	-
Salaries		-	6,686
Staff Expenses		969	-
Subscriptions		1,166	723
Tavel - KM		1,502	8,697
Telephone & Internet		620	154
Trustees Fee		45,031	26,308
Donation	6	25,111	-
<b>Total Expenses</b>		<b>553,116</b>	<b>333,016</b>
<b>Profit (Loss) Before Taxation</b>		<b>(325,629)</b>	<b>(15,319)</b>
<b>Trustees Income Before Tax</b>		<b>(325,629)</b>	<b>(15,319)</b>
<b>Net Trustees Income for the Year</b>		<b>(325,629)</b>	<b>(15,319)</b>

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



# Balance Sheet

## Ngati Paoa Iwi Trust As at 30 June 2015

	NOTES	30 JUN 2015	30 JUN 2014
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
Ngati Paoa Iwi Trust RMA		176	316
<b>Total Cash and Bank</b>		<b>176</b>	<b>316</b>
<b>Trade and Other Receivables</b>			
Trade receivables		41,769	20,833
Prepayments		6,000	1,667
Bond		1,200	-
<b>Total Trade and Other Receivables</b>		<b>48,969</b>	<b>22,500</b>
GST Receivable		2,871	4,143
<b>Total Current Assets</b>		<b>52,016</b>	<b>26,959</b>
<b>Non Current Assets</b>			
Ngati Paoa Group Holdings Limited	5	16,044,725	15,782,760
<b>Total Non Current Assets</b>		<b>16,044,725</b>	<b>15,782,760</b>
<b>Fixed assets</b>			
Property, Plant and Equipment		4,216	-
<b>Total Fixed assets</b>		<b>4,216</b>	<b>-</b>
<b>Total Assets</b>		<b>16,100,957</b>	<b>15,809,719</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Bank</b>			
Ngati Paoa Iwi trust		302,935	199,634
Ngati Paoa Iwi Trust OTS		4	-
<b>Total Bank</b>		<b>302,939</b>	<b>199,634</b>
<b>Trade and Other Payables</b>			
Creditors		9,015	-
PAYE		4,950	404
<b>Total Trade and Other Payables</b>		<b>13,965</b>	<b>404</b>
<b>Total Current Liabilities</b>		<b>316,904</b>	<b>200,038</b>
<b>Total Liabilities</b>		<b>316,904</b>	<b>200,038</b>
<b>Net Assets</b>		<b>15,784,052</b>	<b>15,609,681</b>
<b>Trustee Funds</b>			
Total Trustee Funds	4	15,784,052	15,609,681

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 2015

### 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 dated 27 April 2017.

#### 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 year of operation, the comparative figures are not for a full 12 months.

#### 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.

	2015	2014
<b>3. Income Tax Expense</b>		
Net Profit (Loss) Before Tax	(299,123)	(15,319)
<b>Additions to Taxable Profit</b>		
Non deductible expenses		
Non deductible expenses	-	3,296
<b>Total Non deductible expenses</b>	-	3,296
<b>Total Additions to Taxable Profit</b>	-	3,296
Taxable Profit (Loss)	(299,123)	(12,023)
Tax Payable at 17.5%	-	-
Income Tax Payable (Refund Due)	-	-
	2015	2014

## 4. Trustee Funds

<b>Trustee Funds</b>		
Opening Balance	(15,319)	-
Current Year Earnings	(325,629)	(15,319)
<b>Total Trustee Funds</b>	<b>(340,948)</b>	<b>(15,319)</b>
<b>Other Funds</b>		
Opening Balance	15,625,000	-
Settlement ex the crown	500,000	15,625,000
<b>Total Other Funds</b>	<b>16,125,000</b>	<b>15,625,000</b>
<b>Total Trustee Funds</b>	<b>15,784,052</b>	<b>15,609,681</b>
	2015	2014

## 5. Related Parties

<b>Investment and Loans</b>		
Shares in Ngati Paoa Group Holdings Limited	100	100
Loan to Ngati Paoa Group Holdings Limited	16,044,625	15,782,660
<b>Total Investment and Loans</b>	<b>16,044,725</b>	<b>15,782,760</b>



- Loan to Ngati Paoa Group Holdings Limited was advanced to Purchase 29.21% interest in Pouarua Farm General Partner Limited at a cost of \$15,625,000.
- Loans to related parties are interest free and repayable by agreement
- Subsequent to Balance date the loan to Ngati Paoa Group Holdings Limited was converted into share capital in Ngati Paoa Group Holdings Limited pursuant to a Ngati Paoa Iwi Trust board resolution dated 24 June 2015.

## 6. Donations

Donation to committee for Waka repair in order to attend 175th Treaty signing commemoration.





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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 2015, and the statement of Profit and Loss, for the year to 30 June 2015, 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 its 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 9 present fairly, in all material aspects, the financial position of the Ngati Paoa Iwi Trust as at 30 June 2015 and of its financial performance for the year to 30 June 2015 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  
8 December 2017  
Newmarket  
**AUCKLAND**