

# Special Purpose Financial Report

Ngati Paoa Iwi Trust  
For the year ended 30 June 2019

Prepared by Account to Succeed Limited

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# Directory

## Ngati Paoa Iwi Trust For the year ended 30 June 2019

### 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 2019

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 2019.

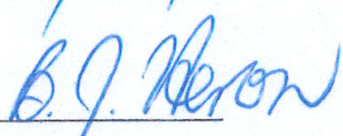
APPROVED

For and on behalf of the Trustees.

  
Gary Thompson

Date .....

2/12/2021

  
Bryce Heron

Date .....

2-12-2021



# Statement of Profit or Loss

## Ngati Paoa Iwi Trust

For the year ended 30 June 2019

	NOTES	2019	2018
<b>Trading Income</b>			
Sales		50,400	50,400
Sales - RMA		389,856	354,194
Other Income		-	50,000
<b>Total Trading Income</b>		<b>440,256</b>	<b>454,594</b>
<b>Total Income</b>		<b>440,256</b>	<b>454,594</b>
<b>Expenses</b>			
ACC Levies		70	63
Advertising		-	534
Bank Fees		9,326	9,922
Computer Expense		5,295	1,307
Consulting		6,940	5,800
Contractors		308,371	454,668
Depreciation		1,015	2,061
Entertainment		44	169
Event Expenses		-	3,793
Office Expenses		22	487
Insurance		6,038	8,050
Interest Expense		50,117	74,677
Legal expenses		43,962	85,102
Meeting Expense		1,578	4,084
Projects		8,200	16,084
Repairs and Maintenance		30	-
Salaries		36,007	37,261
Staff Expenses		-	212
Subscriptions		5,930	7,675
Telephone & Internet		746	2,531
Travel and Accommodation		8,297	5,608
Trustees Fee		38,030	53,726
<b>Total Expenses</b>		<b>530,017</b>	<b>773,815</b>
<b>Net Trustees Income for the Year ( Deficit )</b>		<b>(89,762)</b>	<b>(319,221)</b>
<b>Taxation and Adjustments</b>			
Income Tax Expense		-	443,310
<b>Net Trustees Income after tax</b>		<b>(89,762)</b>	<b>(762,531)</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 2019

	NOTES	30 JUN 2019	30 JUN 2018
<b>Assets</b>			
<b>Current Assets</b>			
Trade receivables		28,334	108,599
Prepayments		-	6,038
GST Receivable		3,467	-
<b>Total Current Assets</b>		<b>31,801</b>	<b>114,637</b>
<b>Non Current Assets</b>			
Investment in Ngati Paoa Trust Associated Entities	5	15,625,100	15,625,100
<b>Total Non Current Assets</b>		<b>15,625,100</b>	<b>15,625,100</b>
<b>Fixed assets</b>			
Property, Plant and Equipment	10	2,226	2,052
<b>Total Fixed assets</b>		<b>2,226</b>	<b>2,052</b>
<b>Total Assets</b>		<b>15,659,127</b>	<b>15,741,789</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Bank</b>			
BNZ	8	468,049	462,634
<b>Total Bank</b>		<b>468,049</b>	<b>462,634</b>
Creditors		61,182	54,319
Employee Related Dues		4,391	7,037
GST Payable		-	2,536
Income Tax Payable		(21,724)	(31,785)
Shareholder Advance Account		1,064,602	1,024,658
<b>Current Liabilities</b>			
Income in Advance		-	50,000
<b>Total Current Liabilities</b>		<b>-</b>	<b>50,000</b>
<b>Total Current Liabilities</b>		<b>1,576,499</b>	<b>1,569,399</b>
<b>Total Liabilities</b>		<b>1,576,499</b>	<b>1,569,399</b>
<b>Net Assets</b>		<b>14,082,628</b>	<b>14,172,390</b>
<b>Trustee Funds</b>			
Total Trustee Funds	4	14,082,628	14,172,390

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 2019

#### 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 2019 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.

	2019	2018
<b>3. Income Tax</b>		
<b>Net Trustees income</b>		
Net Trustees Income for the Year	(89,762)	(319,221)
Non Deductible Expenses	32,509	37,392
<b>Total Net Trustees Taxable Income / ( Loss to C'fwd )</b>	<b>(57,253)</b>	<b>(281,829)</b>
<b>Accumulated Tax Losses C'fwd</b>		
Accumulated Tax Losses B'fwd	(515,745)	-
<b>Total Net Trustees Taxable Income / ( Loss to C'fwd )</b>	<b>(57,253)</b>	<b>(281,829)</b>
Losses Attributed to Taxable Income	-	-
<b>Total Accumulated Tax Losses C'fwd</b>	<b>(572,998)</b>	<b>(281,829)</b>
<b>Taxable Profit / ( Loss)</b>		
Ngati Paoa Group Investments Limited	(786,547)	(233,916)
Ngati Paoa Iwi Trust - Losses Attributed	(572,998)	(281,829)
<b>Total Taxable Profit / ( Loss to C'fwd )</b>	<b>(1,359,545)</b>	<b>(515,745)</b>
<b>Income Tax Payable / (Refund Due)</b>		
Income Tax Payable at 17.5%	-	-
Resident Withholding Tax	10,061	-
Income Tax Refund B'Fwd	(31,785)	(31,785)
<b>Total Income Tax Payable / (Refund Due)</b>	<b>(21,724)</b>	<b>(31,785)</b>





	2019	2018
<b>4. Trustee Funds</b>		
<b>Retained Earnings</b>		
Opening Balance	(1,952,610)	(1,190,080)
Current Year Earnings ( Loss ) after Tax	(89,762)	(762,531)
Accumulated Retained earnings ( Deficit )	(2,042,372)	(1,952,611)
<b>Other Funds (Settlement ex the crown)</b>		
Opening Balance	16,125,000	16,125,000
<b>Total Other Funds (Settlement ex the crown)</b>	<b>16,125,000</b>	<b>16,125,000</b>
<b>Total Trustee Funds</b>	<b>14,082,628</b>	<b>14,172,389</b>
	2019	2018

**5. Related Parties**

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

**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. Marutuahū 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 8.58%

**9. Other Information**

Treaty settlement date is still unknown as at balance date



	2019	2018
<b>10. Fixed Assets</b>		
Office Equipment	13,838	12,648
Less Accumulated Depreciation on Office Equipment	(11,611)	(10,596)
<b>Total Fixed Assets</b>	<b>2,226</b>	<b>2,052</b>





## **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 10 which comprises the statement of profit or loss, for the year ended 30 June 2019, the balance sheet as at 30 June 2019, 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 10 presents fairly, in all material respects,

- the financial position of Ngati Paoa Iwi Trust as at 30 June 2019, 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**  
Alexander Ernest Houghton  
BBus, CA

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PO Box 9579, Newmarket, Auckland 1149, New Zealand  
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[www.bvo.co.nz](http://www.bvo.co.nz)



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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.

#### **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**

7 December 2021

