



Tiki Te Kohu Ruamano Trust
Annual Report
December 2017



AGENDA

1. Apologies
2. Minutes of last AGM
3. Chairman's Report
4. Financial Statements
5. Appointment of Auditor
6. Dividend Recommendation
7. Election
8. General Business



MINUTES OF LAST AGM

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT TUNOHOPU MARAE, OHINEMUTU, ROTORUA ON 10 DECEMBER 2016 AT 10.00AM

PRESENT:

John Naera (Chairman), Jessie Simon, Dave Waaka, Hariata Kohunui, Tionga Waaka, Joseph Williams, Te Whetu Rogers Whanau Trust, Agnes Morrison & Derek Morrison Whanau Trust, Lorraine Inia, Margaret Ambrose, Inia Whanau Trust, Te Wiremu Dave Waaka, Eilleen Tatere, Hana Tatere, Toni Harvey, Pouariki Ngatai, Sylvia Tahuriorangi, Marita Ranclaud, Inez White, Aroha Blackburn Jan Vincent, Tuihana Gemmell, Duke Kameta, Kath Henderson, Te Aomarama Kameta, D Taylor, Moka Taylor, Cranna Hayward, Iris Thomas, Christine Clayton, Teuta Roretana
In attendance: Glenn Hawkins (Secretary/Accountant)

APOLOGIES:

Anaru Hohepa, Matt Heke, Huhana Clayton-Evans, Nireaha Pirika, Margaret Clayton, Arama Pirika, Hariata Ngatai and Alec Kameta

RESOLVED: *“That the apologies are received”*

(Hariata Kohunui/Tony Ngatai) **Carried**

KARAKIA:

David Waaka opened the meeting with a karakia.

MINUTES:

Glenn Hawkins read the minutes of the last AGM, held 13 December 2015.

RESOLVED: *“That the minutes of the AGM are a true and correct record of the meeting”.*

(L Inia/H Kohunui) **Carried**

CHAIRMAN’S REPORT:

John read through his annual report. He discussed the Trust’s future strategic direction. He commented on another excellent financial result and noted another successful year for the Craigs investment portfolio. He discussed the rental properties and the successful resolution of the Schuster lease. John confirmed the dividend

recommendation and commented on the grants and their availability.

John finished his report by acknowledging his fellow trustees for their hard work and leadership.

RESOLVED: *“That the Chairman’s Report is adopted”.*

*(J Naera/R Ranclaud) **Carried***

FINANCIAL REPORTS:

Glenn Hawkins presented the following financial reports:

- Investment Portfolio
- Statement of Profit or Loss for the year ended 31 March 2016
- Statement of Financial Position as at 31 March 2016
- Statement of Cash Flows for the year ended 31 March 2016

RESOLVED: *“That the financial reports are adopted”.*

*(I Thomas/P Ngatai) **Carried***

APPOINTMENT OF AUDITOR:

The trustees sought approval for Cookson Forbes & Associates to be re-appointed as auditors for the coming year.

RESOLVED: *“That Cookson Forbes & Associates be re-appointed as auditors for the 2016-17 year”.*

*(M Ranclaud/D Waaka) **Carried***

DIVIDEND RECOMMENDATION:

The recommended dividend of \$4,800 per share was confirmed, a total distribution of \$105,600 would be provided for, based on the year ended 31 March 2016.

RESOLVED: *“That the dividend distribution of \$4,800 per share, a total distribution of \$105,600 to be distributed, is approved”.*

*(C Clayton/I Thomas) **Carried***

GENERAL BUSINESS:

Investments

John discussed the investment portfolio performance and the trustees’ efforts to grow the asset base. Aroha Blackburn asked what pays for the grants and John Naera said it came out of the surpluses and the Trust is always looking to be transparent. Marita Ranclaud said the strategic plan might guide the decisions around investments and Inez White noted that the investment market is shaky and what is the plan around this? Glenn answered that it is a case of the trustees’ holding firm as it is a long-term gain. Aroha Blackburn asked what the plan is for recessions and Glenn said that is why the advisors are there to provide their advice and expertise.

Pukepoto Trust

John Naera talked about the fact that there are no more trustees for the Pukepoto Trust, Lorraine said to check with Norma as new trustees were appointed, need to understand if there are existing trustees.

John discussed the impact on the urupa from the earthquakes and noted the key for the gate is with the motorbike business, though he acknowledged that there is a problem because the business should be open at 9am and closes at 5pm and that isn't always the case, so the keys aren't always available.

Acknowledgements

Iris Thomas congratulated the committee on their transparency. Aroha Blackburn said the information was very clear and thanked the trustees.

CLOSURE:

With no further business, David Waaka closed the meeting with a karakia.

The meeting closed at 11.05am.

Signed as a correct record.



John Naera
Chairman

CHAIRMAN'S REPORT

Tena koutou katoa

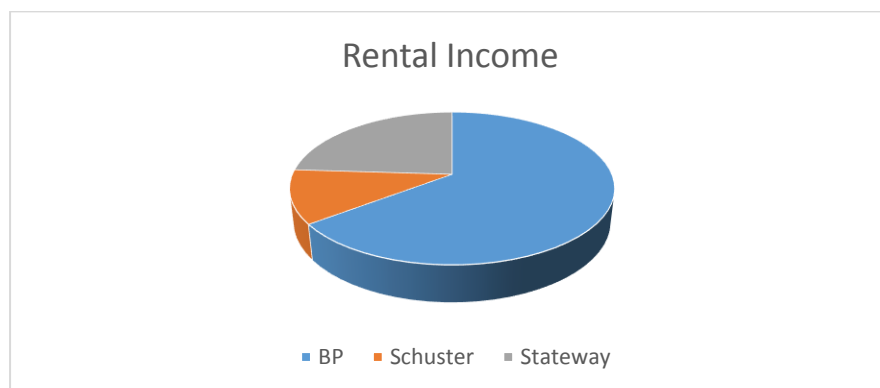
It is with pleasure that I present my Chairman's Report, on behalf of Tiki Te Kohu Ruamano Trust, for the year ending 31 March 2017.

Our trustee – Arama Pirika

I firstly want to acknowledge the very sad passing of our trustee, Arama Pirika in February this year. He provided great cultural support to our board and always saw the importance of tikanga in any of the decisions we made.

Rental Properties

We now have three stable tenants and the rental income split is as follows:



They are all due for rent reviews over the next six months, so we look forward to any additional income that this will provide to the Trust.

Craigs Investments Portfolio

Our investment portfolio has had another excellent year. Since first investing in October 2005, our investment over time of \$486,007 has grown to \$851,107. With over half of the portfolio invested in the New Zealand share market, total returns were 10.48%. We have received annualised returns of 7.85%, since inception.

Financial Result

Given the stability of the rental portfolio and the above average returns from the Craigs Investment Portfolio, we are pleased to report that the Trust has had another successful year. Cookson Forbes & Associates have completed the audit of our financial statements for the 2016/17 financial period and we again have a clear audit opinion.

The Statement of Profit or Loss shows a tax paid profit of \$113,917, which is slightly down on last year's result of \$126,927. In addition to that, we have also had a net increase in the value of investment portfolios of \$46,897, which has boosted our overall result.

The other significant change in our accounts is the revaluation of our land. We asked Telfer Young to undertake a valuation in order to better reflect the value of our most significant asset and this resulted in an increase of \$2,439,000, from \$1,051,000 to \$3,490,000.

This has strengthened our Statement of Financial Position which now has total assets of \$5,485,051 and liabilities totaling \$489,554. Therefore, our equity/net assets which represents the overall value of our Trust is just under \$5m.

Dividends

This year, we are again recommending a dividend of \$4,800, per share, consistent with previous years. Unclaimed dividends still remain an issue with many shareholders unable to be traced. As always, we invite shareholders and whanau to inspect the share register to help identify any missing whanau.

Kaumatua Grants

A reminder that applications now open after each year's AGM and close on the date of the AGM in the following year. This allows one full year for all new applicants and ensures that we make one bulk payment following the AGM each year. Applicants need not apply each year. If you have received a Kaumatua grant in the past you will remain on the list each year. Should your details change including address and bank account number, proof of this change will need to be provided to GHA, and they will update your details accordingly. The age for Kaumatua grants will remain at 60 years as at the date of the AGM.

It is important to ensure that the appropriate documentation is completed and that the deadlines are adhered to, so please keep this in mind when applying for this or any of our other grants.

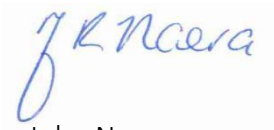
Board of Trustees

I would like to acknowledge my colleagues on the board for their dedication to the Trust over the past year. As a small collective, I believe that Alex, Jessie, Dave and I, continue to provide steady leadership and prudent management of our taonga. We look forward to adding a fifth member to our board, after the election.

Conclusion

In conclusion, we would like to thank those owners who have made themselves available for our meeting today and to the marae for hosting us.

Heoi anō

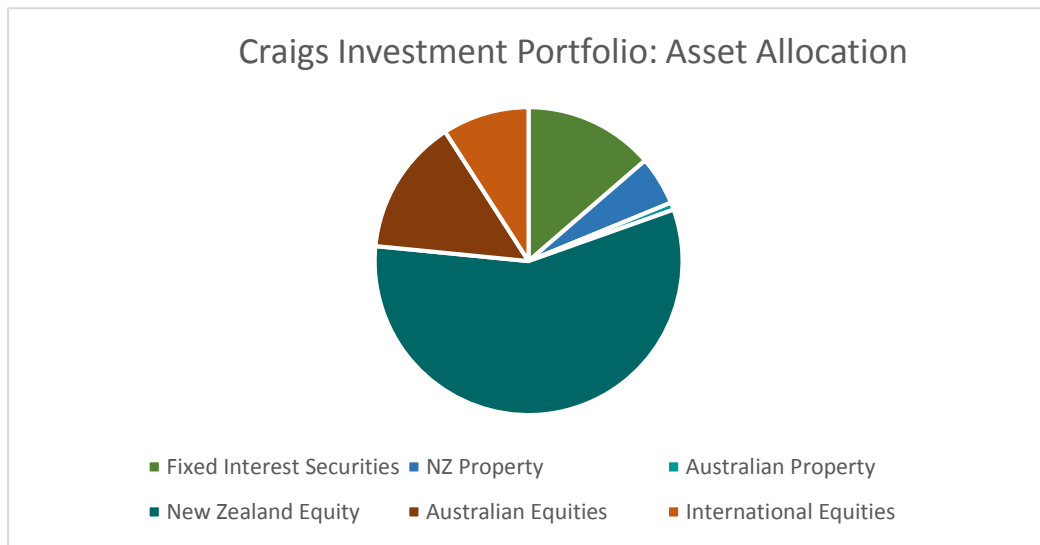
A handwritten signature in blue ink that reads "John Naera". The signature is written in a cursive style with a large initial "J".

John Naera
Chairman

INVESTMENT REPORT

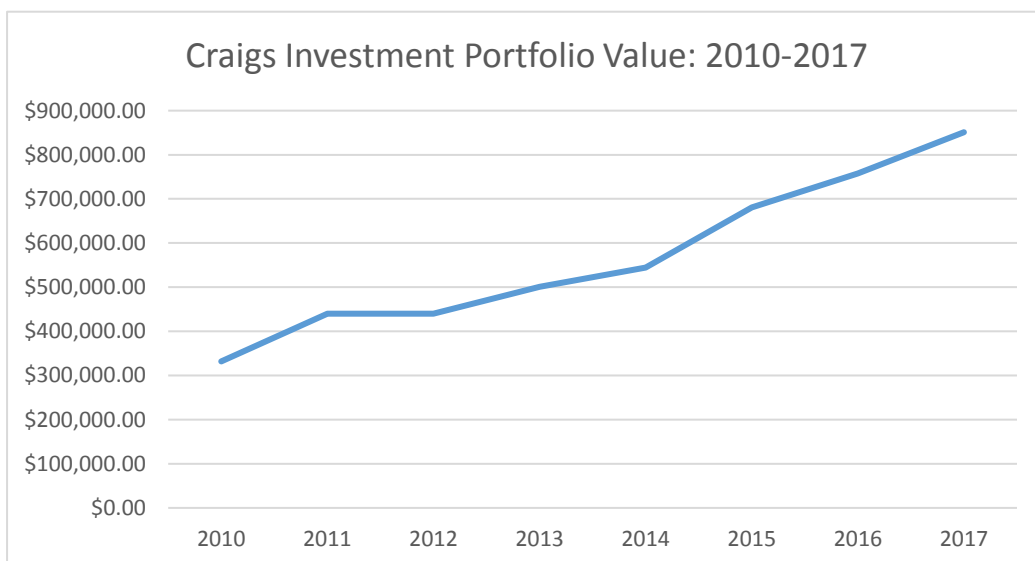
Our Investments in the Craigs portfolio

Our funds are invested in a range of different asset types in order to spread the risk:

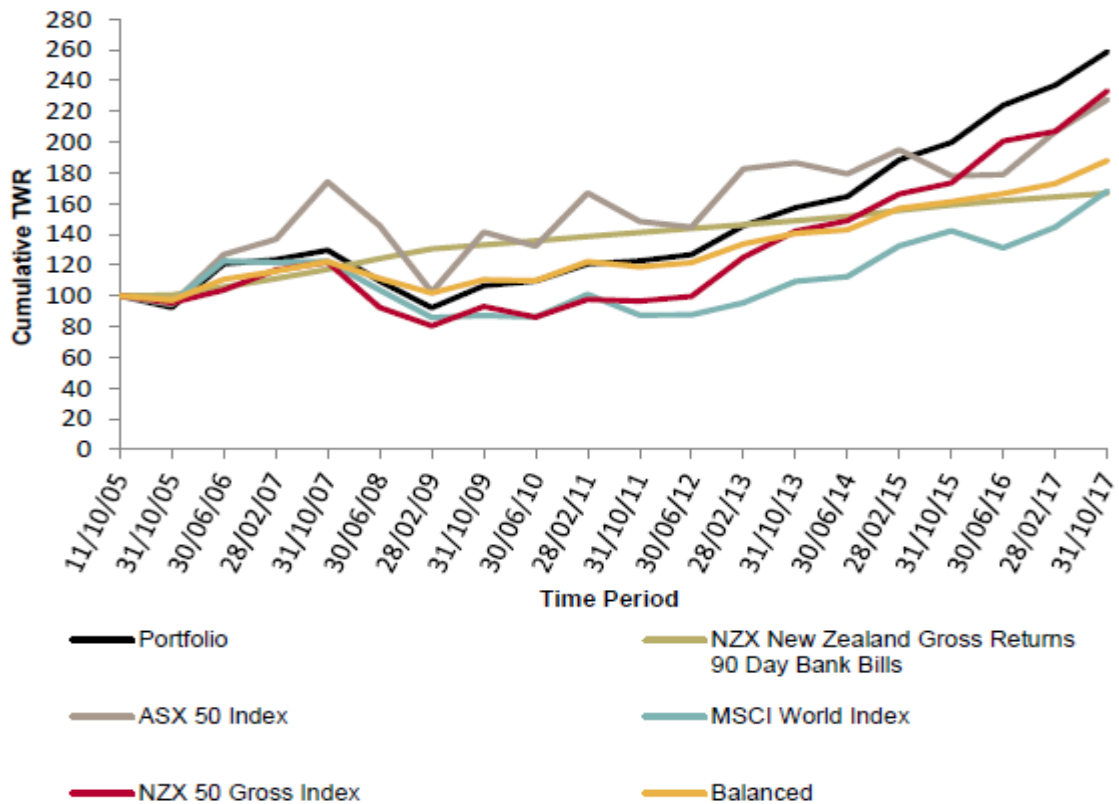


Our performance

Over the past few years, we have had unprecedented growth in the value of our portfolio, based on good advice and a strong New Zealand share market:



Performance Relative To Benchmarks



The above graph shows that our portfolio has outperformed other similar portfolios, particularly over the past four years.

2016/17 performance

The following table shows the movements over the past year and the total gains achieved since inception:

	Cost 01/04/16	Buys (Sales)	Cost 31/03/17	Unrealised G ains/Loss	Valuation 31/03/17
Fixed Interest Securities	90,000	30,000	120,000	(4,874)	115,126
NZ Property	29,969	4,424	34,393	8,927	43,320
Australian Property	5,914	0	5,914	579	6,493
New Zealand Equity	266,325	17,930	284,255	195,990	480,245
Australian Equities	78,188	(9,292)	68,896	51,804	120,700
International Equities	66,694	0	66,694	10,138	76,832
Cash Management NZ	7,580	(5,010)	2,570	0	2,570
Cash Management Aus	2,054	285	2,339	36	2,375
Cash Management Inter	2,085	1,177	3,262	184	3,446
Total	548,809	39,514	588,323	262,784	851,107



FINANCIAL STATEMENTS

Annual Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Tiki Te Kohu Ruamano Trust

Report on the Trust Financial Statements

We have audited the financial statements of Tiki Te Kohu Ruamano Trust for the year ended 31 March 2017 on pages 6 to 16. The financial statements comprise the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in the notes to the financial statements.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of these financial statements in accordance with New Zealand equivalents in International Financial Reporting Standards - Reduced Disclosure Regime (NZ IFRS RDR) and that give a true and fair view of the matters to which they relate, and for such internal control as the trustees determine is necessary to enable the preparation of 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view of the matters to which they relate 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 overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

Other than in our role as auditor we have no other relationship with or interest in Tiki Te Kohu Ruamano Trust.

Other Matter - Deferred Taxation

Without modifying our opinion the Trustees have opted not to account for deferred taxation which is a departure from NZ IAS 12. We accept the treatment adopted by the Trustees in this matter.

Opinion

In our opinion the financial statements of Tiki Te Kohu Ruamano Trust on pages 6 to 16 for the year ended 31 June 2017:

- Comply with NZ IFRS RDR financial reporting standards;
- Give a true and fair view of the financial position of the Trust as at 31 March 2017 and of its financial performance & cash flows for the year ended on that date.
- Have been audited in accordance with the Trust Order.



Chartered Accountants
96 Waioweka Road,
OPOTIKI

9th November 2017

Entity Information

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

Nature of business

Land lease and investments

Postal address

PO Box 1712, Rotorua

Trustees

John Naera (Chairman)

Alec Kameta

Dave Waaka

Jessie Simon

Accountants

GHA Ltd

Chartered Accountants

PO Box 1712, Rotorua

Auditors

Cookson Forbes & Associates

Chartered Accountants

96 Waioeka Rd, Opotiki

Statement of Profit or Loss and Other Comprehensive Income

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
Revenue			
Investment income	6	65,249	72,606
Rental income	7	146,765	141,585
Other income (net)	8	(392)	3,536
Total Revenue		211,623	217,727
Expenses			
Administration expenses	9	57,010	51,449
Governance expenses	10	15,971	14,209
Depreciation of property, plant and equipment	16	4,763	3,117
Total Expenses		77,744	68,775
Operating Profit/(loss)		133,878	148,952
Profit/(loss) before tax		133,878	148,952
Income tax expense	12	(19,961)	(22,025)
Profit/(loss) for the year		113,917	126,927
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of available-for-sale financial assets	15	46,897	65,558
Changes in fair value of property, plant and equipment	16	2,439,000	-
Income tax relating to these items		-	(11,818)
		2,485,897	53,740
Total Comprehensive income for the year		2,599,814	180,667

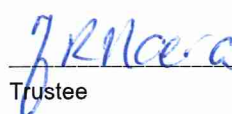
Statement of Financial Position


Tiki Te Kohu Ruamano Trust

As at 31 March 2017

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	13	1,095,453	1,097,384
Trade and other receivables	14	33,704	55,174
Total Current assets		1,129,157	1,152,558
Non-current assets			
Available for sale financial assets	15	851,107	757,944
Property, plant and equipment	16	3,504,787	1,066,475
Total Non-current assets		4,355,894	1,824,419
Total Assets		5,485,051	2,976,977
Liabilities			
Current liabilities			
Trade and other payables	17	56,796	7,392
GST payable		5,197	4,959
Unclaimed dividends		105,600	105,600
Income tax payable	12	1,746	6,505
Total Current liabilities		169,339	124,456
Non-current liabilities			
Unclaimed dividends		320,215	294,749
Deferred tax liability		-	36,559
Total Non-current liabilities		320,215	331,308
Total Liabilities		489,554	455,764
Net assets		4,995,501	2,521,213
Equity			
Funds settled		330,500	330,500
Capital reserves		732,033	732,033
Assets revaluation reserves	18	3,369,056	846,600
Retained earnings		563,912	612,080
Total Equity		4,995,501	2,521,213

For and on behalf of the Board of Trustees


Trustee


Trustee

Date: 9 November 2017

Statement of Changes in Equity

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	Funds Settled	Capital Reserves	Reserves	Retained Earnings	Total Equity
					\$	\$
Opening balance 1 April 2016		330,500	732,033	846,600	612,080	2,521,213
Net Profit for the year		-	-	-	113,917	113,917
Other comprehensive income		-	-	2,485,897	-	2,485,897
Other movements		-	-	-	-	-
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	11	-	-	-	(56,485)	(56,485)
Derecognition of deferred tax liability	3	-	-	36,559	-	36,559
Closing equity 31 March 2017		330,500	732,033	3,369,056	563,912	4,995,501
Opening balance 1 April 2015		330,500	732,033	792,860	602,479	2,457,872
Net Profit for the year		-	-	-	126,927	126,927
Other comprehensive income		-	-	53,740	-	53,740
Other movements		-	-	-	(926)	(926)
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	11	-	-	-	(10,800)	(10,800)
Closing equity 31 March 2016		330,500	732,033	846,600	612,080	2,521,213

Statement of Cash Flows

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
Receipts from customers		208,558	124,106
Payments to suppliers and employees		(66,416)	(66,035)
Investment income		70,720	62,255
Grants paid		(56,485)	(10,800)
Income tax		(24,720)	(19,698)
Net GST		603	4,902
Total Cash flows from operating activities		132,260	94,730
Cash flows from investing activities			
Payments to acquire investments		(27,999)	(8,199)
Payments to acquire fixed assets		(4,077)	-
Total Cash flows from investing activities		(32,076)	(8,199)
Cash flows from financing activities			
Dividends paid		(102,115)	(78,415)
Total Cash Flows from financing activities		(102,115)	(78,415)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(1,931)	8,116
Cash balances			
Cash and cash equivalents at beginning of the year		1,097,384	1,089,268
Cash and cash equivalents at end of the year	13	1,095,453	1,097,384
Net change in cash for the year		(1,931)	8,116

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust
For the year ended 31 March 2017

1. General information

The financial report includes the financial statements and notes of Tiki Te Kohu Ruamano Trust. The trust is a profit-orientated entity originally vested under s438 of the Maori Affairs Act 1953, and continues under Section 215 of Te Ture Whenua Maori Act 1939.

The primary operation of the trust is commercial property rental.

These financial statements were approved and authorised for issue by the Board of Trustees on 13 November 2017.

2. Statement of compliance and reporting framework

These financial statements are special purpose financial statements that have been prepared using New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS – RDR") as set out in the External Reporting Board's "Accounting Standards Framework" with the exception of NZ IAS12 *Income Taxes*.

3. Changes in accounting policies

The policy in respect of Income Tax has changed during the year. A deferred tax liability of \$36,559 was derecognised resulting in an increase reserves of \$36,559.

The policy in respect of Property, Plant and Equipment (in respect of Land only) has changed during the year. Previously, Land was valued at ratings valuation.

4. Summary of accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.1 Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$). All numbers presented have been rounded to the nearest dollar.

4.2 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable. The trust recognises revenue when it can be reliably measured, it is probable that future economic benefits will flow to the trust.

4.2.1 Interest and dividend income

Interest income is recognised when it is received, with an adjustment at year end to recognise interest due but not received (accrual basis) using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

4.2.2 Rental income

Rental income from commercial rents is reported at the time the payment is received. The trust's policy for recognition of revenue from operating leases is described in note 4.6 below.

4.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.4 Impairment of tangible and intangible assets

At the end of each reporting period, the trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust For the year ended 31 March 2017

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

4.5 Taxation

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.

4.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4.6.1 Trust as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4.7 Financial instruments – financial assets

4.7.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.7.2 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Loans and receivables
- Available-for-Sale ("AFS") financial assets

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and receivables

Loans and receivables 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 any allowance for credit losses. Discounting is omitted where the effect of discounting is immaterial. The Incorporation's receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The trust's AFS financial assets include investment in managed portfolio fund (Craigs Investment Partners).

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust
For the year ended 31 March 2017

recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest is calculated using the effective interest method and dividends are recognised in profit or loss within investment income.

Financial liabilities

The trust's financial liabilities include trade and other payables.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.9 Goods and services tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

4.10 Property, plant and equipment

Land and improvements are valued at fair value as determined by an independent valuer.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Office equipment, plant and equipment and land improvements are initially recognised at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Board of Trustees. These assets are subsequently measured using the cost model (cost less subsequent depreciation and impairment losses).

Depreciation is recognised on a diminishing value basis to write down the cost of the assets over their estimated useful lives. The following rates are applied:

- Land Improvements 10% DV
- Office equipment 50% DV
- Plant & Equipment 14.4-26.4% DV

Land is not depreciated.

Material residual value estimates and estimates of useful lives are updated as required, or at least annually.

5. Critical judgements in applying accounting policies

When preparing the financial statements, the Board of Trustees undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

5.1 Estimation uncertainty

Impairment

In assessing impairment, the Board of Trustees estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to the determination of suitable discount rate. The trust recognised no impairment of assets in 2017 (2016: Nil).

Useful lives of depreciable assets

The Board of Trustees reviews its estimates of useful lives of depreciable assets at each reporting date, based on the expected utility of assets.

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
6 Investment income			
PIE income		2,408	2,159
Interest received		43,418	49,667
Dividends received		19,424	20,780
Total Investment income		65,249	72,606
7 Rental income			
BP - Lot 1		49,082	49,081
BP - Lot 2		42,504	42,504
E Schuster Est - Lot 3 & 4		16,000	16,000
Stateway - Section 1		23,179	18,000
Stateway - Section 2		16,000	16,000
Total Rental income		146,765	141,585
8 Other income			
Realised gain/(loss) on sale of available-for-sale financial assets	15	(392)	3,536
Total Other income		(392)	3,536
9 Administration expenses			
Accounting and secretarial fees		24,706	23,619
AGM expenses		3,921	2,602
Audit fees		1,901	1,600
Consultancy		3,208	3,999
Investment management fees		9,016	6,849
Koha		1,500	-
Legal expenses		4,430	2,325
Printing, stamps and stationary		1,267	1,699
Repairs and maintenance		524	2,176
Share register		2,978	4,617
Valuation Fees		1,400	-
Other expenses		2,161	1,963
Total Administration expenses		57,010	51,449
10 Governance expenses			
Trustee fees	19	14,750	13,500
Trustee expenses		435	-
Trustee travel		786	709
Total Governance expenses		15,971	14,209
11 Grants paid			
Education grants		3,000	4,500
Health grants		1,185	400
Kaumatua grants		12,300	5,100
Marae grant		40,000	-
Tangi grants		-	800
Total Grants paid		56,485	10,800

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	2017	2016
		\$	\$
12 Income tax			
Profit before income tax		133,878	148,952
<i>Plus/(less) adjustments</i>			
Non-taxable income		(3,736)	(584)
Other adjustments		6,842	1,084
Taxable income		136,984	149,452
Income tax using Maori Authority tax rate of 17.5%		23,972	26,067
Less Imputation credits		(4,011)	(4,542)
Income tax expense		19,961	22,025
Plus opening balance		6,505	505
Less withholding tax paid		(11,799)	(10,583)
Less terminal tax paid		(6,596)	-
Less provisional tax paid		(5,701)	(5,442)
Less other tax credits		(624)	-
Total tax to be paid		1,746	6,505
Maori Authority Credit Account			
Opening Balance		262,556	287,254
Plus provisional tax paid		(5,701)	(9,755)
Plus terminal tax paid		(649)	(505)
Plus RWT paid		(11,799)	(9,896)
Plus imputation credits		(4,011)	(4,542)
Closing Balance		240,396	262,556
13 Cash and cash equivalents			
Cash at bank - NZD		95,453	97,384
Cash in term deposits - NZD		1,000,000	1,000,000
Total Cash and cash equivalents		1,095,453	1,097,384
14 Trade and other receivables			
Trade receivables		12,000	28,000
Accrued interest		21,704	27,174
Total Trade and other receivables		33,704	55,174
15 Investments			
<i>Managed portfolio fund - Craigs Investment Partners</i>			
Balance at the beginning of the year		757,944	680,655
Contributions/(Withdrawals)		30,000	(10,000)
Net investment revenue received		16,658	18,197
Realised capital gains (losses)		(392)	3,536
Change in fair value		46,897	65,556
Balance at the end of the year		851,107	757,944

Fair value measurement - managed portfolio funds

The fair value of investments in equity securities accounted for as available for sale financial assets is determined by reference to the published market prices at the reporting date.

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

16 Property, plant and equipment

	Land Land Improvements	Land Improvements	Office Equipment	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 Mar 2015	1,051,000	18,792	-	21,084	1,090,876
Balance at 31 Mar 2016	1,051,000	18,792	-	21,084	1,090,876
Additions	-	-	4,075	-	4,075
Revaluation	2,439,000	-	-	-	2,439,000
Balance at 31 March 2017	3,490,000	18,792	4,075	21,084	3,533,951

	Land Land Improvements	Land Improvements	Office Equipment	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Accumulated depreciation					
Balance at 1 Mar 2015	-	5,321	-	15,963	24,401
Balance at 31 Mar 2016	-	6,668	-	17,733	24,401
Depreciation expense	-	1,212	2,438	1,113	4,763
Balance at 31 March 2017	-	7,880	2,438	18,846	29,164
Net book amount at 31 March 2016	1,051,000	12,124	-	3,351	1,066,475
Net book amount at 31 March 2017	3,490,000	10,912	1,637	2,238	3,504,787

Land has been recorded at its fair value at reporting date. Fair value has been determined by Telfer Young Limited, registered valuers, using current market values. The latest valuation is dated 31 March 2017.

Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2017

	Notes	2017	2016
		\$	\$
17 Trade and other payables			
Trade payables		9,241	5,466
PAYE payable		206	371
Putea Trust		1,555	1,555
Rent in advance		45,793	-
Total Trade and other payables		56,796	7,392
18 Reserves			
Property revaluation reserve		3,159,500	720,500
AFS assets revaluation reserve		209,556	126,100
Total Reserves		3,369,056	846,600
<u>Property revaluation reserve</u>			
Balance at the beginning of the year		720,500	720,500
Increase due to changes in fair value		2,439,000	-
Balance at end of the year		3,159,500	720,500
<u>AFS assets revaluation reserve</u>			
Balance at the beginning of the year		126,100	72,360
Increase due to changes in fair value		46,897	65,558
Deferred tax		-	(11,818)
Derecognition of deferred tax liability		36,559	-
Balance at end of the year		209,556	126,100

19 Related party transactions

Transactions with related parties are as follows.

	2017	2016	2017	2016
	Attendance	Attendance	\$	\$
<u>Trustee fees paid</u>				
John Naera	12	10	4,500	3,750
Alec Kameta	11	10	2,750	2,500
Arama Pirika	10	8	2,500	2,000
Dave Waaka	10	10	2,500	2,500
Jessie Simon	11	11	2,500	2,750
			14,750	13,500

20 Contingent liabilities

There are no known material contingent liabilities at year end (2016:Nil).

21 Commitments for expenditure

There are no capital commitments at balance date (2016: \$Nil).

22 Events after the balance date

There have been no events subsequent to balance date that would have material impact on these financial statements.

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