

**Tiki Te Kohu  
Ruamano Trust  
Annual Report  
December 2016**

# Agenda

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

# Minutes

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## TIKI TE KOHU RUAMANO TRUST

### MINUTES OF THE ANNUAL GENERAL MEETING HELD AT TUNOHOPU MARAE, OHINEMUTU, ROTORUA ON 13 DECEMBER 2015 AT 10.00AM

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#### **PRESENT:**

John Naera, Alec Kameta, Jessie Simon, Arama Pirika, Dave Waaka, Awhina Kameta, Lorraine Inia, George Graham Whanau, Wiremu, Dave Waaka, Nireaha Pirika, Tawai Kameta, Hana Tatere, Eileen Tatere, Te Whetu Rodgers Whanau Trust, Kath Henderson, Margaret Dorset, Irihapeti Waaka, Piwika Heke, Hariata Kohunui, Pauariki Ngatai, Ngatretha Thomson, Maringi Querino, Anthony Querino, Robert Pirika, Clark Pirika, Paraone Pirika, Duke Poihipi, Jan Vincent, Dell Winiata, Matt Heke, Sylvia Tahuriorangi (Ua), Marita Ranclaud, Ngawiki, Rangimahuta Wiringi Easthope, Huhana Clayton-Evans, Tuihana Gemmell, Katene Naera, Patricia Kaisserian, Misa Temple, Kellie-Jaye Naera, Zhiyanne Naera, Joseph Williams, John Waaka, Iris Thomas, Atapo Naera

In attendance: Glenn Hawkins (Secretary/Accountant)

#### **APOLOGIES:**

Maraea Clayton and Aneta Heke

**RESOLVED:** *"That the apologies are received"*

*(J Naera/D Waaka)* **Carried**

#### **KARAKIA:**

Arama Pirika opened the meeting with a karakia.

#### **MINUTES:**

Glenn Hawkins read the minutes of the last AGM, dated 14 December 2014.

Iris Thomas asked about the lease with the Schuster whanau and John confirmed that there had been delays but they were close to agreeing on a new lease. Lorraine Inia asked whether the policies had been completed and John said that they were still in progress.

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

*(I Thomas/L Inia)* **Carried**

#### **CHAIRMAN'S REPORT:**

John read through his annual report. He acknowledged the passing of trustee, George Graham and the work of his fellow trustees. He noted another strong financial performance this year by the Craigs portfolio and provided an update on the lease arrangements. John discussed the land valuation and confirmed the recommended dividend of \$4,800 per share. He concluded by referring to the unclaimed dividends and the grants that are available from the Trust.

**RESOLVED:** *"That the Chairman's Report is adopted".*

*(J Naera/P Heke)* **Carried**

**FINANCIAL REPORTS:**

Glenn Hawkins presented the following financial reports:

- Investment Portfolio
- Statement of Financial Performance for the year ended 31 March 2015
- Statement of Movements in Equity for the year ended 31 March 2015
- Statement of Financial Position as at 31 March 2015

Matt Heke asked about Special Grants and the Putea Trust in the Balance Sheet. Maringi Querino said that the term deposit rates are low and they should consider other options. Kath Henderson asked about application forms

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

*(J Naera/I Thomas) **Carried***

**APPOINTMENT OF AUDITOR:**

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

**RESOLVED:** *“That Cookson Forbes & Associates Ltd be re-appointed as auditors for the 2015-16 year”.*

*(J Naera/M Heke) **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 2015.

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

*(J Naera/M Heke) **Carried***

**GENERAL BUSINESS:**

A query was raised about a replacement for George Graham. John said that the Trustees decided that the current number of five trustees was enough. Iris Thomas supported that approach agreeing that five is enough. Matt Heke asked about succession options and Tarati asked if the trustees need to put a number around that. John said that transparency and stability were two important principles. Margaret Dorset said five is a good number as there will always be a deciding vote.

Paraone Pirika said that this Trust was for Ngati Tunohopu and this marae. John confirmed that they will always help Tunohopu marae and the trustees just need the facts and figures.

John reiterated that the trustees always want to maintain the putea, so it was about being stable and not putting it at risk. The trustees were asked to include the attendance of Trustees included in Annual Report in future

Matt Heke suggested a \$5,000 koha to Tunohopu marae, but John said the trustees would like to know the costs from the marae trustees as that amount may not be enough.

**CLOSURE:**

With no further business, Piwiki Heke closed the meeting with a karakia. The meeting closed at 11.08am.

Signed as a correct record.

  
\_\_\_\_\_  
Chairman

# Chairman's Report

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## 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 2016.

## Our Strategic Direction

We took the important step of refreshing our strategic plan, during the past year. The Trust's strategic direction for the foreseeable future will now focus on the following:

<b>Vision</b>	<b>To be financially secure, to support and awahi our owners</b>
<b>Mission</b>	<b>To protect and grow the owners' land interests and assets</b>
<b>Strategic goals</b>	<b>1. Grow the Trust's asset base 2. Ensure best practice business lease arrangements and relationships 3. Providing distributions, financial advice and other assistance to owners and their whānau 4. Provide support to Tunohopu marae 5. Maintain and support Pukepoto urupā</b>

We look forward to reporting back on our progress towards meeting these goals.

## Financial Result

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 2015/16 financial period and we have a clear audit opinion.

The Statement of Profit or Loss and Other Comprehensive Income shows a profit of \$126,927, which is an improvement on last year's result of \$120,127. In addition to that, we have also had an increase in the value of investment portfolios of \$53,740, which has boosted our overall result.

The Statement of Financial Position is in a healthy state with total assets of \$2,976,977 and liabilities totaling \$455,764. Therefore, net assets for 2015/16 year are \$2.52m. Our cash reserves are invested with Craigs Investment Partners and in interest bearing term deposits with BNZ. Safeguarding our resources is a paramount concern.

## Investments with Craigs

Our investment portfolio has had another successful year with excellent growth in the value of the portfolio. With the New Zealand share market remaining strong, we received income returns of 4.2% and capital appreciation of the portfolio of 11.24%. Since first investing in October 2005, we have received annualised returns of 9.18%.

# Chairman's Report

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## Rental Properties

BP Whakarewarewa is still the major contributor to the Trust's rental income. The Stateway Motel lease has recently changed hands and we have decided to take a more proactive role with the new owner to ensure that the assets are being maintained to an acceptable standard. While the trustees investigated the option of buying back this lease, the decision was made to continue leasing for what is a good return in the current market. Finally, we are pleased to report that we concluded negotiations with the Schuster whanau during this past year and we have agreed to a market based lease, returning \$16,000 per annum. It has been a lengthy process, but we are happy that we have achieved a positive outcome.

## Dividends

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

## Grants

The trustees recently met to confirm the policies for our various grants and these are contained further on in the booklet. We have five categories of grants:

1. Kaumatua Grants
2. Kaumatua Health Grants
3. Tangi Grants
4. Education Grants

## Kaumatua Grants

We have made amendments to the process for Kaumatua grants. Applications will 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 will mean one bulk payment following the AGM each year. Applications made throughout the year will be approved by the Board and held until this bulk payment is made. Furthermore, 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 grants.



# Chairman's Report

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## Board of Trustees

I would like to acknowledge my colleagues on the board for their hard work, wisdom and leadership throughout the past year. As a collective, I believe that we continue to provide strong leadership and prudent management of our important assets.

## 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.

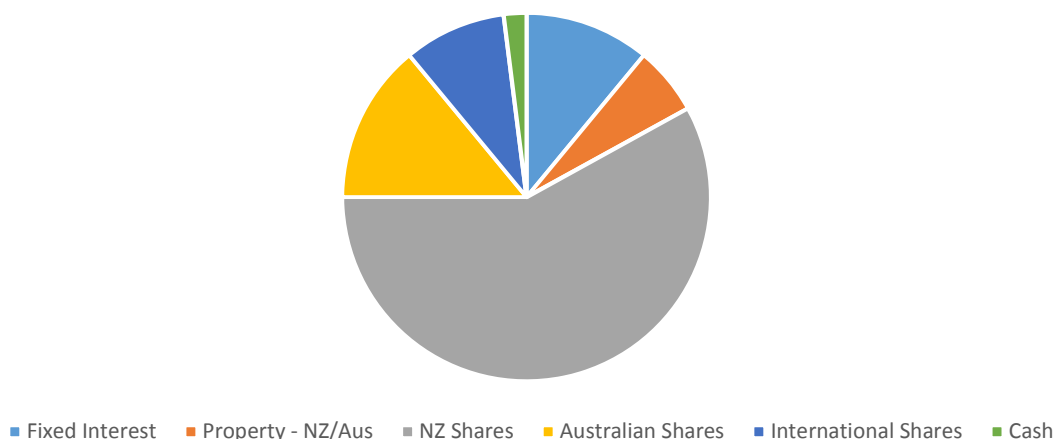
Heoi anō



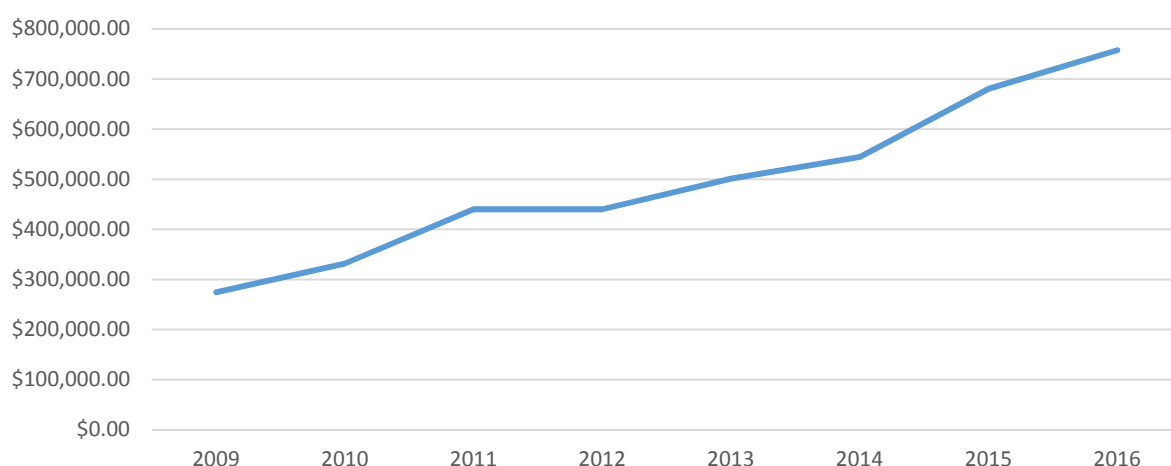
John Naera  
**Chairman**

# Investment Portfolio

Craigs Investment Portfolio: Asset Allocation



Craigs Investment Portfolio Value: 2009-2016



## For the year ended 31 March 2016

	Cost 01/04/15	Buys (Sales)	Cost 31/03/16	Unrealised Gain (Loss)	Valuation 31/03/16
Fixed interest securities	90,000	0	90,000	(3,219)	86,781
NZ Property	29,969	0	29,969	9,840	39,809
Australian Property	0	5,914	5,914	167	6,081
New Zealand Equities	275,389	(9,063)	266,325	167,359	433,684
Australian Equities	72,307	5,881	78,188	30,328	108,516
International Equities	62,000	4,694	66,694	4,433	71,127
Cash Management NZ	7,519	61	7,580	0	7,580
Cash Management Aus	1,042	1,012	2,054	8	2,062
Cash Management Inter	969	1,115	2,085	219	2,304
<b>Total</b>	<b>539,195</b>	<b>9,614</b>	<b>548,809</b>	<b>209,135</b>	<b>757,944</b>

# Financial Statements

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# Annual Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

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3. Independent Auditor's Report
5. Entity Information
6. Statement of Profit or Loss and Other Comprehensive Income
7. Statement of Financial Position
8. Statement of Changes in Equity
9. Statement of Cash Flows
10. Notes to the Financial Statements

# **COOKSON FORBES & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

**To the Trustees of Tiki Te Kohu Ruamano Trust**

#### **Report on the Financial Statements**

We have audited the financial statements of Tiki Te Kohu Ruamano Trust on pages 6 to 19. The financial statements comprise the statement of financial position as at 31 March 2016 and the statement of profit or loss & 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.

#### **Trustees' Responsibility for the Financial Statements**

The trustees are responsible for the preparation of these financial statements in accordance with the New Zealand equivalents of 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 judgment, 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.

Other than in our capacity as auditor we have no relationship with, or interests in, Tiki Te Kohu Ruamano Trust.

# COOKSON FORBES & ASSOCIATES

## CHARTERED ACCOUNTANTS


### Opinion

In our opinion the financial statements of Tiki Te Kohu Ruamano Trust for the year ended 31 March 2016 on pages 6 to 19:

- Comply with the NZ IFRS RDR framework for financial reporting;
- Give a true and fair view of the financial position of the Trust as at 31 March 2016 and of its financial performance and cash flows for the year ended on that date.
- Have been audited in accordance with the Trust Order.

### Emphasis of Matter - NZ IAS 16: Land Valuation

Without modifying our opinion, we considered the adequacy of the disclosures made in note 4(d) page 12 concerning the valuation of Land at "ratings valuation". This is a departure from NZ IAS 16 as ratings valuation is not considered a fair value valuation basis. We consider the disclosures to be adequate and comment that it has no material bearing on the performance results of the entity.



Chartered Accountants  
96 Waioweka Road  
OPOTIKI

30<sup>th</sup> November 2016

# Entity Information

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### **Nature of business**

Land lease and investments

### **Postal address**

PO Box 1712, Rotorua

### **Trustees**

John Naera (Chairman)

Alec Kameta

Arama Pirika

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 2016

	Notes	2016	2015
		\$	\$
<b>Revenue</b>			<b>(restated)</b>
Investment income	1	72,606	75,748
Rental income	2	141,585	138,786
Other income	3	3,536	3,874
<b>Total Revenue</b>		<b>217,727</b>	<b>218,408</b>
<b>Expenses</b>			
Administration expenses	4	51,449	49,269
Governance expenses	5	14,209	19,304
Depreciation of property, plant and equipment	11	3,117	4,341
<b>Total Expenses</b>		<b>68,775</b>	<b>72,914</b>
<b>Operating Profit/(loss)</b>		<b>148,952</b>	<b>145,494</b>
<b>Profit/(loss) before tax</b>		<b>148,952</b>	<b>145,494</b>
Income tax expense	7	(22,025)	(25,367)
<b>Profit/(loss) for the year</b>		<b>126,927</b>	<b>120,127</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of available-for-sale financial assets	10	65,558	52,075
Income tax relating to these items	15	(11,818)	(14,263)
		<b>53,740</b>	<b>37,812</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of property, plant and equipment	11	-	(359,706)
		-	<b>(359,706)</b>
<b>Total Other comprehensive income for the year</b>		<b>53,740</b>	<b>(321,894)</b>
<b>Profit/(Loss) for the year attributable to:</b>		126,927	120,127
Owners of the Trust			
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Trust		<b>180,667</b>	<b>(201,767)</b>

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

CF  
Audit

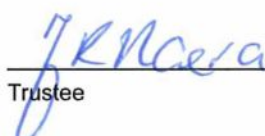
# Statement of Financial Position

## Tiki Te Kohu Ruamano Trust

As at 31 March 2016

	Notes	2016 \$	2015 \$ (restated)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	1,097,384	1,089,268
Trade and other receivables	9	55,174	28,823
Goods and services tax		-	1,256
<b>Total Current assets</b>		<b>1,152,558</b>	<b>1,119,347</b>
<b>Non-current assets</b>			
Available for sale financial assets	10	757,944	680,653
Property, plant and equipment	11	1,066,475	1,069,592
<b>Total Non-current assets</b>		<b>1,824,419</b>	<b>1,750,245</b>
<b>Total Assets</b>		<b>2,976,977</b>	<b>2,869,592</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	7,392	9,305
GST payable		4,959	-
Unclaimed dividends		105,600	105,600
Income tax payable		6,505	4,510
<b>Total Current liabilities</b>		<b>124,456</b>	<b>119,415</b>
<b>Non-current liabilities</b>			
Unclaimed dividends		294,749	267,564
Deferred tax liability	15	36,559	24,741
<b>Total Non-current liabilities</b>		<b>331,308</b>	<b>292,305</b>
<b>Total Liabilities</b>		<b>455,764</b>	<b>411,720</b>
<b>Net assets</b>		<b>2,521,213</b>	<b>2,457,872</b>
<b>Equity</b>			
Funds settled		330,500	330,500
Capital reserves		732,033	732,033
Assets revaluation reserves		846,600	792,860
Retained earnings		612,080	602,479
<b>Total Equity</b>		<b>2,521,213</b>	<b>2,457,872</b>

For and on behalf of the Board of Trustees

  
Trustee

  
Trustee

Date: 30 November 2016

CF  
Audit

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

# Statement of Changes in Equity

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

	Notes	Funds Settled	Capital Reserves	Reserves	Retained Earnings	Total Equity
					\$	\$
<b>Opening balance 1 April 2015</b>		330,500	732,033	792,860	602,479	<b>2,457,872</b>
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	6	-	-	-	(10,800)	(10,800)
<b>Closing equity 31 March 2016</b>		<b>330,500</b>	<b>732,033</b>	<b>846,600</b>	<b>612,080</b>	<b>2,521,213</b>
<b>Opening balance 1 April 2014</b>		<b>330,500</b>	<b>732,033</b>	<b>1,122,082</b>	<b>598,679</b>	<b>2,783,294</b>
<i>Transitional adjustments</i>						
Deferred tax expense	2 (e)	-	-	(7,328)	(3,150)	(10,478)
<b>Opening balance 1 April 2014 (restated)</b>		<b>330,500</b>	<b>732,033</b>	<b>1,114,754</b>	<b>595,529</b>	<b>2,772,816</b>
Net Profit for the year		-	-	-	120,127	120,127
Other comprehensive income		-	-	(321,894)	-	(321,894)
Other movements		-	-	-	7,325	7,325
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	6	-	-	-	(14,900)	(14,900)
<b>Closing equity 31 March 2015</b>		<b>330,500</b>	<b>732,033</b>	<b>792,860</b>	<b>602,479</b>	<b>2,457,872</b>

*CF  
Audit*

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

# Statement of Cash Flows

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

	Notes	2016	2015
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		124,106	79,793
Payments to suppliers and employees		(66,035)	(67,367)
Investment income		62,255	75,282
Grants paid		(10,800)	(14,900)
Income tax		(19,698)	(32,154)
Net GST		4,902	(6,790)
<b>Total Cash flows from operating activities</b>		<b>94,730</b>	<b>33,864</b>
<b>Cash flows from investing activities</b>			
Payments to acquire investments		(8,199)	(80,226)
<b>Total Cash flows from investing activities</b>		<b>(8,199)</b>	<b>(80,226)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(78,415)	(90,745)
<b>Total Cash Flows from financing activities</b>		<b>(78,415)</b>	<b>(90,745)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		<b>8,116</b>	<b>(137,107)</b>
<b>Cash balances</b>			
Cash and cash equivalents at beginning of the year		1,089,268	1,226,375
Cash and cash equivalents at end of the year	8	1,097,384	1,089,268
<b>Net change in cash for the year</b>		<b>8,116</b>	<b>(137,107)</b>

*CF*  
*Audit*

This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### **1 Reporting entity**

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Tiki Te Kohu Ruamano Trust is a Trust that is a trust originally vested under s438 of the Maori Affairs Act 1953, and continues under Section 215 of Te Ture Whenua Maori Act 1993 as an Ahu Whenua Trust. The financial statements of the Trust have been prepared in accordance with generally accepted accounting practice and the requirements of Te Ture Whenua Maori Act 1993.

These financial statements were authorised for issue by the Board of Trustees on 30 November 2016.

### **2 Basis of preparation**

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#### *(a) Statement of compliance*

The Trust has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities and Public Sector Public Benefit Entities Update) (XRB A1). The Trust qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity.

#### *(b) Measurement basis*

The financial statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value.

#### *(c) Functional and presentation currency*

The financial statements are presented in New Zealand dollars (\$) which is the Trust's functional currency. There has been no change in the functional currency of the Trust during the year.

#### *(d) Comparatives*

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 March 2015 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance. The net asset position and net profit reported in comparatives is consistent with previously authorised financial statements except as detailed in Note 2 (e).

#### *(e) Changes in accounting policies*

This is the Trust's first set of financial statements presented in accordance with NZ IFRS RDR. The transition to NZ IFRS RDR had the following impact on the Trust's financial statements.

A deferred tax liability of \$10,478 was recognised on transition to NZ IFRS RDR in accordance with NZ IAS 12 *Income Taxes*, resulting in a decrease in retained earnings of \$7,328 and a decrease in reserves of \$3,150.

### **3 Use of judgements and estimates**

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The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### *(a) Judgements*

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Revenue recognition
- Classification of lease arrangements
- Recognition of deferred tax assets

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### **4 Significant accounting policies**

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

#### **(a) Revenue**

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Trust, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Trust's revenue streams must also be met before revenue is recognised.

#### Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

#### Dividends

Income from dividends is recognised when the Trust's right to receive payment is established, and the amount can be clearly measured.

#### **(c) Operating expenses**

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

#### **(b) Financial instruments**

Financial instruments are initially recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement is dependent of classification of the financial instrument, and is specifically detailed in the accounting policies below.

#### **Financial assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets.

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.

Financial assets at fair value through profit or loss are subsequently measured at fair value with gains or losses being recognised in profit or loss.

The Trust has not elected to designate any investments as fair value through profit or loss.

#### Available-for-sale financial assets (AFS)

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 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.

CF  
Audit

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### 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 impairment. The Trust's cash and cash equivalents and debtors fall into this category.

### **Financial liabilities**

The Trust's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through profit or loss) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through profit or loss.

### **(c) 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.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

### **(d) Property, plant and equipment**

#### *(i) Recognition and measurement*

Land held for use by the Trust is valued at the ratings valuations prepared by Landmass Technology Ltd. The ratings valuations are issued every three years. Whilst this valuation method is in compliance with section 276A(4) of Te Ture Whenua Maori Act 1993, it is a departure from NZ IAS 16 *Property, Plant and Equipment*, which requires land and buildings to be valued at either cost or fair value (as determined by an independent valuer).

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Land improvements and plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### *(ii) Subsequent expenditure*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance is expensed as incurred.

#### *(iii) Depreciation*

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a over the estimated useful lives of each component of an item of property, plant and equipment. The depreciation rates are:

Land improvements	10% DV
Plant and Equipment	14.4-26.4% DV
Land is not depreciated	

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.



# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### **(e) Operating leases**

Operating leases are not recognised in the statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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.

### **(f) Impairment**

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### **(i) Income tax**

The Parent has been granted Maori Authority status.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive revenue and expense or directly in equity.

#### **(i) Current income tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

#### **(ii) Deferred tax**

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in joint ventures is not provided if reversal of these temporary differences can be controlled by the Trust and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Trust's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Incorporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### **(j) Goods and Services Tax (GST)**

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



# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

	Notes	2016 \$	2015 \$
<b>1 Investment income</b>			
PIE income		2,159	1,614
Interest received		49,667	12,789
Dividends received		20,780	61,345
		<b>72,606</b>	<b>75,748</b>
<b>2 Rental Income</b>			
BP - Lot 1		49,081	49,082
BP - Lot 2		42,504	42,504
E Schuster Est - Lot 3 & 4		16,000	13,200
Stateway - Section 1		18,000	18,000
Stateway - Section 2		16,000	16,000
		<b>141,585</b>	<b>138,786</b>
<b>3 Other income</b>			
Realised gain on sale of available-for-sale financial assets	10	3,536	3,874
		<b>3,536</b>	<b>3,874</b>
<b>4 Administration expenses</b>			
Accounting and secretarial fees		23,619	23,537
Advertising		970	1,703
AGM expenses		2,602	2,000
Audit fees		1,600	1,755
Consultancy		3,999	-
General expenses		993	1,015
Interest - IRD		-	1,070
Legal expenses		2,325	4,006
Management fees - Investment portfolio		6,849	4,398
Printing, stamps and stationary		1,699	1,556
Repairs and maintenance		2,176	1,640
Share register		4,617	6,589
		<b>51,449</b>	<b>49,269</b>
<b>5 Governance expenses</b>			
Trustee fees	16	13,500	18,500
Trustee travel		709	804
		<b>14,209</b>	<b>19,304</b>
<b>6 Grants paid</b>			
Education grants		4,500	4,500
Health grants		400	1,200
Kaumatua grants		5,100	6,300
Special grants		-	2,500
Tangi grants		800	400
		<b>10,800</b>	<b>14,900</b>

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# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

	Notes	2016 \$	2015 \$
<b>7 Income tax expense</b>			
<b>Profit/(Loss) before income tax</b>		<b>148,952</b>	<b>145,494</b>
<b>Income tax using Maori Authority tax rate of 17.5%</b>		<b>26,067</b>	<b>25,461</b>
Tax effect of amounts which are not deductible (claimable) in calculating taxable income:			
Non-taxable income		(584)	-
Other adjustments		1,084	(94)
		<b>500</b>	<b>(94)</b>
Imputation credits		(4,542)	-
<b>Income tax expense (income)</b>		<b>22,025</b>	<b>25,367</b>
<b>Represented by:</b>			
Current tax		22,025	25,367
Deferred tax		-	-
<b>Total income tax expense (income)</b>		<b>22,025</b>	<b>25,367</b>

### 8 Cash and cash equivalents

Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash at bank - NZD	97,384	89,268
Cash in term deposits - NZD	1,000,000	1,000,000
<b>Total cash and cash equivalents</b>	<b>1,097,384</b>	<b>1,089,268</b>

### 9 Trade and other receivables

Trade receivables	28,000	12,000
<b>Other receivables</b>		
Accrued interest	27,174	16,823
<b>Total Other receivables</b>	<b>27,174</b>	<b>16,823</b>
<b>Total Trade and other receivables</b>	<b>55,174</b>	<b>28,823</b>

### 10 Investments

#### Managed portfolio funds

##### *Craigs Investment Partners*

Balance at the beginning of the year	680,655	544,432
Contributions/(Withdrawals)	(10,000)	66,000
Net investment revenue received	18,197	14,272
Realised capital gains	3,536	3,874
Change in fair value	65,558	52,075
<b>Balance at the end of the year</b>	<b>757,946</b>	<b>680,653</b>

#### 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.

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# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### 11 Property, plant and equipment

	Land	Land Improvements	Plant & Equipment	Total
	\$	\$	\$	\$
<b>Balance at 1 Mar 2014</b>	1,410,706	18,792	21,084	1,450,582
<b>Balance at 31 Mar 2015</b>	1,051,000	18,792	21,084	1,090,876
<b>Balance at 31 March 2016</b>	1,051,000	18,792	21,084	1,090,876
	Land	Land Improvements	Plant & Equipment	Total
Accumulated depreciation		\$		\$
<b>Balance at 1 Mar 2014</b>	-	3,824	13,119	16,943
<b>Balance at 31 Mar 2015</b>	-	5,321	15,963	21,284
Depreciation expense	-	1,347	1,770	3,117
<b>Balance at 31 March 2016</b>	-	6,668	17,733	24,401
Net book amount at 31 March 2015	1,051,000	13,471	5,121	1,069,592
<b>Net book amount at 31 March 2016</b>	1,051,000	12,124	3,351	1,066,475

Land has been valued at the most recently available ratings valuation prepared by Quotable Value Ltd dated 1 July 2014.

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

	Notes	2016 \$	2015 \$
<b>12 Trade and other payables</b>			
Trade payables		5,466	5,900
PAYE payable		371	371
Putea Trust		1,555	1,555
Rent in advance		-	1,479
<b>Total Trade and other payables</b>		<b>7,392</b>	<b>9,305</b>
<b>13 Reserves</b>			
Property revaluation reserve		720,500	720,500
AFS assets revaluation reserve		126,100	72,360
<b>Total Reserves</b>		<b>846,600</b>	<b>792,860</b>
<u>Property revaluation reserve</u>			
Balance at the beginning of the year		720,500	1,080,206
Increase due to changes in fair value		-	(359,706)
Balance at end of the year		<b>720,500</b>	<b>720,500</b>
<u>AFS assets revaluation reserve</u>			
Balance at the beginning of the year		72,360	34,548
Increase due to changes in fair value		65,558	52,075
Deferred tax		(11,818)	(14,263)
Balance at end of the year		<b>126,100</b>	<b>72,360</b>

### 14 Financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows.

	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
2016	\$	\$	\$	\$	\$
Cash and cash equivalents	1,097,384	-	-	1,097,384	1,097,384
Trade and other receivables	55,174	-	-	55,174	55,174
Equity securities	-	757,944	-	757,944	757,944
	1,152,558	757,944	-	1,910,502	1,910,502
Trade and other payables	-	-	7,392	7,392	7,392
	-	-	7,392	7,392	7,392

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### 14 Financial assets and liabilities - continued

	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
2015	\$	\$	\$	\$	\$
Cash and cash equivalents	1,089,268	-	-	1,089,268	1,089,268
Trade and other receivables	28,823	-	-	28,823	28,823
Equity securities	-	680,653	-	680,653	680,653
	1,118,091	680,653	-	1,798,744	1,798,744
Trade and other payables	-	-	9,305	9,305	9,305
	-	-	9,305	9,305	9,305

### 15 Deferred tax assets and liabilities

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016	Assets 2015	Liabilities 2016	Liabilities 2015	Net 2016	Net 2015
	\$	\$	\$	\$	\$	\$
AFS assets	-	-	(36,559)	(24,741)	(36,559)	(24,741)
<b>Total tax assets/(liabilities)</b>	-	-	<b>(36,559)</b>	<b>(24,741)</b>	<b>(36,559)</b>	<b>(24,741)</b>

#### Movement in temporary differences during the year

Deferred tax assets and liabilities are attributable to the following:

	AFS assets	Total
	\$	\$
Opening balance 1 April 2015	(24,741)	(24,741)
Recognised in surplus or deficit	-	-
Recognised in other comprehensive income	(11,818)	(11,818)
<b>Closing balance 31 March 2016</b>	<b>(36,559)</b>	<b>(36,559)</b>

### 16 Related party transactions

Transactions with related parties are as follows.

	2016 Attendance	2015	2016 \$	2015 \$
Trustee fees paid				
John Naera	10	12	3,750	4,500
Alec Kameta	10	10	2,500	2,500
Arama Pirika	8	10	2,000	2,500
Dave Waaka	10	12	2,500	3,000
George Graham	-	11	-	2,750
Jessie Simon	11	13	2,750	3,250
			<b>13,500</b>	<b>18,500</b>

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# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2016

### **17 Contingent liabilities**

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There are no known material contingent liabilities at year end (2015:Nil).

### **18 Commitments for expenditure**

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There are no capital commitments at balance date (2015: \$Nil).

### **19 Events after the balance date**

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

# General Business

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# **TIKI TE KOHU RUAMANO TRUST**

## **EDUCATION GRANTS POLICY**

### **PURPOSE**

To provide assistance for tertiary study for beneficial owners or beneficiaries who are descendent from any beneficial owner.

### **ELIGIBILITY**

Persons eligible for an education grant are limited to:

- a) Registered beneficiaries or descendants of registered beneficiaries
- b) Beneficiaries and descendants of beneficiaries, in a Whanau Trust constituted under Te Ture Whenua Maori Act 1993 where the Whanau Trust is a registered beneficiary.

Applicants must supply a clear whakapapa that is endorsed either by:

- a) A recognised Kaumatua; or
- b) A Tiki Te Kohu Ruamano trustee.

Applications will be limited to one per person in any financial year 1 April – 31 March.

### **Approval of Payments**

All payments will be approved by the Board of Tiki Te Kohu Ruamano Trust, subject to a suitable review process.

### **TIME FRAMES**

Grants will be advertised in February of each year and will remain open until 31 March. Once approved, the grant will be credited to the applicant's bank account in a timely manner.

### **OTHER**

Grant amounts will be at the Board's discretion. They may be approved up to a value of \$500 per applicant.

Applications must be made in writing on the prescribed form and be lodged with GHA by 31 March.

Grants will not be approved if the application is incomplete.



# **TIKI TE KOHU RUAMANO TRUST**

## **KAUMATUA GRANTS POLICY**

### **PURPOSE**

To recognise the contribution of our elders.

### **ELIGIBILITY**

Persons eligible for a kaumatua grant are limited to:

- a) Registered beneficiaries or descendants of registered beneficiaries, aged 60 years and over as at the AGM
- b) Beneficiaries and descendants of beneficiaries, aged 60 years and over, in a Whanau Trust constituted under Te Ture Whenua Maori Act 1993 where the Whanau Trust is a registered beneficiary as at the AGM

Applicants must supply a clear whakapapa that is endorsed either by:

- a) A recognised Kaumatua; or
- b) A Tiki Te Kohu Ruamano trustee.

Applications will be limited to one per person in any financial year 1 April – 31 March.

### **Approval of Payments**

All payments will be approved by the Board of Tiki Te Kohu Ruamano Trust, subject to a suitable review process.

### **TIME FRAMES**

A bulk payment will be made following the Trust's AGM. Applications that have been approved after the AGM will be paid out in this bulk payment. If the application is not received by the AGM it will be sent for approval and be held for the next year.

### **OTHER**

Kaumatua grants will be a value of \$300 per applicant.

Applicants need not apply again each year, however if such details as bank account number, address or the beneficiary is deceased, notice must be given with the appropriate support documentation i.e. signed statement from your bank for a change of bank account. These details must be updated before the AGM each year.

Applications must be made in writing on the prescribed form and be lodged with GHA by the AGM each year.

Grants will not be approved if the application is incomplete.

## **TIKI TE KOHU RUAMANO TRUST**

### **KAUMATUA HEALTH GRANTS POLICY**

#### **PURPOSE**

To enhance the good health and wellbeing of our elders, with hearing aids, glasses and dentures.

#### **ELIGIBILITY**

Persons eligible for a kaumatua health grant are limited to:

- a) Registered beneficiaries or descendants of registered beneficiaries, aged 60 years and over
- b) Beneficiaries and descendants of beneficiaries, aged 60 years and over, in a Whanau Trust constituted under Te Ture Whenua Maori Act 1993 where the Whanau Trust is a registered beneficiary.

Applicants must supply a clear whakapapa that is endorsed either by:

- a) A recognised Kaumatua; or
- b) A Tiki Te Kohu Ruamano trustee.

#### **Approval of Payments**

All payments will be approved by the Board of Tiki Te Kohu Ruamano Trust, subject to a suitable review process.

#### **TYPES OF KAUMATUA HEALTH GRANTS**

The kaumatua health grants will be subject to a maximum of \$400 and made to individual applicants to assist with hearing aids, glasses and dentures, or associated costs.

#### **APPLICATION PROCESS**

Grants will be available throughout the year however will be limited to one application per person in any financial year 1 April – 31 March.

Applications must be made in writing on the prescribed form and be lodged with GHA.

This grant is treated as a reimbursement of cost therefore all applicants must provide proof of payment with their application and the approved will be credited to the supplied bank account number in a timely manner.

Grants will not be approved if the application is incomplete.

# **TIKI TE KOHU RUAMANO TRUST**

## **TANGIHANA GRANTS POLICY**

### **PURPOSE**

To provide assistance to the immediate whanau of beneficial owners who have recently deceased.

The grants will provide financial assistance to the whanau of any beneficiary of Tiki Te Kohu Ruamano Trust for tangihana expenses.

### **ELIGIBILITY**

Persons eligible for a tangihana grant must be a whanau member of:

- a) Registered beneficiaries or descendants of registered beneficiaries
- b) Beneficiaries and descendants of beneficiaries in a Whanau Trust constituted under Te Ture Whenua Maori Act 1993 where the Whanau Trust is a registered beneficiary.

Applicants must supply a clear whakapapa that is endorsed either by:

- a) A recognised Kaumatua; or
- b) A Tiki Te Kohu Ruamano trustee.

### **Approval of Payments**

All payments will be approved by the Board of Tiki Te Kohu Ruamano Trust, subject to a suitable review process.

### **APPLICATION PROCESS**

Grants will be available throughout the year.

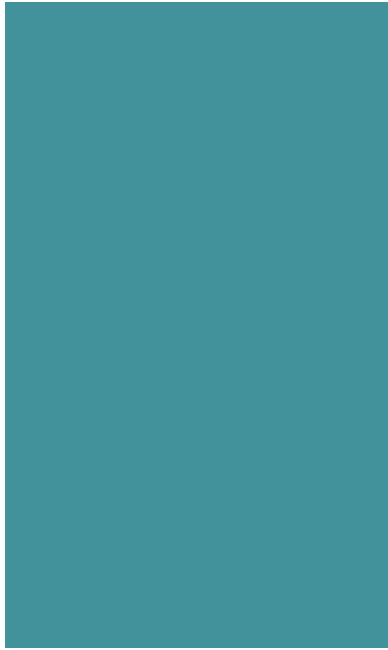
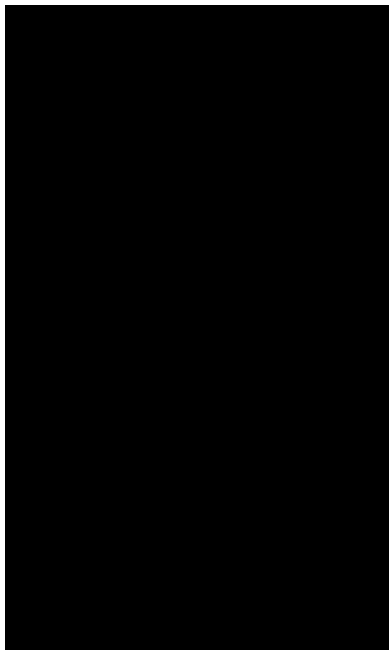
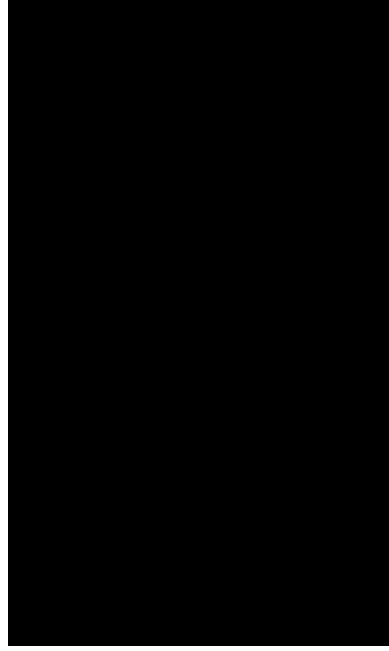
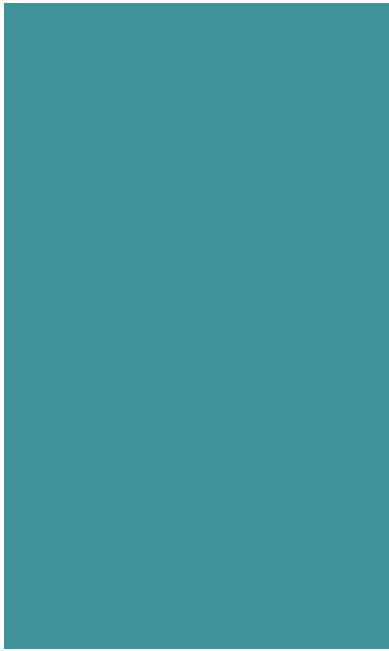
Applications must be made in writing on the prescribed form and be lodged with GHA.

Applicants must provide either:

- a) a certified death certificate for the deceased beneficiary; or
- b) a copy of the obituary.

The tangihana grants will be subject to a maximum of \$200.

Grants will not be approved if the application is incomplete.



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