



# **Tiki Te Kohu Ruamano Trust**

## **Annual Report 2021**

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1. Minutes of the last AGM
2. Chairman's Report
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# 1. MINUTES

## TIKI TE KOHU RUAMANO TRUST

### MINUTES OF THE ANNUAL GENERAL MEETING HELD AT TUNOHOPU MARAE, OHINEMUTU, ROTORUA ON 15 NOVEMBER 2020 AT 10.00AM

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**PRESENT:**

John Naera (Chair), Robert Pirika, Michael Naera, Dave Waaka,, A.T Rogers & M.H Tuhoro, Margaret Aubrose, Walter Benjamin Ngamotu, Pouariki Ngatai, Keepa Ratu Taepa, Lorraine Inia, John Kameta, Julian Brown, Margaret McEnteer, Awhina Kameta, Carl Tionga Waaka, Debbie Pirika, Haerehuka Silas Kameta, Atawhai Stacey, Hana Tatere, Eileen Tatere, Toni Harvey, Te Aomarama Kameta, Hika Wiringi, Norma Sturley, Faye Ngatomokanga, Rania Sears, Jovii Rangi, Misa Temple, Joe Edwards, Hoani Waaka, Patrica Ngamotu Lewis, Hope Trevelyan, Iris Thomas, Reg Naera, Tina McEnteer & Maru Tapsell.

In attendance: Glenn Hawkins (Secretary/Accountant)

**KARAKIA:**

Michael Naera opened the meeting with a karakia.

**APOLOGIES:**

Kay Caldwell, Polly Kameta, Paraire Whānau Trust, Marita Ranclaud, Hariata Kohunui, Huhana Clayton Evans, Atapo Naera Te Houkotuku, Tarapuhi, Hariata Ngatai, Hinemaui Parata-Ngatai, Retimana Parata-Ngatai, Haukiwaho Parata-Ngatai.

**RESOLVED:** *“That the apologies be received”.*

*(John Naera/Pouariki Ngatai) **Carried***

**MINUTES:**

John Naera referred the attendees to the minutes of the last meeting held on 1 December 2019.

**RESOLVED:** *“That the minutes of the AGM held on 1 December 2019 are a true and correct record of the meeting”.*

*(Lorraine Inia/John Kameta) **Carried***

**CHAIRMAN’S REPORT:**

John presented his Chairman’s report for the 2019/20 year. He noted the three rental properties continue to generate steady income streams for the Trust. He discussed the Craigs Investment Portfolio and the impact of Covid-19 resulting in a portfolio drop of 10% to \$1.05m in the month of March. He noted a subsequent uplift in the portfolio value to over \$1.3m, after year end. John advised that the overall financial position of the Trust remains strong with total assets of \$5.7m and liabilities totalling \$468k. John referred to the property development at Pāpāmoa which is providing excellent returns. In

concluding, he acknowledged the retiring trustee, Jessie Simon, who has given many years of service to the Trust as well as acknowledging Michael Naera and Marita Ranclaud as new members of the board. He also noted Rob and Dave for continuing to provide good leadership and a prudent approach to governance.

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

*(John Naera/Lorraine Inia) **Carried***

**FINANCIAL REPORTS:**

Glenn Hawkins presented the following financial reports:

1. Investment Report
2. Annual audited financial statements

He discussed the ongoing strong performance of the Craigs investment portfolio which performed well despite the pandemic.

He also noted the strong operating result during the past year with a an operating pre-tax profit of \$212k and total comprehensive revenue of \$173k. The value of the assets has also increased to \$5.7m.

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

*(John Naera/Lorraine Inia) **Carried***

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 2019-20 year”.*

*(John Naera/Pouariki Ngatai) **Carried***

**APPOINTMENT OF AUDITOR:**

John confirmed the recommendation from the trustees was for a dividend of \$4,800 per share to be paid.

**DIVIDEND RECOMMENDATION:**

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

*(John Kameta/ Angeline Rogers) **Carried***

**GENERAL BUSINESS:**

Future Strategy

Reg Naera asked if there is a cap on what is paid each year.

John responded by saying that it depends on where the Trust is positioned at the time. The trustees are considering other investment options and three further advisors.

Opportunities

Hika Wiringi (Wiremu Wiringi Whānau Trust) asked that the trustees look at creating work opportunities for shareholders and beneficiaries who are starting their own businesses.

John said that the Trust has not looked into this and that it is only a small trust. However, if it continued to grow this is something that could be looked at but at the moment, it would be picked up by the bigger trusts.

#### Mentorship

Atawhai Stacey asked if the trustees mentor other trustees, as she is part of a small trust and are wanting to invest \$100k.

John noted that you need to have good advisors and good governors with good experience to be a trustee. It also requires consistency and likeminded thinking. Rob said that he would entertain that idea.

#### Papamoa Development

Maru Tapsell asked about other developments in Papamoa, e.g. Sandhurst. He also said that the infrastructure is well catered for and there is a huge demand for it. Glenn advised that the trustees currently only have this single investment.

Mihaere Kirby offered his congratulations to the board for their mahi and noted they have achieved a great return on investment. He asked whether there had been a determination around Tiki, Ruamano and Te Kohu.

Reg Naera said the Trust had been formed from three tupuna:

- Tiki – 2/22 owners
- Te Kohu – 3/22 owners
- Ruamano – 17/22 owners

He would be happy to email details of the whakapapa.

Norma Sturley noted that Rakatu is a big part of this and the history needs to be told.

#### CLOSURE:

With no further business, John thanked everyone for attending and Mike Naera closed the meeting with a karakia.

The meeting closed at. 10.53am.

Signed as a correct record.



**Chairman**

## 2. CHAIRMAN'S REPORT

Tēnā koutou katoa,

I am pleased to present my Chairman's Report on behalf of Tiki Te Kohu Ruamano Trust, for the year ending 31 March 2021.

### Annual General Meeting cancelled

Due to the ongoing uncertainty caused by the Covid-19 pandemic, the trustees have agreed to cancel the 2021 Annual General Meeting. Our Trust Deed does not require us to hold a General Meeting every year, though that has been the practice. We considered various options but decided that the safety of our owners was paramount and that the most prudent course of action was to cancel the hui. However, the trustees have approved the annual dividend and kaumatua grants, which will be paid in the week prior to Christmas.

### Rental Properties

Our three rental properties continue to generate steady revenue for the Trust. Our Property Management advisers, APL, conduct regular property inspections and monitor the maintenance programmes, where needed. The Schuster lease is currently up for a rent review and we are presently engaging with the whanau. The current arrangements remain as follows:

Tenant	Address	Start	Term	End
BP	Cnr 414 Fenton St & Froude St	11/04/2003	21	10/04/2024
BP	416 Fenton St	1/04/2005	21	31/03/2026
Emmkays	Cnr Fenton St & 1 Sala St	25/05/2001	21	31/12/2031
Emmkays	406 Fenton St	1/01/2011	21	31/12/2031
Schusters	Cnr 4 Froude St & Fenton St	1/07/2014	21	1/12/2035

### Craigs Investment Portfolio

Our Craigs investment portfolio has certainly bounced back from the uncertainty created by the Covid-19 lockdown in March 2020. The portfolio value increased from \$1.05m to \$1.36m over the past 12 months. The overall gross annual return this past year was a stellar 32%. This includes capital gains of just over \$300k. We have received annualised gross returns of 9.51% since we started the portfolio back in 2005.

### Financial Result

Our auditors, Cookson Forbes & Associates completed their process for the 2020/21 financial year and have again provided us with a clear audit opinion. Our annual revenue was \$203k this past year while our operating expenses were \$92k for the year. Both these numbers are slightly down on the previous year. The operating profit of \$112k and we added to that a further \$18k profit from the investment in Pāpāmoa, (Hononga LP) as well as gains from the sale of other shares (\$2k). The trust paid \$35k to Tunohopu Marae and \$3k for the Urupa

leaving a pre-tax profit of \$93,803. There were also unrealised gains of \$300,663 which provided overall comprehensive income of \$373,959.

Our overall financial base continues to grow with total assets of just under \$6.0m and liabilities totalling \$576k. This has led to a 4% increase in the value of our Trust from \$5.2m to \$5.4m.

### **Dividends**

We have approved a dividend of \$4,800, per share for our shareholders. The balance of unclaimed dividends remains high and we encourage shareholders and whanau to follow up and identify any of our whanau, for whom we don't have details.

### **Kaumātua Grants**

This past year, we paid kaumātua grants 76 of our whanau, which is a further increase compared to last year, We do require IRD numbers for future payments. Should your details change including address and bank account number, proof of this change can be provided to GHA, and they will update your details accordingly.

### **Board of Trustees**

Over the past year, I have been surrounded by a strong and effective board. I want to acknowledge Rob Pirika, Dave Waaka, Marita Ranclaud and Michael Naera for their unwavering support in the stewardship of our Trust. We have maintained a watchful eye on our properties and investment portfolios, ushered the Pāpāmoa project through to completion and considered the current risks as we pondered new investment options. We continue to make excellent returns and to provide a consistent dividend to owners each year and this would not be possible without a cohesive and well-functioning board.

We look forward to another interesting year, in this challenging new world.

Heoi anō



John Naera

**Chairman**

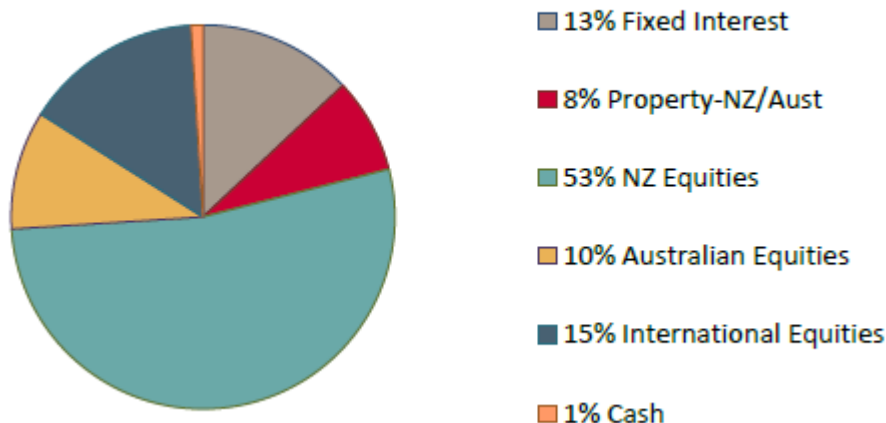
[www.tikitekohu.com](http://www.tikitekohu.com).

# 3. INVESTMENTS REPORT

## Our Investments in the Craigs Portfolio

Our funds continue to be in a range of different asset types in order to spread the risk:

### ASSET ALLOCATION



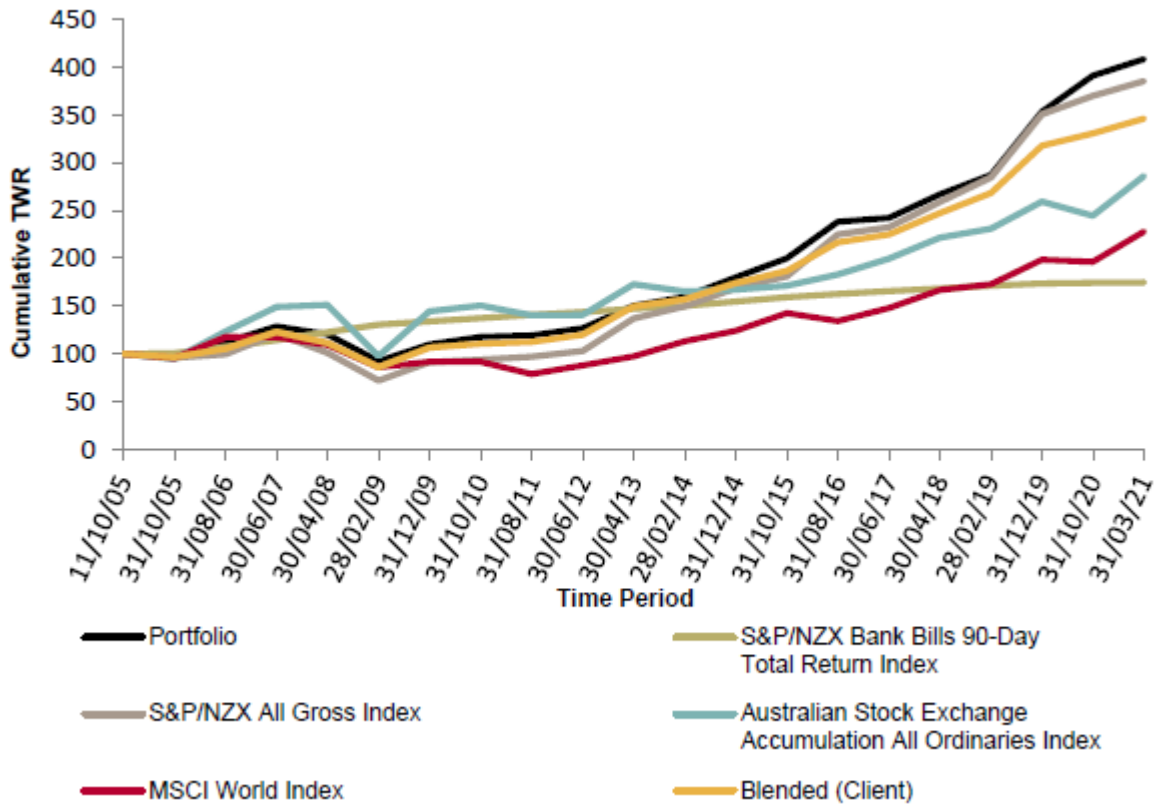
## Our Performance

Our portfolio had an exceptional year as the world markets recovered after the initial lockdown period. We engage regularly with our advisers, Craigs and we have further lifted the investment in Craigs which has led to further gains for the Trust. The following table shows the movements over the past year and the total gains achieved since inception:

	Cost	Unrealised Gains/Loss	Valuation 31/03/20	Pct. Assets %
Fixed Interest Securities	166,038	8,321	174,623	12.8
NZ Property	78,979	30,068	109,047	8.0
Australian Property	5,914	245	6,159	0.5
New Zealand Equity	260,891	458,464	719,355	52.8
Australian Equities	90,357	48,424	138,781	10.9
International Equities	137,475	64,037	201,512	14.8
Cash Management NZ	10,645	0	10,645	0.8
Cash Management Aus	864	9	872	0.0
Cash Management Inter	1,349	22	1,371	0.0
<b>Total</b>	<b>752,511</b>	<b>609,854</b>	<b>1,362,365</b>	<b>100.0</b>



### Performance Relative To Benchmarks



The graph above shows that our portfolio continues to outperform the markets across the world. It also shows the revival from the significant drop caused by Covid-19, at the end of the last financial year.

# 4. FINANCIAL STATEMENTS

# **Annual Financial Statements**

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

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## **INDEPENDENT AUDITOR'S REPORT**

To the Trustees & Owners of Tiki Te Kohu Ruamano Trust

### **Opinion**

We have audited the financial statements of Tiki Te Kohu Ruamano Trust (the Trust) on pages 6 to 18, which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust for the year ended 31 March 2021 are prepared, in all material respects, in accordance with *Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs)*, issued by Chartered Accountants Australia & New Zealand.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

### **Other Matter – Statement of Compliance**

We draw attention to Note 2 on page 9 of the financial statements, which confirms the basis of accounting. The financial statements have been prepared for the Trustees & Owners. As a result, the financial statements may not be suitable for another purpose.

### **Restriction on Responsibility**

This report is made solely to the Trustees & Owners, as a body, in accordance with the trust order and Te Ture Whenua Maori Land Act 1993. Our audit work has been undertaken so that we might state to the Trustee & Owners 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 Trustees & Owners as a body, for our audit work, for this report, or for the opinions we have formed.

### **Responsibilities of the Trustees for the Financial Statements**

The Trustees are responsible on behalf of the Trust for determining that the SPFR for FPEs Framework adopted is acceptable in the Trust's circumstances, for the preparation of the financial statements in accordance with SPFR for FPEs 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.

**Responsibilities of the Trustees for the Financial Statements**

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at <https://www.xrb.govt.nz/standards-for-assurance-practitioner's/auditors-responsibilities/audit-report-8/>

**Other Regulatory Matter – Te Ture Whenua Maori Land Act 1993**

Maori land is vested in Tiki Te Kohu Ruamana Trust pursuant to section 239 of Te Ture Whenua Maori Land Act 1993. The financial statements have been prepared and audited in accordance with clause 7 b (i) of the Maori Land Court vesting order dated 2<sup>nd</sup> August 2013.



**Cookson Forbes & Associates Ltd**

*Chartered Accountants*

96 Waioweka Road  
OPOTIKI, New Zealand

31<sup>th</sup> August 2021

## **Directory**

### **Tiki Te Kohu Ruamano Trust**

For the year ended 31 March 2021

#### **Nature of business**

Land lease and investments

#### **Postal address**

PO Box 1712, Rotorua

#### **Trustees**

John Naera (Chairman)

Dave Waaka

Jessie Simon (Retired 12 November 2020)

Robert Pirika

Marita Ranclaud

Michael Naera

#### **Accountants**

GHA Ltd

Chartered Accountants

PO Box 1712, Rotorua

#### **Auditors**

Cookson Forbes & Associates

Chartered Accountants

96 Waioeka Rd, Opotiki

# Statement of Profit or Loss or Other Comprehensive Income

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>Income</b>			
Investment income	5	44,251	49,572
Rental income	6	159,586	159,045
MBIE Funding		-	2,325
<b>Total Income</b>		<b>203,837</b>	<b>210,942</b>
<b>Expenses</b>			
Administration expenses	7	69,795	75,422
Governance expenses	8	16,403	14,461
Depreciation of property, plant and equipment	14	5,630	3,726
<b>Total Expenses</b>		<b>91,828</b>	<b>93,609</b>
<b>Operating Profit</b>		<b>112,009</b>	<b>117,333</b>
<b>Other items</b>			
Share of profit from Hononga LP	15	18,445	77,642
Realised gain on sale of available-for-sale financial assets	13	1,349	17,856
Profit on sale of fixed assets		-	2,300
Marae Grant	9	(35,000)	-
Urupa Maintenance		(3,000)	(3,000)
		<b>(18,206)</b>	<b>94,798</b>
<b>Profit before tax</b>		<b>93,803</b>	<b>212,131</b>
Income tax expense	10	(20,508)	(35,149)
<b>Profit for the year</b>		<b>73,296</b>	<b>176,982</b>
<b>Other comprehensive income and expense</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of available-for-sale financial assets	13	300,663	(4,093)
		<b>300,663</b>	<b>(4,093)</b>
<b>Total Comprehensive income and expense for the year</b>		<b>373,959</b>	<b>172,889</b>

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

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# Statement of Financial Position

## Tiki Te Kohu Ruamano Trust

As as 31 March 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	1,123,916	911,185
Accounts receivable	12	4,243	8,620
<b>Total Current assets</b>		<b>1,128,159</b>	<b>919,805</b>
<b>Non-current assets</b>			
Investment in managed portfolio fund	13	1,362,365	1,046,344
Property, plant and equipment	14	3,504,091	3,507,914
Investment in associate	15	-	211,184
<b>Total Non-current assets</b>		<b>4,866,456</b>	<b>4,765,442</b>
<b>Total Assets</b>		<b>5,994,615</b>	<b>5,685,247</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	16	58,181	21,737
GST payable		5,012	4,041
Unclaimed dividends		105,600	105,600
Income tax payable	10	12,363	21,340
<b>Total Current liabilities</b>		<b>181,156</b>	<b>152,717</b>
<b>Non-current liabilities</b>			
Unclaimed dividends		394,767	316,255
		<b>394,767</b>	<b>316,255</b>
<b>Total Liabilities</b>		<b>575,922</b>	<b>468,972</b>
<b>Net assets</b>		<b>5,418,693</b>	<b>5,216,276</b>
<b>Equity</b>			
Funds settled		330,500	330,500
Capital reserves		732,033	732,033
Assets revaluation reserves	17	3,794,613	3,493,950
Retained earnings		561,547	659,793
<b>Total Equity</b>		<b>5,418,693</b>	<b>5,216,276</b>

For and on behalf of the Board of Trustees

  
Trustee  
Date: 31/8/2021

  
Trustee

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

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# Statement of Changes in Equity

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	Notes	Funds Settled	Capital Reserves	Reserves	Retained Earnings	Total Equity
		\$	\$	\$	\$	\$
<b>Opening balance 1 April 2020</b>		<b>330,500</b>	<b>732,033</b>	<b>3,493,950</b>	<b>659,793</b>	<b>5,216,276</b>
Net Profit for the year		-	-	-	73,296	73,296
Other comprehensive income		-	-	300,663	-	300,663
Prior Period Adjustment	22	-	-	-	(42,444)	(42,444)
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	9	-	-	-	(23,498)	(23,498)
<b>Closing equity 31 March 2021</b>		<b>330,500</b>	<b>732,033</b>	<b>3,794,613</b>	<b>561,547</b>	<b>5,418,693</b>
<b>Opening balance 1 April 2019</b>		<b>330,500</b>	<b>732,033</b>	<b>3,498,043</b>	<b>554,692</b>	<b>5,115,268</b>
Net Profit for the year		-	-	-	176,982	176,982
Other comprehensive income		-	-	(4,093)	-	(4,093)
Payment of dividends		-	-	-	(50,881)	(50,881)
Payment of grants	9	-	-	-	(21,000)	(21,000)
<b>Closing equity 31 March 2020</b>		<b>330,500</b>	<b>732,033</b>	<b>3,493,950</b>	<b>659,793</b>	<b>5,216,276</b>

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 2021

## 1. Reporting Entity

The financial report includes the financial statements and notes of Tiki Te Kohu Ruamano Trust for the year ended 31 March 2021.

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 1339.

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 August 2021.

## 2. Statement of compliance and reporting framework

These special purpose financial statements have been prepared pursuant to the Tax Administration Order (Financial Statements) 1994 and in accordance with the Special Purpose Financial Reporting Framework for "For Profit Entities" (SPFR-FPE) published by Chartered Accounts Australian and New Zealand and are for use by the Trustees and Owners and should not be relied upon by any other third party without Trustee approval.

The financial statements have been prepared for taxation and internal management purposes.

## 3. Changes in accounting policies

There have been no changes in accounting policies. All policies adopted are consistent with those of the previous financial year.

## 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.

# Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

## 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. 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.

# Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust  
For the year ended 31 March 2021

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 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.

# Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust  
For the year ended 31 March 2021

## 4.10 Property, plant and equipment

Land and improvements are valued at fair value as determined by an independent valuer, Telfer Young dated 31 March 2017. Land is valued every five years; the next value is due 1 November 2022.

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	67% DV
Plant & Equipment	14.4 – 40% DV

Land is not depreciated.

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

## 4.11 Investment in Associate – Hononga Limited Partnership

The Trust is a partner in Hononga Limited Partnership whose main activity is residential property development. This investment is originally recognised at cost and then carrying value thereafter.

The impairment assessment applied is consistent with that used for financial instruments explained at 4.7 above. No impairment adjustment is considered necessary for the current year.

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>5 Investment income</b>			
PIE income		11,070	4,277
Interest received		15,210	20,482
Interest Received - Hononga Loan Advances		-	1,866
Dividends received		17,971	22,947
<b>Total Investment income</b>		<b>44,251</b>	<b>49,572</b>
<b>6 Rental income</b>			
BP - Lot 1		49,082	49,082
BP - Lot 2		42,504	42,504
E Schuster Est - Lot 3 & 4		16,000	16,000
Stateway - Section 1		28,000	27,476
Stateway - Section 2		24,000	23,983
<b>Total Rental income</b>		<b>159,586</b>	<b>159,045</b>
<b>7 Administration expenses</b>			
Accounting fees		19,200	19,200
AGM expenses		3,324	3,276
Audit fees		3,300	3,347
Consultancy		1,000	3,100
Investment management fees		8,765	12,832
Printing, stamps and stationary		1,037	1,137
Repairs and maintenance		-	853
Secretarial fees		19,000	19,052
Share register		9,000	9,000
Other expenses		5,168	3,625
<b>Total Administration expenses</b>		<b>69,795</b>	<b>75,422</b>
<b>8 Governance expenses</b>			
Trustee fees	18	15,875	13,500
Trustee expenses		500	400
Trustee travel		28	561
<b>Total Governance expenses</b>		<b>16,403</b>	<b>14,461</b>

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>9 Grants paid</b>			
<b>Grants paid recorded directly in equity</b>			
Education grants		2,500	2,500
Health Grants		598	-
Kaumatua grants		19,800	18,300
Tangi grants		600	200
<b>Total Grants paid from equity</b>		<b>23,498</b>	<b>21,000</b>
<b>Grants paid recorded in profit and loss</b>			
Marae Grants		35,000	-
<b>Total Grants Paid</b>		<b>58,498</b>	<b>21,000</b>
<b>10 Income tax</b>			
<b>Profit before income tax</b>		<b>93,803</b>	<b>212,131</b>
<i>Plus/(less) adjustments</i>			
Non-taxable income		11,069	-
Other adjustments		28,774	12,038
<b>Taxable income</b>		<b>133,646</b>	<b>224,169</b>
<b>Income tax using Maori Authority tax rate of 17.5%</b>		<b>23,388</b>	<b>39,230</b>
Less Imputation credits		(2,880)	(4,081)
<b>Income tax expense</b>		<b>20,508</b>	<b>35,149</b>
Plus opening balance		21,340	6,479
Plus prior period adjustment		-	-
Less withholding tax paid		(6,394)	(9,219)
Less terminal tax paid		(2,080)	(636)
Less provisional tax paid		(20,383)	(9,597)
Less other tax credits		(627)	(837)
<b>Total tax to be paid</b>		<b>12,363</b>	<b>21,340</b>
<b>Maori Authority Credit Account</b>			
Opening Balance		349,871	326,338
Plus provisional tax paid		20,383	9,597
Plus terminal tax paid		2,080	636
Plus RWT paid		6,394	9,219
Plus imputation credits		2,880	4,081
Less; credits attached to dividends		(18,400)	-
Less: Prior Period Adjustment	22	(202,510)	-
<b>Closing Balance</b>		<b>160,698</b>	<b>349,871</b>



# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>11 Cash and cash equivalents</b>			
Cash at bank - NZD		1,123,916	61,185
Cash in term deposits - NZD		-	850,000
<b>Total Cash and cash equivalents</b>		<b>1,123,916</b>	<b>911,185</b>
<b>12 Trade and other receivables</b>			
Trade receivables		-	4,007
Accrued interest		-	4,613
Hononga LP Distribution Receivable		4,243	-
<b>Total Trade and other receivables</b>		<b>4,243</b>	<b>8,620</b>
<b>13 Investment in managed portfolio fund</b>			
<i>Craigs Investment Partners</i>			
Balance at the beginning of the year		1,046,344	1,314,994
Contributions		218	-
Withdrawals		-	(300,034)
Net investment revenue received		13,791	17,621
Realised gains (losses)		1,349	17,856
Change in fair value		300,663	(4,093)
<b>Balance at the end of the year</b>		<b>1,362,365</b>	<b>1,046,344</b>

The fair value of this investment 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 2021

### 14 Property, plant and equipment

	Land	Land Improvements	Office Equipment	Plant & Equipment	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 Apr 2019</b>	3,490,000	18,792	5,256	21,084	<b>3,535,132</b>
Additions	-	-	-	11,491	<b>11,491</b>
Disposals	-	-	-	(7,613)	<b>(7,613)</b>
<b>Balance at 31 March 2020</b>	<b>3,490,000</b>	<b>18,792</b>	<b>5,256</b>	<b>24,962</b>	<b>3,539,010</b>
<b>Balance at 31 March 2020</b>	3,490,000	18,792	5,256	24,962	<b>3,539,010</b>
Additions	-	-	1,806	-	<b>1,806</b>
<b>Balance at 31 March 2021</b>	<b>3,490,000</b>	<b>18,792</b>	<b>7,062</b>	<b>24,962</b>	<b>3,540,816</b>

	Land	Land Improvements	Office Equipment	Plant & Equipment	Total
		\$	\$	\$	\$
Accumulated depreciation					
<b>Balance at 1 Apr 2019</b>	-	9,953	4,710	20,012	<b>34,675</b>
Depreciation Expense	-	884	366	2,476	<b>3,726</b>
Disposal	-	-	-	(7,305)	<b>(7,305)</b>
<b>Balance at 31 Mar 2020</b>	-	<b>10,837</b>	<b>5,076</b>	<b>15,183</b>	<b>31,096</b>
<b>Balance at 31 Mar 2020</b>	-	<b>10,837</b>	<b>5,076</b>	<b>15,183</b>	<b>31,096</b>
Depreciation expense	-	795	1,029	3,805	<b>5,629</b>
<b>Balance at 31 March 2021</b>	-	<b>11,632</b>	<b>6,105</b>	<b>18,988</b>	<b>36,725</b>
<b>Net book amount at 31 March 2020</b>	3,490,000	7,955	180	9,779	<b>3,507,914</b>
<b>Net book amount at 31 March 2021</b>	<b>3,490,000</b>	<b>7,160</b>	<b>957</b>	<b>5,974</b>	<b>3,504,091</b>

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.

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

	2021 \$	2020 \$
<b>15 Hononga Limited Partnership</b>		
Opening balance	211,184	244,059
Capital contribution	-	5,683
Share of Profit/(Loss)	18,445	77,642
Loan Advances	-	(116,200)
Distributions	(229,629)	-
<b>Closing Balance</b>	-	<b>211,184</b>
<b>16 Trade and other payables</b>		
Trade payables	45,670	9,309
PAYE payable	289	206
Putea Trust	1,555	1,555
Rent in advance	10,667	10,667
<b>Total Trade and other payables</b>	<b>58,181</b>	<b>21,737</b>
<b>17 Reserves</b>		
Property revaluation reserve	3,159,500	3,159,500
AFS assets revaluation reserve	635,113	334,450
<b>Total Reserves</b>	<b>3,794,613</b>	<b>3,493,950</b>
<u>Property revaluation reserve</u>		
Balance at the beginning of the year	3,159,500	3,159,500
Increase due to changes in fair value	-	-
<b>Balance at end of the year</b>	<b>3,159,500</b>	<b>3,159,500</b>
<u>AFS assets revaluation reserve</u>		
Balance at the beginning of the year	334,450	338,543
Increase due to changes in fair value	300,663	(4,093)
<b>Balance at end of the year</b>	<b>635,113</b>	<b>334,450</b>

### 18 Related party transactions

Transactions with related parties are as follows.

	2021	2020	2021	2020
<u>Trustee fees paid</u>	Attendance	Attendance	\$	\$
John Naera	11	12	4,125	4,500
Michael Naera	11	-	2,750	-
Robert Pirika	11	12	2,750	3,000
Marita Ranclaud	11	-	2,750	-
Jessie Simon	2	13	500	3,250
Dave Waaka	10	11	2,500	2,750
			<b>15,375</b>	<b>13,500</b>

# Notes to the Financial Statements

## Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2021

### 19 Contingent liabilities

There are no known material contingent liabilities at year end (2020: \$Nil).

### 20 Commitments for expenditure

There are no capital commitments at balance date (2020: \$Nil).

### 21 Events after the balance date

There have been no events subsequent to balance date that would have material impact on these financial statements (2020: \$Nil).

### 22 Prior Period Adjustments

#### Statement of Changes in Equity

In preparing these financial statements a historical difference was identified between the unclaimed dividends balances in the Trust's share registry system and accounting system. This adjustment reconciles the two systems.

#### Maori Authority Credit Account

Previously the Maori Authority Credit Account did not show a reduction for credits attached to dividends declared to shareholders. This adjustment accounts for credits attached to dividends for the financial years of 2009 to 2020.

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