

The background image shows a scenic view of a large lake with a prominent mountain in the distance under a blue sky with scattered white clouds. In the foreground, there is a lush green garden with various plants and a wooden fence. The text is overlaid on a dark blue vertical bar on the left side of the page.

TIKI TE KOHU RUAMANO TRUST

ANNUAL REPORT
2022

AGENDA

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



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

PRESENT:

John Naera (Chair), Robert Pirika, Michael Naera, Dave Waaka, A.T Rogers & M.H Tuhoro, Margaret Ambrose, 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)

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.

APOLOGIES:

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

MINUTES

TIKI TE KOHU RUAMANO TRUST

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 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

MINUTES

TIKI TE KOHU RUAMANO TRUST

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 2019-20 year”.*

(John Naera/Pouariki Ngatai) Carried

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.

MINUTES

TIKI TE KOHU RUAMANO TRUST

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 Rakitu 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

CHAIRMAN'S REPORT

TIKI TE KOHU RUAMANO TRUST

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 2022. We are thankful to be able to hold an AGM in person this year, given we had to postpone last year's event, due to the ongoing uncertainty caused by Covid-19. This year has been more challenging than most given the uncertainty of the financial markets, rising inflation and significant world events such as the Ukraine conflict and Covid-19. But we have kept in close contact with our advisors and monitored our results carefully to ensure we are making prudent decisions.

Rental Properties

Our three rental properties are being well maintained and provide solid returns to the Trust. Our Property Management advisers, APL, continue to conduct regular property inspections and monitor the maintenance requirements of the properties. The Schuster lease rent review was a protracted process, which we are close to concluding. The lease 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

CHAIRMAN'S REPORT

TIKI TE KOHU RUAMANO TRUST

Craigs Investment Portfolio

Our Craigs investment portfolio has been impacted by the economic uncertainty, particularly in the January-March period of the financial year. We added a further \$1m to the portfolio earlier on and the total value now sits at \$2.33m. Notwithstanding the market challenges, the portfolio fell just short of breaking even over the 2021/22 financial year. Dividends and interest income totalled \$55k, gains on the sale of shares were \$13k, while unrealised capital losses were \$73k and tax and fees were \$25k. The portfolio has made gross returns of 8.90% per annum since it was established back in 2005.

Financial Result

Our auditors, Cookson Forbes & Associates signed off the audit of the 2021/22 financial year in August this year and have again provided us with a clear audit opinion. Our annual revenue for the year was \$206k (\$204k last year) while our operating expenses were \$96k (\$92k last year). The Trust's operating profit is \$110k is similar to last year's result (\$113k) and with gains on sold investments of \$13k, the pre-tax profit is \$120k, which is slightly down on last year's result of \$129k.

There were also unrealised losses from the drop in value of the share market of \$73k, which is in contrast to last year's increases in the value of \$301k. Total comprehensive income remains positive at \$30k, well down on last year's figure of \$409k.

The balance sheet shows assets still sitting just under \$6.0m and liabilities totalling \$614k. Total equity has declined by 2% from \$5.4m to \$5.3m.

Dividends

We have approved a dividend of \$4,800, per share for our shareholders. The balance of unclaimed dividends is now \$441,739 and continues to grow steadily each year. We encourage everyone at the AGM to follow up and identify any of our whanau, for whom we do not have contact details.

CHAIRMAN'S REPORT

TIKI TE KOHU RUAMANO TRUST

Kaumātua Grants

This past year, we paid 79 kaumātua to members of our whanau and this year's number will be over 80. The number of applicants is now reaching a level that is not sustainable at the current rate. This, coupled with the fact we now require IRD numbers means that we will review our grants programme next year. As a minimum, we will require all applicants to re-apply so that our information is as up-to-date as possible.

Education Grants

We paid six grants of \$500 each in July last year to a range of worthy candidates studying in fields as diverse as Business Studies, Nursing, Teaching and Electrical engineering. We also supported a PhD student. We encourage applications from whānau in March of each year.

Marae Grants

No marae grants were paid in the past financial year. However, our board have considered approaches from Tunohopu Marae and have agreed to provide a fixed annual grant of \$15,000 per annum to the marae. In addition to that, the trustees are also willing to accept further applications throughout the year and will make a decision based on the individual merits of each application.

Board of Trustees

I continue to be supported by a well-balanced board. Marita Ranclaud, Rob Pirika, Dave Waaka and Michael Naera maintain a purposeful approach to the Trust's affairs. We have had to monitor the investment portfolios very closely over the past year as the markets are impacted by international events that are beyond our control. This has resulted in our most challenging year for some time, but we are committed to maintaining our returns to shareholders via our annual dividend and grants programmes.

We are pleased to have come through some difficult times relatively unscathed.

Heoi anō



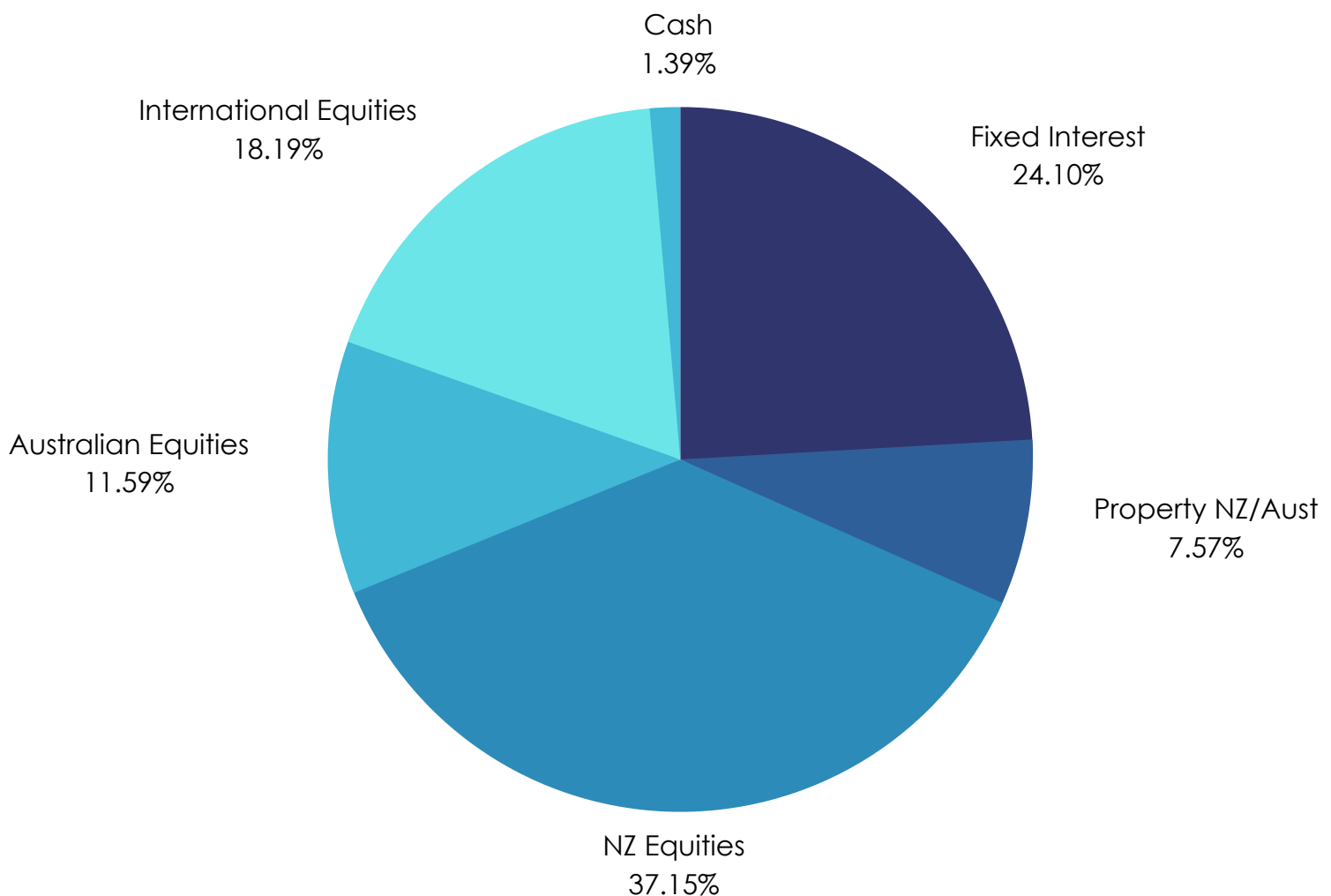
John Naera
Chairman

INVESTMENTS REPORT

TIKI TE KOHU RUAMANO TRUST

Our Investments in the Craigs Portfolio

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



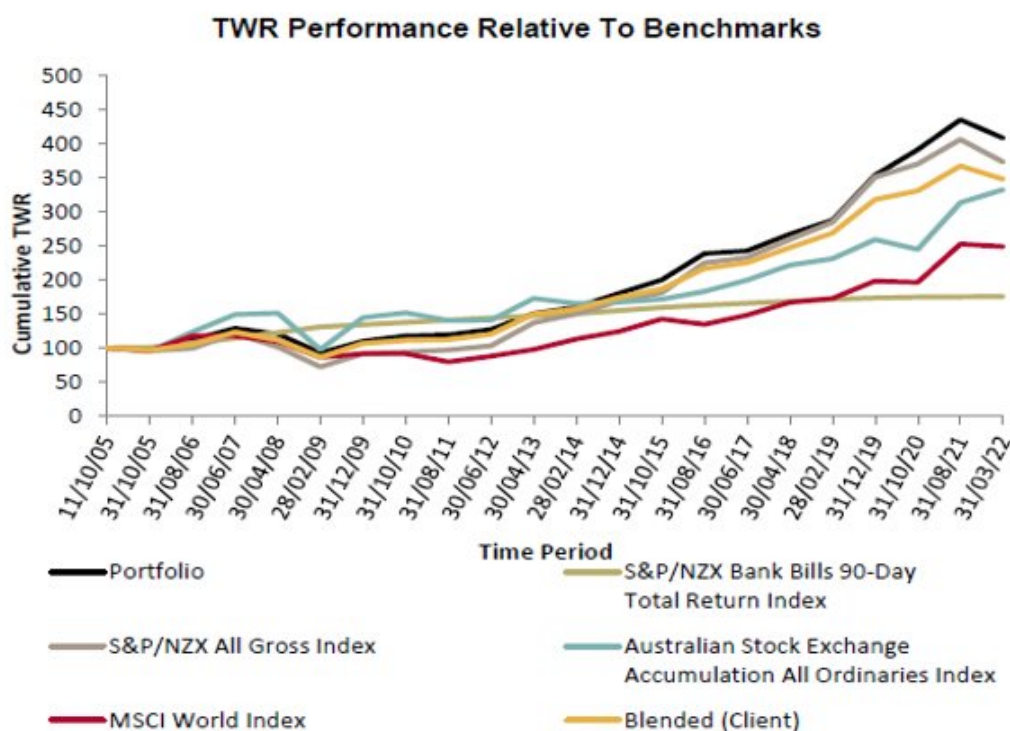
Our Performance

In contrast to last year, our portfolio had a tough year, due to some of the key world events impacting the financial markets. Our advisers, Craigs, changed the makeup of our portfolio during the year to reduce our exposure to the NZ share market (down from 53% to 37%) with a major increase in our fixed interest holdings (up from 13% to 24%). These changes held us in good stead and we ended what has been a difficult trading period, very close to breaking even. The table overleaf shows the overall gains in the portfolio since we started the portfolio in 2005:

INVESTMENTS REPORT

TIKI TE KOHU RUAMANO TRUST

	Cost	Unrealised Gains/Loss	Valuation 31/03/22	Pct. Assets %
Fixed Interest Securities	561,883	(565)	561,583	24.10
NZ Property	148,650	21,951	170,601	7.32
Australian Property	5,914	(9)	5,904	0.25
New Zealand Equities	521,049	344,891	865,940	37.15
Australian Equities	227,223	43,019	270,242	11.59
International Equities	355,245	68,797	424,042	18.19
Cash Management NZ	20,954	-	20,954	0.90
Cash Management <u>Aus</u>	8,854	37	8,891	0.38
Cash Management Inter	2,597	(59)	2,538	0.11
Total	1,852,368	478,061	2,330,695	100.0



The graph above shows that most markets declined in the past year, including our portfolio. However the black line shows that our portfolio continues to outperform the other markets, which is a credit to the sound advice that we receive.

FINANCIAL REPORT

TIKI TE KOHU RUAMANO TRUST

Annual Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

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- 5** Directory
- 6** Statement of Profit or Loss and Other Comprehensive Income
- 7** Statement of Financial Position
- 8** Statement of Changes in Equity
- 9** Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Trustees & Owners of Tiki Te Kohu Ruamano Trust

Reporting Entity

The reporting entity is Tiki Te Kohu Ruamano Maori Land Trust and is required to report pursuant to Te Ture Whenua Maori Land Act 1993 and its Trust Order as set out later in this report.

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 2022, 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 2022 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.

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/>. The audit engagement partner is Fred Cookson.

Other Regulatory Matter – Te Ture Whenua Maori Land Act 1993

Maori land is vested in Tiki Te Kohu Ruamano 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 2nd August 2013.

**Cookson Forbes & Associates Ltd***Chartered Accountants*

96 Waioweka Road
OPOTIKI, New Zealand

31th August 2022

Directory

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

Nature of business

Land lease and investments

Postal address

PO Box 1712, Rotorua

Trustees

John Naera (Chairman)

Dave Waaka

Robert Pirika

Marita Ranclaud

Michael Naera

Accountants

GHA Ltd

Chartered Accountants

PO Box 1712, Rotorua

Auditors

Cookson Forbes & Associates

Chartered Accountants

PO Box 541, Opotiki

Statement of Profit or Loss and Other Comprehensive Income

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
Income			
Investment income	5	46,719	44,251
Rental income	6	159,584	159,586
Total Income		206,303	203,837
Expenses			
Administration expenses	7	76,483	69,792
Governance expenses	8	15,883	15,903
Depreciation of property, plant and equipment	14	3,659	5,630
Total Expenses		96,025	91,325
Operating Profit		110,278	112,512
Other items			
Share of profit from Hononga LP	15	-	18,445
Realised gain on sale of available-for-sale financial assets	13	12,742	1,349
Urupa Maintenance		(3,000)	(3,000)
		9,742	16,794
Profit before tax		120,020	129,306
Income tax expense	10	(17,084)	(20,508)
Profit for the year		102,936	108,799
Other comprehensive income and expense			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of available-for-sale financial assets	13	(72,515)	300,663
		(72,515)	300,663
Total Comprehensive income and expense for the year		30,421	409,462



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


Statement of Financial Position

Tiki Te Kohu Ruamano Trust

As as 31 March 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	11	103,439	1,123,916
Accounts receivable	12	-	4,243
Total Current assets		103,439	1,128,159
Non-current assets			
Investment in managed portfolio fund	13	2,330,695	1,362,365
Property, plant and equipment	14	3,500,432	3,504,091
Total Non-current assets		5,831,127	4,866,456
Total Assets		5,934,566	5,994,615
Liabilities			
Current liabilities			
Accounts payable	15	68,850	57,678
GST payable		4,404	5,012
Unclaimed dividends		105,600	105,600
Income tax payable	10	(6,345)	12,361
Total Current liabilities		172,510	180,652
Non-current liabilities			
Unclaimed dividends		441,739	394,767
		441,739	394,767
Total Liabilities		614,249	575,418
Net assets		5,320,317	5,419,196
Equity			
Funds settled		330,500	330,500
Capital reserves		732,033	732,033
Assets revaluation reserves	16	3,722,098	3,794,613
Retained earnings		535,686	562,050
Total Equity		5,320,317	5,419,196

For and on behalf of the Board of Trustees


Trustee
Date: 13/09/22




Trustee

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 2022

	Notes	Funds Settled	Capital Reserves	Reserves	Retained Earnings	Total Equity
		\$	\$	\$	\$	\$
Opening balance 1 April 2021		330,500	732,033	3,794,613	562,050	5,419,196
Net Profit for the year		-	-	-	102,936	102,936
Other comprehensive income		-	-	(72,515)	-	(72,515)
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	9	-	-	-	(23,700)	(23,700)
Closing equity 31 March 2022		330,500	732,033	3,722,098	535,686	5,320,317
Opening balance 1 April 2020		330,500	732,033	3,493,950	659,793	5,216,276
Net Profit for the year		-	-	-	108,799	108,799
Other comprehensive income		-	-	300,663	-	300,663
Prior Period Adjustment	21	-	-	-	(42,444)	(42,444)
Payment of dividends		-	-	-	(105,600)	(105,600)
Payment of grants	9	-	-	-	(58,498)	(58,498)
Closing equity 31 March 2021		330,500	732,033	3,794,613	562,050	5,419,196



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 2022

1. General information

The financial report includes the financial statements and notes of Tiki Te Kohu Ruamano Trust for the year ended 31 March 2022.

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 31 August 2022.

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 2022



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 2022



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 2022

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 2022

	Notes	2022 \$	2021 \$
5 Investment income			
PIE income		10,551	11,070
Interest received		2,857	15,210
Dividends received		33,311	17,971
Total Investment income		46,719	44,251
6 Rental income			
BP - Lot 1		49,080	49,082
BP - Lot 2		42,504	42,504
E Schuster Est - Lot 3 & 4		16,000	16,000
Stateway - Section 1		28,000	28,000
Stateway - Section 2		24,000	24,000
Total Rental income		159,584	159,586
7 Administration expenses			
Accounting fees		19,200	19,200
Advertising		1,144	-
AGM expenses		-	3,324
Audit fees		3,300	3,300
Consultancy		-	1,000
Investment management fees		13,038	8,765
Legal expenses		81	-
Printing, stamps and stationary		1,146	1,037
Repairs and maintenance		1,181	-
Secretarial fees		19,000	19,000
Share register		12,000	9,000
Valuation fees		2,000	-
Other expenses		4,393	5,165
Total Administration expenses		76,483	69,792
8 Governance expenses			
Trustee fees	17	13,875	15,375
Trustee expenses		500	500
Trustee travel		1,508	28
Total Governance expenses		15,883	15,903



Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
9 Grants paid			
Grants paid recorded directly in equity			
Education grants		3,000	2,500
Health grants		-	598
Kaumatua grants		20,700	19,800
Marae grants		-	35,000
Tangi grants		-	600
Total Grants paid from equity		23,700	58,498
Total Grants Paid		23,700	58,498
In 2021 marae grants were reflected on the Profit & Loss. This has been restated to equity to make treatment of all grants consistent.			
10 Income tax			
Profit before income tax		120,020	93,803
<i>Plus/(less) adjustments</i>			
Non-taxable income		(9,642)	11,069
Other adjustments		23,660	28,774
Taxable income		134,038	133,646
Income tax using Maori Authority tax rate of 17.5%		23,457	23,388
Less Imputation credits		(6,373)	(2,880)
Income tax expense		17,084	20,508
Plus opening balance		12,361	21,338
Less withholding tax paid		(5,578)	(6,394)
Less terminal tax paid		(14,006)	(2,080)
Less provisional tax paid		(14,160)	(20,383)
Less other tax credits		(2,046)	(627)
Total tax to be (refunded) / paid		(6,345)	12,361
Maori Authority Credit Account			
Opening Balance		160,698	349,871
Plus provisional tax paid		14,160	20,383
Plus terminal tax paid		14,006	2,080
Plus RWT paid		5,578	6,394
Plus imputation credits		6,373	2,880
Less; credits attached to dividends		-	(18,400)
Less: Prior Period Adjustment	21	-	(202,510)
Closing Balance		200,815	160,698



Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
11 Cash and cash equivalents			
Cash at bank - NZD		103,439	1,123,916
Cash in term deposits - NZD		-	-
Total Cash and cash equivalents		103,439	1,123,916
12 Accounts Receivable			
Hononga LP Distribution Receivable		-	4,243
Total Trade and other receivables		-	4,243
13 Investment in managed portfolio fund			
<i>Craigs Investment Partners</i>			
Balance at the beginning of the year		1,362,365	1,046,344
Contributions		1,000,000	218
Withdrawals		(1,218)	-
Net investment revenue received		29,321	13,791
Realised gains (losses)		12,742	1,349
Change in fair value		(72,515)	300,663
Balance at the end of the year		2,330,695	1,362,365

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 2022

14 Property, plant and equipment

	Land	Land Improvements	Office Equipment	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 Apr 2020	3,490,000	18,792	5,256	24,962	3,539,010
Additions	-	-	1,806	-	1,806
Balance at 31 March 2021	3,490,000	18,792	7,062	24,962	3,540,816
Balance at 31 March 2021	3,490,000	18,792	7,062	24,962	3,540,816
Balance at 31 March 2022	3,490,000	18,792	7,062	24,962	3,540,816
	Land	Land Improvements	Office Equipment	Plant & Equipment	Total
		\$	\$	\$	\$
Accumulated depreciation					
Balance at 1 Apr 2020	-	10,837	5,076	15,183	31,096
Depreciation Expense	-	795	1,029	3,805	5,629
Balance at 31 Mar 2021	-	11,632	6,105	18,988	36,725
Balance at 31 Mar 2021	-	11,632	6,105	18,988	36,725
Depreciation expense	-	716	642	2,301	3,659
Balance at 31 March 2022	-	12,348	6,747	21,289	40,384
Net book amount at 31 March 2021	3,490,000	7,160	957	5,974	3,504,091
Net book amount at 31 March 2022	3,490,000	6,444	315	3,673	3,500,432

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 2022

	2022 \$	2021 \$
15 Trade and other payables		
Trade payables	10,340	45,168
PAYE payable	495	289
Putea Trust	1,555	1,555
Rent in advance	56,460	10,666
Total Trade and other payables	68,850	57,678
16 Reserves		
Property revaluation reserve	3,159,500	3,159,500
AFS assets revaluation reserve	635,113	635,113
Total Reserves	3,794,613	3,794,613
<u>Property revaluation reserve</u>		
Balance at the beginning of the year	3,159,500	3,159,500
Balance at end of the year	3,159,500	3,159,500
<u>AFS assets revaluation reserve</u>		
Balance at the beginning of the year	635,113	334,450
Increase due to changes in fair value	-	300,663
Balance at end of the year	635,113	635,113

17 Related party transactions

Transactions with related parties are as follows.

	2022	2021	2022	2021
<u>Trustee fees paid</u>	Attendance	Attendance	\$	\$
John Naera	11	11	4,125	4,125
Michael Naera	9	11	2,250	2,750
Robert Pirika	11	11	2,750	2,750
Marita Ranclaud	9	11	2,250	2,750
Jessie Simon	-	2	-	500
Dave Waaka	10	10	2,500	2,500
			13,875	15,375



Notes to the Financial Statements

Tiki Te Kohu Ruamano Trust

For the year ended 31 March 2022

18 Contingent liabilities

There are no known material contingent liabilities at year end (2021: \$Nil).

19 Commitments for expenditure

There are no capital commitments at balance date (2021: \$Nil).

20 Events after the balance date

There have been no events subsequent to balance date that would have material impact on these financial statements (2021: \$Nil).

21 Prior Period Adjustments

There have been no prior period adjustments made.

(2021: 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. An adjustment of \$42,444 was made which reconciles the two systems.

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.)

