

Te Manawa O Ngāti Kuri Trust

Consolidated Summary Financial Statements

for the year ended 30 September 2014

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Te Manawa O Ngāti Kuri Trust and subsidiaries

Consolidated and Parent Statement of Financial Performance

For the Year Ended 30 September 2014

	Group	
	2014	2013
	\$	\$
Revenue		
Sales - Livestock. Produce and merchandising	1,048,997	666,713
Negotiators, OTS and CFRT	168,275	634,967
Nga Puna O Ngāti Kuri - MoE	76,820	65,846
Te Kupenga Trust Fund		38,268
Fisheries ACE	62,055	170,555
Beehive income	40,506	21,759
Grazing income	86,387	53,184
Rental income	29,345	12,850
Camp Ground contract	12,000	10,000
Sundry income	38,446	22,160
Bank interest received	196,622	21,746
AFL Dividends - cash	-	48,380
AFL Dividends - bonus issue	-	977,829
Total income	1,759,453	2,744,257
Less Direct Costs		
Opening stock	655,717	1,127
Purchases	1,756,127	801,931
Closing stock	(2,373,956)	(655,717)
Negotiators costs	137,978	61,124
Nga Puna O Ngāti Kuri - MoE	67,202	113,068
Camp Ground expenses	10,000	6,956
Farming expenses	397,723	245,904
Total Direct Costs	650,791	574,393
Less Expenses		
Trustee costs	45,240	47,600
Meeting and AGM expenses	53,367	42,373
Wages	454,468	306,506
Ngāti Kuri Education Fund	20,750	11,000
Discretionary Donations and Koha	10,795	9,200
Consultants	7,920	18,837
Audit fee	19,979	13,929
Legal costs	14,269	36,343
Finance costs	680,628	283,887
Advertising	21,910	1,790
Travelling expenses	5,803	5,539
Depreciation	152,421	85,262
Other operating costs	334,695	188,342
Other administration expenses	54,666	26,256
Total Direct Costs and Expenses	2,527,702	1,651,257
(Deficit)/surplus before tax and extraordinary income	(768,249)	1,093,000
Subvention payment	-	-
Taxation	(10,046)	(184,191)
Extraordinary income - settlement monies	10,812,500	-
Net Surplus	10,034,205	908,809

Te Manawa O Ngāti Kuri Trust and subsidiaries

Statement of Financial Position

As at 30 September 2014

	Group	
	2014	2013
	\$	\$
Current Assets		
Cash & Bank Balances	620,443	154,009
Accounts Receivable	4,433	59,553
Income Tax Receivable	14,778	-
GST Receivable	37,156	21,974
Prepayments	6,793	7,963
Accrued income	142,935	98,306
Livestock and other inventories	2,373,956	655,717
Term deposits	8,825,648	700,000
Total Current Assets	12,026,142	1,697,522
Current Liabilities		
Bank Overdrafts	456,144	347,236
Payables & Accruals	125,636	125,724
Current Portion of Term Liabilities	23,500	23,500
GST Payable	40,915	11,166
Total Current Liabilities	646,195	507,626
Working Capital	11,379,947	1,189,896
Non Current Assets		
Fixed assets	15,526,818	15,562,019
Investments	3,863,494	3,863,251
Intercompany loans	-	-
Total Non Current Assets	19,390,312	19,425,270
Non Current Liabilities		
Term Loans - Secured	10,207,388	10,086,500
Intercompany loans	-	-
Total Non Current Liabilities	10,207,388	10,086,500
Net Assets	20,562,871	10,528,666
Equity		
Trust capital	20,562,871	10,528,666
Retained earnings	-	-
Total Equity	20,562,871	10,528,666

Te Manawa O Ngāti Kuri Trust and subsidiaries

Consolidated and Parent Statement of Movements in Equity

For the Year Ended 30 September 2014

	Trust Capital \$	Retained Reserves \$	Total Equity \$
Group 2013			
Balance at 1 October 2012	6,852,805	2,767,052	9,619,857
Profit / (loss) for the year	-	908,809	908,809
Balance at 30 September 2013	<u>6,852,805</u>	<u>3,675,861</u>	<u>10,528,666</u>
Group 2014			
Balance at 1 October 2013	6,852,805	3,675,861	10,528,666
Profit / (loss) for the year	-	(778,295)	(778,295)
Settlement monies received		10,812,500	10,812,500
Balance at 30 September 2014	<u>6,852,805</u>	<u>13,710,066</u>	<u>20,562,871</u>

1 Statement of Accounting Policies

Reporting Entity

Te Manawa O Ngāti Kuri operates as a Trust. The financial statements of Te Manawa O Ngāti Kuri are general purpose financial statements which have been prepared according to generally accepted accounting practice.

The financial statements of the group have been prepared in accordance with the Financial Reporting Act 1993.

Te Manawa O Ngāti Kuri Trust and its subsidiaries are mandated Iwi Organisations and Iwi aquaculture organisations. The trading subsidiaries are also involved in farming activities.

Statement of Compliance and Basis of Preparation

The Financial Statements of Te Manawa O Ngāti Kuri Trust and its subsidiaries have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The group qualifies for differential reporting as it is not publicly accountable and there is no separation between the owners and the governing body. The Trust has taken advantage of available differential reporting exemptions.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on an historical cost basis are followed by the company. The information is presented in New Zealand dollars, and rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Consolidated Financial Statements

The financial statements incorporate the financial statements of the Parent and all subsidiaries (these are entities controlled by the Parent and significant subsidiaries). Control is achieved where the Parent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All significant inter-company transactions are eliminated on consolidation. Subsidiaries' accounting policies are consistent with the policies adopted by the Group. The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(b) Comparative figures

Te Manawa O Ngāti Kuri Trust came into existence in 2014. Before this the Group was controlled by Ngāti Kuri Trust Board which is now controlled by the Trust. The comparative figures show the same group for the prior year, but it was controlled by Ngāti Kuri Trust Board.

(c) Revenue

Revenue comprises the fair value of the consideration receivable for the sale of goods and services, excluding Goods and Services Tax.

(d) Monies received from the Office of Treaty Settlements and Crown Forestry Rental Trust

All monies received from the Office of Treaty Settlements, Crown Forestry Rental Trust and the Ministry of Justice are recognised on a receipts basis.

(e) Expenses

Expenses have been classified on their business function.

Te Manawa O Ngāti Kuri Trust and subsidiaries

Notes to the Financial Statements (continued)

For the Year Ended 30 September 2014

(f) Livestock and other inventories

Livestock is valued at market values in accordance with the terms of Section EC25 of the Income Taxes Act 2007. All other inventories are valued at the lower of cost and net realisable values.

(g) Accounts Receivable

Trade Receivables are recognised at estimated realisable value.

(h) Accounts payable

Trade payables are recognised at fair value and are classified as current liabilities if payment is due within one year.

(i) Fixed assets

Fixed assets are recognised at Cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Land & Buildings: 0-20% Straight Line

Motor Vehicles: 8.5 - 25% Diminishing Value

Plant & Equipment: 7-67% Straight Line & Diminishing Value

Furniture & Fittings: 10.5-67% Straight Line & Diminishing Value

Iwi Logo: 16.5% Straight Line

(j) Income Tax

The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(k) Quota shares

Quota shares are treated as an asset with an indefinite life, as the shares are issued under the Quota Management System, which is based on the concept of property rights in individual transferable quota. Quota shares purchased are recorded at cost. Quota shares are not amortised and are carried at cost less any accumulated impairment losses.

Impairment losses are recognised whenever the carrying amount of an asset exceeds its recoverable amount. Quota shares are tested for impairment annually or whenever there is an indication of impairment on an individual basis or at a cash-generating unit level. The indefinite life assessment is reviewed annually to determine whether it continues to be supportable.

(l) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(m) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.