

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP

**Annual Report
for the Year Ended 30 June 2015**

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**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

DIRECTORY

NATURE OF BUSINESS:	Iwi Charitable Trust	
IRD NUMBER:	50-912-914	
CHARITIES SERVICES REGISTRATION NUMBER	CC40643 (GROUP)	CC40634 (PARENT)
DATE OF REGISTRATION	08-06-2009	
TELEPHONE NUMBER:	07-3252726	
TRUSTEES-DELEGATES / HAPU-BENEFICIARIES-SETTLERS :	Grace Kemara Adelaide Waititi Stewart Butler Charlie Trinick Matetu Herewini (Chair) Astrid Tawhai Marcia Insley Con Te Rata Jones Miro Heurea Kerry Cameron	Tapaeururangi Kauaetangohia Pararaki Kahurautao Kaiaio Rutaia Nuku Tutawake Hikarukutai Haraawaka
CHIEF EXECUTIVE OFFICE:	Rikirangi Gage	
FISHERIES MANAGER:	Tiaki Parata	
ADMINISTRATION MANAGER:	Joe Ngatoro	
HEALTH & SOCIAL SERVICES MANAGER:	Pare Rata	(Resigned 31/07/2015)
FINANCE MANAGER:	Umesh Naik	
REGISTERED OFFICE:	Cyberwaka Building 102 St. John Street OPOTIKI	
AUDITORS:	Cookson Forbes & Associates Chartered Accountants 96 Waioweka Road OPOTIKI	
BANKERS:	Bank of New Zealand Church Street OPOTIKI	

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

DIRECTORY

SOLICITORS:

Dayle Takitimu
Corban Revell Lawyers
AUCKLAND

SUBSIDIARY COMPANIES

DIRECTORS

TRUST SHAREHOLDING

TWA Holding Company Limited

Rikirangi Gage
Jack Parata

100%

TWA Fishing Company Limited

Rikirangi Gage
Jack Parata

100%

TWA Health & Social Services Limited

Rikirangi Gage
Jack Parata

100%

TWA Holiday Park Limited

Rikirangi Gage
Jack Parata

100%

Cyberwaka Limited

Rikirangi Gage

100%

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP TE KAHA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Te Runanga o Te Whanau Trust (the Trust) was established under the Charitable Trusts Act 1957 (the Act). In accordance with the Act, the purpose of Te Runanga O Te Whanau is to advance the interests of Te Whanau a Apanui Iwi, individually and collectively. The Trust is registered with the Charities Services as a Group. Te Runanga o Te Whanau Charitable Trust Group comprises of the Trust and its following subsidiary companies:

TWA Holdings Limited, TWA Fishing Limited, TWA Health & Social Services Limited, TWA Holiday Park Limited and Cyberwaka Limited.

General accounting policies

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by the Trust. There have been no changes in Accounting Policies. All Accounting Policies have been applied on bases consistent with those used in the prior year.

Summary of Specific accounting policies

Basis of Preparation

The Trust is a reporting entity for the purposes of the Charitable Trusts Act 1957. The financial statements and the Group financial statements are presented in accordance with the Charitable Trusts Act 1957 and with New Zealand Generally Accepted Accounting Practice. The financial statements are for the year ended 30 June 2015.

Statement of Compliance

The financial statements comply with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Compliance with NZ IFRS ensures that the financial statements comply with International Financial Reporting Standards (IFRSs).

Basis of Measurement

The measurement and reporting of financial performance, movements in equity and financial position is based on historical cost, modified by the revaluation of certain assets. The financial statements are presented in New Zealand dollars (NZ\$). The functional currency is New Zealand dollars.

Use of Estimates and Judgments

The preparation of financial statements requires the management to make judgments, 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 these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

are recognised in the period in which the estimate is revised and in any future periods affected. Specific areas requiring significant estimates and judgments include impairment testing of intangible assets, financial instruments, Real Property and Investments.

Basis of Consolidation

Subsidiaries are entities in which the Trust has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits. The consolidated financial statements comprise the Trust and its subsidiary companies accounted for using the purchase method of consolidation. This involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant transactions between the group entities have been eliminated on consolidation. In the Trust financial statements, investments in subsidiaries are recognised at cost. Associated companies are companies over which the Trust has the capacity to exercise significant influence and has been consolidated using the process mentioned in accordance with NZ IAS 27.

Trust Equity and Reserves

Trust equity is made up of Accumulated retained earnings reserves, Asset revaluation reserves for various asset classes and equity in subsidiaries at cost.

Taxation

The Trust and its all following wholly owned subsidiary have been recognised as charitable organisation by the Charities Services and are therefore exempt from income tax:

- i TWA Holding Company Limited (Charities Services Registration No : CC40629)
- ii TWA Fishing Company Limited (Charities Services Registration No : CC40630)
- iii TWA Health & Social Services Limited (Charities Services Registration No : CC40632)
- iv TWA Holiday Park Limited (Charities Services Registration No : CC40633)
- v Cyberwaka Limited (Charities Services Registration No : CC40637)

The Trust has been granted group registration under the Charities Act 2005 to include all its subsidiaries as group members and The Trust as parent body. The Group is called Te Runanga o Te Whanau Charitable Trust Group.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated inclusive of GST.

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

Financial Assets

i) Receivables

Trade receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount less an allowance for any amount assessed to be uncollectable. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified.

ii) Financial Investments

The Group classifies its financial investments as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. These investments are recorded at fair value plus transaction costs that are directly attributable to the acquisition or issue of these financial assets and subsequently measured at amortised cost using the effective interest method. All the held-to-maturity investments are included as current assets on the basis that the investments are readily convertible to cash within seven days. Any gains and losses are recognised in the Income Statement when they arise.

Inventory Valuation

All inventories are valued at the lower of cost or net realisable value.

Investments in Subsidiaries

Investments in subsidiaries are stated at cost less impairment in the company.

Investments in Associates

Investments in associates are initially stated at cost and subsequently equity accounted, using the relevant share of the net equity value of the associate.

Intangible Assets

Intangible assets have an indefinite useful life and generate economic benefits beyond one year. Goodwill is stated at cost less impairment adjustment stated in the Statement of Changes in Equity.

Land and Buildings

Land and buildings are recorded at cost less depreciation and revalued to Quotable Value every three years. The last QV desktop valuation was undertaken in September 2013. The valuation base used is a departure from NZ IAS 16 which requires a fair value valuation based be used. The Trustees consider that the Quotable Value basis is adequate for reporting purposes. Any increase or decrease in value is allocated to the asset revaluation reserve. Investment properties are revalued in accordance with NZIFRS.

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

Property, Plant and Equipment

i) Initial Recording

The Trust has the following classes of property, plant and equipment:

Fishing Equipment
Office Equipment
Fixtures and Fittings
Vehicles
IT Hardware
Software

Property, plant and equipment are stated at cost, including costs directly attributable to bringing the asset to its operating condition, less accumulated depreciation and any impairment in value.

ii) Depreciation

Depreciation is calculated on either a straight-line basis on all property, plant and equipment, other than capital work in progress, at depreciation rates calculated to allocate the asset costs or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods depreciation rate ranges are:

Buildings	50 years	3%
Fishing Equipment	3 - 11 years	9.5% - 30%
Office Equipment	2 - 6 years	15% - 40%
Fixtures and Fittings	2 - 33 years	15% - 67%
Vehicles	3 - 10 years	13% - 30%
IT Hardware	2 - 3 years	40% - 50%
Kiwifruit Orchard Development	4 - 5 years	0%
Zespri Kiwi Gold license	10 years	0%

Leasehold improvements are depreciated over the earlier of their economic life or the term of the lease.

Asset residual values and useful lives are reviewed, and adjusted if appropriate, each reporting date.

Kiwifruit orchard development and Zespri Kiwi Gold license were not depreciated until the same time as the orchard become productive.

The 40' Double Hull Waka is reported at cost less depreciation.

Impairment

The carrying amounts of the Group's assets referred to below are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses directly reduce

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

the carrying amount of assets and are recognised in the Income Statement.

i) Impairment of Receivables

An impairment provision is recognised when there is objective evidence that the Trust will not be able to collect the receivable. A provision for bad doubtful debt has been applied to the amount owed by The Fishing Company Limited and reported in the Income Statement (LY).

ii) Financial Investments

Financial investments are assessed annually.

iii) Investment in Subsidiaries

Impairment is tested when there are indicators of impairment.

iv) Quota Shares

Quota shares are tested annually for impairment or when there are indicators of impairment. Any adjustments made to recognise impairment are reported in the Income Statement.

v) Property, Plant and Equipment

Impairment is tested when there are indicators of impairment.

vi) Treaty of Waitangi Costs

The negotiation costs have been accumulated at cost and will be reimbursed when settlement legislation is passed.

Leases

The Trust has entered into operating leases for certain fixed assets. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged to the income statement in the periods in which they are incurred.

Revenue Recognition

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

i) Interest Income

Revenue is recognised as the interest accrues using the effective interest method.

ii) Dividends

Revenue is recognised when the Trust's right to receive the payment is established.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

iii) Government Grants

Grants are recognised as revenue when the conditions associated with the grants have been fulfilled.

Financial Instruments

The Group may use derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates from time to time. Such derivative financial instruments are recorded at fair value. Derivatives are carried as assets in the Statement of Financial Position when their fair value is positive and as liabilities when their fair value is negative. Exposure to credit and interest risks arises in the normal course of the Group's operation.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Employee Benefits

All short term and long term obligations relating to employee legal entitlements related to leave are accrued and recognised in the Statement of Financial Position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at the reporting date.

Provisions made in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Cash and Cash Equivalents

Cash and bank balances in the Statement of Financial Position comprise cash in hand and cash at bank on call.

Change in Accounting Policies

There have been no significant or material changes in accounting policies since the last Group annual financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 NZ\$	2014 NZ\$
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<u>2. BANK ACCOUNTS</u>		
BANK CURRENT ACCOUNT WITH BNZ	72,343	26,488

The Group has an overdraft facility up to \$237,558 with BNZ on its various accounts. An inter-company guarantee is held by BNZ in favour of TWA Holding Company Ltd.

3. INLAND REVENUE DEPARTMENT

All statutory obligations have been fulfilled on time. The balance shown pertains to the latest assessments and have been paid on due dates.

PAYE, SLD, CSD & KIWISAVER - PAYABLE	18,729	24,203
GOODS & SERVICES TAX (GST) PAYABLE	11,862	4,097
	30,591	28,300

4. LICENCE - KIWI FRUIT "GOLD"

This licence represents payments made to purchase the licence of 6.16 ha Gold Kiwi Fruit from Zespri and is valued at cost.

PSA was found in a small section of the block. A decision was made to replace all Hort 16A variety with G3 variety in a most effective manner.

6.16 ha KIWI FRUIT GOLD (G3) LICENCES	163,961	163,961
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5. HEALTH AND SOCIAL SERVICES CONTRACTS

The Trust has a number of Health & Social Services contracts with various government authorities. These contracts have set terms and values. All of these are serviced by the subsidiary company TWA Health & Social Services Limited. The company continues to be a going concern on the basis of its ability to retain contract funding for the programmes noted below.

The commencement dates for each contract is as follows:

	START	END
1 Kaumatua	01/07/00	30/06/17
2 Mental Health - Co-Existing Disorder	01/10/10	30/06/17
3 Child, Adolescent and Youth A & D	01/01/12	30/06/17
4 Specialist Youth AOD	01/02/11	30/06/17
5 Mental Health - Adult Community Support	01/10/10	30/06/17
6 Community Transport	01/07/08	30/04/17
8 Youth At Risk Programme	01/07/00	30/06/17
9 Adult & Community Education	01/06/07	31/12/15

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 NZ\$	2014 NZ\$
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<u>6. TRUST CORPUS</u>		
Opening Balance	100	100
	100	100

7. GOVERNANCE COST

The governance cost is mainly to provide training to Board members, cover their mileage cost to attend Board Hui, sitting fees and honorarium.

Trustee Honorarium	28,774	33,789
Trustee Training	1,762	20,805
Trustee Travel	4,811	5,774
Trustee Secretary Expenses	2,700	2,735
Trustee Indemnity Insurance	4,102	3,499
Trustee Hui Arrangements	1,495	1,658
Total	43,644	68,261

8. TAXATION

The Trust and all its subsidiaries are registered as a group with the Charities Services. The Group has charitable purposes and is exempt from paying income tax subject to the conditions of its charitable status.

9. CONTINGENT LIABILITIES

At year end there is a contingent liability for a claim against the Trust by three hapu which are not affiliated to the Trust. The Trust will be required to pay these funds to the Trust if the claim is successful. The Trustees estimate the value of this contingent liability to be approximately \$300,000 at balance date.

The intercompany bank guarantee given to Bank of New Zealand from TWA Holding Co. Ltd. to TWA Fishing Co. Ltd & TWA Holiday Park Ltd.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	NZ\$	NZ\$

A National review of the earthquake prone building policy is presently being carried out based upon an approach of 5 years to complete the assessments and then 10 years to strengthen or demolish the earthquake prone buildings. A consultant was hired to carry out initial Evaluation Procedure for the seismic performance of two building owned by the Group in Opotiki. The assessment report shows that both buildings are at moderate risk. The early estimate for strengthening to the above ground structures is :

102 St. John Street : \$175,000 to \$225,000 + GST
95 Church Street : \$140,000 to \$170,000 + GST

As a result of the earthquake prone condition of the Church Street building, the insurance company has declined to provide replacement cover for the Church Street building. Currently this building is covered for its indemnity value only.

Iwi decided to resume Crown Negotiations to achieve it's Treaty Settlement and Foreshore and Seabed Settlement. There are no estimates done around the time and the cost to conclude the Crown Negotiations process. All the costs involved in the process would come from Runanga Cashflow.

10. CONTINGENT ASSET - TREATY OF WAITANGI SETTLEMENT ADVANCES

The Trust is engaged in treaty of Waitangi claim settlement negotiations with the crown. The trustees have resolved to forgo hapu distributions in order to resource the claim negotiation costs on behalf of Te Whanau A Apanui Iwi.

It is the intention of the Trustees to repay all advances from settlement proceeds once agreement has been reached with the crown. The total accumulated advances are capitalised "at cost" as a noncurrent asset in the Financial Statements as a future benefit can be expected to materialise after settlement of the claim. However, there is no guarantee that repayment will be made in part or full as no formal documentation exists with the Trust and Hapu entities.

The trustees will therefore review this treatment each year and amortise the total accumulated advance if thought necessary.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	NZ\$	NZ\$

11. RAPID REPAY FARMING LOAN

This overdraft facility has a maximum limit of \$140,789 as at 30th June 2015 (LY \$146,390) and on the term of monthly limit reduction. The current interest rate is 6.80%. It is secured by a debenture over the assets of the Company and guarantees from Te Runanga o Te Whanau Charitable Trust and TWA Fishing Company Limited.

Rapid Repay Farm Loan	\$1852	\$16657
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12. BNZ FARM FIRST TERM LOANS

TWA Holding Company Ltd borrowed money to assist with the purchase of 8.731 tonnes of CRA 2 fishing quota. Further the company has also borrowed money for the purchase of two buildings in Opotiki. The loans are secured over the following assets:

1. Debenture over the assets of the company.
2. Specific charge over all Cray and Wet fish quota owned by the company.
3. Specific charge over San Pietro fishing vessel.
4. Chattels charge over both boats' equipment and electronics etc.
5. Specific charge over land owned by the company.
6. Guarantee from Te Runanga o Te Whanau Charitable Trust \$1,751,000.
7. Unlimited guarantee from TWA Fishing Company Limited.
8. Debenture over the assets of TWA Fishing Company Limited.
9. Mortgage against the land & building at Opotiki

BNZ Term Loan (3025) : KiwiFruit Development	700000	400000
BNZ Term Loan (3024) : Plant & Equipment	179318	242561
BNZ Term Loan (3023) : Te Kaha Holiday Park	1155720	1247672
	\$2035038	\$1890233

The original loans were refinanced during the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	NZ\$	NZ\$

BNZ Term Loan - Account No 3023

Balance :	\$1,155,720
Repayments:	Monthly interest & principal repayments
Terms :	Maturity date 29/09/2017
Interest Rate :	Fixed interest rate @ 6.76%

BNZ Term Loan - Account No 3024

Balance:	\$179,318
Term:	Maturity Date 30/09/2016
Repayments:	Monthly interest & principal repayments
Interest Rate:	Fixed interest rate @ 6.34%

BNZ CARL Loan - Account No 3025

Balance :	\$700,000
Terms:	Lump sum repayment on 20th
Repayments:	Interest only on used CARL
Interest Rate	Floating interest rate @ 5.56%

As per the requirement of NZIFRS, current portion of all the term loans have been disclosed as short term loans under current liabilities as follows :

BNZ Loan - 3024	68503	71264
BNZ Loan - 3023	79634	63381
Term Loan in Current Liabilities	148137	134645

13. SHARES - TWA COMPANIES

This investment represents the cost of share capital in TWA companies.

Shares - TWA Holding Co. Limited	100	100
Shares - TWA Fishing Co. Limited	1000	1000
Shares - TWA Health & Social Services Limited	100	100
Shares - Cyberwaka Limited	100	100
Shares - Cyberwaka Enterprises Limited	-	50
Shares - TWA Holiday Park Limited	100	100
	1400	1450

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	NZ\$	NZ\$

14. FISHING QUOTA

All quota has been revalued to current market value as at 30 June 2015.

Quota - Bluenose (15.66T)	391600	328944
Quota - Crayfish (14.38 T)	6254865	5679705
Quota - Wetfish (Hapuku 5 T)	<u>100000</u>	<u>100000</u>
	<u>\$6746465</u>	<u>\$6108649</u>

15. RELATED PARTY TRANSACTIONS

There are inter-entity transactions within the Group that have occurred as part of the normal course of business. These transactions have occurred under conditions that are no more, or no less favorable than if the entities were not related.

The Trust Group employs salaried employees from within the iwi of Te Whanau a Apanui. Salaries are determined based on market rates and qualifications of the employee.

16. ASSET REVALUATION RESERVE

Assets' and Investments' revaluations have been recorded in the asset revaluation reserve. The Trustees' policy is to revalue assets and investments to their fair value - NZITQ and shares annually and real property three yearly.

17. CAPITAL COMMITMENTS

No capital expenditure is contracted or provided for as at balance date.

18. EVENTS SUBSEQUENT TO BALANCE DATE

There are no known events subsequent to balance date which have a material effect on these financial statements.

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	Cost	Revaluation	Accumulated Depreciation	Book Value
<u>19. FIXED ASSETS AT 30 JUNE 2015</u>				
Freehold Land	946000	-	-	946000
Land & Buildings	723965	-	284091	439874
Fishing Equipment	394101	-	320827	73274
Crayplant Operations	125378	-	81234	44144
Plant & Equipment	134494	-	105145	29349
Motor Vehicles	256981	-	169779	87202
Health Assets	115267	-	87889	27378
Housing Assets	19476	-	13552	5924
Training Assets	128809	-	104462	24347
The Kaha Holiday Park	1220340	-	217571	1002769
40' Double Hull Waka	178491	-	49471	129020
Kiwifruit Orchard Development WIP	948225	-	-	948225
Zespri Kiwi Gold Licence	163961	-	-	163961
	<u>\$5355489</u>	<u>-</u>	<u>\$1434021</u>	<u>\$3921468</u>

20. FIXED ASSETS AT 30 JUNE 2014

Freehold Land	946000	-	-	946000
Buildings	723965	-	265199	458766
Fishing Equipment	394101	-	312261	81840
Crayplant Operations	125378	-	67121	58257
Plant & Equipment	131828	-	94126	37702
Motor Vehicles	256981	-	138534	118447
Health Assets	115267	-	82490	32777
Housing Assets	19476	-	13169	6307
Training Assets	124684	-	101261	23423
Te Kaha Holiday Park	1220340	-	194039	1026301
40' Double Hull Waka	178491	-	42680	135811
Kiwifruit Orchard Development WIP	884414	-	-	884414
Zespri Kiwi Gold Licence	163961	-	-	163961
	<u>\$5284887</u>	<u>-</u>	<u>\$1310880</u>	<u>\$3974007</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 NZ\$	2014 NZ\$
<u>21. REVENUES DURING THE YEAR</u>		
Fishing Annual Catch Entitlement (ACE)	1120345	992598
Fishing Operation	306724	445262
Health & Social Services Contracts	969733	1023104
Te Kaha Holiday Park Receipts	1281256	1370133
IT Support Services Contracts	98119	132127
Interest Earned	3635	2804
Other Income	178101	264831
	<u>\$3957913</u>	<u>\$4230860</u>
<u>22. LESS : EXPENSES</u>		
COST OF SALES		
Wages & Salary	1459038	1499339
Materials & Other Direct Costs	1369148	1388710
	<u>2828186</u>	<u>2888049</u>
OTHER EXPENSES		
Audit Fees	10770	10434
ACC Levies	8712	9298
Electricity	57224	48808
Governance Cost	43644	68261
ICT Expenses	49111	48211
Insurance Premium	41613	50397
Printing & Stationery	17658	14051
Quota Lease Expenses	190692	158861
Repairs & Maintenance	24155	29478
Staff Training	11372	5091
Telecommunication Cost	24639	27445
Travelling Expenses	42580	34518
Vehicle Expenses	159834	181378
Legal Fees	16008	59135
Interest	133914	126075
Koha	51000	2790
Marae Koha	-	100000
Depreciation	123141	119038
Other Expenses	139820	198328
	<u>1145887</u>	<u>1291598</u>
TOTAL EXPENSES	<u>3974073</u>	<u>4179648</u>
<u>SURPLUS</u>	<u>(\$16160)</u>	<u>\$51212</u>

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CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note Ref	2015 NZ\$	2014 NZ\$
REVENUES	21	3957913	4230860
LESS EXPENSES	22	<u>3974073</u>	<u>4179647</u>
<u>NET SURPLUS FOR THE YEAR</u>		<u>(16160)</u>	<u>51212</u>
<u>LESS DISTRIBUTION TO HAPU:</u>			
Te Whanau a Haraawaka (Hawai)		-	-
Te Whanau a Kaiaio (Maungaroa)		-	-
Te Whanau a Kauaetangohia (Whangapaoa)		-	-
Te Whanau a Hikarukutai (Maraenui)		-	-
Te Whanau a Nuku (Omaio)		-	-
Te Whanau a Kahurautao (Pahaoa)		-	-
Te Whanau a Tapaeururangi (Potaka)		-	-
Te Whanau a Ruataia (Otuwhare Marae)		-	-
Te Whanau a Pararaki (Maru o Hinemaka Marae)		-	-
Te Whanau a Tutawake (Whitianga)		-	-
		<u>-</u>	<u>-</u>
<u>NET SURPLUS AFTER HAPU DISTRIBUTIONS</u>		<u>(\$16160)</u>	<u>\$51212</u>

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

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 NZ\$	2014 NZ\$
<u>OPENING EQUITY INCLUDING SUBSIDIARY COMPANIES AT THE BEGINNING OF THE YEAR</u>	8463761	9701662
<u>NET SURPLUS (DEFICIT)</u>	(16160)	51212
Add/Less:		
Revaluation During the year		
Revaluation of Land	-	(486000)
Revaluation of Investment in Quota	637816	(747826)
Goodwill Impairment account	(56000)	(56000)
Past Negotiations costs Capitalised	567764	-
Revaluation of Shares	<u>7776</u>	<u>713</u>
Revaluation Reserve Account	1157356	(1289113)
<u>CLOSING EQUITY AT THE END OF THE YEAR</u>	<u>\$9604957</u>	<u>\$8463761</u>

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

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

**CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2015**

	Note Ref	2015 NZ\$	2014 NZ\$
<u>CURRENT ASSETS</u>			
Bank Current Accounts	2	72343	26488
BNZ Rapid Repay Account	11	1852	16657
Closing Stock		53141	62004
Trade and Other Receivables		<u>194867</u>	<u>175285</u>
			322203
			280434
<u>NON CURRENT ASSETS</u>			
FIXED ASSETS			
Land & Improvements		946000	946000
Buildings		439874	458766
Fishing Equipment		73274	81840
Crayplant Operations		44144	58257
Plant & Equipment		29349	37702
Vehicles		87202	118447
Health Assets		27378	32777
Housing Assets		5924	6307
Cyberwaka Enterprizes		24347	23423
Te Kaha Holiday Park		1002769	1026301
40' Double Hulled Waka		129020	135811
Kiwifruit Orchard WIP		948225	884414
Zespri Gold - Kiwifruit Licence	4	<u>163961</u>	<u>163961</u>
	19	3921468	3974007
NZITQ QUOTA SHARES			
Fishing Quota	14	<u>6746465</u>	<u>6108649</u>
TREATY OF WAITANGI			
Settlement Advances	10	<u>986156</u>	<u>331277</u>
		<u>7732621</u>	<u>6439926</u>
			11654089
			10413933
<u>INVESTMENTS</u>			
IN SHARES			
Shares - TWA Companies	13	1400	1400
Shares - Associate Companies	13	-	50
Shares (7005)- Horizon Energy (Quoted)		30892	23117
Shares (1803) - Farmlands Trading Society		<u>1803</u>	<u>1745</u>
			34095
			26312
<u>INTANGIBLE ASSETS</u>			
Goodwill - Te Kaha Holiday Park		<u>-</u>	<u>56000</u>
			-
			56000
<u>TOTAL ASSETS</u>		<u>\$12010387</u>	<u>\$10776679</u>

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

**TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA**

**CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2015**

	Note Ref	2015 NZ\$	2014 NZ\$
<u>CURRENT LIABILITIES</u>			
Creditors for Goods & Services		98915	179164
HR Accumulation Liability		92748	80577
Inland Revenue Department	3	30591	28300
Term Loans - Current Portion	12	<u>148137</u>	<u>134645</u>
		370392	422685
<u>TERM LIABILITIES</u>			
Term Loans from BNZ	12	<u>2035038</u>	<u>1890233</u>
		<u>2035038</u>	<u>1890233</u>
<u>TOTAL LIABILITIES</u>		<u>\$2405430</u>	<u>\$2312918</u>
<u>NET ASSETS</u>		<u>\$9604957</u>	<u>\$8463761</u>
REPRESENTED BY:			
Retained Earnings		4816287	4832447
Asset Revaluation Reserve		4787170	3629814
Equity including Subsidiary Companies		<u>1500</u>	<u>1500</u>
<u>TRUST EQUITY</u>		<u>\$9604957</u>	<u>\$8463761</u>

For and on behalf of the Board

Signature 
CEO


CHAIRPERSON

Designation _____

Date 21/10/2015

21/10/2015

TE RUNANGA O TE WHANAU CHARITABLE TRUST GROUP
TE KAHA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015

	Note Ref	2015 NZ\$	2014 NZ\$
<u>Operating Activities</u>			
Cash Receipts from Customers		6872034	6697894
Cash Paid to Suppliers		5252320	(5033169)
Payment to Employees & Governance		(1516740)	(1567600)
Total Operating Cash Flows		<u>102974</u>	<u>97125</u>
Interest & Dividend Received		4766	3855
Interest Paid		134873	(126075)
Total Interest and Taxation Cash Flow		<u>(130107)</u>	<u>(122220)</u>
<u>Net Cash from Operating Activities</u>		<u>(27133)</u>	<u>(25095)</u>
<u>Investing Activities</u>			
Kiwifruit Development		(63811)	(97287)
Fixed Assets Addition/Disposal		(15486)	(119076)
Kiwifruit Licence		(10240)	(3520)
<u>Net Cash used in Investing Activities</u>		<u>(89537)</u>	<u>(219883)</u>
<u>Financing Activities</u>			
Distribution Paid		0	0
Term Deposit (net)		0	0
Advances (net)		6018	6972
Repayment of Term Debts (Net)		141703	179576
<u>Net Cash from Financing Activities</u>		<u>147721</u>	<u>186548</u>
<u>Net (Decrease)/Increase in Cash and Cash Equivalents</u>		<u>31051</u>	<u>(58430)</u>
Cash and Cash Equivalents at the beginning of the year		<u>43145</u>	<u>101576</u>
Cash and Cash Equivalents at the end of the year made-up as			
BNZ Rapid Repay Account	11	1852	16657
BNZ Current Accounts	2	72343	26488
<u>Cash and Cash Equivalents at the end of the year</u>		<u>74196</u>	<u>43146</u>

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

COOKSON FORBES & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the beneficiaries of Te Runanga O Te Whanau Charitable Trust Group

Report on the Financial Statements

We have audited the group financial statements of Te Runanga O Te Whanau Charitable Trust on pages 3 to 21. The group financial statements comprise the consolidated balance sheet as at 30 June 2015 and the consolidated income statement, statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Trust interests in the following wholly owned subsidiaries and associate are consolidated into the group financial statements;

**Te Runanga O Te Whanau Trust
TWA Holding Company Ltd
TWA Fishing Company Ltd
TWA Holiday Park Ltd
TWA Health & Social Services Ltd
Cyberwaka Ltd**

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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

COOKSON FORBES & ASSOCIATES

CHARTERED ACCOUNTANTS

accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We have complied with the independence requirements of the New Zealand Institute of Chartered Accountants in conducting the audit. Other than in our capacity as auditor we have no other relationship with or interests in, neither Te Runanga O Te Whanau Charitable Trust nor any of its subsidiaries and associate.


Opinion

In our opinion the group financial statements of Te Runanga O Te Whanau Charitable Trust on pages 3 to 21:

- Comply with generally accepted accounting practice in New Zealand;
- Give a true and fair view of the financial position of the trust as at 30 June 2015 and of its financial performance for the year ended on that date.
- Have been audited pursuant to the Trust Deed.

Emphasis of Matter – NZ IAS 16: Land & Buildings Valuation

Without modifying our opinion, we considered the adequacy of the disclosures made in note 1 on page 5 concerning the valuation of Land & Buildings to Quotable Value at September 2013. This is a departure from NZ IAS 16 as Quotable Value is not considered a fair value Valuation basis. We consider the disclosures to be adequate and comment that it has no bearing on the performance results of the entity.



Chartered Accountants
96 Waioweka Road
OPOTIKI

21st October 2015