

Financial Statements

Heretaunga Tamatea Settlement Trust
For the 15 months ended 30 June 2023

Prepared by Adapt Accounting Limited

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Directory

Heretaunga Tamatea Settlement Trust For the 15 months ended 30 June 2023

Nature of Business

Post settlement governance entity for Heretaunga Tamatea established to receive the redress negotiated by He Toa Takitini in settlement of the historical treaty grievances of Heretaunga Tamatea against the Crown.

Date of Formation

30 June 2015

IRD Number

118-164-415

Trustees

as at 30 June 2023

Elizabeth Graham	Pukehou Marae
Cordry Huata	Mangaroa Marae
Erin Sandilands	Te Whatuiapiti Marae
Tanira Te Au (replaced by Elizabeth Munroe as at 1 July 2023)	Houngarea Marae
Teiti Hapuku	Kahuranaki Marae
Tuakana August	Kairakau Marae
Margaret McGuire	Kohupatiki Marae
Laura Kele	Korongata Marae
Papara Carroll	Matahiwi Marae
Kohine Rata (replaced by Jenny Nelson-Smith as at 1 July 2023)	Mataweka Marae
Gilvrey Mohi	Mihiroa Marae
Renata Hakiwai	Omahu Marae
Robin Hape	Pourerere Marae
Brian Morris	Rakautatahi Marae
Keri Ropiha (replaced by Ahuriri Houkamau as at 1 July 2023)	Rongomaraeroa Marae
Pohatu Paku	Ruahapia Marae
Noel Berney	Runanga Marae
Waireamana Kara	Te Tapairu Pa Marae
Kane Koko	Taraia Marae
Natasha Hanara (replaced by Nathan Hanara as at 1 July 2023)	Te Awhina Marae

John-Barry Smith (replaced by Huria Heperi as at 1 July 2023)	Te Rongo a Tahu Marae
Wikitoria Osborne (replaced by Horiana Williams as at 1 July 2023)	Waimarama Marae
Ngahiwi Tomoana	Waipatu Marae

Beneficiaries

Members of "Heretaunga Tamatea" as defined in the Trust Deed

Bankers

BNZ
Hastings

Accountant

Adapt Accounting Limited
Level One
8 Porter Drive
Havelock North 4130

Auditors

Bay Audit & Accounting Limited
Napier

Solicitors

Baden Vertongen
Wellington
Greenwood Roche
Wellington

Approval of Financial Report

Heretaunga Tamatea Settlement Trust For the 15 months ended 30 June 2023

The Trustees are pleased to present the approved financial report including the historical financial statements of Heretaunga Tamatea Settlement Trust for period ended 30 June 2023.

APPROVED

For and on behalf of the Trustees




Trustee

Date 24/10/23



Trustee

Date 24/10/23



Trustee

Date 24.10.2023

Statement of Comprehensive Income

Heretaunga Tamatea Settlement Trust For the 15 months ended 30 June 2023

	NOTES	2023	2022
Revenue			
Revenue	8	1,424,951	727,486
Total Revenue		1,424,951	727,486
Expenses			
Administrative expenses	9	2,894,433	1,992,781
Property expenses	10	100,916	55,204
Depreciation	18	91,839	59,057
Loss on Sale of Fixed Assets		245,982	7,704
Total Expenses		3,333,171	2,114,746
Operating loss before financing costs		(1,908,220)	(1,387,260)
Net finance income			
Finance income	11	951,244	782,445
Finance costs	12	35,374	-
Loss before income tax		(992,350)	(604,815)
Taxation and Adjustments			
Income Tax Expense		183,275	214,967
Total Taxation and Adjustments		183,275	214,967
Net Loss for the period		(1,175,626)	(819,782)
Changes in the fair value of instruments through other comprehensive income			
Changes in Fair Value of Investment Properties		1,385,512	-
Changes in Fair Value of Investments		(754,330)	(225,000)
Total Changes in the fair value of instruments through other comprehensive income		631,182	(225,000)
Net Loss for the period		(544,444)	(1,044,782)

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

Heretaunga Tamatea Settlement Trust
For the 15 months ended 30 June 2023

	NOTES	2023	1 APRIL 2022 (RESTATED)	2022
Trust Capital				
Opening Balance		84,639,989	-	-
Opening Balance (transition year)		-	85,684,771	85,684,771
Profit / (Loss) for the Year				
Current year earnings		(544,444)	(1,073,448)	(1,044,782)
Total Profit / (Loss) for the Year		(544,444)	(1,073,448)	(1,044,782)
Total Trust Capital		84,095,545	84,611,323	84,639,989

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

Heretaunga Tamatea Settlement Trust

As at 30 June 2023

	NOTES	30 JUN 2023	1 APRIL 2022 (RESTATED)	31 MAR 2022
Assets				
Current Assets				
Cash and Cash equivalents	13	11,402,976	75,191,079	75,191,079
Term Deposits	14	7,500,000	-	-
Trade and Other Receivables	15	249,005	138,067	138,067
Inventories	17	6,225,120	5,054,733	5,068,583
Income Tax Receivable	4	18,597	-	-
Deferred Tax	4	945	-	-
Related Party Receivables	16	-	15,238	15,238
Right-of-use asset	26	10,677	296,453	-
Lease Asset	26	25,580	207,490	-
Total Current Assets		25,432,900	80,903,060	80,412,967
Non-Current Assets				
Investment in Shares & Managed Fund	20	53,042,387	1,730,769	1,730,769
Property, Plant and Equipment	18	812,688	403,566	403,566
Investment Property	19	5,956,680	5,026,558	5,041,374
Investments in Associates	21	8,576,741	7,745,667	7,745,667
Investment at Fair Value	22	999,766	-	-
Lease Assets	26	181,911	-	-
Right of use assets	26	256,683	-	-
Total Non-Current Assets		69,826,855	14,906,560	14,921,376
Total Assets		95,259,755	95,809,620	95,334,343
Liabilities				
Current Liabilities				
Trade and Other Payables	24	225,927	124,057	124,057
Income Received in Advance	24	83,356	63,099	63,099
Income Tax Payable	4	-	33,292	33,292
Employee Entitlements	23	56,478	49,719	49,719
Loans	25	600	1,187	1,187
Lease Liability	26	189,267	503,943	-
Right-of-Use Asset	26	18,715	-	-
Total Current Liabilities		574,343	775,297	271,354
Non-Current Liabilities				
Provisions	30	10,323,000	10,423,000	10,423,000
Lease Liability	26	78,092	-	-
Right-of-use-Assets	26	188,776	-	-
Total Non-Current Liabilities		10,589,868	10,423,000	10,423,000
Total Liabilities		11,164,210	11,198,297	10,694,354

These financial statements should be read in conjunction with the notes to the financial statements.

	NOTES	30 JUN 2023	1 APRIL 2022 (RESTATED)	31 MAR 2022
Net Assets		84,095,545	84,611,323	84,639,989
Equity				
Accumulated Funds		84,095,545	84,611,323	84,639,989
Total Equity		84,095,545	84,611,323	84,639,989

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

Heretaunga Tamatea Settlement Trust For the 15 months ended 30 June 2023

	2023	2022
Cash flows from operating activities		
Donations, grants, koha and other similar receipts	464,618	31,760
Interest, Dividends and other investments receipts	951,010	1,405,705
Cash receipts from providing goods or services	68,076	53,148
GST	(51,820)	13,658
Income tax paid	(236,110)	(143,480)
Payments to suppliers	(1,602,649)	(371,945)
Payments to employees and trustees	(1,221,652)	(1,241,878)
Total Cash flows from operating activities	(1,628,527)	(253,032)
	2023	2022
Cash flows from investing and financing activities		
Payments to development costs	(1,102,411)	-
Payments to acquire property, plant and equipment	(330,863)	(1,643,191)
Investment in Managed Fund	(52,125,949)	-
Investment in Puai Tangaroa Limited Partnership	(999,766)	-
Loan repayments for property, plant and equipment	(587)	1,187
Payments on Deed of settlement provisions	(100,000)	(9,610,000)
Total Cash flows from investing and financing activities	(54,659,576)	(11,252,004)
	2023	2022
Net Increase / (Decrease) in Cash		
Net Increase / (Decrease) in Cash	(56,288,103)	(11,505,035)
Total Net Increase / (Decrease) in Cash	(56,288,103)	(11,505,035)
	2023	2022
Cash Balances		
Cash and cash equivalents at beginning of period	75,191,079	86,696,114
Cash and cash equivalents at end of period	18,902,976	75,191,079
Net change in cash for period	(56,288,103)	(11,505,035)

Notes to the Financial Statements

Heretaunga Tamatea Settlement Trust For the 15 months ended 30 June 2023

1. Reporting Entity

Heretaunga Tamatea Settlement Trust (the "Trust") is a Trust domiciled in New Zealand and was established as the Post Settlement Governance Entity (PGSE) to receive the settlement redress from the Crown as part of the historical claim made under the Treaty of Waitangi. The financial statements comprising of the Trust and its controlled entities (together the "Group") are outlined in Note 3.

The trust was established by a trust deed dated 30 June 2015.

These group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group.

The Trust and its associated entities within the Group have elected to be Maori authorities under the Income Tax Act 2007 on the basis they received and manage the settlement package received from the Crown.

2. Reporting Period

Heretaunga Tamatea Settlement Trust and its related entities have had a change in balance date from 31 March to 30 June.

Heretaunga Tamatea Settlement Trust are reporting for a 15-month period to 30 June 2023.

3. Basis of Preparation

These financial statements have been prepared in accordance with the Financial Reporting Act 2013 and the Trusts Act 2019. For this purpose, the Trust has designated itself as profit-orientated. The Trust is eligible to apply Tier 2 For-Profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (NZ IFRS RDR) on the basis that it does not have public accountability and is not a large for-profit public sector entity. The Trust has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for assets and liabilities as disclosed below that have been measured at fair value.

The Accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest dollar, which is the Company's functional and presentation currency.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Heretaunga Tamatea Settlement Trust and Controlled Entities as at 30 June 2023.

The Controlled Entities of the Trust at 30 June 2023 are controlled entities whose financial and operating policies are governed by the Group so as to obtain the benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible as considered when assessing whether the group controls another entity.

The financial statements of the Controlled entities are prepared for the same reporting period as the trust, using consistent accounting policies. In preparing the consolidated financial statements, all intergroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred from the Group.

Controlled entities:

	Country of Incorporation	2023 % Control	2022 % Control
Heretaunga Tamatea Pou Tahua Limited Partnership	New Zealand	100%	n/a

Comparatives

Comparatives in the financial statements have been reclassified to conform with current year presentation.

Impact of COVID19

Although the Group has been impacted by COVID19, the trustees have concluded that the Group will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because the entity has sufficient cash resources that can maintain current expenditure for at least 12 months from the date of signing of these financial statements.

Impact of Cyclone Gabrielle

The Groups members have been impacted by Cyclone Gabrielle. However, the Group has managed to be able to provide support to its members by way of monetary support. This is recognised below. The trustees have concluded that the Group will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because the entity has sufficient cash resources that can maintain current expenditure for at least 12 months from the date of signing of these financial statements.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date. The Group considers revenue from grants for services, memorandum of understanding and other similar revenue streams as rendering of services as they are considered exchange transactions by the Group and represent services provided by the Group to external parties

Rental income

Income from the rental of property is recognised within surplus and deficit in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

Other revenue

Other revenue is recognised on an accruals basis.

Revenue from non-exchange transactions

Non-exchange revenue is recognised on receipt, or when the entitlement to receipt has been established. Where the contract or agreement includes a condition to return the funds for non-performance, a liability is recognised and released to revenue as those conditions are satisfied.

Koha

Koha is recognised within surplus and deficit in the Statement of Comprehensive Revenue and Expense when receipted.

Grant Funding

The Group has received the grant funding from the following entities. Grant funding is recognised within surplus and deficit in the Statement of Comprehensive Revenue and Expenses when outputs in the funding agreement are satisfied.

Te Arawhiti	COVID19 funding for Taraia Marae, Pakipaki
Te Puni Kokiri	HTST Database Warehouse Project
Ministry for the Environment	Attendance at Environmental Commissioner Training on 4-5 July 2022
Department of Conservation	per Deed of Grant
NZ Lotteries Board	Environment and Heritage Grant
Taraia Marae	Collaboration of Data Storage Warehouse
Ministry for the Environment	Contribution towards costs associated with the reform process
Te Arawhiti	Iwi response funding for adverse weather events fund
Ka Uruora Aotearoa Trust	Cyclone Gabrielle Support
Ministry of Environment	Towards costs to agree a way to uphold the integrity and effect of Treaty Settlement in the proposed resource management system
Department of Conservation	Development and implementation of comprehensive management plan for Te Kauae-a-Maui.
Ministry of Social Development	Contribute to costs related to effective engagement with crown agencies
Department of Conservation	Whatumua Regeneration Project

Use of Estimates and Judgements

The preparation of the financial statements requires the use of judgement by management in the application of accounting policies, the use of estimate and determination of assumptions that affect reported results and financial position. Estimates and supporting assumptions are based on information which is believed to be realistic and reasonable in the circumstances. Actual results at a future point may differ from these estimates. The key judgements are in relation to the classification of property assets, useful life assessments, the appropriateness of fair value assumptions, the valuation of investments and accounts receivable, and the continued adoption of the going concern principle.

Property, Plant and Equipment - Useful Lives and Residual Values

Property, office equipment, furniture fittings and plant are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing the parts that are eligible for capitalisation when the cost of the replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Development Costs on Properties

Investment properties under development are 'assets in development' in nature. The assets in this category can not perform the full function until they are completed. The Trust holds assets in this category in a pool until the assets are fully functional and transfers them to relevant fixed assets category. The company is developing 2 properties being 238 Stock Road and 14 Mangarau Crescent, and the development costs associated to this project are accumulated under the development assets.

Depreciation

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period. Any Licences and Royalty assets are depreciated over the period of the contractual term and the useful life of the underlying asset. An item of the property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on the property, plant and equipment is calculated on a diminishing value basis using the following years:

Account	Method	Years
Furniture & Fittings	Diminishing Value	8 - 20
Office Equipment	Diminishing Value	4
Land	No Depreciation	n/a
Property Improvements	Diminishing Value	8 - 20

Impairment of Non Financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow (cash generating units).

Financial Instruments

Financial instruments include receivables, payables, cash balances and deposits. Financial are stated in the Statement of Financial Position when the company becomes party to a financial contract.

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

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.

A financial liability is derecognised when it is extinguished, discharged, waived, cancelled or expires.

Classification and Initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with Revenue from exchange transactions, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other Comprehensive income

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

Financial Instruments (NZIFRS 9) eliminates the previous financial instruments: recognition and measurement (NZ IAS 39) categories of held to maturity, loans and receivables and available for sale. Under NZ IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets - Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if the asset meets both of the following conditions (and are not designated as FVTPL):

- the financial asset is held within a business model whose objective is to hold the financial assets to collect contractual cash flows

- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category includes non-derivative financial assets like loans and receivables 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. Discounting is omitted where the effect of discounting is immaterial. The Trust's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held to maturity under NZ IAS 39.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell' and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The Trust accounts for a financial asset at FVOCI if the asset meets both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- the contractual terms of the financial asset gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. This category includes listed securities and debentures that were previously classified as 'available for sale' under NZ IAS 39.

Impairment of Assets

NZ IFRS 9 replaces the 'incurred' loss' model in NZ IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt-type financial assets at FVOCI, but not to investments in equity instruments. Under NZ IFRS 9, credit losses are recognised earlier than under NZ IAS 39.

Recognition of credit losses is no longer dependent on the trust first identifying a credit loss event, instead the Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between

- Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and
 - Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low
 - Stage 3 would cover whether the financial assets have objective evidence of impairment at the reporting date.
- '12 month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category,

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other receivables

The trust makes use of a simplified approach in accounting for trade and other receivables. If any assets meet the above criteria, it uses the loss allowance of the lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument, in calculating, the trust uses its historical experience, external indicators, and forward looking information to calculate the expected credit losses using a provision matrix.

Financial Assets at Fair Value through Other Comprehensive Income

The trust recognises 12 month expected credit losses for financial assets at FVOCI. As most of these instruments have an outstanding credit rating, the likelihood of default is deemed to be small. However, at each reporting date there is an assessment whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, reliance is on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The trust holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the trust would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, other indicators are considered such as adverse changes in business, economic, or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, lifetime ECL is recognised for this instrument or class of instruments.

Classification of Financial Liabilities

Financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss, are included within finance costs or finance income.

Impairment of Financial Assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the allowance is based on the asset's lifetime expected credit losses.

The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

4. Income Tax

Income tax expense

Income tax on profits for the period comprises current tax, deferred tax and any adjustment for tax payable in previous periods. Income tax is recognised in the income statement as tax expense except when it relates to items credited directly to equity, in which case it is recorded in equity.

Current tax payable

Current tax is the expected tax payable on the income for the period based on tax rates and tax laws which are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for using the balance sheet method. Deferred tax arises by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the equivalent amounts used for tax

purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled.

Deferred tax assets, including those related to the tax effect of income tax losses available to be carried forward are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be realised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

	2023	2022
Income Tax Expense		
Net Trustees Income for the Year per Financial Statements		
Current Year Earnings	(769,444)	(1,044,782)
Additions to Taxable Profit		
Imputation credits attached to dividends received	-	16,923
Income Tax Expense	183,275	214,967
Non-deductible expenses	3,524,011	2,026,733
Expenditure added back for taxable activity	(550,221)	(81,991)
Depreciation allowed for income tax purposes	24,228	-
Total Additions to Taxable Profit	3,181,293	2,176,632
Deductions from Taxable Profit		
Interest PIE Income Net of Tax	252,520	-
Non-taxable income	418,228	31,760
Revaluation reserves	655,410	(225,000)
Losses Bought Forward	-	-
Prior period correction	33,000	-
Total Deductions from Taxable Profit	1,359,158	(193,240)
Taxable Profit	1,052,691	1,325,090
Tax Payable at 17.5%	184,221	231,891
Deductions from Tax Payable		
Resident Withholding Tax	135,183	181,676
Provisional Tax Paid	41,019	-
Imputation Credits on Dividend Received	20,842	16,923
Prior period terminal tax overpaid	5,775	-
Total Deductions from Tax Payable	202,819	198,599
Income Tax Payable (Refund Due)	(18,598)	33,292
	2023	2022
5. Maori Authority Tax Credit		
Opening Balance	1,967,982	1,807,576
Movements	236,105	160,406
Total Maori Authority Tax Credit	2,204,087	1,967,982

	2023	2022
6. Tax expense		
Tax effect in net income / loss (current tax expense)	183,275	231,891
Deferred Tax liability	-	-
Deferred tax asset	945	-
Total Tax expense	184,221	231,891

7. GST

All amounts are shown exclusive of GST, except receivables and payables that are stated inclusive of GST.

8. Revenue

Refer to Note 3 on breakdown of types of revenue

	2023	2022
Revenue		
Rental Income		
Rental Income	69,703	48,141
Lease Income	83,886	56,069
Outgoings Reimbursement	(4,096)	19,467
Total Rental Income	149,493	123,677
Grants & Koha		
Donations/Koha Received	-	760
Grants Received	444,618	31,000
Total Grants & Koha	444,618	31,760
Distributions		
Kaweka Gwavas Forestry Trust Distributions Received	831,074	572,049
Total Distributions	831,074	572,049
Other Revenue		
Share of Puai Tangaroa Limited Partnership Profit / (Loss)	(234)	-
Total Other Revenue	(234)	-
Total Revenue	1,424,951	727,486
	2023	2022

9. Administrative expenses

Compliance		
Accountancy Fees	54,762	42,903
AGM Expenses	7,138	-
Audit Fee	5,000	3,900
Total Compliance	66,900	46,803
Consultancy		
Consultancy Fees	228,439	134,608

	2023	2022
Legal Expenses	89,197	68,841
Investment Management Fee	231,704	-
Total Consultancy	549,340	203,449
Cultural services		
Donations/Koha Paid	1,000	1,195
Total Cultural services	1,000	1,195
Governance		
Directors Fees	61,333	-
Trustee Meeting Fees	294,730	398,144
Trustee Meeting Travel Allowances	16,960	15,595
Meeting Costs	23,771	31,369
Independent Meeting Fees	42,126	-
Independent Meeting Travel Allowances	7,869	-
Election Costs	28,109	3,000
Total Governance	474,898	448,108
Member engagement		
Member Engagement	60,000	-
Cyclone Relief Koha	362,500	-
Total Member engagement	422,500	-
Office expenses		
Advertising	24,106	15,807
ACC Levies	2,422	2,866
Low Value asset	4,298	3,198
Bank Fees	761	359
Bad Debts	-	160
Cleaning	12,790	-
Computer Expenses	17,193	14,362
Entertainment	7,119	-
Equipment Hire	24,442	22,932
General Expenses	946	-
Insurance	45,081	42,318
Light, Heat & Power	11,321	10,706
Office Moving Costs	-	13,742
Printing, Stationery & Postage	16,434	17,208
Rent	256,645	146,208
Repairs & Maintenance	-	1,743
Settlement Costs	-	30,475
Subscriptions & Licences	52,738	28,048
Subcontractors	27,556	120,448
Telephone & Internet	7,226	9,843
Travel Expenses	48,487	17,768
Venue Hire and Catering	13,526	883

	2023	2022
Taxation Penalties	-	250
Total Office expenses	573,091	499,324
Personnel		
Staff Expenses	3,495	17,129
Staff Training	1,150	822
Staff Travel Reimbursements	3,425	6,316
Wages and Salaries	798,634	769,635
Total Personnel	806,704	793,902
Total Administrative expenses	2,894,433	1,992,781
	2023	2022

10. Property expenses

Advertising	3,291	-
Electricity	1,279	990
Insurance	42,006	11,849
Legal Expenses	-	634
Property Management Fees	6,496	4,527
Rates	38,271	31,238
Repairs & Maintenance	9,574	5,966
Total Property expenses	100,916	55,204

11. Financing Income

Finance income comprises interest income and dividend income on funds invested using the effective interest method.

	2023	2022
Finance income		
Interest Income	837,022	738,929
Interest PIE Income Net of Tax	39,711	-
Dividend Income	74,434	43,516
Interest - IRD Use of Money	77	-
Total Finance income	951,244	782,445

12. Finance Costs

Finance costs comprise interest expense including any bank overdrafts and the lease interest chargeable under IFRS 16 at the average borrowing rate.

13. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial instruments, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	2023	2022
Cash and Cash Equivalents		
Heretaunga Tamatea Settlement Trust		
ANZ -00 Account	6,765	6,895
BNZ -00 Account	522,565	156,287
BNZ -02 Account	9,715,427	75,027,834
Westpac -00 account	63	63
Total Heretaunga Tamatea Settlement Trust	10,244,820	75,191,079
Heretaunga Tamatea Pou Tahua Limited Partnership		
BNZ 00 Business Account (HTPT)	1,158,216	-
ASB	(60)	-
Total Heretaunga Tamatea Pou Tahua Limited Partnership	1,158,156	-
Total Cash and Cash Equivalents	11,402,976	75,191,079

14. Term Deposits

Term Deposits are invested with BNZ with an original maturity of three months or more.

	2023	2022
Term Deposits		
BNZ Term Deposits	7,500,000	-
Total Term Deposits	7,500,000	-

15. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Individually impaired accounts receivables relate to customers for whom there is objective evidence of inability to pay. The carrying amount of exchange receivables is assumed to be a reasonable approximation for their fair value.

The Group assesses the past payment history of customers and considers forward-looking information to determine the expected credit losses for trade receivables under the simplified approach under NZ IFRS 9. No expected credit losses have been recognised as at 30 June 2023.

No debts are considered impaired and consequently no provision for impairment losses have been made.

GST

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
 - receivables and payables, which are stated with the amount of GST included.
- The net amount of GST recoverable from, or payable to, the taxation authority is included as part of Trade and Other Receivables or Trade and Other Payables in the Statement of Financial Position.

	2023	2022
Trade and other receivables		
Accounts Receivable	44,822	74,565
GST	70,948	582
Interest Income Accrual	73,145	1,850
Prepaid Expenses	60,090	61,070
Total Trade and other receivables	249,005	138,067

16. Related Party Receivables

In 2022, the Trust incurred costs in relation to the set up of it's limited partnership. These were recognised as a related party transaction. This entry has been reversed on consolidation as at 30 June 2023.

	2023	2022
Related Party Receivables		
Heretaunga Tamatea Pou Tahua Limited Partnership	-	15,238
Total Related Party Receivables	-	15,238

17. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The following properties are under development for resale.

- 238 Stock Road and 49A Dundee Road otherwise known as Wairatahi
- 14 Mangarau Crescent

Valuation as at 22 March 2023 for each property plus development costs are deemed the net realisable value.

14 Mangarau Crescent is currently had development work halted, however the trustees have determined that the halting of the development does not impact the recoverability of costs incurred to date. Since balance date, the trustees have continued with the development and are on track for resale.

18. Property, plant and equipment

All property, plant and equipment is initially recorded at cost less accumulated depreciation and less any impairment loss. When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the Statement of Comprehensive Income and is calculated as the difference between the sale price and the carrying value of the item. Depreciation is provided for on all tangible property, plant and equipment other than freehold land and capital work in progress, at depreciation rates calculated to allocate the asset's cost or valuation less estimated residual value, over their estimated useful lives.

The following depreciation rates have been applied:

- Plant & Equipment
- Furniture & Fittings
- Leasehold Improvements

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit and loss.

	Office Equipment	Furniture & Fittings	Leasehold & Property Improvements	21 Boston Crescent, Flaxmere	Total
Balance at 1 April 2022	126,711	28,243	32,879	297,416	485,249
Additions		3,985	419,237	7,804	431,026
Disposals	4,445	-	-	-	4,445
Balance at 30 June 2023	122,326	32,228	452,116	305,220	911,890
Depreciation and impairment losses					
Balance at 1 April 2022	75,322	5,669	754	-	81,745
Depreciation for the year	(4,203)	4,220	17,442	-	17,459
Balance at 30 June 2023	71,118	9,889	18,197	-	99,204
Carrying Amount					
As at 30 June 2023	51,208	22,339	433,919	305,220	812,688
As at 31 March 2022	51,450	22,574	32,125	297,416	403,565

19. Investment Properties

Investment properties are properties held to either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs less accumulated depreciation and impairment losses.

Investment property is depreciated at the following rates:

- Land - 0% Diminishing Value
- Building and Improvements - 0% Diminishing Value
- Chattels
- Orchard Chattels

Subsequent to initial recognition, investment properties are measured at fair value with any change recognised in the reported surplus or deficit in accordance with NZ IAS 40.

Investment Property comprises a number of commercial properties some of which that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee.

The methods applied in determining fair values include reviewing relevant lease documentation, rates information, recent market evidence and valuations prepared by registered valuers.

	78 Stock Road	Pukeora	204-206 Southhampton Street	Total
Balance at 1 April 2022	3,366,543	1,175,067	505,097	5,046,707
Revaluation	438,007	(50,067)	544,903	932,843
Purchases	-	-	-	
Balance at 30 June 2023	3,787,000	1,125,000	1,050,000	5,962,000
Depreciation and impairment losses				
Balance at 1 April 2022	5,333	-	-	5,333
Depreciation for the year	(3,513)	-	3,500	13
Balance at 30 June 2023	1,820	-	3,500	5,320
Carrying Amount				
As at 30 June 2023	3,799,218	1,125,000	1,050,000	5,956,680
As at 31 March 2022 (restated)	3,361,210	1,175,067	505,097	5,041,374

The group engaged Logan Stone Limited (registered valuers) to prepare an independent appraisal of the market value of the land, land development, buildings above as at 22 March 2023, in accordance with the revaluation policy. The principal valuer from Logan Stone Limited was Frank Spencer. The valuation was based on recent comparable sales.

20. Investments in Shares and Managed Fund

Shares in listed NZ companies and Managed Fund are shown at market value as at 30 June 2023.

	2023	2022
Investments		
Shares		
Shares - Napier Port Holdings Ltd (576,923)	1,442,308	1,730,769
Total Shares	1,442,308	1,730,769
Managed Fund Portfolio	51,600,079	-
Total Investments	53,042,387	1,730,769

21. Investments in associates

Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The share of associate's post acquisition profits or losses is recognised in the Statement of Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses in an associate equals or exceeds the group's interest in the associate, including any other unsecured receivables, the company does not recognise further losses, unless the company has incurred obligations or made payments on behalf of the associate.

	2023	2022
Investments		
Kaweka Gwavas Forestry Trust		
Beneficial Interest - Kaweka Gwavas Forestry Trust	7,989,060	7,989,060
Total Kaweka Gwavas Forestry Trust	7,989,060	7,989,060
Beneficiary Advance Account		
Beneficiary Advance Account - Kaweka Gwavas Forestry Trust	587,681	(243,393)
Total Beneficiary Advance Account	587,681	(243,393)
Total Investments	8,576,741	7,745,667

22. Investment at Fair Value

Refer to Note 2

	2023	2022
Investments		
Pūai Tangaroa Limited Partnership	999,766	-
Total Investments	999,766	-

	2023	2022
Share of Profit or Loss		
Share of Pūai Tangaroa Limited Partnership Profit / (Loss)	234	-
Total Share of Profit or Loss	234	-

23. Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

24. Trade and other payables

Trade and other payables are measured at cost, being their fair value. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2023	2022
Trade and other payables		
Accounts Payable	209,063	124,057
Accrued Expenses	15,781	-
Income Received in Advance	83,356	63,099
Credit Cards		
Credit Card	28	-
C H Hilton	181	-
D Russell	874	-
Total Credit Cards	1,083	-
Total Trade and other payables	309,282	187,156

Income Received in Advance

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

	2023	2022
Deferred Income		
Income Received in Advance	83,356	63,099
Total Deferred Income	83,356	63,099

25. Non Interest bearing loans and borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date

The Group repaid 2 interest free 12 month repayment plans with Spark on 16 May 2022 which was drawn down on 21 September 2021.

The Group then purchased a Iphone 13Pro on the 21 July 2022 on another 12 month repayment plan. This was settled in full in 21 August 2022.

The Group purchased an Iphone 14ProMax for \$2,399 on the 21 October 2022, which was placed on an interest free 12 month repayment plan. Repayments are \$199.92 per month. \$799.63 remaining at 30 June 2023.

26. Lease Liability

Set out below are the carrying amounts of the lease liabilities and the movements during the period:

Lessor

	2023	2022 (not included)
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Balance as at 1 April 2022	134,317	-
Additions		-
Payments	73,174	-
Total	207,491	-
Current (due in next 12 months)	25,580	-
Term (due in 2 - 5 years)	181,911	-
Total	207,491	-

Lessee

	2023	2022
Balance as at 1 April 2022	503,943	431,324
Additions		-
Payments	236,584	72,619
Total	267,359	503,943
Current (due in next 12 months)	189,267	503,943
Term (due in 2 - 5 years)	78,092	-
Total	267,359	503,943

The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases.

Short-term leases and leases of low value assets

Short term leases are defined as leases with a lease term of 12 months or less, and leases of low value assets. For these leases the Group recognises the lease payments as an operating lease on a straight-line basis over the term of the lease. It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered to be low value.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined the Group uses its incremental borrowing rate (IBR).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability, using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

Right of Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset. The estimation of the IBR relies on the trustees considering the credit risk of the Group. If the credit risk of the Group differs from what is estimated, the IBR may differ, and consequently the future net present value of the lease cash flows may be over or understated.

The determination of the lease term relies on the trustees view of the likelihood of any lease renewal options being renewed. If the lease renewal options included and then not taken up, or are not included and are taken up, the net present value of the lease cash flows may be over or understated. The Group leases several assets including buildings and office equipment. The weighted average lease term is 2 year.

27. Reserves

Nature and purpose of reserves

Revaluation reserve - Investment Properties and Investment Portfolio

Changes in the fair value of land, buildings and investment funds, are taken to the reserves as below.

Contributed equity relates to original settlement funds

	2023	2022
Investment Portfolio		
Opening	230,769	455,769
Movement	(754,330)	(225,000)
Closing	523,561	230,769
Investment Property Reserve		
Opening	-	-
Movement	1,385,512	-
Closing	1,385,512	-
Contributed Equity		
Opening	72,289,011	72,289,011
Movement	-	-
Closing	72,289,011	72,289,011
Retained Earnings		
Opening	11,073,087	11,892,869
Movement	(1,175,626)	(819,782)
Closing	9,897,461	11,073,087

28. Heritage Assets

The Group holds the following heritage assets as part of the cultural redress section of the settlement:

- a Blackhead property
- an Omaha property
- a Parimahu Beach property

- Lake Whatuma property, as a recreation reserve
- Purimu Lake property, as a recreation reserve

Heritage assets have not been included with the Statement of Financial Position as they are difficult to value. Management have determined that due to their cultural significance the value is unlikely to be fully reflected in a valuation.

29. Related party transactions

The key management personnel, as defined by Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees of the Parent and Directors of the Commercial board of Heretaunga Tamatea Pou Tahua Limited Partnership. Remuneration of key management personnel is as follows:

Heretaunga Tamatea Settlement Trust | Trustees & ARC

Related Party Payments	2023 (15 months)	2022 (12 months)
T August	\$9,040	\$17,388
N Berney	\$9,883	\$6,840
P Carroll	\$12,564	\$17,687
E H Graham	\$50,409	\$44,549
R Hakiwai (HTK Hakiwai/ Group Limited)	\$24,418	\$34,133
N Hanara	\$9,000	\$7,269
R Hape	\$9,151	\$3,638
O J Hapuku	\$1,219	\$7,979
JB Heperi-Smith	\$10,850	\$20,073
C Huata	\$11,376	\$16,010
H Kani	\$-	\$1,973
W Kara	\$9,126	\$8,472
L Kele	\$9,083	\$10,628
K Koko	\$12,683	\$24,504
M McGuire	\$9,000	\$11,569
B Morris (Puangi Limited)	\$10,350	\$10,121
W Osborne	\$9,000	\$10,902
P Paku	\$12,343	\$3,651
K Rata	\$9,071	\$12,412
S Reo (SMR Consulting)	\$2,325	\$15,371
K Ropiha (Reliant Consultancy Limited)	\$19,052	\$40,944
E Sandilnds	\$10,518	\$12,290
T Te Au	\$9,067	\$9,203
D Tipene Leach	\$-	\$600

N Tomoana	\$9,023	\$8,524
G Mohi	\$7,905	\$-
T Hapuku	\$7,868	\$-
V Bull	\$5,779	\$-
Total	\$300,103	\$356,730

Heretaunga Tamatea Pou Tahua Limited Partnership | Directors & Independent Investment Committee under HTST

Related Party Payments	2023 (15 months)	2022 (12 months)
R Hakiwai (HTK Hakiwai/ Group Limited)	\$14,666	\$-
K Koko	\$14,000	\$-
K Ropiha (Reliant Consultancy Limited)	\$9,333	\$-
B Nettleton (Nettleton & Co Limited)	\$18,725	\$-
D Mussett (Alsa Consulting)	\$18,725	\$-
J Kean	\$17,500	\$-
D Russell	\$-	\$-
S Reo (SMR Consulting)	\$3,881	\$-
P Ellis (Ease Consulting Limited)	\$3,795	\$-
Total	\$103,459	\$-

30. Capital Expenditure Commitments

The Group has an obligation to its members to provide the following

- \$1m Marae Distribution to each of the 23 Maraes - 8 remaining
- Habitat Restoration
- Marae Development

The Trustees confirm these obligations still exist as at 30 June 2023.

31. Contingent Liabilities

There are no contingent liabilities at balance date (Last Year: \$nil).

32. Going Concern

The trustees are satisfied that the going concern principle is appropriate in the preparation of the financial statements.

33. Subsequent Events

There were no events subsequent to year end.

34. Name Change

Persunt to Clause 7.4, Fourth Schedule of the Deed of Trust, a special resolution poll was held between 17 May 2023 and 14 June 2023 to vote on a raft of constitutional changes of their Deed of Trust. The changes were

- A change of name - to better describe the trust and the whanau they represent
- Multiple Electorates - most trust members whakapapa to multiple Marae, therefore they should be eligible to register and vote for all maras they whakapapa to
- Tri-Annual Trustee Election - shifting to a single set of trustee elections once every three years
- Minor Amendments.

86.38% voted in favour of these changes, therefore the special resolution has been passed.
The voting was completed by Election Services

The new name of the trust is **Tamatea Pokai Whenua** from 1 July 2023

Audit Report

Heretaunga Tamatea Settlement Trust
For the 15 months ended 30 June 2023