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Annual Report

Consolidated Financial Statements

Ngāti Tamaoho Settlement Trust

For the year ended 30 June 2021

Contents

3 Directory

4 Trustees' Report and Statement of Responsibility

5 Auditors Report

7 Consolidated Statement of Comprehensive Revenue and Expenses

8 Consolidated Statement of Changes in Equity

9 Consolidated Statement of Financial Position

10 Consolidated Statement of Cash Flows

11 Notes to the Consolidated Financial Statements

Directory

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

Nature of Business

To receive and look after settlement redress from the Crown as part of claimant groups historical Treaty of Waitangi settlement.

Address

128 Hingaia Road, Karaka

Papakura, Auckland 2580

IRD Number

122-933-490

Bankers

Bank of New Zealand

52 Highbrook Drive

East Tamaki, Auckland 2013

Solicitors

LeeSalmonLong

PO Box 2026

Shortland Street

Auckland

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Trustees' Report and Statement of Responsibility

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

Trustees' Report

The Trustees of The Ngāti Tamaoho Settlement Trust presents this Annual Report, being the consolidated financial statements of the Trust for the financial year ended 30 June 2021, and the independent auditor's report thereon.

Statement of Responsibility

The Trustees is responsible for the maintenance of adequate accounting records and the preparation and integrity of the consolidated financial statements and related information.

The independent external auditor, RSM Hayes Audit, have audited the consolidated financial statements and their report appears on pages 5 - 6.

The Trustees are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the consolidated financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The consolidated financial statements are prepared on a going concern basis. Nothing has come to the attention of the Trustees to indicate that the Trust will not remain a going concern in the foreseeable future.

In the opinion of the Trustees:

- The consolidated Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly, in all material aspect, the financial result of the Group for the financial year ended 30 June 2021;
- The consolidated Statement of Financial Position is drawn up so as to present fairly, in all material aspect, the state of affairs of the Group as at 30 June 2021;
- The consolidated Statement of Cash Flows is drawn up so as to present fairly, in all material respects, the cash flows of the Group for the financial year ended 30 June 2021;
- There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

APPROVED

For and on behalf of the Trustees.

Chairperson

Date 23 November 2021

J Taka

Trustee

Date 23/11/2021

RSM Hayes Audit
PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
T +64 (9) 367 1656
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Independent Auditor's Report

To the trustees of The Ngāti Tamaoho Settlement Trust

Opinion

We have audited the consolidated financial statements of The Ngāti Tamaoho Settlement Trust and its subsidiaries (the group), which comprise:

- the consolidated statement of financial position as at 30 June 2021;
- the consolidated statement of comprehensive revenue and expense for the year then ended;
- consolidated statement of changes in net assets/equity for the year then ended;
- consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 7 to 20 present fairly, in all material respects, the financial position of the group as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the group or any of its subsidiaries.

Other information

The trustees are responsible for the other information. The other information comprises the directory, trustee's report, and statement of responsibility on pages 1 to 2 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the consolidated financial statements

The trustees are responsible, on behalf of the company and group, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible, on behalf of the group and group, for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/

Who we report to

This report is made solely to the trustees, as a body. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

RSM

RSM Hayes Audit 24 November 2021

Consolidated Statement of Comprehensive Revenue and Expenses

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

	NOTES	2021	2020
Revenue from exchange transactions			
Rental Income			
Revenue	5	224,053	177,015
Total Rental Income		**224,053**	**177,015**
Total Revenue		**224,053**	**177,015**
Expenses			
Audit fees		10,000	8,000
Board Fees		14,795	8,700
Depreciation		33,185	34,541
Property expenses		34,884	4,868
Salaries and wages		114,469	72,115
Other operating expenses		121,077	40,601
Total Expenses		**328,411**	**168,826**
Finance costs			
Finance income	6	42	76
Finance costs	6	(7)	(140)
Net finance costs		**35**	**(64)**
Net surplus before tax		**(104,323)**	**8,125**
Taxation and adjustments			
Income tax expense	11	-	1,422
Total Taxation and adjustments		**-**	**1,422**
Net surplus for the year		**(104,323)**	**6,703**
Total comprehensive revenue and expense for the year		**(104,323)**	**6,703**

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Consolidated Statement of Changes in Equity

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

	2021	2021
1. Equity		
Opening Balance	13,377,350	13,370,647
Increase / (Decrease)		
Profit / (Loss) for the period	(104,323)	6,703
Total Increase / (Decrease)	**(104,323)**	**6,703**
Total Equity	**13,273,027**	**13,377,350**

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Consolidated Statement of Financial Position

Ngāti Tamaoho Settlement Trust
As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and bank	7	71,027	111,900
Trade and other receivables		342,492	227,141
Prepayments		8,975	-
Funds held in trust	9	7,766,000	7,766,000
Investment	15	3,150,000	3,150,000
GST receivable		-	3,548
Total Current Assets		**11,338,495**	**11,258,588**
Non-Current Assets			
Property, plant and equipment	8	2,742,271	2,762,844
Total Non-Current Assets		**2,742,271**	**2,762,844**
Total Assets		**14,080,766**	**14,021,432**
Liabilities			
Current Liabilities			
Trade and other payables	10	793,616	631,497
Income tax payable		12,577	12,585
GST payable		1,545	-
Total Current Liabilities		**807,739**	**644,082**
Total Liabilities		**807,739**	**644,082**
Net Assets		**13,273,027**	**13,377,350**
Equity			
Retained earnings		13,273,027	13,377,350
Total Equity		**13,273,027**	**13,377,350**

For and on behalf of the Board:

Chairperson — Date: 23 November 2021

J Taka

Trustee — Date: 23 November 2021

RSM

Consolidated Statement of Cash Flows

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

	2021	2020
Cash Flows from Operating Activities		
Rental	155,760	65,760
Treaty of Waitangi Settlement	-	-
Interest and dividends received	34	70
Payments to suppliers and employees	(189,148)	(15,453)
GST (net)	5,093	5,837
Total Cash Flows from Operating Activities	**(28,262)**	**56,214**

	2021	2020
Cash Flows from Investing Activities		
Sales/(purchase) in investment portfolio	-	-
Purchase of property, plant and equipment	(12,612)	-
Total Cash Flows from Investing Activities	**(12,612)**	**-**

	2021	2020
Cash Flows from Financing Activities		
Receipts of loans and borrowings	-	-
Funds held by the Ngāti Tamaoho Trust	-	-
Total Cash Flows from Financing Activities	**-**	**-**

	2021	2020
Cash and cash equivalents and term deposits		
Net increase/(decrease) in cash and cash equivalents	(40,872)	56,214
Cash and cash equivalents and term deposits at 01 July 2020	111,900	55,686
Cash and cash equivalents and term deposit at 30 June 2021	71,027	111,900

Notes to the Consolidated Financial Statements

Ngāti Tamaoho Settlement Trust
For the year ended 30 June 2021

1. Reporting Entity

The Ngāti Tamaoho Settlement Trust (the "Trust") is a Post Settlement Governance Entity (PSGE) established as a Private Trust to receive and look after settlement redress from the Crown as part of the claimant groups historical Treaty of Waitangi settlement.

These consolidated financial statements were authorised on the date stated in the Consolidated Statement of Financial Position.

2. Basis of Preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Trust is eligible to apply Tier 2 standards as they have less than $30 million annual expenditure and are not publicly accountable.

b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The consolidated financial statements are presented in New Zealand Dollars ($), which is the functional and presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Trust during the year.

d) Changes in accounting policies

There has been no changes in accounting policies for the current financial year.

3. Significant Judgments and Estimates

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets.

a. Judgments

In the process of applying the Trust's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements: Classification of non-financial assets as cash generating or non-cash generating assets for the purposes of assessing impairment indicators and impairment testing.The majority of property, plant and equipment held by the Trust is classified as non-cash generating assets,

b. Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year,are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

b) Assumptions and estimation uncertainties (cont'd)

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of management employed by the Trust
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Changes in accounting estimates
There have been no changes in the accounting estimates for the current reporting period.

4. Significant Accounting Policies

a) Basis of consolidation

i. Controlled entities

The consolidated financial statements comprise the financial statements of Ngāti Tamaoho Settlement Trust and its controlled entities (the Group) as at 30 June 2021. Refer note 13 for list of controlled entities.
Controlled entities are all those entities over which the Trust has the power to govern the financial and operating policies so as to benefit from their activities. The financial statements of the controlled entities are prepared for the same reporting date/period as

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. If the Group loses control over a controlled entity, it:

- Derecognises the assets (including goodwill) and liabilities of the controlled entity;
- Derecognises the carrying amount of any non-controlling interest relating to the controlled entity;
- Recognises the fair value of the consideration received from the transaction or event resulting in the loss of control;
- Recognises the fair value of any investment retained in the controlled entity as a financial asset (unless upon loss of control the former controlled entity becomes an associate or a jointly controlled entity, in which case this fair value is recognised as the cost on initial recognition of an investment in an associate or jointly controlled entity);
- Recognises any surplus or deficit resulting from the above in the statement of financial performance;
- Reclassifies the Trust's share of components previously recognised in other comprehensive revenue and expenses to surplus or deficit, or accumulated comprehensive revenue and expense, as appropriate.

b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from non exchange transactions:

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

Payments received from the Treaty of Waitangi

The recognition of non-exchange revenue from the Treaty of Waitangi Settlement is recognised upon receipt as there are no unfulfilled conditions attached to the income.

ii) Revenue from exchange transactions

Rental income

Rental income is recognised in the statement of financial performance on a straight-line basis over the term of the lease.

Other revenue

All other revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Trust and measured at the fair value of the consideration received.

Finance Income

Finance income comprises interest received on funds invested that are recognised in the Consolidated Statement of Comprehensive Revenue and Expenses.

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or as available-for-sale financial assets, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

The Trust's financial assets include: cash and cash equivalents, investment and, trade and other receivables.

Subsequent measurement
Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Trust has designated its investments in equity instruments, property funds, and corporate bonds as at fair value through surplus or deficit.
Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in the consolidated statement of comprehensive revenue and expense.

Loans and receivables

This category of financial assets is the most relevant to the Trust. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and shortterm deposits with an original maturity 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.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts. Bank overdrafts, if any, are included within interestbearing loans and borrowings in current liabilities on the consolidated statement of financial position.

Available-for-sale

Avaliable-for-sale financial assets are non-derivative financial assets that are designated as avaliable-for-sale or are not classified in any of the above categories of financial assets, nor are they classified as Held-to-maturity.

Avaliable-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in Other Comprehensive Revenue and Expense and presented in the revaluation reserve within net assets/equity, less impairment.

Upon decognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit. Avaliable-for-sale financail assets comprise of investments.

Derecognition

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, or as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs.

The Trust’s financial liabilities include trade and other payables, and loans and borrowings (including bank overdrafts).

d) Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

i) Financial assets classified as loans and receivables

The Trust considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

e) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.
Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition

Subsequent to initial recognition, property, plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings	50 years
Leasehold Improvements	14 years
Carvings	10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. Please refer to policy on impairment of non-financial assets below.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

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f) Impairment of non-financial assets

For non-financial non-cash-generating assets, except for those assets that are valued using the revaluation model, the entity assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset’s recoverable service amount. An asset’s recoverable service amount is the higher of the non-cash-generating asset’s fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the entity has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the asset in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset, is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the entity determines fair value less cost to sell based on the best available information.

Impairment losses are recognised immediately in surplus or deficit.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

g) Equity

Equity is the community’s interest in the Trust measured as the difference between total assets and total liabilities. Equity is made up of the following components:

<u>Accumulated comprehensive revenue and expense</u>

Accumulated comprehensive revenue and expense is the Trust's accumulated surplus or deficit since the formation of the Trust adjusted for transfers to/from specific reserves.

h) Income Tax

The Trust elected to be a Māori Authority under Category H Trusts and Companies that receive and manage assets of the Treaty settlement redress process starting on 23 June 2014.

The tax rate for Māori Authorities is 17.5%.

i) Goods and Services Tax

These financial statements have been prepared on a basis exclusive of GST with the exception of trade and other receivables and trade and other payables that have been included on a GST inclusive basis.

	2021	2020
5. Revenue from exchange transactions		
Rental Income	224,053	177,015
Total Revenue from exchange transactions	**224,053**	**177,015**

	2021	2020
6. Finance Costs		
Interest Income	42	76
Interest Expense	(7)	(140)
Total Finance Costs	**35**	**(64)**

	2021	2020
7. Cash and Cash Equivalents		
Cash at Bank	71,027	111,900
Total Cash and Cash Equivalents	**71,027**	**111,900**

There are no restrictions over the above cash held by the Trust.

8. Property, Plant and Equipment

June 2020	Opening balance	Revaluation / (Impairment)	Additions / Transfers at cost	Disposals at Carrying value	Depreciation	Closing Balance
Land	2,136,000	-	-	-	-	2,136,000
Buildings	249,111	-	-	-	4,982	244,129
Building Improvements	388,949	-	-	-	27,226	361,723
Carvings	23,325	-	-	-	2,333	20,992
Balance as at 30 June 2020	**2,797,385**	**-**	**-**	**-**	**34,541**	**2,762,844**

June 2021	Opening balance	Revaluation / (Impairment)	Additions / Transfers at cost	Disposals at Carrying value	Depreciation	Closing Balance
Land	2,136,000	-	-	-	-	2,136,000
Buildings	244,129	-	-		4,883	239,246
Building Improvements	361,723	-	12,612	-	26,203	348,132
Carvings	20,992	-	-	-	2,099	18,893
Balance as at 30 June 2021	**2,762,844**	**-**	**12,612**	**-**	**33,185**	**2,742,271**

	2021	2020
9. Funds Held in Trust		
Loan to Ngati Tamaoho Charitable Trust	7,766,000	7,766,000
Total Funds Held in Trust	**7,766,000**	**7,766,000**

The funds are held by Ngāti Tamaoho Trust on behalf of Ngāti Tamaoho Settlement Trust. $7,766,000 has been put into an investment portfolio, which is managed by Craig's Investment Partners Limited and Bank of New Zealand - Private Banker (2020: $7,766,000). The income derived from the investment portfolio can be used by the Ngāti Tamaoho Trust.

	2021	2020
10. Payables - Exchange Transactions		
Trade Payables	716,532	586,342
Accruals	77,085	45,155
Total Payables - Exchange Transactions	**793,616**	**631,497**

	2021	2020
11. Income Tax		
Surplus before income tax	(104,323)	8,126
Tax expense at 17.5%	-	1,422

12. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

30 June 2020	Amortised cost	Available-for-sale	Held-to-maturity	Loans and receivables
Cash and cash equivalents	-	-	-	111,900
Receivables from exchanged transactions	-	-	-	227,141
Investment	-	3,150,000	-	-
Payables (from exchange transactions)	586,342	-	-	-
Total	**586,342**	**3,150,000**	**-**	**339,041**

30 June 2021	Amortised cost	Available-for-sale	Held-to-maturity	Loans and receivables
Cash and cash equivalents	-	-	-	71,027
Receivables from exchanged transactions	-	-	-	351,467
Investment	-	3,150,000	-	-
Payables (from exchange transactions)	716,532	-	-	-
Total	**716,532**	**3,150,000**	**-**	**422,494**

Deloitte.

13. Group Entities

A listing of the Group's significant controlled entity is as follows:

All controlled entities have the same reporting date as the controlling entity. They have also applied uniform accounting policies during the respective financial years.

There are no significant restrictions regarding to the transfer of dividends, loan repayments, and other funds from controlled entities.

	Activities of Subsidiary	Country of Incorporation	2021	2020
Ngāti Tamaoho Charitable Limited	Investment and property management	New Zealand	100%	100%
Ngāti Tamaoho Custodian Trustee Limited	Dormant	New Zealand		

14. Related Party Transactions and Balances

The Ngāti Tamaoho Trust and The Ngāti Tamaoho Settlement Trust have some common trustees.

The general manager of The Ngāti Tamaoho Settlement Trust is the administrator of The Ngāti Tamaoho Trust.

The following transactions have been entered into with related parties:

	Description	2021	2020
Payables at Year end			
Ngāti Tamaoho Trust		683,641	507,407
Receivables at Year end			
Ngāti Tamaoho Trust	See note 9	7,766,000	7,766,000
Ngāti Tamaoho Trust		342,492	227,141

Key Management Personnel Remuneration (including trustee fees)		122,519	80,815
Key Management Personnel FTE		0.78	0.52

15. Investment

The Ngāti Tamaoho Settlement Trust has 15% shareholding in Te Rauponga GP Limited. This company is the only general partner of Te Rauponga Limited Partnership.

At the time of signing these financial statements, the Settlement Trust is in the progress of obtaining the additional 85% shareholding in Te Rauponga GP Limited, however, no agreements have yet been signed.

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16. Treaty of Waitangi Settlement

The Ngāti Tamaoho Deed of Settlement is the final settlement of all historical Treaty of Waitangi claims of Ngāti Tamaoho resulting from acts or omissions by the Crown prior to 21 September 1992. Included in the redress package is the following:

- $10.3m plus interest;
- four properties and
- a culture redress package

All funds had been received in full and the titles of the four properties had been transferred.

Included in the culture redress package was the vesting of the following sites:

- Clark's Creek property
- Karaka property
- Waitete Pā property, to be administered as an historic reserve
- Hunua Falls - joint vesting of a Hunua Falls property

17. Capital commitments

There was no capital commitment as at 30 June 2021 (2020: $Nil).

18. Contingent Assets and Liabilities

There was no contingent assets or liabilities as at 30 June 2021 (2020: $Nil).

19. Events After the Reporting Date

Covid 19

The Covid-19 pandemic has resulted in a number of lockdowns, restrictions, and societal uncertainty. The Board have assessed that whilst this event has caused some inconveniences, at this stage, no significant impact is anticipated on the Group's ability to meet its short-term obligations as they fall due.