

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
DIRECTORY
AS AT 31 MARCH 2022**

Nature of Business Treaty Settlement Claim and Management of Trust Assets

Address 5 Rere Place
Parakai
Auckland 0830

New Zealand Business Number 9429030861824

IRD Number 108-517-148

Trustees R N Glavish (Chair)
C Povey
M J Sherard
M Tukerangi
R Nahi
S Clarke - Taipeti
T Davis
T Hemana
T Mercer

Auditors Moore Markhams Auckland Audit
103 Carlton Gore Road
Auckland

Bankers ANZ
Westpac

Primary Solicitors MinterEllisonRuddWatts
PwC Tower, Level 22
15 Customs Street
Auckland CBD

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 \$	2021 \$
Revenue			
Equity Earnings - Forest JV		2,094,327	1,109,521
Forestry Income		493,714	577,661
Governance Income		18,832	33,154
Rental Income		1,584,812	1,415,212
Managed Funds Income		1,414,527	212,520
Interest Income		15,959	366,381
Grants Income		531,314	229,772
Other Income		4,564,257	165,573
Total Revenue		10,717,742	4,109,794
Cost of Sales			
Land Development Costs		107,559	-
Gross Profit		10,610,183	4,109,794
Expenses			
Auditing and Taxation Fee		69,659	61,620
Commute Expenses		39,532	42,450
Communication Expenses		39,225	57,374
Directors Fees	4	200,000	219,948
Depreciation		65,252	83,965
Employee & Contractor Expenses		2,546,013	2,470,364
External Governance Expenses	3	26,362	7,250
IT Expenses		150,928	133,224
Legal & Professional Fees	17	972,229	672,103
Insurance Expense		64,663	67,987
Occupancy Expenses		90,680	143,721
Office Expenses		108,537	120,249
Other Expenses		389,097	87,460
Property Expenses		68,587	79,167
Trustees Fees	2	135,363	233,225
Grants Paid		272,404	181,311
Total Expenses		5,238,531	4,661,418
Surplus / (Deficit) Before Income Tax		5,371,652	(551,624)
Less Income Tax Expense	16	245,050	(91,290)
Total Comprehensive Income		\$ 5,126,602	\$ (460,334)

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	\$	\$
Current Year Earnings		
Total Comprehensive Income	5,126,602	(460,334)
Total Net Surplus / (Deficit) For the Year	5,126,602	(460,334)
Asset Revaluation Reserve		
Opening Revaluation Reserve	19,831,379	10,504,830
Unrealised gain / (loss) on Property	-	5,240,000
Unrealised gain / (loss) on Carbon Credits	442,857	2,512,725
Unrealised gain / (loss) on Managed Funds	344,982	1,573,824
Total Asset Revaluation Reserve	20,619,218	19,831,379
Trust Capital		
Retained Earnings	70,484,992	70,945,326
Increase / (Decrease)	5,126,602	(460,334)
Closing Retained Earnings	<u>\$75,611,594</u>	<u>\$ 70,484,992</u>

NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	7,794,628	4,767,694
Term Deposits	5	1,295,612	1,954,012
Trade Receivables		153,972	317,917
Other Receivables		282,712	38,946
Total Current Assets		9,526,924	7,078,569
Non-Current Assets			
Investments	6	43,050,779	40,305,824
Property, Plant and Equipment	7	37,916,347	37,988,505
Carbon Credits	8	7,528,550	7,085,693
Property Receivables		-	3,061,467
Total Non-Current Assets		88,495,676	88,441,489
Total Assets		\$ 98,022,600	\$ 95,520,058
Liabilities			
Current Liabilities			
Trade Payables		556,315	308,368
Income Tax	16	186,823	(76,206)
Other Payables		260,930	244,557
Income in Advance	9	516,116	691,600
Total Current Liabilities		1,520,184	1,168,319
Non-Current Liabilities			
Property Payable		-	3,753,908
Deferred Income Tax	16	271,605	281,460
Total Non-Current Liabilities		271,605	4,035,368
Total Liabilities		1,791,789	5,203,687
Net Assets		\$ 96,230,812	\$ 90,316,371

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 \$	2021 \$
Equity			
Trust Capital		75,611,594	70,484,992
Revaluation Reserve		20,619,218	19,831,379
Total Equity		<u>\$ 96,230,812</u>	<u>\$ 90,316,371</u>

For and on behalf of the Trust:

Trustee:

Date

Trustee:

Date

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
Receipts from Customers		5,337,370	3,994,684
Payments to Suppliers, Employees and Others		(5,067,360)	(6,852,770)
Interest, dividends and other investment receipts		3,524,813	211,730
Tax Refund RWT		-	(32,143)
Total Cash Flows from Operating Activities		3,794,823	(2,678,499)
Cash Flows from Investing Activities			
Proceeds from sale of Property, Plant and Equipment		10,842	-
Payment for Property, Plant and Equipment		(881,151)	(489,481)
Purchase of Investments		(1,387,853)	(34,900,000)
Funds from Investments		831,873	8,777,276
Total Cash Flows from Investing Activities		(1,426,289)	(26,612,205)
Net Cash Flows		\$ 2,368,534	\$ (29,290,704)
Cash Balances			
Cash and Cash Equivalents at Beginning of Period		6,721,706	36,012,410
Cash and Cash Equivalents at End of Period	5	9,090,240	6,721,706
Net Change in Cash for Period		\$ 2,368,534	\$ (29,290,704)

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 ACCOUNTING POLICIES

Reporting Entity

The financial statements presented here are for the entity Ngā Maunga Whakahii o Kaipara Development Trust ("Trust") and its subsidiaries ("Group").

Basis of Preparation

These special purpose financial statements have been prepared in accordance with the stated policies for reporting to its members.

The financial statements have been prepared for the Group's members.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance and financial position on a historical cost basis are followed by the Group, with the exception that certain property, plant, equipment and investments are subject to revaluation.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of the financial performance and financial position have been applied:

a) Basis of Consolidation - Cost Method

The consolidated financial statements include the parent entity and its subsidiaries, accounted for using the cost method. All significant inter-entity transactions are eliminated on consolidation.

b) Revenue Recognition

Income is recognised on an accruals basis. Income in advance represents monies received where the services are yet to be provided and there is a contractual obligation.

c) Accounts Receivable

Receivables are stated at their estimated realisable value.

d) Goods & Services Tax

The financial statements have been prepared on a GST exclusive basis other than Accounts Receivable and Accounts Payable.

e) Investment in Listed Equities and Carbon Credits

Investments are measured at fair value with gains or losses recognised in the Changes of Equity. The fair value of investments is determined by reference to active market transactions.

Investments in forestry assets under joint venture arrangements are recorded at the Group's share of the forest valuation as at year end. Forest assets are valued by an independent valuer annually. Changes in value are recorded as income entitled Equity Earnings.

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

f) Asset Revaluations

Any revaluation surplus arising upon appraisal of land and buildings is credited to the Asset Revaluation Reserve in Equity. Devaluations of land are recognised upon appraisal or impairment testing with the decrease being charged to the statement of financial performance. Any revaluation surplus remaining in equity on disposal of the asset is transferred to Retained Earnings.

g) Property, Plant & Equipment, Depreciation

Depreciation is calculated to allocate the cost of assets over their estimated economic useful lives. The following rates and methods have been used:

Asset Classification	Rate	Method
Land	0%	-
Buildings	2%	Straight Line
Building Improvements	3% - 7%	Straight Line
Fixtures & Fittings	7% - 30%	Straight Line & Diminishing Value
Computer Equipment	6% - 50%	Straight Line & Diminishing Value
Roads	4%	Diminishing Value
Motor Vehicles	13.5% - 25%	Straight Line & Diminishing Value

All property, plant and equipment except for land is stated at cost less depreciation.

h) Taxation

The Group is registered as a Māori Authority and the income tax rate is 17.50%. The Group has adopted deferred tax accounting in the year to 31 March 2021.

i) Development Property

Development Property assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

j) Statement of Cashflows

Since 2020, the Group have included a Statement of Cashflows. Cash and Cash Equivalents includes cash on hand, bank balances, deposits on call, with a bank and other term deposits with original maturities of 90 days or less and bank overdrafts. The carrying amount of Cash and Cash Equivalents represents fair value.

Changes in Accounting Policies

All accounting policies have been applied on basis consistent with the previous year.

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2 TRUSTEES FEES

	2022	2021
	\$	\$
Trustees' Fees by Entity		
Ngā Maunga Whakahii o Kaipara Development Trust	69,750	142,412
Whiti Ora o Kaipara Charitable Trust	65,613	90,813
	<u>\$ 135,363</u>	<u>\$ 233,225</u>
Trustees' Fees by Trustee		
Suzanne Clarke	7,500	11,525
Tracy Davis	3,000	4,125
Naida Glavish	14,250	23,625
Trisya Hemana	6,500	13,875
Richard Nahi	9,000	11,050
Tamaki Mercer	9,000	15,825
Cherie Povey	10,000	14,825
Jane Sherard	10,500	19,575
Margie Tukerangi	-	12,025
Ngawai Beazley	15,363	20,425
Puawai Kopu	13,375	20,800
Brenda Steele	20,312	31,613
Pauline Kingi	16,563	33,937
	<u>\$ 135,363</u>	<u>\$ 233,225</u>

3 EXTERNAL GOVERNANCE FEES

	2022	2021
	\$	\$
External Governance Fees by Entity		
Ngā Maunga Whakahii o Kaipara Development Trust	12,700	7,250
Whiti Ora o Kaipara Charitable Trust	13,662	-
	<u>\$ 26,362</u>	<u>\$ 7,250</u>
External Governance Fees by Trustee		
Mercer Tamaki	700	-
Puawai Kopu	1,650	-
Ngawai Beazley	850	-
Pauline Kingi	9,687	-
Brenda Steele	1,475	-
Trisya Hemana	1,500	2,500
Jane Sherard	5,000	3,125
Cherie Povey	5,500	1,625
	<u>\$ 26,362</u>	<u>\$ 7,250</u>

NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4 DIRECTORS FEE

	2022	2021
	\$	\$
Directors' Fees by Entity		
Ngā Maunga Whakahii o Kaipara Ngahere Limited	90,000	91,615
Ngā Maunga Whakahii o Kaipara Whenua Hoko Holdings	-	50,000
Ngā Maunga Whakahii o Kaipara Commercial Development	110,000	78,333
	<u>\$ 200,000</u>	<u>\$ 219,948</u>
Directors' Fees by Director		
Kristy Hill	33,333	43,283
Margaret Kawharu	60,000	48,332
Grant Hope	-	20,000
Rob Hutchinson	-	10,000
Chris Cardell	46,667	40,000
Rhys Freeman	60,000	58,333
	<u>\$ 200,000</u>	<u>\$ 219,948</u>

5 CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Bank Current Accounts	7,794,628	4,767,694
Bank Term Deposits	1,295,612	1,954,012
	<u>\$ 9,090,240</u>	<u>\$ 6,721,706</u>
Term Investments		
Investments with maturities over 90 days	<u>-</u>	<u>\$ 309,941</u>

6 INVESTMENTS

	2022	2021
	\$	\$
Forest Joint Venture	5,932,000	3,832,000
Managed Funds	37,118,779	36,473,824
	<u>\$ 43,050,779</u>	<u>\$ 40,305,824</u>

In 2015, Te Rau Manga Limited invested in a joint venture to plant forest at Woodhill. Te Rau Manga Limited will receive a share of stumpage in lieu of rental for land, based on its percentage contribution to the joint venture.

NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED THE 31ST OF MARCH 2022

7 PROPERTY PLANT AND EQUIPMENT

	Cost/Valuation	Depreciation	Accumulated Depreciation	Carrying Value
	\$	\$	\$	\$
31 March 2022				
Land	36,725,123	-	-	36,725,123
Buildings	927,788	10,699	44,492	883,296
Fixtures and Fittings	132,615	7,928	56,523	76,092
Computers and Software	208,767	23,472	176,871	31,896
Office Equipment	77,202	4,574	28,894	48,308
Roads	38,263	1,332	6,306	31,957
Motor Vehicles	142,923	12,022	23,248	119,675
	\$ 38,252,682	\$ 60,028	\$ 336,335	\$ 37,916,347
31 March 2021				
Land	36,721,123	-	-	36,721,123
Buildings	927,788	10,288	33,793	893,995
Fixtures and Fittings	401,218	26,726	150,791	250,427
Computers and Software	189,198	35,696	152,203	36,995
Office Equipment	44,421	3,732	25,515	18,906
Roads	38,263	1,387	4,974	33,289
Motor Vehicles	47,198	6,136	13,428	33,770
	\$ 38,369,209	\$ 83,965	\$ 380,704	\$ 37,988,505

Land

The carrying value of Lands has been determined through Auckland Council rate valuations as at 31 March 2020.

Buildings

The carrying value of Buildings has been determined through Auckland Council rate valuations as at 31 March 2020.

8 CARBON CREDITS

Under the Carbon Emissions Trading Scheme, Ngā Maunga Whakahii o Kaipara Development Trust acquired 192,546 pre-1990 New Zealand Units as part of its treaty settlement with the Crown. These were made available to compensate for the impact of rules relating to changing pre-1990 forest land use.

Unrealised gains / (losses) are calculated using the OM Financial Limited spot rate at balance date, and are recorded in the Asset Revaluation Reserve in the Statement of Changes in Equity. \$7,065,893 million (2021: \$7,085,693).

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9 INCOME IN ADVANCE

A transfer of \$516,116 was made to Income in Advance to reflect forestry licenses, Kake Hoiho Memberships, event funds, and grants received not yet utilised. (2021: \$640,555).

10 COMMITMENTS

Non-Cancellable Operating Leases

	2022	2021
	\$	\$
Less than 1 year	43,798	20,376
Between 1-5 years	117,253	201,837
	<u>\$ 161,051</u>	<u>\$ 222,213</u>

11 CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Group has not granted any securities in respect of liabilities payable by any other party whatsoever (2021: Nil).

12 SUBSIDIARY ENTITIES

The Trust has the following subsidiary entities:

Whiti Ora o Kaipara Charitable Trust, Ngā Maunga Whakahii o Kaipara Commercial Development Limited, Ngā Maunga Whakahii o Kaipara Ngahere Limited, Ngā Maunga Whakahii o Kaipara, Whenua Hoko Holdings Limited, Te Uru Limited, Te Rau Manga Limited. Pitoitoi Limited (non-trading).

13 RELATED PARTY TRANSACTIONS

During the year there have been transactions between the entities making up the Group as follows:

The Trust provided funding of \$400,000 to Whiti Ora o Kaipara Charitable Trust (2021: \$400,000).

At balance date there was a loan of \$548,691 owing by the Trust to Ngā Maunga Whakahii O Kaipara Commercial Development Limited. This is an interest free loan which is repayable on demand (2021: Ngā Maunga Whakahii O Kaipara Commercial Development Limited owed \$2,616,250 to the Trust).

At balance date the following was owing to Nga Maunga Whakahii O Kaipara Development Trust:

- Nga Maunga Whakahii Ngahere Ltd	\$15,403
- Nga Maunga Whakahii Whenua Hoko Holdings Limited	\$2,567
- Nga Maunga Whakahii Whenua Hoko Holdings Limited	\$108,578
- Nga Maunga Whakahii O Kaipara Commercial Development Ltd	\$8,192

At balance date the following was owing to Whiti Ora O Kaipara Charitable Trust:

- Nga Maunga Whakahii O Kaipara Development Trust	\$38,796
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**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14 SUBSEQUENT EVENTS

The following events and transactions occurred subsequent to 31 March 2022:

The Group formed a joint venture with Fletcher Residential Ltd to acquire and develop the 'Albany West Precinct' property owned by Massey University. A \$41,000,000 loan facility was established before year end with ANZ Bank in respect of this.

(2021: The Development Trust in Co-ownership with Auckland Council was gifted a property at 5 Rere Place, Parakai, Auckland by Helensville District Health Trust).

15 INCOME TAX

Income Tax Expense

	2022	2021
	\$	\$
Surplus / (Deficit) Before Income Tax	5,371,652	(551,624)
Adjust for Permanent Differences		
Non-Assessable Items	(3,004,979)	(135,218)
Non-Deductible Items	412,785	165,184
Loss Carried Forward	(1,379,172)	-
Taxable Surplus / (Deficit)	1,400,286	(521,658)
Statutory tax at 17.5% thereon	245,050	(91,290)
Tax Expense as Per Statement of Comprehensive Income	\$ 245,050	\$ (91,290)

Income Tax Liability

	2022	2021
	\$	\$
Tax Expense as Per Statement of Comprehensive Income	245,050	(91,290)
Temporary Timing Differences	9,855	15,084
Tax Liability / (Asset) Closing Balance	\$ 254,905	\$ (76,206)

Deferred Tax Liability

	2022	2021
	\$	\$
Opening Deferred Tax Balance	281,460	372,750
Deferred Tax Movement	(9,855)	(91,290)
Closing Deferred Tax Balance	\$ 271,605	\$ 281,460

**NGĀ MAUNGA WHAKAHII o KAIPARA GROUP
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2022**

16 LEGAL & PROFESSIONAL FEES

	2022	2021
	\$	\$
Administration	33,559	204,225
Inter-Entity Conflict Legal Fees	223,247	110,784
Governance	47,561	275,190
Business Opportunities Due Diligence	667,862	81,904
	<u>\$ 972,229</u>	<u>\$ 672,103</u>

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