



## Annual Performance Report

Year End 30th June 2020

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

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# Independent Auditor's Report

To the beneficiaries of Te Mana o Ngāti Rangitihī Trust

Report on the audit of the consolidated performance report

## Qualified opinion

In our opinion, the accompanying consolidated performance report of Te Mana o Ngāti Rangitihī Trust ('the Trust') and its subsidiaries ('the Group') on pages 5 to 19, except for the possible effects of the matter described in the basis for qualified opinion:

- i. Present fairly in all material respects the Group's financial position as at 30 June 2020 and its financial performance and cash flows for the year ended on that date;
- ii. Comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit); and
- iii. Suitably report the outcomes and outputs, and quantifies the outputs to the extent practicable, in the statement of service performance.

We have audited the accompanying consolidated performance report which comprise:

- The consolidated statement of financial position as at 30 June 2020;
- The consolidated statements of financial performance, changes in trust funds and cash flows for the year then ended;
- Notes, including a summary of significant accounting policies and other explanatory information; and
- The consolidated statement of service performance and entity information on pages 5 to 7.



## Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)') and the audit of information PBE FRS 48 requires to be included in the statement of service performance, in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('(ISAE (NZ) 3000)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

As stated in note 7, the auditor of Te Hononga o Tuhourangi me Ngāti Rangitihī Limited Partnership ('the Limited Partnership') issued an adverse opinion in relation to the carrying value of Goodwill in the Limited Partnership's Statement of Financial Position. The auditor was unable to determine that the Goodwill was not impaired due to it not being able to obtain sufficient or appropriate audit evidence to enable them to determine the extent of any impairment arising subsequent to 31 March 2020. As a result, given this Investment in Associate is material to the Group's performance report and any potential impairment of the Goodwill within the Limited Partnership's financial statements would have on the carrying value of the Investment in Associate, we have issued a qualified audit opinion. The rationale for the qualified audit opinion is due to the inability of obtaining sufficient appropriate audit evidence and the possible effects on the financial statements of undetected misstatements could be material however not pervasive.

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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and ISAE (NZ) 3000 are further described in the auditor's responsibilities for the audit of the consolidated performance report section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

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## Other information

The Trustees, on behalf of the Group, are responsible for the other information included in the entity's annual performance report. Our opinion on the consolidated performance report does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated performance report our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated performance report or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.



## Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent 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 beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## Responsibilities of the Trustees for the consolidated performance report

The Trustees, on behalf of the Trust, are responsible for:

- The preparation and fair presentation of the consolidated performance report in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit));
- Implementing necessary internal control to enable the preparation of a consolidated performance report that is fairly presented and free from material misstatement, whether due to fraud or error;
- Identifying outcomes and outputs that are relevant, reliable, comparable and understandable, and quantifying the outputs to the extent applicable, to report in the statement of service performance; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



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 **Auditor's responsibilities for the audit of the consolidated performance report**

Our objective is:

- To obtain reasonable assurance about whether the consolidated performance report as a whole is free from material misstatement, whether due to fraud or error;
- Identifying outcomes and outputs that are relevant, reliable, comparable and understandable, and quantifying the outputs to the extent applicable, to report in the statement of service performance; and
- To issue an independent 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. They 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 performance report.

A further description of our responsibilities for the audit of this consolidated performance report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-17/>

This description forms part of our independent auditor's report.

KPMG  
Tauranga

19 May 2021

# TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT YEAR END 30 JUNE 2020

## ENTITY INFORMATION

### MISSION

The Kaupapa of the Trust is to enable Ngāti Rangitahi to flourish in perpetuity supported by their unique self-determining capabilities.

The Trust also receives and holds and exercises stewardship over the Trust Fund on behalf of, and for the benefit of, the present and future members of the Iwi community, irrespective of where those Iwi members reside.

This includes without limitation:

1. Receiving and holding (on trust) and exercising stewardship over all of the property to be transferred to the Iwi under the CNI Settlement;
2. Acting as the Governance Entity for the purposes of the CNI Settlement and performing all of the Governance Entity functions;
3. Receiving and holding (on trust) any other property, funds, or assets, transferred directly or indirectly from the Crown or other bodies for the benefit of the Iwi including under any comprehensive settlement of the Iwi's historical claims under the Treaty of Waitangi.

The Kaupapa of the Trust also ensures that:

1. The mana of the Iwi is upheld, developed and recognised
2. The Iwi's resources are identified and optimised
3. The Iwi's survival and growth is enabled
4. The Iwi's whanau support networks are developed and maintained
5. The Iwi Members' capacity to be self-reliant is enhanced.

# TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT YEAR END 30 JUNE 2020

## STRUCTURE

Te Mana o Ngāti Rangitihi Trust comprises:

Governance                      Seven Trustees Appointed by Iwi members

Operational Areas              Administration  
   Comprehensive  
   Commercial Operations  
   Hau Kainga  
   Education and Culture  
   Environment  
   Marketing & Communications

Te Mana o Ngāti Rangitihi Charitable Trust              Five trustees comprising:  
   Two Trustees who are current Te Mana trustees.  
   Three Trustees appointed by Iwi members.

The Charitable Trust hold monthly hui to approve grants submitted to Iwi Members in the areas of Education, Sports, Kaumatua and Community.

Te Mana o Ngāti Rangitihi Trading Trust              The Trustees of Te Mana are the shareholders of the Trading Trust. The Trading Trust runs the Commercial Investment side of the business.

## MAIN SOURCES OF CASH & RESOURCES & METHODS USED TO RAISE FUNDS

1. CNI Dividends
2. Interest and Dividend Income from Portfolio Investment – Forsyth Barr Managed Portfolio
3. Income from Kākano Investment
4. Income from Te Hononga o Tuhourangi me Ngāti Rangitihi Limited Partnership (Waimangu Volcanic Valley (2017) Ltd)
5. Revenue from Rental Income

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

**STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

OUTCOMES	OUTPUTS MEASURED BY:	RESULTS 2020	RESULTS 2019
Provide good stewardship over iwi property and investments	• Forsyth Barr % Return on Investment	2.65%	3.00%
	• Kākano Investment Returns	6.71%	-2.22%
Develop and maintain iwi whanau support networks	No. of people on the Iwi database	5,398	5,123
Treaty Settlement Progress towards milestones	Milestones /progress	Progress Stage: Deed of Settlement Ratification	Progress Stage: PSGE Ratification
Mana of Iwi upheld, developed and recognised	No of students engaged in Te Ataarangi	10	10
Receive and administer settlement assets and other funding for charitable purposes	Number of Iwi members applying for funding	62	39
	Total grants to beneficiaries	\$27,495	\$18,115
Operation of Commercial Assets	Te Hononga o Tuhourangi me Ngāti Rangitahi Limited Partnership Waimangu Volcanic Valley Visitor Numbers (Actual)	60,489	59,822
	Revenue	\$ 3,019k	\$3,000k
	Net Profit – Total Profits Allocated – Te Mana	\$310k \$ 155k	\$488k \$244k



TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

		<b>GROUP</b>	
	Note	2020	2019
<b>Revenue</b>			
Culture and Education		3,461	110,360
Environment		9,415	1,347
Capital Gains on Investment		583,321	575,011
Comprehensive Funds		265,000	101,000
Commercial		3,800	6,676
COVID-19 Funding Received		11,500	-
Interest & Dividends Received		224,042	237,156
Distributions Received		611,466	1,238,278
Other Income Received		199	-
THoTmNR Ltd Partnership Income	7	155,481	244,108
<b>Total Revenue</b>		<b>1,867,685</b>	<b>2,513,936</b>
<b>Operating Expenses</b>			
Commercial Expenses		1,019	9,353
Comprehensive Expenses		481,180	506,877
COVID-19 Expenses		65,181	-
Education & Culture Expenses		47,038	39,435
Environment Expenses		19,535	19,141
Iwi Development Expenses		52,260	38,680
Marketing & Communication Expenses		125,955	80,870
Portfolio Service Fees		41,761	37,871
		<b>833,929</b>	<b>732,227</b>
<b>Operating Profit</b>		<b>1,033,756</b>	<b>1,781,709</b>
<b>Less Overheads</b>			
ACC Levy		339	377
Accountancy Fees		26,178	12,934
Audit Fees		25,000	10,750
Catering & Conference Expenses		7,044	3,147
Communications		-	1,475
Computer Expenses		16,706	12,958
Contractors		66,349	55,286
Depreciation		24,056	39,952
Grants To Beneficiaries		27,495	18,115
Interest Expense		39,859	52,452
Insurance		3,377	5,332
Legal Expenses		1,640	2,962
Other Office Expenses		48,856	59,050
Registration Database		11,341	3,900
Rent		15,730	18,438
Travel		19,950	23,813
Trustees Fees (Refer Appendix 1)		189,123	189,333
Wages		168,100	156,809
<b>Total Expenses</b>		<b>691,143</b>	<b>667,083</b>
<b>Surplus before Income tax</b>		<b>342,613</b>	<b>1,114,626</b>
Prior Period Tax Adjustment		2,830	-
Income Tax Expense	3	50,928	103,489
<b>Net Surplus for the Year</b>		<b>288,855</b>	<b>1,011,137</b>

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

**STATEMENT OF CHANGES IN TRUST FUNDS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

	note	2020	GROUP 2019
<b>Revenue and Revaluations</b>			
Net Surplus		288,855	1,011,137
Unrealised Gain on Investment		56,874	-
Fair Value Movement - Portfolio investments		(180,614)	(143,518)
Fair Value Movement - Kākano Investment	6	174,407	42,392
<b>Total Revenue and Revaluations</b>		<b>339,522</b>	<b>910,011</b>
<b>Contributions and Distributions</b>			
Trust Funds at the Beginning of the Period		13,955,242	13,045,231
Prior Period Distributions		21,207	-
Distributions		43,766	-
<b>Trust Funds at the End of the Period</b>		<b>14,359,737</b>	<b>13,955,242</b>

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

**STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>th</sup> JUNE 2020**

	note	GROUP 2020	2019
<b>Current Assets</b>			
Cash and Bank	2	1,941,959	993,490
Accounts Receivable		5,750	300
Accrued Income		8,334	20,049
Income Tax Receivable	4	139,001	111,263
GST Receivable		15,413	38,135
<b>Total Current Assets</b>		<b>2,110,457</b>	<b>1,163,237</b>
<b>Current Liabilities</b>			
Accounts Payable		170,572	118,970
ANZ Loan	11	564,208	224,201
<b>Total Current Liabilities</b>		<b>734,780</b>	<b>343,171</b>
<b>Working Capital</b>		<b>1,375,677</b>	<b>820,066</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	5	288,041	214,978
Kakano Investment Partnership	6	2,338,601	2,181,578
Te Hononga o Tuhourangi me Ngati Rangitahi PS Ltd	7	3,434,652	3,528,219
Portfolio Investments	8	6,922,766	7,733,031
		<b>12,984,060</b>	<b>13,657,806</b>
<b>Non-Current Liabilities</b>			
ANZ Loan	11	-	522,630
		-	<b>522,630</b>
<b>Net Assets</b>		<b>14,359,737</b>	<b>13,955,242</b>
<b>Trust Funds</b>			
		14,359,737	13,955,242
		<b>14,359,737</b>	<b>13,955,242</b>

Signed:



Leith Comer

19 May 2021



Merepeka Raukawa-Tait

19 May 2021

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
<b>Net Cash from Operating Activities</b>		
<b>Cash Provided from:</b>		
Interest and Dividend Income Received	792,381	775,410
Grants and Funding Received	274,211	260,833
Other Operating Receipts	13,715	55,603
Partnership Income	216,582	
Tax Refunds Received	141,104	-
CNI Distributions Received	454,051	1,044,308
	<b>1,892,044</b>	<b>2,136,154</b>
<b>Cash Applied to:</b>		
Payments to Suppliers and Employees	1,405,515	1,353,560
Grants Paid	27,495	18,115
Tax Payments made	78,266	32,638
	<b>1,511,276</b>	<b>1,404,313</b>
<b>Net Cash from Operating Activities</b>	<b>380,768</b>	<b>731,841</b>
<b>Net Cash Used in Investing Activities</b>		
Proceeds from investment	786,299	122,672
Receipt from sale of Investments	-	90,718
Contributions /Distributions	61,150	-
Proceeds from Sale/(Purchase) of Investment	-	(791,085)
Purchase of Property, Plant, Equipment	(97,122)	(9,196)
<b>Net Cash from Investment Activities</b>	<b>750,327</b>	<b>(586,891)</b>
<b>Net Cash Used in Financing Activities</b>		
Repayment of Borrowings	(182,626)	(170,562)
<b>Net Cash from Financing Activities</b>	<b>(182,626)</b>	<b>(170,562)</b>
<b>Net Increase (Decrease) in Cashflow</b>	<b>948,469</b>	<b>(25,612)</b>
Cash Balance at the Beginning of the Year	993,490	1,019,102
<b>Cash Balance at the End of the Year</b>	<b>1,941,959</b>	<b>993,490</b>

# TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT

## YEAR END 30 JUNE 2020

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1. Statement of Accounting Policies

##### Reporting Entity

Consolidated financial statements for the Te Mana o Ngāti Rangitihī (Te Mana) are presented. The consolidated financial statements of Te Mana for the year ended 30 June 2020 comprise Te Mana's old and new PSGE and its subsidiaries Te Mana o Ngāti Rangitihī Charitable Trust and Te Mana o Ngāti Rangitihī Trading Trust (together referred to as "The Group"), and the Group's interest in equity accounted investees. The financial statements are general purpose statements which have been prepared according to Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with The PBE-SFR-A (NFP) Public Benefit Simple Format Reporting – Accrual (Not-for-profit) Accounting Framework.

As part of the treaty settlement process the Crown required the establishment of a new Post Settlement Governance Entity (PSGE) to receive and manage all of the historical treaty settlement redress on behalf of Ngāti Rangitihī.

Below we outline the changes that have resulted from the establishment of this new PSGE.

- Te Mana o Ngāti Rangitihī Trust, established by a Trust Deed, dated 21 June 2009 (Old Trust)
- Te Mana o Ngāti Rangitihī Trust, established by a Deed of Trust, dated 28 August 2019 (New Trust)

As noted above New Trust was formed under a Trust Deed dated 28 August 2019 and the formation was ratified on 29 September 2019 at a Special General Meeting, as required by the Crown as the acceptable trust entity to receive from the Crown the comprehensive settlement redress on behalf of Ngāti Rangitihī under a Deed of Settlement to be entered into by the New Trust.

The Beneficiaries approved that the Trustees of Old Trust could resettle all of Old Trust's net assets upon New Trust; and to amend the provisions of the trust deed of Old Trust, the constitution of its Trustee, and the trust deed of the Te Mana Charitable Trust, by replacing Old Trust with New Trust.

A Deed of Resettlement between Old Trust and New Trust was signed and dated 21 October 2019 and on 1 December 2019 all of the business operations, assets and liabilities of Old Trust were transferred to New Trust.

New Trust commenced its business operations thereafter.

New Trust effectively continues the business operations of Old Trust, under the new Trust Deed. The nature nor operations of the entity did not change on 1 December 2019, only the legal form (i.e. switch from one trust to another). The Trustees and the Beneficiaries of the Trusts were the same. The Old Trust was terminated/dissolved on the date of the Resettlement.

Comparative information has been provided with the purpose to provide information that is useful in analysing the Group's financial statements. Comparative financial information comprises the Old Trust (including its subsidiaries as at 30 June 2019 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and the applicable notes to these financial statements.

Refer to note 16 for further details on the transfer.

# TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT

## YEAR END 30 JUNE 2020

### 1. Statement of Accounting Policies continued

#### Statement of Compliance and Basis of Preparation

Te Mana qualifies for PBR-SFR-(NFP) Public Entity Simple Format Reporting – Accrual (Not for profit) on the basis that Te Mana does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions are reported using accrual basis accounting. In addition, Te Mana has elected to apply 2 PBE Accounting Standards to the following items:

- Its investments recognising them as fair value in accordance with IPSAS 28; and
- The establishment of the new PSGE in accordance with PBE IFRS 3.

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by Te Mana with the exception of investments. The information is presented in New Zealand dollars.

#### Specific Accounting Policies

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

##### (a) Revenue

- i. Revenue is recognised when earned and is reported in the financial period to which it relates.
- ii. Grant revenue is recognised as revenue when the terms and conditions of the grant have been met.
- iii. Dividends are recognised as revenue when received net of imputation credits.

##### (b) Receivables

Receivables are recognised at estimated realisable value.

##### (c) Property, Plant and Equipment

Property, plant and equipment are recognised at cost less accumulated depreciation.

Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Land	0.0% DV
Plant & Equipment	4.0% – 67% DV
Furniture & Fittings	8.0% – 16.0% DV

##### (d) Income Tax

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

##### (e) Investments

Investments in listed fixed interest instruments and equities are stated at market value with movement through reserves, as considered available for sale and reassessed on an annual basis with reference to quoted market prices.

##### (f) Investment in Kākano Investment Limited Partnership.

Kākano Investments Limited Partnership ('The Partnership' or 'Kakano Investment') is a Limited Liability Partnership created by six North Island Iwi to buy a 2.5% stake in Kaingaroa Timberlands, a forestry business. Te Mana holds 1.9% of the equity in the Partnership. The investment in the Partnership is classified at fair value through reserves and presented as a non-current asset in the Statement of Financial Position.

**TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
YEAR END 30 JUNE 2020**

**1. Statement of Accounting Policies continued**

**(g) Goods and Services Taxation (GST)**

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

**(h) Principles of Consolidation**

Subsidiaries are those entities controlled, directly or indirectly, by the Group. The financial statements of subsidiaries are included in the consolidated financial statements using the purchase method of consolidation. The effects of intra-group transactions are eliminated in preparing the consolidated financial statements.

**(i) Investments in Equity Accounted Investees**

Associates and Joint Ventures are those entities in which the Group has significant influence, but not control over the financial and operating policies. Associates and Joint Ventures are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

**(j) Changes in Accounting Policy**

There have been no changes to the accounting policies.

**2. Cash and Bank**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash and Bank</b>		
ANZ	16,313	9,975
ASB	397,455	271,431
Westpac	594	159,136
BNZ	91,067	145,009
Brokerage Account	1,362,958	336,219
Petty Cash	263	599
BNZ Term Deposit	73,309	71,122
<b>Cash and Bank</b>	<b>1,941,959</b>	<b>993,490</b>

TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
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**3. Tax Expense**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
<b>Opening Surplus (Loss) before Income Tax</b>	342,613	1,114,626
<b>Plus</b>		
Imputation Credits on Dividend Received	14,580	24,522
Non Deductible Expenses - Permanent	500,599	525,723
Non Deductible Expenses - Timing	65,176	42,909
<b>Less</b>		
Non Assessable Income	(446,809)	(935,191)
Non Deductible Expenses - Timing	(31,117)	(40,648)
<b>Total Taxable Income</b>	<b>445,042</b>	<b>731,941</b>
Taxable Expense at 17.5%	77,882	128,011
Less Imputation Credits/OS Tax Credit	(26,954)	(24,522)
<b>Tax Expense</b>	<b>50,928</b>	<b>103,489</b>

**4. Income Tax Receivable**

	<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>
<b>Opening Balance</b>	111,263	45,491
<b>Less</b>		
Taxation Payable	(50,928)	(103,489)
Prior Year Adjustment	(2,830)	-
Provisional/ Tax paid	78,266	32,635
Refund	(141,033)	-
Non Assessable Income	(116,525)	(70,854)
<b>Plus</b>		
Maori Tax Credits Current Year	96,314	104,322
Maori Tax Credits Prior Year	21,212	-
RWT/ Overseas Tax credits Paid	26,737	32,304
	144,263	136,626
<b>Income Tax Receivable</b>	<b>139,001</b>	<b>111,263</b>



TE MANA O NGĀTI RANGITIHI – ANNUAL PERFORMANCE REPORT  
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## 5. Property, Plant and Equipment

	Cost \$	Depreciation Charged \$	Accumulated Depreciation \$	Closing Book Value \$
<b>Property, Plant &amp; Equipment 2020</b>				
Property	155,000	-	-	155,000
Plant & Equipment	157,996	23,941	26,288	131,708
Furniture & Fittings	1,448	115	115	1,333
<b>Total Property Plant &amp; Equipment</b>	<b>314,444</b>	<b>24,056</b>	<b>26,403</b>	<b>288,041</b>
<b>Property, Plant &amp; Equipment 2019</b>				
Property	98,126	-	-	98,126
Plant & Equipment	240,910	48,763	125,556	115,354
Furniture & Fittings	4,105	509	2,607	1,498
<b>Total Property Plant &amp; Equipment</b>	<b>343,141</b>	<b>49,272</b>	<b>125,818</b>	<b>214,978</b>

## 6. Kākano Investment

Te Mana has a 1.9% share in Kākano Investment Kaingaroa Timberlands forestry operation. While there is no quoted market price for the Partnership, Te Mana has taken up its share of net assets of the Partnership, as at 30 June 2020, from the Partnership's audited financial statements which is reflective of fair value. Te Mana's fair valuation of the Partnership as at 30 June 2020 is \$2,338,601 (2019: \$2,181,579) which is recorded in the Statement of Financial Position. The following table is a reconciliation of the opening balance to the closing balance for the fair value measurement of the investment in the Partnership.

	2020	2019
<b>Opening Balance</b>	2,181,579	2,229,905
Capital Distribution	(17,384)	(90,718)
Fair Value Gain/Loss	174,406	42,392
<b>Closing Balance</b>	<b>2,338,601</b>	<b>2,181,579</b>

## 7. Te Hononga o Tuhourangi me Ngāti Rangitahi Partnership Limited

Te Mana has a 50% share in Te Hononga o Tuhourangi me Ngāti Rangitahi Limited Partnership. The partnership was established by partnership agreement 20 July 2017 and subject to the Partnership Act 1908. The partnership runs Waimangu Volcanic Valley (2017) Ltd and provides its own audited financial reports which are consolidated into Te Mana at the end of the financial year. The partnership's audited financial statements for the year ended 31 March 2020 included an adverse audit opinion, in relation to the auditor being unable to obtain sufficient or appropriate audit

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**7. Te Hononga o Tuhourangi me Ngāti Rangitahi Partnership Limited continued**

evidence in relation to goodwill impairment testing. The value of this goodwill in the partnership as at 31 March 2020 was \$5,146,011. As Te Mana hold a 50% share in this associate, any potential impairment to goodwill could be material to the carrying value of Te Mana’s interest in the partnership in the Statement of Financial Position.

The carrying value of the investment in Te Hononga o Tuhourangi me Ngāti Rangitahi Limited Partnership as at 30 June 2020 is \$3,434,652 (2019: \$3,528,219)

	<b>2020</b>	<b>2019</b>
<b>Opening Balance</b>	3,528,219	3,349,210
Funds introduced	-	-
Share of Earnings	155,481	244,108
Distribution Received	(250,000)	(65,000)
Capital Gains on Sale of Fixed Assets	953	-
Tax Credits	-	(99)
<b>Closing Balance</b>	<b>3,434,652</b>	<b>3,528,219</b>

**8. Portfolio Investments**

Te Mana has a Conservative investment portfolio with Forsyth Barr. The Portfolio Investment has a market value at balance date of \$6,922,766 (2019: 7,733,031). Due to a COVID 19 response it was decided to liquidate some of the equity investments, therefore a cash balance of \$1,362,958 (2019: \$336,218) was held as at 30 June 2020 see note 2. Portfolio details in appendix 2 below.

**9. Contingent Assets**

As a beneficiary of the CNI Iwi Holdings Trust, Te Mana will be entitled to receive title to specific forest land currently held by the CNI Iwi Holdings Trust. The exact land eligible to be transferred will be determined through the Mana Whenua process which is currently underway between the eight Iwi beneficiaries of the CNI Iwi Holdings Trust. Once this due process is completed and there is unanimous agreement by the trustees of the CNI Iwi Holdings Trust, then land may be transferred. Te Mana has the right after 2044 to receive all income directly generated from its forests land and the return of full control of this land to Te Mana. As the Group does not have control or has yet to specifically identify what land will be distributed to the Group, no assets have been recognised in these financial statements.

**10. Related Parties**

The following transactions were carried out with related parties on normal commercial terms

**Income Transactions**

\$550,365 (2019: \$1,180,404) received from CNI Iwi Holdings for Crown Forestry Rentals and Annual Distribution, and tax free Capital Distribution.

\$1,100 received from D Semmens for Charitable Trust T-shirts.

**Expense Transactions**

\$50,000 grant paid to Ngāti Rangitahi Marae Trust, for general maintenance programmes. (2019: \$30,000)

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## 10. Related Parties (Continued)

\$51,584 (paid to Ian Dickson & Associates (Cubus NZ) for Treaty Settlement negotiation, attendances and reporting. (2019: \$22,653)

\$5,980 paid to Pryor and Associates for attendances at Kakano Investments Board and acting Trustee for TMONR Trading Trust. (2019: \$6,800)

\$300 paid to M Playle for Education Grant through Charitable Trust.

\$8,200 paid to Rangitihī Marae Committee for hire and Koha for Marae usage. (2019: \$3,000)

## 11. Loan Facility

The loan from ANZ of \$564,208 and has an interest rate of 5.34% as at 30 June 2020. At balance date the term of the loan is 06 December 2020. The loan is secured over all present and after acquired property.

## 12. Contingent Liabilities

Te Mana has no contingent liabilities as at 30 June 2020.

## 13. Capital Commitments

Te Mana has no capital commitments as at 30 June 2020.

## 14. Impact of COVID-19

In late March 2020 the New Zealand Government ordered a four week lockdown, during which non-essential businesses and organisations were not allowed to operate and non-essential workers were required to stay home. Lock down ended in late April, gradually easing restrictions that had been placed on organisations and individuals.

Te Mana received \$11,500 government funding towards assisting Iwi during March lockdown.

The Charitable Trust contributed \$30,000 to the COVID-19 response by supplying care and food packs, and checking on our more vulnerable Iwi members throughout the period.

The financial year end of Te Hononga o Tuhourangi me Ngāti Rangitihī Limited Partnership is the 31<sup>st</sup> March, therefore the impact of COVID-19 is not reflected in these accounts. During the four week lockdown Waimangu Volcanic Valley PS Limited was unable to operate, and due to the restricted overseas tourist market, this business has been significantly impacted as a result of COVID-19.

## 15. Subsequent Events

The Ngāti Rangitihī Deed of Settlement signing was held on the 5<sup>th</sup> December 2020.

Voting held in August 2020 ratified the Treaty Settlement with an approval rate of 92% of Iwi who voted.

ANZ Loan facility has been extended through to June 2021

Waimangu Volcanic Valley PS Limited, have sufficient cash reserves to meet budgeted expenditure, have made significant changes to lessen the business impact of COVID-19 and closures of the boarder to overseas tourists. This has included reducing staff numbers by approximately 50%. The net operating loss as 31<sup>st</sup> January 2021 was \$41,000 and estimated loss for year end 31<sup>st</sup> March 2021 is at \$120,000, from audited accounts March 2021.

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**16. Transfer of the Old Trust Business Operations, Assets and Liabilities to New PSGE Trust**

As noted in Note 1, on 1 December 2019, all of the business operations, assets and liabilities of the Old Trust were transferred to the New PSGE Trust ('the transfer').

The transfer occurred on 1 December 2019 using the carrying value of the assets and liabilities of the Old Trust as at 30 November 2019.

Details of the transfer are outlined below.

There was no consideration for this transfer as it was effectively transferring all assets and liabilities of the Old Trust and the contribution of new trust funds to the New PGSE Trust. The carrying value of the net assets transferred was \$10,262,540

Cash and Cash Equivalents	170,320
Receivables and Other Assets	462,866
Property Plant and Equipment	270,185
Investment in Trust Subsidiaries	9,409,562
Payables	(50,393)
	<u>10,262,540</u>

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**APPENDICES: (Unaudited)**

**1. Board of Trustee Payments**

**Payment to Board Members under Te Mana Deed**

Under Te Mana Trust Deed, clause 8.9, there is a provision for the payment of remuneration to the Trustees. This includes reasonable remuneration for the Trustees, Chairperson and Deputy Chair paid out of the Te Mana Fund. Such remuneration may be prescribed and approved in the form of a meeting fee or as a total amount payable per annum; and also in the form of full reimbursement of all expenses properly authorised and incurred by that Trustee in conducting duties as a Trustees.

<b>Board Members</b>	<b>Meetings Attended</b>	<b>Trustee Fees</b>	<b>Other Payments</b>	<b>2020</b>	<b>2019</b>
	<b>2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Leith Comer (Chair)	10	21,874	82	21,957	28,746
Catherine Moana Dewes	9	16,000	-	16,000	16,000
Merepeka Raukawa-Tait	6	16,000	241	16,241	16,776
Donna Marie Semmens	7	16,000	959	16,959	16,403
Melanie Cheung	9	16,000	1,630	17,630	19,028
Michael Playle	8	16,000	384	16,383	16,000
Tia Warbrick	8	16,000	4,549	20,549	24,695
		<b>117,874</b>	<b>7,844</b>	<b>125,719</b>	<b>137,648</b>
<b>Trading Trust Trustees</b>		<b>2020</b>	<b>2019</b>		
		<b>\$</b>	<b>\$</b>		
Harina Warbrick		13,333	20,000		
Ian Dickson		20,000	20,000		
Richard Barker		20,000	20,000		
		<b>53,333</b>	<b>60,000</b>		
<b>Charitable Trust Trustees</b>					
Thomas Mason		6,000	2,500		
Theresa Rondon-Harvey		6,000	2,500		
Freda Semmens		6,000	2,500		
		<b>18,000</b>	<b>7,500</b>		
<b>CNI Director Fee</b>					
Kenneth Lawrence Te Ianga Raureti		10,000	833		
		<b>10,000</b>	<b>833</b>		

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## YEAR END 30 JUNE 2020

### 2. Forsyth Barr Portfolio Report

Equities	Cost		Market Value	
	2020	2019	2020	2019
A2 Milk Company Limited - 5,000 units @11.21NZD	56,026	134,463	100,950	176,040
Abano Healthcare Group Ltd - 17,000 units @8.48NZD	-	144,153	-	59,500
Abbott Laboratories - 900 units @ 80.25 USD	114,866	-	128,433	-
Alibaba Group Holding Ltd - 400 units @ 169.42USD	98,030	122,537	134,665	126,060
Alphabet Class A - 75 units @ 549.28 USD	-	58,985	-	120,830
Alphabet Class C - 25 units @ 547.98 USD	-	19,498	-	40,206
Amazon.Co. Incorporation - 35 units@ 807.01 USD	40,362	46,219	150,708	112,699
Arvida Group Limited - 88,158 units @ 1.31NZD	115,467	100,335	127,829	103,500
Auckland international Airport - 20,000 units @ 4.60 NZD	92,051	26,096	131,400	98,500
Berkshire Hathaway Incorp - 450 units @ 178.03 USD	117,787	107,527	125,378	142,727
Cleanaway Waste Management Limited - 50,000 units @1.61AUD	-	85,460	-	121,700
Contact Energy Limited - 22,500 @7.14 NSD	160,564	-	140,850	-
CSL Limited - 450 units @ 130.33 AUD	62,516	94,902	138,160	179,677
Ebos Grou - 5,000 units @ 7.54 NZD	37,702	37,702	108,050	115,750
EOG Resources Incorporated - 1,250 units @77.44 USD	146,942	108,277	98,837	103,958
Fedex Corporation - 500 units @198.96 USD	-	140,889	-	122,147
Fisher & Paykel Healthcare Corp Ltd - 3,000 units @8.32	24,953	41,589	106,800	77,300
Intuit Incorporated - 300 units @ 262.46 USD	122,644	-	138,687	-
ishares COMEX Gold Trust Fund - 4,000 units @14.33 USD	96,069	-	106,071	-
Johnson & Johnson - 500 units @143.66 USD	-	102,421	-	103,616
Martin Marietta Materials Incorporated - 350 units @212.11 USD	-	101,765	-	119,831
Mercury NZ Ltd - 32,000@3.22NZD	-	102,917	-	148,800
Meridian Energy Ltd (NS) - 32,500 units @ 3.02 NZD	98,233	64,074	156,325	118,750
Metlife Care Limited - 18,600 units @ 5.61 NZD	104,411	153,844	95,604	129,505
Microsoft Incorporation - 500 units @107.41USD	80,678	112,950	158,818	139,521
Nestle SA - 500 units @ 60.37 SWF	43,587	52,507	85,878	92,399
New Zealand Exchange Ltd - 100,000 units @ 1.06 NZD	-	105,531	-	112,000
Ping An Insurance Group Company - 6,000 units @ 53.44 HKD	-	66,318	-	107,168
Prudential PLC - 5,000 units @13.95 GBP	141,696	127,330	116,677	129,682
Redrow PLC - 8,500 units @ 7.76 GBP	130,797	-	70,127	-
Rio Tinto - 1,500 units @ 44.31 GBP	130,838	-	130,676	-
Resmed incorporated - 4,500 units @ 13.32AUD	62,782	83,710	132,576	107,618
Ryman Healthcare Ltd - 6,250 units @ 3.62	22,655	36,249	81,750	117,500
Sanford Group - 21,115 @ NZD 6.24	131,671	185,288	132,602	207,000
Spark New Zealand limited - 47,763 units @ 4.14 NZD	197,854	-	217,799	-
SPDR Gold Trust - 1,900 units @ 130.93	367,992	274,869	496,337	297,277
Telstra Corporation Limited - 35,000 units@3.00 AUD	107,002	-	117,193	-
Tencent Holdings Limited - 1500 units @ 230.95HKD	-	64,723	-	100,712
Tourism Holdings Ltd - 30,000 units @ 4.83NZD	144,930	111,962	59,400	75,600
Trustpower Limited - 15,000 units @ 7.26	108,872	-	104,250	-
Viva Energy Group - 60,000 units @ 2.45 AUD	159,811	160,913	116,819	132,251
Visa Corporation - 325 units @ 214.00 USD	-	29,235	-	83,922
World wide Healthcare Trust PLC - 1,400 units @ 32.01 GBP	90,851	-	96,789	-
Z Energy Limited - 27,000 shares @7.23NZD	-	195,134	-	170,640
<b>Total Equity</b>	<b>3,410,641</b>	<b>3,400,372</b>	<b>4,106,440</b>	<b>4,194,387</b>

Property	Cost		Market Value	
	2020	2019	2020	2019
Goodman Property Trust - 295,693 units @ 1.04	49,315	65,753	91,350	116,100
Precinct properties NZ Ltd - 150,000 CN @1.08	85,440	122,053	87,200	142,800
Property for Industry Limited - 99,000 units @ 1.63	81,239	81,239	117,250	108,000
Vital Healthcare Property Trust - 100,000 units @1.17	26,867	26,867	49,900	49,200
<b>GBP</b>				
British land Company PLC - 11,000 units @5.68 GBP	120,727	120,727	81,399	111,892
<b>Total Property</b>	<b>363,587</b>	<b>416,639</b>	<b>427,099</b>	<b>527,992</b>

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	Cost		Market Value	
	2020	2019	2020	2019
<b>Fixed Interest</b>				
ANZ Bank NZ Limited - 22/3/2041 4.00% Bonds	-	125,000	-	130,863
Auckland International Airport -10/10/2024 3.05%	100,306	125,383	109,162	133,191
Chorus Limited - 06/05/2021 4.12%	75,000	175,000	77,325	180,915
Chorus Limited - 06/12/2028 4.35%	125,000	175,000	136,165	186,019
Fletcher Building industries Ltd - 15/3/2024 4.9%	-	100,000	-	108,346
Fletcher Building industries Ltd - 15/3/2022 5.0%	75,582	75,582	77,937	78,970
GNE Capital Bonds - 16/7/2048 4.65%	65,000	65,000	69,943	69,438
Heartland Bank Limited Notes - 12/4/2024 3.55%	-	125,320	-	128,493
Insurance Australia Group Ltd - 15/6/2043 5.15%	80,000	150,000	84,136	159,000
Kiwibank Limited - 20/9/2024 2.155%	90,278	-	93,175	-
Mercury NZ limited - 11/7/2044 3.6%	180,000	150,000	189,768	152,473
New Zealand Government Index Stock - 20/9/2025 2.00%	122,493	-	121,588	-
New Zealand Government Index Stock - 20/9/2030 3.00%	179,007	-	176,593	-
NZX Limited - 20/6/2033 5.4%	36,000	36,000	38,501	38,373
Pimco GIS Global Bond Fund	338,286	245,228	348,825	249,535
Property for Industry Limited - 28/11/2024 4.59%	-	75,000	-	80,874
Rabobank Term Deposit - 4/12/2020	200,000	-	200,000	-
Spark Finance Limited - 7/3/2024 3.37%	-	150,458	-	157,224
The New Zealand Refining company Ltd - 1/3/2034 5.1%	75,000	75,000	73,698	79,737
TrustPower Limited - 15/12/2022 4.01%	-	100,000	-	103,938
TrustPower Limited - 15/9/2019 6.75%	-	150,000	-	151,350
Wellington International Airport Ltd - 1/4/2030 4.00%	60,000	75,000	64,599	79,875
Westpac NZ Ltd FRN - 23/3/2023 3.72%	-	150,458	-	160,030
Z Energy Ltd - 1/11/2021 4.01%	-	100,000	-	103,267
<b>USD</b>				
ishares iBonds December 2020 Term Corporate	-	111,435	-	122,534
ishares TIPS Bond EFT	357,332	216,660	383,955	214,793
<b>AUD</b>				
National Australia Bank Limited FRN	143,295	143,295	143,857	141,418
<b>Total Fixed Interest</b>	<b>2,302,578</b>	<b>2,894,817</b>	<b>2,389,227</b>	<b>3,010,652</b>
<b>Forysth Barr Portfolio Total Investment</b>	<b>6,076,807</b>	<b>6,711,828</b>	<b>6,922,766</b>	<b>7,733,031</b>

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**DIRECTORY**

**Trust Formation Dates**

Te Mana o Ngāti Rangitahi Trust -21 June 2009  
Te Mana o Ngāti Rangitahi Charitable Trust-1 July 2009  
Te Mana o Ngāti Rangitahi Trading Trust – 2 July 2009  
Te Mana o Ngāti Rangitahi Limited – 2 July 2009  
Te Mana o Ngāti Rangitahi Trust (New PSGE)– 1 October 2019

**Trustees**

**Te Mana o Ngāti Rangitahi Trust (Old and New PSGE)**

Leith Comer  
Cathy Dewes  
Merepeka Raukawa-Tait  
Donna Semmens  
Melanie Cheung  
Tia Warbrick  
Michael Playle

**Te Mana o Ngāti Rangitahi Charitable Trust**

Tia Warbrick  
Freda Semmens  
Michael Playle  
Thomas Mason  
Theresa Rondon-Harvey

**Te Mana o Ngāti Rangitahi Trading Trust**

Merepeka Raukawa-Tait  
Harina Warbrick (Retired)  
Ian Dickson  
Richard Barker  
Te Kapunga Dewes  
Graham Pryor (Acting Trustee)

**Shareholders**

**Te Mana o Ngāti Rangitahi Trading Trust**

Leith Comer  
Cathy Dewes  
Merepeka Raukawa-Tait  
Donna Semmens  
Melanie Cheung  
Tia Warbrick  
Michael Playle



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**Directory (Continued)**

<b>IRD Number</b>	Te Mana o Ngāti Rangitahi Trust (Old) 103-910-234 Te Mana o Ngāti Rangitahi Trust (New PSGE) 130-744-325 Te Mana o Ngāti Rangitahi Charitable Trust 106-409-781 Te Mana o Ngāti Rangitahi Trading Trust 106-853-835 Te Mana o Ngāti Rangitahi Limited 103-401-526
<b>Physical Address</b>	30 Arawa Street Matata
<b>Postal Address</b>	PO Box 831 Whakatane 3158
<b>Website</b>	<a href="http://www.ngatirangitahi.iwi.nz">www.ngatirangitahi.iwi.nz</a>
<b>Auditors</b>	KPMG 247 Cameron Road Tauranga 3140
<b>Bankers</b>	ANZ Bank – Rotorua ASB - Auckland BNZ – Rotorua Central Westpac – Rotorua Central
<b>Solicitors</b>	Harkness Henry 85 Alexandra Street Hamilton 3240