

Ngati Rangiteaorere Claims Committee

Financial Statements

For the Year ended 31 March 2014

DRAFT UNAUDITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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**TRUST DIRECTORY
AS AT 31 MARCH 2014**

IRD Number: 101-912-086

Principal Activity of committee: To progress Waitangi Treaty claims on behalf of Ngati Rangiteaorere Iwi.

Location of committee: Mataikotare Marae
Mataikotare Road
Te Ngae
Rotorua

Accountants: Goldsmiths
Chartered Accountants
First Floor
189 The Strand
Whakatane, 3120

Auditors: Kelvin C. Deal Auditors
Chartered Accountants
2 Canning Place
Whakatane, 3120

Committee Members: Tai Eru (Chairman)
Wiremu Kingi
Rangimahuta Easthope
Herbert Hapeta Jnr
Kereama Pene
Donna Hall
Waireti Rolleston-Tait

COMPILATION REPORT

Compilation report to the trustee of Ngati Rangiteaorere Claims Committee.

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, the financial statements of Ngati Rangiteaorere Claims Committee for the year ended 31 March 2014. These have been prepared in accordance with the Reporting Framework described in Note 1 to the financial statements.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the reporting framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or a review engagement has been performed, and accordingly no assurance is expressed.

Disclaimer

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Goldsmiths
Chartered Accountants

26 August 2014

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
Trust Equity	2	1,020,116	1,141,512
Current Liabilities			
Westpac - 00 Account	4	-	7
Accounts Payable		49,519	300,275
NRCT Ltd		-	53,180
		<u>49,519</u>	<u>353,462</u>
Total Equity & Liabilities		<u>\$1,069,635</u>	<u>\$1,494,974</u>
Current Assets			
Advances - Other		-	-
Cash at Bank	3	745,285	1,381,542
Petty Cash		-	407
Accounts Receivable		-	2,548
NRCT Ltd		10,335	-
Ngati Rangiteaorere Koromatua Council Trust		198,012	-
Taxation Refund Due	5	<u>2,742</u>	<u>2,740</u>
		956,374	1,387,236
Non Current Assets			
Property, Plant and Equipment			
As per Schedule (at Book Value)	6	685	913
Intangibles			
Tikitere Trust Litigation		<u>112,575</u>	<u>106,825</u>
Total Assets		<u>\$1,069,635</u>	<u>\$1,494,974</u>

Trustee

Date

The accompanying notes form part of these financial statements.
The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the Compilation Report.

Goldsmiths
Chartered Accountants

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	Note	This Year	Last Year
Income			
Funding Grants		-	10,000
Central North Island (CNI) Income		-	1,425,000
Interest Received	18	12,128	
Forgiveness of Debt		-	10,562
		18	1,457,689
Expenses			
Accountancy Fees		13,744	6,264
Advertising		1,004	3,966
Audit Fees		3,000	4,600
Bank Charges		252	103
Catering		6,315	3,269
Consultants		54,940	90,694
Database for Tribal Register		2,000	-
Entertainment - Deductible		-	723
Entertainment - Non Deductible		-	723
General Office Expenses		178	-
Interest		503	4
Late Payment Penalties		2,165	-
Legal Fees - Non Deductible		-	50,600
Marae Grant		-	5,000
Postage		126	125
Printing & Stationery		1,099	681
Rent		1,991	1,422
Repairs & Maintenance - General		300	-
Repairs & Maintenance - Marae Clean Up		13,042	-
Services Expense		1,933	1,000
Staff Wages		(23)	-
Telephone & Internet		1,142	756
Travel & Accommodation - Airfares		1,860	-
Travel & Accommodation - Hotels		-	65
Travel & Accommodation - Mileage Reimbursement		9,673	46,825
Trustees Fees		5,941	74,373
Total Cash Expenses		121,184	291,192
Net Cash Surplus (Deficit)		(121,166)	1,166,496
Non Cash Expenses			
Depreciation		228	305
Net Operating Surplus (Deficit)		(121,394)	1,166,191
Prior Period Adjustments		-	(6,098)
Net Surplus (Deficit) Before Tax		(121,394)	1,172,289
Less Tax on Trustees Income	5	2	1,273
Net Surplus (Deficit) Transferred To Equity		\$(121,396)	\$1,171,015

The accompanying notes form part of these financial statements.

The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the Compilation Report.

Goldsmiths
Chartered Accountants

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
Net Surplus (Deficit)		(121,396)	1,171,015
Total Recognised Revenues and Expenses		(121,396)	1,171,015
Equity at Start of Period		1,141,512	(29,504)
		1,020,116	1,141,512
Total Equity At End Of Period		\$1,020,116	\$1,141,512

The accompanying notes form part of these financial statements.
The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the Compilation Report.

Goldsmiths
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 **Statement Of Accounting Policies**

Ngati Rangiteaorere Claims Committee is an unincorporated committee. The Financial Statements of the Committee have been prepared in accordance with generally accepted accounting practice.

The Committee qualifies for differential reporting based on the following criteria:

- It is not publicly accountable and
- The Committee is 'not large' as defined by the New Zealand Institute of Chartered Accountants.

The Committee has adopted all available differential reporting exemptions.

Measurement System

The measurement system adopted is that of historical cost.

Particular Accounting Policies

The following is a summary of the significant accounting policies adopted by the trust in the preparation of these financial statements.

Property, Plant, Equipment and Depreciation

Equipment is included at cost less aggregate depreciation provided at the maximum rates allowed by the Inland Revenue Department. The depreciation rates used are shown in the Schedule of Property, Plant and Equipment.

Taxation

The preparation, presentation and negotiation of Treaty of Waitangi claims are not 'business activities' and therefore are not subject to taxation. However, the Committee is subject to tax on other income such as interest received.

Accounts Receivable

Accounts Receivable are stated at expected realisable value.

Goods and Services Tax

The financial statements have been prepared on a GST inclusive basis.

Intangible Asset

The Committee is currently involved in a court case against Tikitere Trust. Legal fees incurred of \$101,200 have been paid to Woodward Law due to this. Tikitere Trust is attempting to obtain RMA consents to use the Tikitere Geothermal Field. The Committee, and its beneficiaries, have outstanding claims of ownership and rights to develop the heat on the field. The Committee has plans to use the heat on the field for many revenue generating ventures, but would be unable to do so if Tikitere Trust gained exclusive use through the RMA process. This litigation process began in 2009. The first, and only as yet, payment made to Woodward Law was for \$101,200 made on 1 May 2013, which covered the years 2009 - 2011. This has been recognised as a creditor at 31 March 2013. A further creditor of \$5,625 has been recognised at 31 March 2013, being the amount owed to David J Ross, in regards to professional services performed in regards to the Tikitere Trust Litigation. On 10 December 2013 a payment of \$5,750 was made to Felix Geringer Barrister for professional services rendered for the period 8 August 2013 to 4 December 2013.

This intangible asset will have a finite life, and will cease when the court case is settled. Any amortisation to be allocated is indeterminable, as the useful life of the asset cannot be estimated, nor can the outcome of the court case, which has the possibility of not producing any economic benefits to the Committee.

This intangible asset has not been internally generated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those of previous years.

2 Analysis Of Equity

The Trust Deed makes distinction between Trust Capital and Accumulated Trustees Income. The Equity of the Trust consists of the following:

	2014	2013
Capital		
	-	-
Accumulated Trustees Income		
Opening Balance	1,141,512	(29,504)
Add:		
Net Operating Surplus (Deficit)	(121,396)	1,164,918
Prior Period Adjustments	-	6,098
Closing Accumulated Trustees Income	\$1,020,116	\$1,141,512
Closing Trust Capital	<u>\$1,020,116</u>	<u>\$1,141,512</u>

3 Cash at Bank

	This Year	Last Year
Goldsmiths Trust Account	740,333	1,381,442
Westpac - 00 Account	4,928	-
Westpac - 01 Account	24	100
	<u>\$745,285</u>	<u>\$1,381,542</u>

4 Bank Overdraft

	2014	2013
Westpac - 00 Account	<u>-</u>	<u>7</u>

The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the Compilation Report.

Goldsmiths
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5	Taxation	2014	2013
	Net Surplus (Deficit) per Accounts	(121,394)	1,166,191
	Addback		
	Entertainment - Non Deductible	-	723
	Legal Fees - Non Deductible	-	50,600
	Late Payment Penalties	2,165	-
	Treaty Settlement Transactions - Non Deductible	119,247	(1,205,387)
	Taxable Surplus	18	12,128
	Taxation	2	1,273
	Opening Balance	(2,740)	(17)
	Income Tax (2009)	-	948
	Income Tax (2010)	-	1,024
	Refund Received	-	3,838
		(2,738)	7,066
	Less		
	RWT Paid	4	4,002
	RWT Paid (2010)	-	3,114
	RWT Paid (2009)	-	2,690
	Tax Payable (Refundable) as per Statement of Financial Position	\$(2,742)	\$(2,740)

6	Property, Plant And Equipment Summary			
	2014	Cost	Accum Depn	Book Value
	Plant & Equipment	1,999	1,314	685
	2013			
	Plant & Equipment	1,999	1,086	913

7 **Events Occurring After Balance Date**

The Treaty of Waitangi settlement regarding redress from the Crown for Ngati Rangiteaorere Iwi was signed in April 2014. The settlement proceeds were received in May and July 2014. The Crown settlement requires that a post settlement governance entity (PSGE) is ratified to hold all settlement assets.

Ngati Rangiteaorere Claims Committee was originally established to accept interim redress from the Crown, (and if ratified by the Iwi, it could become the post settlement governance entity when settlement was finalised). It was not ratified as the post settlement governance entity as the policy had changed and it no longer met the criteria for ratification. The Ngati Rangiteaorere Koromatua Council Trust has been ratified by Iwi to be the post settlement governance entity for the Ngati Rangiteaorere Iwi.

As a result the Trustees intend to transfer existing assets of Ngati Rangiteaorere Claims Committee to the Ngati Rangiteaorere Koromatua Council Trust, and for the Ngati Rangiteaorere Koromatua Council Trust to hold final settlement assets. This will be the final set of accounts for Ngati Rangiteaorere Claims Committee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

8 **Contingent Liabilities**

There are no contingent liabilities at year end (31 March 2013: \$Nil).

9 **Capital Commitments**

There are no capital commitments at year end (31 March 2013: \$Nil).

10 **Related Parties**

The Ngati Rangiteaorere Claims Committee occupies facilities belonging to Mataikotare Marae Trust. Two of the Claims Committee members, Wiremu Kingi and Rangimahuta Easthope, are also Trustees of Mataikotare Marae Trust. In the course of the Crown Forestry Rental Trust 1891 Contract, the Claims Committee made payments to Mataikotare Marae Trust from the Crown Forestry Rental Trust funds. During this financial year the Committee paid the Marae \$3,000.00 for Catering, \$3,412.50 for Rent and \$500.00 towards the cost of cleaning up the Marae. The post settlement entity, Ngati Rangiteaorere Koromatua Council Trust, also paid \$10,000.00 to Mataikotare Marae Trust to go towards the Marae Plumbing Project.

Donna Hall is a member of the Committee and is also a principal for Woodward Law, which has acted as a type of bank for the Committee by advancing funds to pay their expenses, and acting as their legal advisors. These transactions have been at arms-length.

NRCT Ltd is a subsidiary Company of the Committee. Transactions carried out with the Company are reported in the Statement of Financial Position, and are at arms-length.

Ngati Rangiteaorere Koromatua Council Trust is the post settlement governance entity (PSGE). Payments have been made by the Committee on behalf of the Trust throughout the year accordingly. These transactions are reported in the Statement of Financial Position, and are at arms-length.

NGATI RANGITEAORERE CLAIMS COMMITTEE

Taxation Depreciation Schedule
For the Year Ended 31 March 2014

	Private Use %	Date	Orig Cost	Open W.D.V	Add'ns (Sales)	Profit(Loss) on Sale	Dep Method	YTD Dep	Accum Depn	Close W.D.V
742										
01										
Plant & Equipment										
Viewsonic Projector			1999	913			25.00 D	228	1314	685
			1999	913				228	1314	685

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