

Ngati Rangiteaorere Claims Committee

Financial Statements

For the Year ended 31 March 2013

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

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**TRUST DIRECTORY
AS AT 31 MARCH 2013**

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 ANZ House 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 Theo Tait - Resigned August 2012 Waireti Rolleston-Tait - Appointed August 2012

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
Trust Equity	2	1,141,512	(29,504)
Current Liabilities			
Westpac - 00 Account	4	7	9
Accounts Payable		300,275	161,476
NRCT Ltd		53,180	-
		<u>353,462</u>	<u>161,484</u>
Total Equity & Liabilities		<u><u>\$1,494,974</u></u>	<u><u>\$131,981</u></u>
Current Assets			
Advances - Other		-	6,269
Cash at Bank	3	1,381,542	6,127
Advances - Rangiwewehi Charitable Trust		-	10,000
Petty Cash		407	-
Accounts Receivable		2,548	7,150
Taxation Refund Due	5	<u>2,740</u>	<u>17</u>
		1,387,236	29,563
Non Current Assets			
Property, Plant and Equipment			
As per Schedule (at Book Value)	6	913	1,218
Intangibles			
Tikitere Trust Litigation		<u>106,825</u>	<u>101,200</u>
Total Assets		<u><u>\$1,494,974</u></u>	<u><u>\$131,981</u></u>

 Trustee

 Date

 The accompanying notes and audit report form part of these financial statements.

Goldsmiths
Chartered Accountants


STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2013

	Note	This Year	Last Year
Income			
Funding Grants		10,000	-
Central North Island (CNI) Income		1,425,000	-
Interest Received		12,128	24
Forgiveness of Debt		10,562	-
		<u>1,457,689</u>	<u>24</u>
Expenses			
ACC Levy		-	(387)
Accountancy Fees		6,264	879
Advertising		3,966	731
Audio Visual		-	173
Audit Fees		4,600	6,655
Bank Charges		103	123
Catering		3,269	6,338
Consultants		90,694	49,431
Entertainment - Deductible		723	750
Entertainment - Non Deductible		723	250
General Office Expenses		-	840
Interest		4	9
Late Payment Penalties		-	(1,088)
Legal Fees - Deductible		-	249
Legal Fees - Non Deductible		50,600	13,800
Marae Grant		5,000	-
Postage		125	-
Printing & Stationery		681	-
Rent		1,422	-
Rent - Use of Facilities		-	680
Services Expense		1,000	10,100
Staff Wages		-	7,448
Telephone & Internet		756	-
Travel & Accommodation - Airfares		-	7,325
Travel & Accommodation - Hotels		65	-
Travel & Accommodation - Mileage Reimbursement		46,825	14,350
Trustees Fees		74,373	100
Total Cash Expenses		<u>291,192</u>	<u>118,757</u>
Net Cash Surplus (Deficit)		<u>1,166,496</u>	<u>(118,733)</u>
Non Cash Expenses			
Depreciation		305	406
Net Operating Surplus (Deficit)		<u>1,166,191</u>	<u>(119,139)</u>
Prior Period Adjustments		(6,098)	-
Net Surplus (Deficit) Before Tax		<u>1,172,289</u>	<u>(119,139)</u>
Less Tax on Trustees Income	5	1,273	-
Net Surplus (Deficit) Transferred To Equity		<u>\$1,171,015</u>	<u>\$(119,139)</u>

The accompanying notes and audit report form part of these financial statements.

Goldsmiths
Chartered Accountants



**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013**

	<i>Note</i>	<i>This Year</i>	<i>Last Year</i>
Net Surplus (Deficit)		1,171,015	(119,139)
Total Recognised Revenues and Expenses		1,171,015	(119,139)
Equity at Start of Period		(29,504)	89,105
		1,141,512	(30,034)
Add: Contributions			
Education Grants		-	531
Total Equity At End Of Period		<u>\$1,141,512</u>	<u>\$(29,504)</u>

The accompanying notes and audit report form part of these financial statements.

Goldsmiths
Chartered Accountants



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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.

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 2013

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:

	2013	2012
Capital		
	-	-
Accumulated Trustees Income		
Opening Balance	(29,504)	89,105
Add:		
Net Operating Surplus (Deficit)	1,164,918	(119,139)
Education Grants	-	531
Prior Period Adjustments	6,098	-
Closing Accumulated Trustees Income	\$1,141,512	\$(29,504)
Closing Trust Capital	\$1,141,512	\$(29,504)

3 Cash at Bank

	This Year	Last Year
Goldsmiths Trust Account	1,381,442	-
Hulton Patchell Call Account	-	781
Hulton Patchell Trust Account	-	5,137
Westpac - 01 Account	100	209
	\$1,381,542	\$6,127

4 Bank Overdraft

	2013	2012
Westpac - 00 Account	7	9

The effective debit interest rate applicable to this account is 26.95% per annum. There is no overdraft limit facility in place.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

5	Taxation	2013	2012
	Net Surplus (Deficit) per Accounts	1,166,191	(119,139)
	Addback		
	Entertainment - Non Deductible	723	250
	Legal Fees - Non Deductible	50,600	13,800
	Late Payment Penalties	-	(1,088)
	Treaty Settlement Transactions - Non Deductible	(1,205,387)	106,201
	Taxable Surplus	<u>12,128</u>	<u>24</u>
	Taxation	1,273	-
	Opening Balance	(17)	(9)
	Income Tax (2009)	948	-
	Income Tax (2010)	1,024	-
	Refund Received	<u>3,838</u>	<u>-</u>
		7,066	(9)
	Less		
	RWT Paid	4,002	8
	RWT Paid (2010)	3,114	-
	RWT Paid (2009)	<u>2,690</u>	<u>-</u>
	Tax Payable (Refundable) as per Statement of Financial Position	<u>\$(2,740)</u>	<u>\$(17)</u>

6 **Property, Plant And Equipment Summary**

2013	Cost	Accum Depn	Book Value
Plant & Equipment	<u>1,999</u>	<u>1,086</u>	<u>913</u>
2012			
Plant & Equipment	<u>1,999</u>	<u>781</u>	<u>1,218</u>

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

8 *Contingent Liabilities*

There are no contingent liabilities at year end (31 March 2012: \$Nil).

9 *Capital Commitments*

On 21 February 2014 the Trustees of Ngati Rangiteaorere Koromatua Council Trust entered in to an Agreement for Sale and Purchase of Real Estate to purchase land at Cookson Road, Tikitere, Rotorua for the sum of \$1,250,000.00 (31 March 2012 - \$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 only payment was for \$5,000, being a part payment towards cost of buildings.

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.

Income of \$1,325,000 was received from TTT Funding Management Trust on 29 November 2012. TTT is a related Trust on which Ngati Rangiteaorere Claims Committee is a Trustee. This income has been reported in the Statement of Financial Performance, and is at arms-length.



NGATI RANGITEAORERE CLAIMS COMMITTEE

Taxation Depreciation Schedule
For the Year Ended 31 March 2013

	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			1999	1218			25.00 D	305	1086	913
			1999	1218				305	1086	913

Kelvin C. Deal Auditors

CHARTERED ACCOUNTANTS



P.O. Box 2211
2 Canning Place
Whakatane, NZ
Phone: +64-7 929 5814
Email: admin@idealaudits.co.nz

INDEPENDENT AUDITORS' REPORT

To the Committee of Management of **NGATI RANGITEAORERE CLAIMS COMMITTEE**.

We have audited the financial statements of **Ngati Rangiteaorere Claims Committee** on pages 3 to 9, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information

Committee's Responsibilities

The Committee of Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors we have no other relationship with or interest in Ngati Rangiteaorere Claims Committee.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the NGATI RANGITEAORERE CLAIMS COMMITTEE as at 31 March 2013 and the results of its operations for the year ended on that date.

A blue ink signature of Kelvin C. Deal, written in a cursive style.

KELVIN C. DEAL CHARTERED ACCOUNTANTS

11th June 2014

2 Canning Place
WHAKATANE