

# **Te Orewai Te Horo Trust**

**2021 Financial Statements**

# **Te Orewai Te Horo Trust**

## **Contents of Financial Statements**

**For the Year Ended 31 March 2021**

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# Te Orewai Te Horo Trust

## Directory

As at 31 March 2021

### Nature of Business

The Trust is engaged in providing for the use and management of the land to the best advantage of the beneficial owners for the better habitation or use by the beneficial owners and to ensure the retention of the land for the present Maori beneficial owners and their successors. The nature of the Trust's business has not changed during the year under review.

### Address

PO Box 4117  
Kamo  
Whangarei 0141

Chairperson: 366 Whangarei Heads Road  
RD 4  
Whangarei 0174

### Bankers

Westpac Bank  
Whangarei

### Trust Formation Date

8 September 1986

### Trustees

Delaraine Armstrong  
Varron Armstrong  
Betty Cherrington  
Te Rangi Doull  
Theresa Hart  
Elaine Heremaia  
Huhana Lyndon  
Marino Murphy  
Julian Reweti

### Office Holder

Delaraine Armstrong - Chairperson  
Elaine Heremaia - Treasurer  
Betty Cherrington - Secretary

### Auditor

BDO Northland  
Chartered Accountants

### IRD Number

19-277-135

**Te Orewa Te Noho Trust**  
**Statement of Profit and Loss**

**For the Year Ended 31 March 2021**

	Note	2021	2020
		\$	\$
<b>Revenue</b>			
Grant - DOC		4,560	9,140
Grant - MPI 1BT		8,975	-
Grant - MSD Contract # NTHL-21-00441		33,305	-
Grant - Nga Kaitiaki o Nga Wai Maori		1,870	1,173
Grant - Nga Tirairaka o Ngati Hine		-	1,000
Grant - NRC		11,000	6,860
MSD Wage Subsidy - General		68,533	-
MSD - Covid 19 Response Funding		13,043	-
Grazing Lease Income		13,561	20,496
Hive Placement		19,000	20,000
Koha Received		3,386	1,500
Metal & Firewood		243	-
Other Revenue		5,036	5,000
Other Revenue - FNDC Rates Adjustment	6	21,754	-
Other Revenue - WDC Rates Adjustment	6	16,290	-
Pine Trees Logged		172,657	58,747
Rates Received from Tenants		9,009	8,457
Sales - Honey		63,776	-
Sales			1,400
<b>Total Revenue</b>		<b>465,999</b>	<b>133,773</b>
<b>Less Expenses</b>			
<b>Operating Expenses</b>			
Accountancy Fees		13,070	10,158
Audit Fees		6,000	6,000
Advertising		1,453	344
Bank fees		220	142
Catering		1,187	2,494
Consulting		1,269	-
Cost of Goods Sold		20,000	-
Covid Expenses		10,475	-
Expensed Equipment		-	106
Freight & Courier		452	305
General Expenses		147	-
Hire		5,310	373
Interest Expense		-	1
IRD interest & penalties		1	85
Kiwisaver Employer Contribution		1,858	-
Koha		4,875	7,676
Marae Hireage		2,100	-
Meeting expenses		847	4,248
Motor Vehicle Expenses		125	118
Nursery Costs		3,692	-
Office Expenses		322	170
Operations Management		53,193	37,681
Pest Control		-	783
Planting		1,843	-
Printing & Stationery		-	160
Rates - FNDC		10,803	100,767
Rates - WDC		25,753	26,141
Repairs & Maintenance		11,980	4,445
Riparian Spraying & Planting		9,800	5,428
Salaries & Wages		89,609	-
Subcontractor - Wai Noho		528	-
Subscriptions		1,582	-

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



**Te Orewa Te Hono Trust**  
**Statement of Profit and Loss**

For the Year Ended 31 March 2021	Note	2021	2020
Surveying on Trust Land		509	287
Telephone & Internet		283	-
Travel - National		-	670
Trustee Travel		1,000	2,337
Uniforms		2,426	1,355
		<b>282,714</b>	<b>212,274</b>
<b>Non Cash Expenses</b>			
Depreciation	4	12,988	650
<b>Total Expenses</b>		<b>295,702</b>	<b>212,923</b>
<b>(Deficit) / Surplus Before Income Tax</b>		<b>170,297</b>	<b>(79,150)</b>
Income Tax Expense	2	15,951	-
<b>Net (Deficit) / Surplus</b>		<b>154,347</b>	<b>(79,150)</b>

BDO Northland  
 ASSURANCE *BD*

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



# Te Orewai Te Horo Trust

## Statement of Changes in Trust Funds (Equity)

For the Year Ended 31 March 2021

	2021	2020
	\$	\$
<b>Revenues and Expenses</b>		
Net (Deficit) / Surplus	154,347	(79,150)
<b>Total Recognised Revenues and Expenses</b>	<b>154,347</b>	<b>(79,150)</b>
Trust Funds at the Beginning of the Year	5,200,829	5,279,978
<b>Trust Funds at the End of the Year</b>	<b>5,355,175</b>	<b>5,200,829</b>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

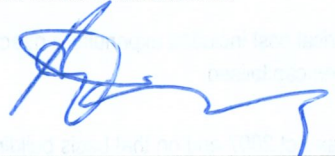
# Te Orewai Te Horo Trust

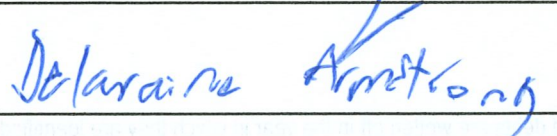
## Balance Sheet

As at 31 March 2021

	Note	2021 \$	2020 \$
<b>Current Assets</b>			
Westpac 00 - Te Orewai Te Horo Trust		46,673	5
Westpac 02 - Putea Account		199,550	81,406
Westpac 25 - Trust working account		2,084	520
GST refund due		-	12,901
Inventory (honey on hand)		19,000	20,000
Accounts Receivable		403	-
Income Tax	2	-	10,351
<b>Total Current Assets</b>		<b>267,711</b>	<b>125,184</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	4	5,371,211	5,335,930
<b>Total Non Current Assets</b>		<b>5,371,211</b>	<b>5,335,930</b>
<b>Total Assets</b>		<b>5,638,921</b>	<b>5,461,114</b>
<b>Current Liabilities</b>			
Accounts Payable	6	228,994	258,416
Income Received in Advance		23,015	1,870
GST Owing		15,785	-
Income Tax	2	15,951	-
<b>Total Current Liabilities</b>		<b>283,746</b>	<b>260,286</b>
<b>Total Liabilities</b>		<b>283,746</b>	<b>260,286</b>
<b>Net Assets</b>		<b>5,355,176</b>	<b>5,200,828</b>
<b>Trust Funds</b>			
Retained Earnings	5	41,175	(113,172)
Revaluation on Land	5	5,314,000	5,314,000
<b>Total Trust Funds</b>		<b>5,355,175</b>	<b>5,200,829</b>


For and on behalf of the Trustees:

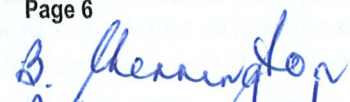
  
 \_\_\_\_\_ Chairperson Date 10/8/21

  
 \_\_\_\_\_ Trustee Date 10/8/21

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

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 ELAINE HEREMAIA  
 Marino Murphy

  
 Betty Cherrington  
 M. Murphy





# Te Orewai Te Horo Trust

## Notes to and forming part of the Financial Statements

For the Year Ended 31 March 2021

### 1 Statement of Accounting Policies

#### Reporting Entity

Te Orewai Te Horo Trust is the governance entity established by a Trust deed dated 8 September 1986.

The purpose for which the Trust was established was to provide for the use and management of the land to the best advantage of the beneficial owners for the better habitation or use by the beneficial owners and to ensure the retention of the land for the present Maori beneficial owners and their successors.

The Financial Statements are for the Trust only - no other group entities have been established.

#### Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with a Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia New Zealand.

There is no statutory requirement under the Trust Deed to prepare financial statements in accordance with Generally Accepted Accounting Practice. The Trustees have elected to prepare financial statements on a special purpose basis.

The financial statements have been specifically prepared for internal and income taxation purposes.

The accounting principles recognised as appropriate for measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the Trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied.

##### (a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the Trust and revenue can be reliably measured.

Hive placement revenue is generated by drums of honey being provided to the Trust in lieu of a monetary transaction. This has been recorded as a contra to inventory based upon estimated hive fees that would have been received. Any profit from this transaction will be realised when the honey stocks are sold.

Grants and funding contracts are recorded on an accruals basis and when the conditions attached to them have been met.

##### (b) Property Plant & Equipment

Property Plant & Equipment is recognised at cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, plus the cost of any replacements that have been capitalised.

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007 and on that basis buildings have not been depreciated.

##### (c) Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

##### (d) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years. The tax rate is 17.5% being the rate applicable to Maori Authorities.

To date RWT has been deducted at source and income tax has been paid on taxable income.



# Te Orewai Te Horo Trust

## Notes to and forming part of the Financial Statements (continued)

### For the Year Ended 31 March 2021

#### (e) Inventory

Inventory consists of honey stock on hand - this has been recorded based upon a nominal cost which has been determined from hive placement fees that were forgiven in lieu of receiving drums of honey.

#### (f) Financial Instruments

##### Financial instruments - Financial assets

At initial recognition the Trust determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

##### Amortised cost

Includes assets where the Trust intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortized cost. Gains and losses are recognised in the statement of financial performance when the assets are derecognised or impaired, as well as through the amortisation process.

##### Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in statement of financial performance when the assets are derecognised or impaired.

##### Fair value

Financial assets not held at amortised cost or cost are held at fair value. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Gains and losses are recognised in statement of financial performance for movements in the fair value of the assets and when the assets are derecognised.

##### Financial instruments - financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of financial performance.

#### (g) Goods and Services Taxation (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) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

# Te Orewai Te Horo Trust

## Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2021

2 Tax Reconciliation	2021	2020
	\$	\$
Net Surplus/(Deficit) as per Statement of Profit & Loss	170,297	(79,150)
Losses brought forward	(79,150)	-
Losses to carry forward to future years	-	79,150
Net taxable income	91,147	-
Plus non-deductible expenses	-	-
Taxable income	91,147	-
Tax at 17.50%	15,951	-
<b>Income Tax Payable</b>	<b>15,951</b>	<b>-</b>

During 2021, the 2020 provisional tax payments made of \$10,351 were refunded to the Trust.

### 3 Financial Instruments

#### Financial Instruments - Financial Assets 2021

	Amortised Cost	Cost	Fair Value
	\$	\$	\$
Cash and cash equivalents	248,308	-	-
GST Receivable	-	-	-
Income Tax Paid in Advance	-	-	-
	<b>248,308</b>	<b>-</b>	<b>-</b>

#### Financial Instruments - Financial Liabilities 2021

Payables	(228,994)	-	-
GST Payable	(15,785)	-	-
Income Tax Payable	(15,591)	-	-
	<b>(260,370)</b>	<b>-</b>	<b>-</b>

#### Financial Instruments - Financial Assets 2020

	Amortised Cost	Cost	Fair Value
	\$	\$	\$
Cash and cash equivalents	81,932	-	-
GST Receivables	12,901	-	-
Income Tax Paid in Advance	10,351	-	-
	<b>105,184</b>	<b>-</b>	<b>-</b>

#### Financial Instruments - Financial Liability 2020

Payables	(258,416)	-	-
GST Payable	-	-	-
	<b>(258,416)</b>	<b>-</b>	<b>-</b>



**Te Orewai Te Horo Trust**  
**Notes to and forming part of the Financial Statements (continued)**

**For the Year Ended 31 March 2021**

<b>4 Property Plant &amp; Equipment</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Plant &amp; Equipment / Computer Equipment</b>		
At cost	43,072	22,666
<b>Less:</b>		
Accumulated Depreciation	(10,593)	(735)
Net Book Value	<u>32,479</u>	<u>21,930</u>
<b>Land &amp; Improvements</b>		
At Cost	5,341,862	5,314,000
Accumulated Depreciation	(3,130)	
Net Book Value	<u>5,338,732</u>	<u>5,314,000</u>
<b>Total Net Book Value</b>	<u><b>5,371,211</b></u>	<u><b>5,335,930</b></u>
Current year depreciation	12,988	650
<b>5 Trust Capital</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Retained Earnings</b>		
Opening Balance	(113,171)	(34,022)
<b>Plus/(Less):</b>		
Net (Deficit) / Surplus	154,347	(79,150)
Closing Balance	<u>41,175</u>	<u>(113,172)</u>
<b>Revaluation Reserve</b>		
Opening Balance	5,314,000	5,314,000
	<u>5,314,000</u>	<u>5,314,000</u>
<b>Total Trust Capital</b>	<u><b>5,355,175</b></u>	<u><b>5,200,828</b></u>

Note the revaluation reserve is recorded for historical purposes only. Land and buildings are now recorded at cost. This balance represents revaluations booked in previous financial years which is useful to retain for future taxation records.

<b>6 Accounts Payable</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Rates Arrears - FNDC	81,120	100,766
Rates Arrears - WDC	137,509	145,750
Audit Fee	6,000	6,000
Trade Accounts Payable	366	5,899
Accounting Fee	4,000	
	<u>228,994</u>	<u>258,415</u>

Rates arrears consist of historical non payment of Council rates for the dwellings on the Trusts land. The Trust remains in consultation with each Council and is hopeful rates relief will be confirmed at a future date. As at balance date rates had been invoiced and on that basis are recorded as a liability until a settlement, if any, is reached. During the 2021 financial year, a portion of rates were adjusted/reduced by the Councils. This is reflected as revenue.

**7 Capital Commitments**

As at 31 March 2021 there were no capital commitments (March 2020: nil).



**Te Orewai Te Horo Trust**  
**Notes to and forming part of the Financial Statements (Continued)**  
**For the Year Ended 31 March 2021**

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**8 Contingent Liabilities**

As at 31 March 2021 there we no contingent liabilities (March 2020:nil)

**9 Subsequent Events**

Subsequent to balance date, revenue from grant funding streams has increased significantly. These are for specific projects including planting and the establishment of a native plant nursery. (March 2020: nil)

**10 Related Party Transactions**

A short term contract is in place with the Trust Chair to provide services related to the implementation of a two year operational plan. Remuneration for this role in 2021 was \$53,193. This is disclosed as operations management in the Statement of Profit and Loss. (2020; \$37,681)







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Kerikeri Office  
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## INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF TE OREWAI TE HORO TRUST

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Te Orewai Te Horo Trust ("the Trust"), which comprise the balance sheet as at 31 March 2021 and the statement of profit or loss and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust for the year ended 31 March 2021 are prepared, in all material respects, in accordance with Chartered Accountants Australia and New Zealand's Special Purpose Financial Reporting Framework for use by For-Profit Entities ("the CAANZ Framework").

#### 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 Financial Statements* section of our report. We are independent of the Trust 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 Trust.

#### Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Trusts Beneficiaries, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and the Trusts Beneficiaries, as a body, and should not be distributed to or used by parties other than the Trust and the Trusts Beneficiaries. Our opinion is not modified in respect of this matter.

#### Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the CAANZ Framework and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee's and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Who we Report to

This report is made solely to the Trust's Beneficiaries, as a body. Our audit work has been undertaken so that we might state those matters which 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 Trusts Beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Northland  
Whangarei  
New Zealand  
10 August 2021