

# Annual Report

Te Hanga South Lands Trust  
For the year ended 31 March 2019

Prepared by Asher Group Limited

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# Compilation Report

## Te Hanga South Lands Trust For the year ended 31 March 2019

Compilation Report to the Trustees of Te Hanga South Lands Trust.

### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Te Hanga South Lands Trust for the year ended 31 March 2019.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

### Responsibilities

The Trustees are solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

### 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 review engagement has been performed and accordingly no assurance is expressed.

### Independence

We have no involvement with Te Hanga South Lands Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. 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 these financial statements.



Asher Group Limited

Chartered Accountants

Dated: 29 July 2019

# Directory

## Te Hanga South Lands Trust For the year ended 31 March 2019

### Nature of Business

Maori Land Trust

### Trustees

Alby Knap, Responsible Trustee, Chairman

Ruthana Begbie, Responsible Trustee

Robert Jenner, Responsible Trustee

Paki Semmens, Responsible Trustee

Carol Thompson, Responsible Trustee

Paul Christensen, Advisory Trustee

### Beneficiaries

Te Hanga A No 8

Te Hanga A No 9

Te Hanga A No 10

T71 Block XII Tapapa SD

### Chartered Accountant

Asher Group Limited  
Chartered Accountants  
PO Box 7233  
Hamilton

### Bankers

Westpac  
28 Arawa Street  
Matamata 3400  
ASB  
53 Arawa Street  
Matamata 3400

### IRD Number

018-376-276

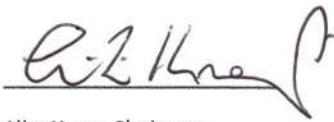
# Approval of Financial Report

## Te Hanga South Lands Trust For the year ended 31 March 2019

The Trustees are pleased to present the approved financial report including the historical financial statements of Te Hanga South Lands Trust for year ended 31 March 2019.

APPROVED

Signed for and on behalf of the Trustees.



Alby Knap, Chairman

Date 31 - 7 - 2019

# Statement of Financial Performance

## Te Hanga South Lands Trust For the year ended 31 March 2019

	NOTES	2019	2018
<b>Operating Income</b>			
Lease Fees A10		43,556	41,954
Lease Fees A8		12,943	12,943
Lease Fees A9		13,268	12,690
Lease Fees T71		14,833	13,814
Rates Reimbursed A10		6,780	6,702
Rates Reimbursed A8		3,396	3,521
Rates Reimbursed A9		3,526	3,208
Rates Reimbursed T71		4,316	4,265
<b>Total Operating Income</b>		<b>102,618</b>	<b>99,096</b>
<b>Less Direct Expenses</b>			
Depreciation - A8 Bridge		4,050	4,218
Depreciation - P&E		243	269
Depreciation Charge - A10 Sth Block		624	664
Depreciation Charge - Bridge A9		510	531
Depreciation Charge - T71 Sth Block		659	696
Rates A10		6,780	6,702
Rates A8		4,496	4,327
Rates A9		4,358	4,248
Rates T71		5,186	5,124
Forestry Block Management - T71		17,716	24,432
<b>Total Less Direct Expenses</b>		<b>44,623</b>	<b>51,211</b>
<b>Gross Profit</b>		<b>57,996</b>	<b>47,885</b>
<b>Other Income</b>			
Interest Received		12,035	4,493
Sundry Income		450	3,137
<b>Total Other Income</b>		<b>12,485</b>	<b>7,630</b>
<b>Total Income</b>		<b>70,481</b>	<b>55,515</b>
<b>Expenses</b>			
<b>Other Expenses</b>			
Accountancy Fees		3,750	3,000
Bank Fees & Charges		175	365
Consultancy		2,146	6,603
Dividend Distribution (Prior Year)		554	-
Electricity		-	(668)
<b>Total Other Expenses</b>		<b>6,624</b>	<b>9,299</b>
<b>Administration Services</b>			
Administration Services		8,250	9,550

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

	NOTES	2019	2018
Stationery, Postage & Printing		399	333
Communication Expenses		-	338
Subscription Fees		638	660
<b>Total Administration Services</b>		<b>9,287</b>	<b>10,881</b>
<b>Koha &amp; Grants</b>			
Education Grants		1,823	13,719
Marae Grants		-	3,000
Koroua Kuia Grants		7,400	7,200
Koha		2,000	1,000
<b>Total Koha &amp; Grants</b>		<b>11,223</b>	<b>24,919</b>
<b>Trustee Expenses</b>			
Trustee Insurance		2,175	1,850
Trustee Travel Expenses		3,182	1,819
Trustee Meeting Expenses & Catering Costs		2,611	1,422
Trustee Fees & Allowances		9,140	6,295
<b>Total Trustee Expenses</b>		<b>17,108</b>	<b>11,385</b>
<b>Total Expenses</b>		<b>44,242</b>	<b>56,485</b>
<b>Profit (Loss) Before Taxation</b>		<b>26,239</b>	<b>(970)</b>
<b>Taxation and Adjustments</b>			
Provision for Taxation for the Year	3	6,653	-
<b>Total Taxation and Adjustments</b>		<b>6,653</b>	<b>-</b>

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# Statement of Financial Position

## Te Hanga South Lands Trust As at 31 March 2019

	NOTES	31 MAR 2019	31 MAR 2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash at Bank		615,252	606,093
Trade and Other Receivables		5,824	2,663
GST Receivable		905	104
Other Current Assets		52,937	51,485
<b>Total Current Assets</b>		<b>674,918</b>	<b>660,345</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	8,810,927	8,647,543
<b>Total Non-Current Assets</b>		<b>8,810,927</b>	<b>8,647,543</b>
<b>Total Assets</b>		<b>9,485,845</b>	<b>9,307,888</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Taxation Payable		4,547	(14,058)
Provision for Unclaimed Dividends		-	(554)
Trade and Other Payables		4,584	22,362
Other Current Liabilities		792	-
<b>Total Current Liabilities</b>		<b>9,923</b>	<b>7,750</b>
<b>Total Liabilities</b>		<b>9,923</b>	<b>7,750</b>
<b>Net Assets</b>		<b>9,475,922</b>	<b>9,300,138</b>
<b>Equity</b>			
Trust Funds		9,475,922	9,300,138
<b>Total Equity</b>		<b>9,475,922</b>	<b>9,300,138</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



# Beneficiary Current Accounts

## Te Hanga South Lands Trust For the year ended 31 March 2019

	2019	2018
<b>Beneficiary Current Accounts</b>		
<b>Te Hanga A No 8</b>		
Opening Balance	2,269,031	2,273,594
<b>Plus Share of Profit/(Loss)</b>		
Divisional Profit/(Loss)	7,549	7,650
Share of Other Income	1,998	1,908
Share of Administration Expenses	(7,079)	(14,121)
Share of Tax	(762)	-
<b>Total Plus Share of Profit/(Loss)</b>	<b>1,707</b>	<b>(4,564)</b>
<b>Plus/(Less) Other</b>		
Asset Revaluation	86,000	-
Prior Year Adjustment Tax	(3,318)	-
<b>Total Plus/(Less) Other</b>	<b>82,682</b>	<b>-</b>
<b>Total Te Hanga A No 8</b>	<b>2,353,419</b>	<b>2,269,030</b>
<b>Te Hanga A No 9</b>		
Opening Balance	2,325,432	2,326,526
<b>Plus Share of Profit/(Loss)</b>		
Divisional Profit/(Loss)	11,926	11,119
Share of Other Income	1,998	1,908
Share of Administration Expenses	(7,079)	(14,121)
Share of Tax	(1,528)	-
<b>Total Plus Share of Profit/(Loss)</b>	<b>5,317</b>	<b>(1,094)</b>
<b>Plus/(Less) Other</b>		
Asset Revaluations	72,000	-
Prior Year Adjustment Tax	(3,318)	-
<b>Total Plus/(Less) Other</b>	<b>68,682</b>	<b>-</b>
<b>Total Te Hanga A No 9</b>	<b>2,399,432</b>	<b>2,325,432</b>
<b>Te Hanga A No 10</b>		
Opening Balance	2,904,490	2,875,414
<b>Plus Share of Profit/(Loss)</b>		
Divisional Profit/(Loss)	42,932	41,290
Share of Other Income	6,118	1,908
Share of Administration Expenses	(21,679)	(14,121)
Share of Tax	(5,800)	-
<b>Total Plus Share of Profit/(Loss)</b>	<b>21,571</b>	<b>29,076</b>
<b>Plus/(Less) Other</b>		
Asset Revaluations	-	-

	2019	2018
Prior Year Adjustment Tax	(3,318)	-
<b>Total Plus/(Less) Other</b>	<b>(3,318)</b>	<b>-</b>
<b>Total Te Hanga A No 10</b>	<b>2,922,743</b>	<b>2,904,489</b>
<b>T71 Block XII Tapapa SD</b>		
Opening Balance	1,801,185	1,825,573
<b>Plus Share of Profit/(Loss)</b>		
Divisional Profit/(Loss)	(4,411)	(12,174)
Share of Other Income	2,372	1,908
Share of Administration Expenses	(8,406)	(14,121)
Share of Tax	1,436	-
<b>Total Plus Share of Profit/(Loss)</b>	<b>(9,009)</b>	<b>(24,388)</b>
<b>Plus/(Less) Other</b>		
Asset Revaluations	11,470	-
Prior Year Adjustment Tax	(3,318)	-
<b>Total Plus/(Less) Other</b>	<b>8,152</b>	<b>-</b>
<b>Total T71 Block XII Tapapa SD</b>	<b>1,800,328</b>	<b>1,801,185</b>
<b>Total Beneficiary Current Accounts</b>	<b>9,475,922</b>	<b>9,300,137</b>

# Depreciation Schedule

## Te Hanga South Lands Trust For the year ended 31 March 2019

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>A 10 South Block</b>							
A10 Forestry Development	13,663	10,401	-	-	624	9,777	-
A10 Revaluation 01.07.16	686,337	686,337	-	-	-	686,337	-
A10 Revaluation 01.09.06	1,241,000	1,241,000	-	-	-	1,241,000	-
A10 Revaluation 01.09.09	234,000	234,000	-	-	-	234,000	-
A10 South Block	300,000	300,000	-	-	-	300,000	-
<b>Total A 10 South Block</b>	<b>2,475,000</b>	<b>2,471,738</b>	<b>-</b>	<b>-</b>	<b>624</b>	<b>2,471,114</b>	<b>-</b>
<b>A 8 South Block</b>							
A8 Revaluation 01.07.06	1,089,600	1,089,600	-	-	-	1,089,600	-
A8 Revaluation 01.07.16	1,002,201	1,002,201	-	-	-	1,002,201	-
A8 Revaluation 01.07.18	86,000	-	86,000	-	-	86,000	-
A8 Revaluation 01.09.09	176,199	176,199	-	-	-	176,199	-
A8 South Block	175,000	175,000	-	-	-	175,000	-
<b>Total A 8 South Block</b>	<b>2,529,000</b>	<b>2,443,000</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>2,529,000</b>	<b>-</b>
<b>A 9 South Block</b>							
A9 Revaluation 01.07.16	593,202	593,202	-	-	-	593,202	-
A9 Revaluation 01.07.18	72,000	-	72,000	-	-	72,000	-
A9 Revaluation 01.09.06	833,600	833,600	-	-	-	833,600	-
A9 Revaluation 01.09.09	153,198	153,198	-	-	-	153,198	-
A9 South Block	215,000	215,000	-	-	-	215,000	-
<b>Total A 9 South Block</b>	<b>1,867,000</b>	<b>1,795,000</b>	<b>72,000</b>	<b>-</b>	<b>-</b>	<b>1,867,000</b>	<b>-</b>
<b>A8 Pressure Tank and Pump</b>							
A9 Pressure Tank & Pump	6,899	2,536	-	-	243	2,293	-
<b>Total A8 Pressure Tank and Pump</b>	<b>6,899</b>	<b>2,536</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>2,293</b>	<b>-</b>
<b>Bridge A8</b>							
A8 Bridge	124,164	101,239	-	-	4,050	97,190	-
<b>Total Bridge A8</b>	<b>124,164</b>	<b>101,239</b>	<b>-</b>	<b>-</b>	<b>4,050</b>	<b>97,190</b>	<b>-</b>
<b>Bridge A9</b>							
A9 Bridge	28,929	12,746	-	-	510	12,236	-
<b>Total Bridge A9</b>	<b>28,929</b>	<b>12,746</b>	<b>-</b>	<b>-</b>	<b>510</b>	<b>12,236</b>	<b>-</b>

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NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>T71 Bridge</b>							
T71 Bridge	6,259	5,317	-	-	213	5,104	-
<b>Total T71 Bridge</b>	<b>6,259</b>	<b>5,317</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>5,104</b>	<b>-</b>
<b>Tapapa T71 South Block</b>							
T71 Revaluation 01.07.18	11,470	-	11,470	-	-	11,470	-
T71 Forestry Development	11,470	7,438	-	-	446	6,992	-
T71 Revaluation 01.07.16	283,530	283,530	-	-	-	283,530	-
T71 Revaluation 01.09.06	1,238,000	1,238,000	-	-	-	1,238,000	-
T71 Revaluation 01.09.09	197,000	197,000	-	-	-	197,000	-
T71 Tapapa South Block	90,000	90,000	-	-	-	90,000	-
<b>Total Tapapa T71 South Block</b>	<b>1,831,470</b>	<b>1,815,968</b>	<b>11,470</b>	<b>-</b>	<b>446</b>	<b>1,826,992</b>	<b>-</b>
<b>Total</b>	<b>8,868,721</b>	<b>8,647,543</b>	<b>169,470</b>	<b>-</b>	<b>6,086</b>	<b>8,810,927</b>	<b>-</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

# Notes to the Financial Statements

## Te Hanga South Lands Trust For the year ended 31 March 2019

### 1. Reporting Entity

Te Hanga South Lands Trust is a Maori Authority registered under the Ture Whenua Maori Land Act 1993.

### 2. Statement of Accounting Policies

#### Basis of Preparation

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

The accounting principles recognised as appropriate for the measurement and reporting of the Combined Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the entity, unless otherwise stated in the Specific Accounting Policies. The information is presented in New Zealand Dollars. All values are rounded to the nearest \$.

#### Historical Cost

These financial statements have been prepared on a historical cost basis, [except for certain assets which have been revalued as identified in specific accounting policies below]. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

#### Revenue Recognition

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

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised on receipt, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

## Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

## Depreciation

Account	Method	Rate
Bridge A9	Diminishing Value (100%)	4%
A8 Pressure Tank and Pump	Diminishing Value (100%)	9.6%
A 10 South Block	Diminishing Value (100%)	6%
T71 Bridge	Diminishing Value (100%)	4%
Tapapa T71 South Block	Diminishing Value (100%)	6%
Bridge A8	Diminishing Value (100%)	4%
A 10 South Block	No Depreciation	%
A 9 South Block	No Depreciation	%
A 8 South Block	No Depreciation	%
Tapapa T71 South Block	No Depreciation	%

## Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

## Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2019	2018
<b>3. Income Tax Expense</b>		
Net Profit (Loss) Before Tax	26,239	(970)
<b>Additions to Taxable Profit</b>		
Prior Year Dividend Distribution Paid	554	-
Koha	2,000	-
Grants	9,223	-

IRD Penalties	-	-
<b>Total Additions to Taxable Profit</b>	<b>11,776</b>	-
<b>Deductions from Taxable Profit</b>		
Losses Distributed	-	-
<b>Total Deductions from Taxable Profit</b>	-	-
Taxable Profit (Loss)	38,015	(970)
Tax Payable at 17.5%	6,653	-
<b>Deductions from Tax Payable</b>		
Resident Withholding Tax	2,106	786
<b>Total Deductions from Tax Payable</b>	<b>2,106</b>	<b>786</b>
Income Tax Payable (Refund Due)	4,547	(786)
	<b>2019</b>	<b>2018</b>

#### 4. Property, Plant and Equipment

Land & Improvements	8,808,634	8,645,007
Plant and Equipment	2,292	2,536
<b>Total Property, Plant and Equipment</b>	<b>8,810,927</b>	<b>8,647,543</b>
	<b>2019</b>	<b>2018</b>

#### 5. Maori Authority Credits

Opening Balance	120,419	120,508
<b>Plus</b>		
Provisional Tax Payments	-	-
Withholding Tax Paid	2,106	786
<b>Total Plus</b>	<b>2,106</b>	<b>786</b>
<b>Less</b>		
Prior Year Tax Refund	(786)	(876)
<b>Total Less</b>	<b>(786)</b>	<b>(876)</b>
<b>Total Maori Authority Credits</b>	<b>121,739</b>	<b>120,419</b>

## 6. Land

a. The latest government valuation of land and buildings dated 1 July 2018, was \$2,529,000.

Legal Description: A8 Block (MPDC) - N E PT TE HANGA A8 BLK XII TAPAPA SD (05321/571.00)

Total Area: 89.1761ha

Land Value: \$2,343,000

Improvements Value: \$186,000

b. The latest government valuation of land and buildings dated 1 July 2018, was \$854,000.

Legal Description: A9 Block (MPDC) - PT TE HANGA A9 BLK XII TAPAPA EAST SD (05321/573.00)

Total Area: 38.8703ha

Land Value: \$799,000

Improvements Value: \$55,000

c. The latest government valuation of land and buildings dated 1 July 2018, was \$1,013,000.

Legal Description: A9 Block (SWDC) - PT TE HANGA A9 BLK XII XVI TAPAPA EAST SD (05411-33500)

Total Area: 32.7952ha

Land Value: \$986,000

Improvements Value: \$27,000

d. The latest government valuation of land and buildings dated 1 July 2018, was \$2,475,000.

Legal Description: A10 Block (SWDC) - PT TE HANGA A10 BLKs XII XVI TAPAPA SD (05411/33800)

Total Area: 67.0825ha

Land Value: \$2,370,000

Improvements Value: \$105,000

e. The latest government valuation of land and buildings dated 1 July 2018, was \$1,820,000. (05411/33400)

Legal Description: T71 Block (SWDC) - PT SEC 71 BLK XII TAPAPA SD

Total Area: 99.4237ha

Land Value: \$1,740,000

Improvements Value: \$80,000