

**TAI TOKERAU MAORI TRUST BOARD
CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2018**

Reporting Entity

Tai Tokerau Maori Trust Board was established, and is governed by, the Maori Trust Boards Act 1955.

The group consists of Tai Tokerau Maori Trust Board and its wholly owned subsidiary companies: Burghley Holdings Limited, Cognitum Corporation Limited, Tai Tokerau Corporation, Tai Tokerau Taipa Limited, Tai Tokerau Ngawha Limited and Tai Tokerau Ngawha No 2 Limited. Cognitum Corporation Limited holds 51% interest in Waitangi Resort Joint Venture.

The consolidated financial statements of Tai Tokerau Maori Trust Board have been prepared in accordance with section 31 (1) of the Maori Trust Boards Act 1955.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Accrual accounting is used to match revenue and expenses.

Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments and bank overdrafts.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Property, Plant and Equipment (PPE)

Fixed assets, and asset additions are valued at cost.

The buildings owned by the joint venture are valued at fair value which is determined using valuation models and confirmed by independent registered valuers on a triennial basis.

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Depreciation

Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the asset. The estimated economic lives are as follows:

<i>Asset Category</i>	<i>Useful Life (Years)</i>
Buildings	50 years or lease term if shorter
Plant, Equipment, Furniture & Fittings	5-15 years
Motor Vehicles	4 years

Investments

Investments are stated at the lower of cost or net realisable value. Any write downs are recognised in the Statement of Financial Performance.

Investment Properties

Investment properties are stated at new current value and are revalued annually by an independent valuer. Revaluation gains or losses are included in the Statement of Financial Performance. Depreciation is not charged on these properties.

Taxation

The Board is a registered charitable organisation and is exempt from taxation on its income. The companies owned by the Board are liable for taxation, and a provision has been made for taxation. The income tax expense is charged to the Statement of Financial Performance in respect of these subsidiary companies that have taxable income in the current year, plus an accrual for any prior years using the liability method.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables which are stated with GST included.

Stock

Stock is valued at the lower of cost and net realisable value on a first in first out basis.

Method of Consolidation

The activities of the Board and those of its wholly owned subsidiaries have been consolidated using the purchase method. All intergroup balances and transactions are eliminated.

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Intangibles

Intangible assets are amortised on a straight line basis over their estimated useful lives, which are:

<i>Asset Category</i>	<i>Useful Life (Years)</i>
Leasehold Interests	21 years

Equity

Equity is the beneficiaries interest in Tai Tokerau Maori Trust Board and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components;

- trust capital
- accumulated funds
- property revaluation reserves

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent results.

Changes in Accounting Policies

There have been no changes in the accounting policies during the year.

**TAI TOKERAU MAORI TRUST BOARD
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
Income			
Waitangi Resort Hotel		4,938,057	4,446,056
Investment Properties		489,478	493,513
Sundry Income		10,000	19,229
Total Income		<u>5,437,535</u>	<u>4,958,798</u>
Expenditure			
Waitangi Resort Hotel		4,321,797	3,969,669
Investment Properties		175,860	216,767
Board Administration		172,839	123,670
Total Expenditure		<u>4,670,496</u>	<u>4,310,106</u>
Operating Surplus before property movements and vested assets for the Year	1	767,039	648,692
Unrealised Net Change in Value of Investment Properties	2	<u>0</u>	<u>0</u>
Net Surplus before tax for the Year		767,039	648,692
Provision for Taxation		<u>0</u>	<u>0</u>
Net Surplus after tax for the Year		<u>767,039</u>	<u>648,692</u>

The accompanying accounting policies and notes form an integral part of the financial statements

**TAI TOKERAU MAORI TRUST BOARD
CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Opening Equity	14,493,007	13,694,315
Revaluation - Hunt Street	0	150,000
Revaluation - Waitangi JV	2,889,044	0
Net Surplus for the Year	767,039	648,692
Closing Equity	<u>18,149,090</u>	<u>14,493,007</u>

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integral part of the financial statements

TAI TOKERAU MAORI TRUST BOARD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
Equity			
Capital		95,300	95,300
Revaluation Reserves	2	7,518,864	4,629,820
Retained Earnings	3	10,534,926	9,767,887
Total Equity		<u>18,149,090</u>	<u>14,493,007</u>
Represented By:			
Current Assets			
Cash and Bank		1,732,475	1,027,267
Debtors		409,602	387,732
Prepayments		13,941	13,277
Stock		36,227	38,394
Tax Credits		2,086	1,543
Total Current Assets		<u>2,194,331</u>	<u>1,468,213</u>
Current Liabilities			
Creditors and Accruals		626,481	711,587
Current Portion of Term Loan		80,000	80,000
Total Current Liabilities		<u>706,481</u>	<u>791,587</u>
Working Capital		<u>1,487,850</u>	<u>676,626</u>

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TAI TOKERAU MAORI TRUST BOARD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
Non-Current Assets		
Mana Loans	376,697	376,697
Less Provisions for Bad Debts	-376,697	-376,697
Trade & Other Receivables	828,595	1,014,214
Investment Properties	4 4,904,296	4,750,000
Fixed Assets	11,028,002	8,231,820
Intangibles	0	0
Total Non-Current Assets	<u>16,760,893</u>	<u>13,996,034</u>
Non Current Liabilities	99,653	179,653
Net Assets	<u>18,149,090</u>	<u>14,493,007</u>

Date

Date

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integral part of the financial statements

TAI TOKERAU MAORI TRUST BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
1. The Operating surplus includes:		
Audit Fees -Board	26,000	20,306
Audit Fees - Waitangi Resort Joint Venture	5,612	5,612
Depreciation	257,277	266,765
Board Members Honoraria and Fees	26,923	36,835
Interest on Loans	13,237	33,099
Leasing Costs	336,497	328,514
2. Revaluation Reserves	\$	\$
Balance at start of the year	4,629,820	4,629,820
Net Changes in Value of Investment Property	0	0
JV Revaluation	2,889,044	0
Total Revaluation Reserves	<u>7,518,864</u>	<u>4,629,820</u>
3. Retained Earnings	\$	\$
Balance at start of the year	9,767,887	8,969,195
Net surplus (deficit) for the year	767,039	648,692
Movement in Revaluation Reserve	0	150,000
Balance at end of the year	<u>10,534,926</u>	<u>9,767,887</u>
4. Investment Properties	\$	\$
Hunt Street, Whangarei	4,600,000	4,600,000
Plus Capital Improvements	304,296	0
Less Net Change in Value	0	150,000
Closing Value	<u>4,904,296</u>	<u>4,750,000</u>

These figures have been extracted from the full valuation report completed by Valcom Ltd Public Valuers, Whangarei dated 30 June 2017

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