TE RŪNANGA O
TOA RANGATIRA

Annual Report

2021

Upane ka upane whiti te ra

Advancing together into a brighter future

www.ngatitoa.iwi.nz

Te Rūnanga o Toa Rangatira is going through a significant period of change.

This change has been likened to Tauwhirowhiro and the changing phases of our Maramataka.

Our Annual Report 2020/21 showcases the changes being made to support the future aspirations of
Ngāti Toa Rangatira.

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Chairman's Report

E ngā puananī i pūawhea atu e te kōkōuri tawhito kia tau ai ki ngā whenua katoa o te ao, tēnā tātou. E waipuke kau ana te tai o mihi ki a koutou i runga i ngā tikanga me ngā kawa i whakapūmautia ai e ngā mātua tūpuna o nehe.

E tangi tonu ana te ngākau ki a rātou o te iwi nei kua hinga ki te pō i te tau kua pahure tata. Āue, te tokomaha o te iwi kua mate i tēnei tau aituā. E ngā mate, haere atu rā.

Tārewa ake rā hei taonga whakarākei i te korowai kerekere o Ranginui, ā, ka whetūrangitia.

Rātou te hunga mate ki a rātou. Tātou te mahuetanga ki a tātou.

Nō reira, e te iwi, e mihi ana. E tū mai nei tātou i te tatau tuwhera ki te ao tauwhirowhiro. Me hapai i ngā āheitanga i mua i a tātou kia ora ai te iwi.

Tēnā tātou katoa.

In April 2021, after many years of dedication and service, Dr Taku Parai stepped down from the board of Te Rūnanga O Toa Rangatira.

Taku first came to the board as a rangatahi representative, and by the time of the signing of Ngāti Toa Deed of Settlement in August 2012 he had assumed the chair.

His accomplishments and achievements are so numerous it would be difficult to do them justice in the limited space we have here. Suffice it to say, Taku has been the face of Ngāti Toa Rangatira for many years, and will continue to be so, despite having stepped down from the rūnanga board.

His influence continues as the rūnanga Pou Tikanga, as the chair of the Kaunihera Kaumātua, and, of course, Taku remains the cornerstone of Takapūwāhia marae, upholding the mana of our iwi by ensuring, along with our other kaumātua, that our kawa and tikanga are adhered to.
The board wishes to acknowledge Taku's tireless and boundless contribution to the rūnanga over so many years. We will miss his wisdom and experience at the table, but, as he points out, "It's not as if I'm going anywhere!"

Nō reira, e te rangatira, e Taku, kāore e ārikarika te tai o mihi ki a koe.

The board also wishes to acknowledge the members of Toa Rangatira Education and Achievement Team (TREAT), our expert advisory group that has driven the iwi education direction over recent years. Jeannette Grace and her team have been instrumental in laying the foundation for the future growth of the rūnanga education-related activities.

This is a very exciting time for education and employment. We are well prepared for the opportunities ahead and TREAT has played a significant role in getting us to this enviable position. A huge thank you to the whole TREAT team.

Te Ao Tauwhirowhiro
Our world is changing. It is encouraging to see how much of te ao māori is being adopted by the wider population, and to see that central and local government are now giving more priority to engaging with mana whenua, which The Treaty of Waitangi requires.

Last year, Te Rūnanga o Toa Rangatira decided to "tighten our scrum" with Te Rūnanganui o Te Āti Awa, to create a single face of mana whenua in the Wellington region. As government departments and other organisations seek to improve their engagement with Māori in our region, our unity of purpose will provide those organisations with a single point of engagement.

This approach is already bearing fruit. As we know, many community services fail Māori; statistics show us this. Māori have been calling for years to take control of services for Māori, an obvious expression of our tino rangatiratanga.

Central government is finally showing some movement in this direction, with the establishment of the imminent Māori Health Authority being an example.

With this particular development in mind, Te Rūnanga O Toa Rangatira and Te Rūnanganui o Te Āti Awa are working together to position us as one of the principal providers of health services to Māori in the greater Wellington region. In September, Kura Moeahu and I sent a letter to the Minister of Health, the Hon Andrew Little, to outline the shared desires and aspirations of both iwi, and to begin conversations with government officials with the goal of realising those aspirations.

Te Rūnanga o Toa Rangatira also intends to take the same approach in Te Tauihu and is actively seeking agreement from the other mana whenua iwi to work together in a similar fashion.

The example above illustrates a general principal; the structure and nature of local and central government may change, but we, as iwi, will always remain. To better prepare for the future, Te Rūnanganui o Te Āti Awa and Te Rūnanga o Toa Rangatira have embarked on the development of a joint 25 Year Strategic Plan.

The first step is to survey the iwi so that we can clearly understand the hopes and aspirations of our members. From this will emerge a long-term plan that, once approved by both rūnanga boards, will be used to guide our activities in the short and medium term. We will be well prepared to take advantage of the many opportunities that will arise in the future.

The COVID-19 pandemic again caused disruption this year, moving everyone into lock-down in August. It is true that Aotearoa has fared reasonably well over the last two years when compared to other countries, but it has still been a difficult time for many.

The sooner we are able to move beyond this pandemic, the better for everybody.

Experts tell us there are currently only two ways for us to deal with the COVID-19 pandemic; lock-down or vaccination. As the level of vaccination in our communities rises, the need for lock-down's will diminish. So let's get vaccinated.

The board wishes to acknowledge the efforts of the Rūnanga health services, whose response to this latest outbreak has been outstanding. From the provision of hygiene packs to whānau, to scaling up our capability to provide vaccinations and covid testing services at the peak of the latest outbreak, and quickly standing up a drive-through vaccination service, our commitment and initiative has been exemplary. Congratulations to all involved.

I wish to thank you, our iwi members, for your continued trust and confidence in the board, and in our executive team. We do not take this lightly and will do our utmost to continue to earn it.

CEO's Report

2021 has been a year again dominated by COVID-19.

As in 2020, the Rūnanga acted proactively to uplift, support and serve our people and community, including Ora Toa increasing its capacity to test and vaccinate thousands of people.

He mihi aroha ki aua kaimahi katoa!

As always, we farewelled many loved ones in 2021, and although we were unable to always provide our usual support due to Covid-related circumstances, the aroha of Ngāti Toa was still seen and felt.

We treasure and will always remember those who've gone before us.

Kua okioki te hunga aroha, kua okioki.

A disappointing consequence of COVID-19 this year, was the postponement of our Heke Mai Raro commemoration haerenga to Kāwhia with Ngāti Koata and Ngāti Rārua. The planning committee from the three Iwi agreed to reschedule the haerenga for 2022 and we look forward to enjoying that celebration with our 'Ngāti Mango' whanaunga.

On the positive side and as already pointed out by our Board Chair, a highlight of 2021 has been the formal renewal of a special part of our heritage, our alliance with Te Āti Awa. As mana whenua iwi holding continuous ahi kā in Te Ūpoko o te Ika for 200 years, Ngāti Toa Rangatira and Te Āti Awa formally reconfirmed our alliance and commitment to acting in unison moving forward.

Leading this strengthening of our traditional bonds with Te Āti Awa, was our Chair – Dr Taku Parai. Having led the Iwi for many years, Taku finally called time on his decades of service as a Board member and Chair, paving the way for others to pick up the reins.

He continues to serve our people in various capacities, including Chair of the Kaunihera Kaumātua and in other representative roles e.g. Porirua City Council Kaumātua.

On behalf of the Rūnanga and all of Ngāti Toa I acknowledge and sincerely thank Taku for his tireless, mana-enhancing leadership of our people. He rangatira kāmehameha ia!

2021 has been a year of breathtaking opportunity and growth. Pursuing our strategy of "rowing our own waka", combined with strengthened capability in key areas, the opportunities for Ngāti Toa have come thick and fast.

As we have responded positively, the profile of Ngāti Toa – both locally and nationally – has increased, creating even further opportunities, both commercial and social. In virtually all areas, the Rūnanga has been able to secure new contracts for services and/or businesses. This has resulted in a significant increase in both revenues and staff. This growth is expected to continue.

A challenge for the Rūnanga during this period of rapid growth, is ensuring our people and operations stay true to our tikanga and 'who we are' as Ngāti Toa. Accordingly, we appointed our previous Chair – Dr Taku Parai – as our inaugural "Pou Tikanga" to advise on all aspects of our operation to ensure its consistency with our tikanga.

An inaugural "Pou Reo" was also appointed, and in combination with our kaumātua and other knowledgeable kaimahi have strengthened the Rūnanga access to capability and capacity to ensure our tikanga, mātauranga and reo are increasingly embedded in all we do.

In 2021 our Board made significant steps forward in their leadership of our Rūnanga.

Our new Chair – Callum Katene – ably supported by his Deputy, Patariki Hippolite, our new ARIC Chair – Chas Taurima – and the rest of the Board, have provided renewed energy and leadership, particularly on matters of strategy and policy.

The Rūnanga executive leadership was also greatly strengthened in 2021 with the addition of proven senior professionals in key leadership areas – Finance, Property and Operations.

In all three cases, we were blessed to recruit Ngāti Toa uri to the roles, and they have already made outstanding contributions to the Rūnanga.

Good progress was made in planning new services in Te Tauihu, and we look forward to delivering on those plans.

Operational highlights for the Rūnanga in 2021 have been numerous and difficult to single out.

However, there are key areas noted for their potential to make a significant difference in the lives of our whānau moving forward.

I am finally pleased to advise that for the year ending June 2021 the consolidated result for the Rūnanga was a surplus of $41.2 million (versus $27.0 million in 2020) and a net worth of $275.9 million (versus $234.7 million in 2020).

I'd like to thank all of our hard working staff who have produced such outstanding financial and operational results for Ngāti Toa in 2021.

Ma te Atua tātou kātoa e manaaki, e tiaki i ngā wa kātoa aku whānaunga.

Upane ka upane whiti te rā!

Key areas with potetial to create change:

Housing
24 apartments in Titahi Bay were acquired and are being urgently improved for sale to Iwi members. Progress was also made in the development of 'Toa Homes' which will enable Iwi members to access healthy, affordable housing.

Education
Development of a Ngāti Toa education 'cradle to grave 'ecosystem', including our own Kura Kaupapa, primary, middle and tertiary pathways. Continued growth and success of Mahi Toa and Te Hoe Ākau vocational employment services.

Health & Social
Exponential growth in actual and planned health and social services ensuring Ngāti Toa, Taura Here, Pacifica and others can benefit from our Mauri Ora model of integrated care.

Treaty Settlement
Progress in the acquisition of almost all Deferred Settlement Properties in our Treaty Settlement, beginning with half a billion dollars of Ministry of Education properties in 2021/22.

Whenua
Negotiations progressed to secure large tracts of residential whenua in key locations to enable affordable housing developments for Iwi members from 2022/23

Economic
Continued progress acquiring and establishing vertically integrated businesses to develop whenua and deliver affordable housing to Iwi members. Continued development of services and opportunities to grow Iwi member's businesses and support their development.

Acknowledgement of Dr Taku Parai

Born and raised in Takapūwāhia, Dr Taku Parai is a well known and recognised representative of Ngāti Toa across Aotearoa.

Earlier this year, Taku made the decision to stand down from his role as Te Rūnanga o Toa Rangatira Board Chair, after having held the role for over 12 years.

"After many years of being involved in the Rūnanga Board, I decided it was time for me to pass the mantle over to another person to carry the responsibility of helping to build a brighter future for our iwi. We are entering a new era and with that, comes the need for new and different skills and ideas," Taku said.

Taku's governance career officially began in the late 90's when he was asked to represent the Rangatahi Committee on the Rūnanga Board.

"At the time, it was felt that our Rangatahi Committee needed a voice and representation at the Rūnanga Board table, so I was asked to step into that role and be that voice," Taku said.

"It was definitely an eye-opening experience for me. I had no prior experience in governance and so my earliest time was spent listening and learning. I was very fortunate to have joined the Board under the leadership of Uncle Bill Katene so I had the opportunity to learn about Rūnanga governance and iwi politics from that era."

Taku says that although he had little experience in governance, being a member of the Mormon Church set him in good stead for living up to the expectations of the role. The church was a good teaching ground for Taku and is the place that he first learned the art of speaking in public, having confidence to share opinions and most of all, having respect for others and their differing views.

"By the time I became involved in the Rūnanga, the Rūnanga Act had already been in place for some time. However an ongoing challenge for our Board was adjusting from a traditional governance structure, whereby the Marae and Kaumātua Committee's provided our governance and direction, to the Rūnanga structure that we know today."

"At times, this contemporary structure made it difficult for us and one could say that it was a baptism of fire into understanding and responding to the expectations of the Crown in order to support the advancement of our people."

Approximately 12 years ago, Taku was appointed the Board Chair and as such, ushered the iwi through to reaching Treaty Settlement with the Crown.

"Being involved in the Rūnanga, and in particular during our Treaty Settlement Phase was a huge privilege. We were fortunate to have Tā Matui Rei leading our settlement as we navigated cross claims, challenges against our historical accounts and competing against other iwi for settlement."

"The journey to achieving Treaty Settlement was long and hard fought and will forever be a stand-out memory for me."

In 2018, Taku was awarded an Honorary Doctorate in Indigenous Knowledge, Development and Education in Norway, from the World Indigenous Mason University. This accolade is in part as a result of some significant work that he had done with supporting the development and advancement of the indigenous people of Saami.

"It was a great honor for me to receive an honorary doctorate. Having spent all my life in the pā, traveling to Norway to receive my honorary doctorate was an added bonus."

When asked about his plans for the future, Taku says taking up a role with the Kaunihera Kaumātua allows him to continue to help guide the future of the iwi, while also reminding him to keep his feet firmly on the ground.

"I really enjoy the mahi and being involved in the Kaunihera Kaumātua. There is often criticism of our kaumātua because not many of our rōpū can kōrero Māori, but I refute those criticism's. Throughout their lives many of our kaumātua have witnessed and been part of many key events in our tribal history. They are a wealth of knowledge and that deserves deep respect."

Taku is a strong advocate for rangatahi and younger generations taking on governance roles and offers some pearls of wisdom and advice for those considering joining the Board in the future.

"Always show humility and appreciate the privilege to represent our iwi. Be respectful and operate as part of a team. No matter how much our world changes, and technology advances us, we should consistently look back and bring lessons from our history into our present and future.

Te Heke Mai Raro continues to teach us many things today; had our tūpuna not taken that journey together, our iwi could look very different today. In governance, your role is to bring all our whānau along with you on the journey."

Te Heke Mai Raro

200 years ago, Ngāti Toa tūpuna made the decision to depart our traditional homelands of Kāwhia and Tahāroa and migrate south to seek prosperity and new beginnings.

A dangerous journey in unsettling times, this southern migration of our tūpuna is known as Te Heke Mai-i-Raro and is separated into two - Te Heke Tahutahu Ahi and Te Heke Tataramoa.

Te Heke Tahutahu Ahi was the name of the migration from Kāwhia to Taranaki in September 1821, 200 years ago.

In 1820 the Battle of Te Kakara preceded the permanent departure and displacement of Ngāti Toa, Ngāti Rārua and Ngāti Koata from Kāwhia. The last stand of the Kāwhia iwi was at Te Arawī and Whenuapō where toa (warriors) attempted to divert enemy attention away from those fleeing.

Survivors of Te Kakara assembled at Marokopa, south of Kāwhia. There they were welcomed and sheltered by Te Haumuti of Ngāti Kinohaku, where the refugees were received and were able to recuperate, replenish their food supplies, and weep for those lost in battle.

An important rūnanga (assembly of tribal chiefs) was held on Moeatoa, a hill near Marokopa that overlooks Kāwhia, where it was decided that the people would continue south to the safety of Taranaki. Farewells to their homes and those left behind were made, and the first stage of their migration out of Kāwhia began.

Te Rauparaha composed and performed his lament Tērā Ia Ngā Tai o Honipaka as a farewell to his homeland and those left behind, a waiata aroha remembered and solemnly performed by Ngāti Toa to this day.

Following the rūnanga at Moeatoa Te Rauparaha, Te Rangihaeata, his son Te Kauruoterangi, and others formed an advanced party that traveled ahead of the main group to meet with their Ngāti Tama and Ngāti Mutunga allies in Taranaki. This party had misfortune crossing the Mōkau river. Their waka capsized, drowning Te Kauruoterangi, and very nearly claiming the life of Te Rangitopeora.

After the advance party reached Taranaki, Te Rauparaha, Te Rangihoungāriri, Tangahoe, Te Matoha and about 20 others returned to Marokopa to retrieve the group of women and children.

This tira (group of travelers) were pursued the entire distance by Waikato and Maniapoto so inland trails were followed rather than the more frequently traveled trails nearer the coastline.

There were times, however, when the tira would become exposed, so strategies were employed to ensure their safety. Red garments called tū ngao were distributed among the tira.

Tū ngao were commonly associated with musket-wielding Ngā Puhi raiding parties.

This ruse was quite effective. Although they had been spied upon by enemy scouts, they were not harassed due to the misconception that they were a force of Ngā Puhi warriors. Red continues to be an important colour associated with Ngāti Toa to this day.

With so few men, the women were forced to fight. In one battle, Ngāti Maniapoto caught up with the tira south of the Awakino River.

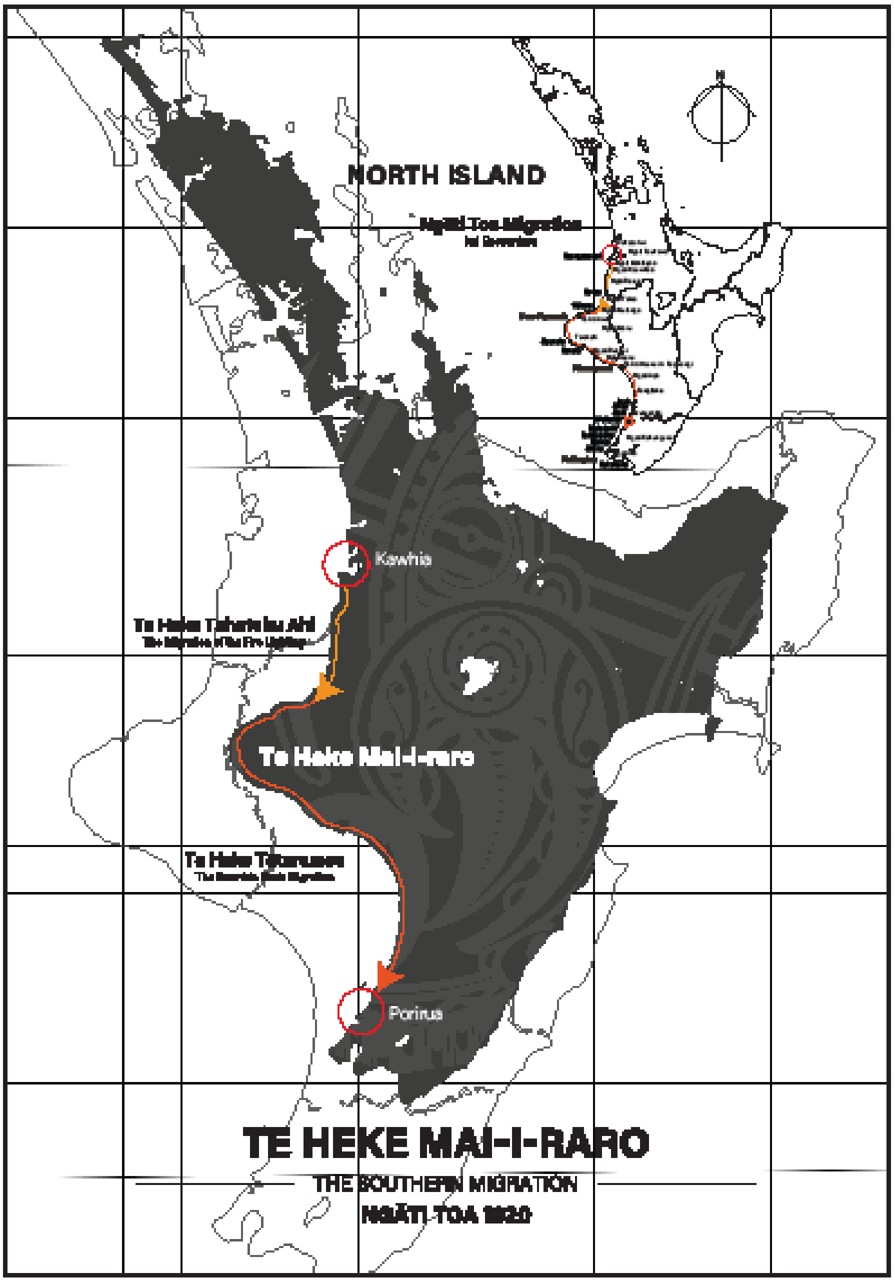
The women were dressed in thick layers of kāhu kurī (dog skin cloaks) to lessen the blows of taiaha or patu, and successfully defended themselves, killing the attackers' leading chief Tūtākaro and others.

Tiaia, wife of Te Pēhi Kupe, and Te Ākau, wife of Te Rauparaha, were particularly notable among these women.

When the tira reached the Mōkau River, they realised it was impossible to cross safely until the tide had fully gone out; they therefore had to wait until well into the night. The final ruse employed by the tira was to light fires at night surrounded by a multitude of fighting chiefs wearing cloaks, feathers and brandishing weapons.

The multitude were of course women, children, and even bushes. This gave the illusion of a large and powerful group preparing for battle. Men, and women dressed as men, would run between the fires orating fiery war speeches and haka.

The appearance to enemy scouts was of a numerous group of great strength that should not be harassed. The ruse worked. The pursuing party held off, and in the middle of the night when the tide receded the tira was able to cross the river to safety without being seen.



For this reason the migration from Kāwhia to Taranaki was named Te Heke Tahutahu Ahi - the fire-lighting migration.

While crossing the Mōkau river, the body of Te Kauruoterangi was discovered washed up on the banks.

His tūpāpaku was brought to his father when they were all reunited in Taranaki. From that time onward Te Rangihaeata often took the name Mōkau in remembrance of the place that his son had drowned.

Ngāti Mutunga met with the tira shortly after their crossing of the Mōkau River and escorted them to the safety of Pukewhakamaru Pā near Ōkoki. Mutunga was the grandfather of Toarangatira.

This close whakapapa connection ensured safe passage and sojourn for the refugees fleeing Kāwhia, and provided a base to which further fugitives could make their way.

Ngāti Toa, Ngāti Rārua and Ngāti Koata were provided a haven to rest, recuperate, harvest crops, collect seeds, preserve food, and prepare for their journey ahead.

Ngāti Toa Rangatira - Our Culture and Identity

Revitalising and strengthening our identity as whānau, hapū and iwi.

An overview of our mahi to support our culture and identity

Ensuring Ngāti Toatanga is maintained, fostered and enabled to grow within Te Rūnanga o Toa Rangatira, te iwi o Ngāti Toa Rangatira and the people who live within our rohe is a key priority for the Cultural Services team.

Throughout 2020/21, we have expanded the capacity and capability of our team and taken on new and exciting opportunities that will have long term benefit for our iwi and our rohe.

This year, the Cultural Services team established a Pou Tikanga and a Pou Reo role within our team. This has increased our capability to provide cultural advice and support to the Rūnanga, iwi and the community in matters of tikanga o Ngāti Toa and Te Reo Māori.

We have strengthened and expanded our Te Reo Māori programme to include Te Reo o te Hapori, Te Reo o te Kāinga ki Te Waipounamu, Staff Te Reo classes and Mōteatea Wānanga, to sit alongside our successful Rangatahi Wānanga Reo.
In early 2021, we were a successful recipient of the Manatū Taonga / Ministry of Culture & Heritage funding. This fund allows us to develop the capability of practitioners, whānau, hapū and marae to preserve, protect and revitalise Ngāti Toa taonga through the development of an iwi conservation management plan and associated conservation training initiatives. This will enable the Rūnanga to further support our marae, mātauranga associated with our marae, and the care and protection of taonga on our marae or in private whānau collections.

Te Heke Mai Raro Celebrations

A key focus for the Cultural Services Team has been the mahi to develop Te Heke Mai Raro celebrations for our iwi members. This kaupapa has brought about a strong collaboration between Te Rūnanga o Toa Rangatira, Te Rūnanga o Ngāti Rarua and the Ngāti Koata Trust in the development of a programme under the korowai of Ngāti Mango. It has also reinforced important relationships with Tainui and Taranaki.

Key achievements for supporting iwi engagement:

Oral History workshops in partnership with the National Library
Teaching participants the intricacies of interviewing Kaumātua and recording historical information and kōrero for posterity and archiving.

Digitising workshop in partnership with Sound and Vision
Support to iwi members and Te Rūnanga o Toa Rangatira to digitise and archive video and cassette tapes.

Wairau Treaty of Waitangi Commemoration trip in partnership with the Ministry of Culture and Heritage
The commemoration of the 181st anniversary of the signing of Te Tiriti by Ngāti Toa at Cloudy Bay in 1840.

Mōteatea Wānanga
Delivered Mōteatea Wānanga to iwi members on a weekly basis.

Key achievements in supporting wider activities within Te Rūnanga o Toa Rangatira:

Hosting the Iwi Chairs Forum
Hosted the quarterly conference that brings together Iwi Chairs from across Aotearoa to discuss issues affecting Te Ao Māori.

Te Tauihu Senior Leadership Roadshow
Supported Te Rūnanga o Toa Rangatira to deliver a roadshow with Ngāti Toa whānau living in Te Tauihu.

Eke Panuku quarterly staff conference
Supporting the Human Resources Team to deliver a staff conference held every quarter.

Sites of Significance Cultural Mapping
Supported the Treaty and Strategic Relationships team to map Ngāti Toa sites of cultural significance.

Historical narratives
Provided support to all areas of Te Rūnanga o Toa Rangatira to raise awareness of Ngāti Toa historical narratives, including key initiatives such as Te Heke Mai Raro.

Education Resource Development
Supported the Education and Employment Services Team to develop age-appropriate education resources that share and teach Ngāti Toa history and kōrero.

The Cultural Services team are working to identify a suitable venue for the archiving of Ngāti Toa documents and a digitising system to catalogue and store our records, historical documents and photographs

Throughout 2020/21, the Cultural Services Team has continued to support our marae and iwi members through Marae, Education and Sports Grants. The Whakapapa Unit has also continued to collate the whakapapa held by Te Rūnanga o Toa Rangatira to assist the Whakapapa Committee and iwi registrations.

Removal of Pou at Te Rauparaha Arena February 2021

Iwi Chairs Forum Pōwhiri May 2021

Te Tauihu SLT Roadshow May 2021

Ngā Rangatahi a Iwi Forum May 2021

Wairau Treaty of Waitangi Commemorations - June 2021

Oranga - Our Wellbeing

Advancing the health and wellbeing of all Ngāti Toa Rangatira whānau.

An overview of our mahi to support our oranga

Throughout 2020/21, Te Rūnanga o Toa Rangatira has undergone exponential growth in the services that deliver to our Oranga aspirations and the advancement of the health and wellbeing of our Ngāti Toa Rangatira whānau.

Providing services to support our wellbeing and the wellbeing of individuals and whānau who live in our rohe is primarily delivered across our four most external facing services – Health Services, Social Services, Education & Employment Services and our Property Team.

Throughout 2020/21, COVID-19 has continued to play a significant role in, as well as having a significant impact on the mahi that these services deliver to our whānau.

Due to its size and reach into the communities we serve, Health Services has seen the implementation of a new layer of management and additional staff to more closely manage and support the successful delivery of existing and new operational activity in the health space.

Social Services has strengthened its support to whānau in the community who are most in need of social supports and services.

Education and Employment Services has also introduced new and exciting initiatives to support and improve employment opportunities for Ngāti Toa iwi members, and continued with their outstanding mahi to advance educational aspirations and achievements of our tamariki and rangatahi.

Developed earlier this year, the Mauri Ora Framework provides us with a clear model of care that ensures an integration of services to support an individual or whānau in their oranga journey. It ensures that there are 'no wrong doors' to accessing support and will guide the provision of tailored wrap-around whānau support from across our Health, Social, Education and Employment and Property Teams.

Memorandum of Understanding with Oranga Tamariki

On 3 December 2020, Te Rūnanga o Toa Rangatira and Te Rūnanganui o Te Āti Awa signed a joint partnership agreement with Oranga Tamariki, to ensure that both Ngāti Toa and Te Āti Awa have a stronger say in the care and protection of our whānau.

Health Services

Throughout 2020/21, COVID-19 has continued to grip the world and Aotearoa.

As a significant part of the national COVID-19 Response Programme, the New Zealand Government introduced the COVID-19 Vaccination Programme, making it the most extensive vaccination programme our health system has every embarked on.

Te Rūnanga o Toa Rangatira and our Ora Toa Health Services have been an integral component of the COVID-19 Response Programme in the Porirua and Wellington region, with our contracts encompassing testing and vaccinations.
Ora Toa Health Services commenced the provision of COVID-19 vaccinations in March 2021 and established the Ora Toa Lydney Place COVID-19 Vaccination Clinic on 17 May 2021.

The Lydney Place site can provide up to 700 vaccinations per day and the team have supported a large number of community events across Porirua and wider Wellington region since established.

In addition to the provision of vaccinations, Ora Toa Health Services continued to provide COVID-19 testing at the COVID-19 Based Assessment Centre (CBAC) at Cannons Creek.
Balancing the mahi required to establish and deliver the COVID-19 Response programme as well as business as usual health services was an extensive undertaking, placing significant pressure on resourcing across the health workforce.

Despite this challenge, Ora Toa Health Services has continued to successfully operate and deliver our existing health services, as well as making a significant contribution within our rohe and the protection of all.

New management structure to support Ora Toa growth

The growth across Ora Toa has required additional management support be establishment with the addition of specialist roles.

Ora Toa has established 4 Practice Manager, 1 Assistant Practice Manager, Community Health Manager and Business Manager roles and two Clinical Nurse Educator roles.

The addition of the Health and Practice Manager roles enables dedicated management support for our health services teams and consistency of service delivery and staff support across our sites. The Clinical Nurse Educator roles provided an important clinical leadership role across the Health Services to the Nursing workforce.

Staff acknowledgements

Ora Toa would like to acknowledge the service of Dr Sean Hanna who has completed nine years of service on the Pharmac PTAC committee (clinical advisory group to Pharmac on medicines and vaccines).

Fortunately, Sean has also held a position on the MoH COVID-19 Vaccine Technical Advisory Group.

Ora Toa would also like to acknowledge the new Fellows of the Royal New Zealand College of General Practitioners (RNZCGP), Dr Sara Moeke and Dr Tanuja Paradza, and Asthma Nurse Specialist Moana Gargiulo who gained Nurse Prescribing.

Asthma services

The Porirua Asthma Service continues to experience increasing spirometry referrals from Ora Toa PHO and Tu Ora Compass PHO and referrals to follow up COPD patients.
80% of all referrals were for spirometry.

Wahakura Wānanga

These classes are run over 2 days (Friday and Saturday), to allow for working mums to be and there and for whānau to attend without taking too much time off work. We also include a short session on SUDI and Antenatal care. This enables us to get the message out to all the whānau rather than just the mums-to-be. We average 20 people at each session.

Saturday Screening Clinics

We continue to run Saturday CVD risk assessment, diabetic reviews, cervical screening and gout clinics at our medical centres.

These are popular clinics for clients who are not able to take time off work during the week. Clients from our Saturday clinic have started attending our Tai Chi and Lite Pace circuit classes.

Extra Clinics

We run clinics at our Medical Centres for Diabetes, Care Plus reviews, CVD checks and insulin starts. It's encouraging to see patients follow up lifestyle advice by attending aqua aerobics, Tai Chi and kaumātua group.

Offering transport to these sessions assists patients with their journey of making lifestyle changes and decreases barriers to accessing our other services.

Diabetes Education Sessions

We ran regular 'Living with Diabetes' group sessions, targeting clients with newly diagnosed diabetes. In these 1-hour sessions, we cover: 'what is diabetes?', 'the benefits of exercise', discussion with the dietitian, and medications.

Ear Micro Suction Service

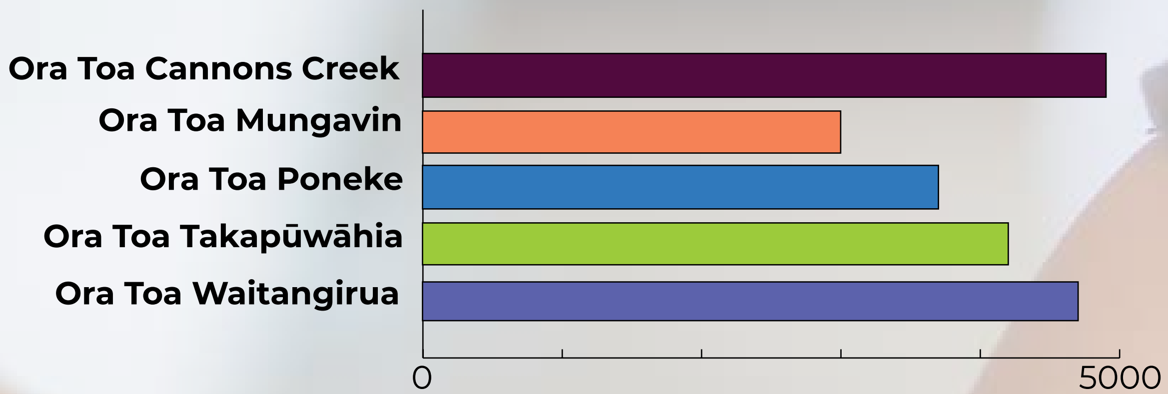
Our very low-cost ear micro-suction service continues to operate a weekly half day clinic. We receive (Ora Toa) GP referrals for deafness, tinnitus and vertigo caused by blocked ears. On average 93% of all patients seen had some degree of deafness when they presented to us and 15% had some degree of ear pain.

Other Nursing Activities

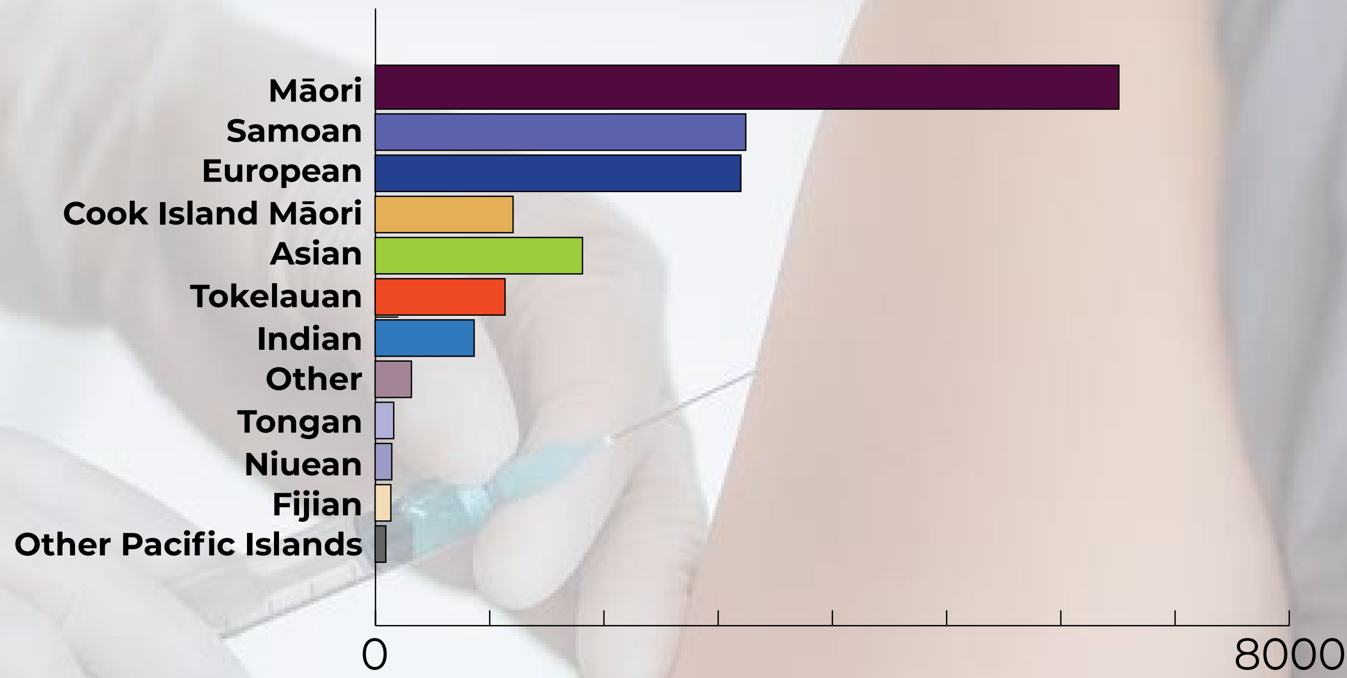
Our nurses provide support at local events and our community health service in Takapūwāhia often has people drop in to have their blood pressure checked or wound dressings changed. Our specialist diabetes nurse mentors new practice nurses about diabetes care and runs clinics at our medical practices.

Ora Toa Medical Centre Patient Population

As at 30 June 2021, Ora Toa Medical Centre's had just over 18,000 registered patients.



The breakdown of our patients by ethnicity is as follows:



Over 6,500 registered patients are Māori

The majority are registered with Ora Toa Takapūwāhia and live in Elsdon and Takapūwāhia.

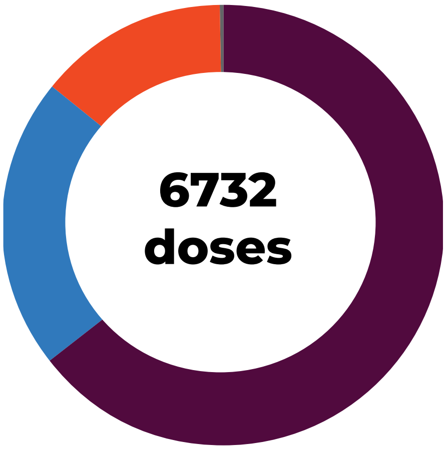
The largest proportion of our patients are tamariki aged between 0 and 14 years old.

We also have a high rangatahi patient population.

Our Māori patient population by iwi affiliation shows that the largest proportion of our patients whakapapa to Ngāti Porou, followed closely by those who whakapapa to Ngāti Toa.

COVID-19 Response

COVID-19 Vaccinations 2020/21



A total of 6732 COVID-19 vaccinations were administered between 23 March 2021 and 30 June 2021.

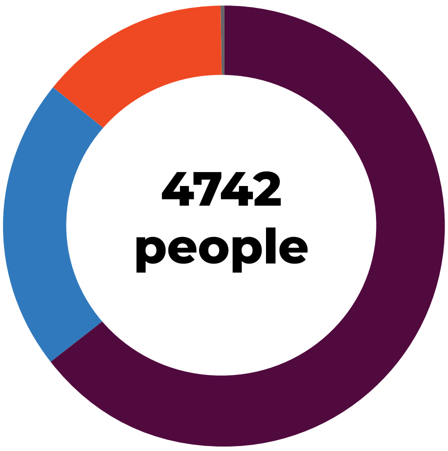
Lydney Place - 4260
Ora Toa Takapūwāhia - Puna Ora - 1527
Freedom Church, Ora Toa - 944
Ora Toa outreach - 1

The ethnicity breakdown of vaccinations administered during this time is:

1389 - Māori
1035 - Pasifika
350 - Asian
3658 - Other

Ora Toa sites accessed by Māori:

Lydney Place - 831
Puna Ora - 394
Freedom Church - 163
Outreach - 1



A total of 4742 people received their COVID-19 vaccinations between 23 March 2021 and 30 June 2021.

Lydney Place - 3065
Ora Toa Takapūwāhia - Puna Ora - 1021
Freedom Church, Ora Toa - 655
Ora Toa outreach - 1

First doses administered during this period:

3901 people

Second doses administered during this period:

2831 people

Social Services

The aim of our Social Services Team is to provide a holistic, mana-enhancing support for whānau throughout their lifetime.

The focus is on early intervention to minimise the demand of intensive intervention for those experiencing crisis or with complex needs.

The goal is to transition rangatahi and whānau to become more resilient and independent by providing the support needed to minimise harm that could have intergenerational impacts.

We have supported whānau involved with a range of government departments, predominantly Oranga Tamariki – Care and Protection and Youth Justice, Police, Ministry of Social Development, Ministry of Justice and Department of Corrections.

A focus has been to share our Intervention Logic alongside our Iwi Strategic Objectives and tikanga to inform and strengthen our partnership with Oranga Tamariki.

Our whānau plans, court reports and reporting to Ministry for Children has been based on our Strategic Objectives and eight Iwi tikanga. This investment has resulted in positive outcomes for whānau, and their decisions and plans are mana enhancing. This effort has been to see the end of Ngāti Toa pēpi and tamariki being taken into the care of Ministry for Children, and to reunite those currently in care, back to their whānau.

Social Services current partnerships include:

- Ara Poutama Aotearoa - Corrections Community residential transitional housing and support services for tāne exiting prison- Te Whare Whakaruruhau o Raumanuka.
- Kairaranga whakapapa research and support for Family Group Conference.
- A new Youth Justice Community Home for Te Ūpoko o Te Ika a Māui.

A snapshot of mahi delivered by our Social Services

218 whānau have been supported by our Kaiarahi during 2020/21

50 whānau supported to access alternative process to Family Group Conferences

20 whānau supported in Family Group Conferences

93 requests to support Oranga Tamariki in their mahi

Education and Employment Services

Education and Employment has made significant progress in providing opportunities for our people to realise and achieve their aspirations.

While we play an important part in addressing the inequities across the system that has not always delivered for our people, we are also the writers of our own story. Through our vision to innovate and disrupt the status quo we can harness the potential we hold and make a difference together.

We have taken a whānau centred approach to achievement, creating pathways to sustainable and meaningful education and employment.

Over this past year we have witnessed change that comes when we work together, display true manaaki and utilise the partnerships that are being built every day. We have examples that demonstrate that despite the odds we can expect success and create an environment where our people can thrive.

Tauwhirowhiro speaks of the time of transitioning, it provides new opportunities to prepare for change. While this past year has been about change for ourselves, it has been a privilege to notice the change in others as they come to understand their potential and work alongside their whānau to achieve it.

Education and Employment look forward to exciting opportunities for the coming year and are committed to reaching new goals together for our whānau, hapū and iwi.

Education

Te Puna Reo o Ngāti Toa

Te Reo o te Kainga - Katene whānau

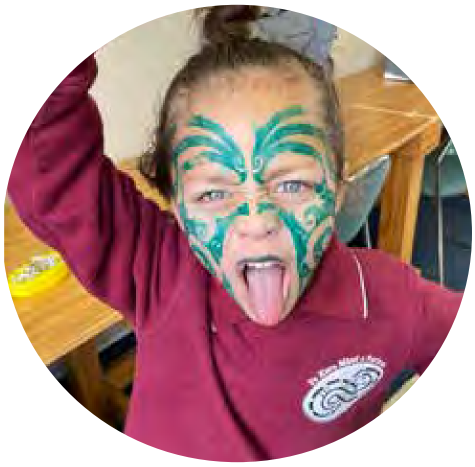
Michael and Rachel Katene, mātua to Georgia Tiffiany Katene enrolled at Puna Reo in late October 2020. The Katene whānau have embraced Puna Reo Tepapa (philosophy/vision) and Te Reo o Te Kainga is now thriving in their whānau.

Te Reo o te Kainga is a Puna Reo programme which is preparing and resourcing whānau to embrace te reo Māori language in their home and in the community. Michael and Rachel acknowledge the challenge but they are willing to embrace the transition of bilingual language into total immersion come 2021. The whānau feel supported by their immediate and extended whānau, alongside their Puna Reo whānau.

Te Reo o te Kainga - Arthur whānau

Jasmine Arthur, mama to Hawaiki Pikau Te Rangi Smith has recently transitioned from Puna Reo to Te Kura Māori o Porirua. Pikau was a quiet, observer who was more than capable of engaging with his peers from a distance. Pikau would sing waiata and kōrero māori with whānau and Puna Reo kaiako (whaea Te Ata).

Once Pikau transitioned to Te Kura Māori o Porirua, he flourished into a confident young tama who actively participates. Pikau has participated in mahi atua and continues to receive “Ngā tino tauira o te wiki”.



Our kaiako reaching new heights

3rd year tauira, Jessica Mihaere has been employed with Te Puna Reo o Ngāti Toa since 2020 as a reliver/causal Kaiāwhina.

On her 3rd year of study for a Bachelor of Education in Early Childhood, Jessica is attending Te Rito Maioha to complete her tohu.

It has been a very rewarding journey for Jessica to reach her final year of study. During her journey she has had two beautiful tamariki Kaiden (4yrs) and Emelia (2yrs) who both also attend Puna Reo.

Puna Reo to transition to total immersion by 2022

We are continuing to strengthen the use of te reo Māori at Puna Reo. A primary objective for us to increase the level of proficiency and fluency by 2022 and to become a Puna Reo that offers and operates within a 100% total immersion environment.

Part of our strategy is to use a more conversational language, rather than focus on the use of te reo Māori for instructions and greetings.

A key component will be to support whānau and encourage them to be more proactive and to also learn and speak Te Reo Māori.

This will aid with the transition to rumaki reo, Te Puna Reo o Ngāti Toa is currently conducting a survey with our whānau and kaimahi (staff) around Te Reo Māori. From this feedback we will be able to navigate some clear direction for Puna Reo to support and succeed with this transition.

Puna Mātauranga

Kaitiaki o te Taiao– Te Tauihu

Earlier this year Puna Mātauranga took 14 tauira to Te Tauihu on a haerenga that was aimed at supporting their connection to our whānau in Wairau and Whakatū. The trip was shared with our kaumātua who also journeyed to the south. It was a wonderful opportunity to build whānau connections and hear important iwi histories and stories.

Kaitiaki o te Taiao is a programme that supports our tauira Māori to gain an appreciation for science through a Māori worldview. It's intention is to provide our rangatahi with another version of what science is that aligns to their heritage as Māori. It is in it's 5th year of delivery and this year was the first year of traveling outside of the Porirua region.

Maramataka Manawa Ora

This past year we have begun working with 60 rangatahi to build their resilience through the use of the maramataka. This work is a journey that we have embarked on as a team across Education and Employment leaning on the expertise of our own iwi practitioners.

The kaupapa is designed to provide rangatahi with the tools to observe their environment and build an understanding between their own emotions and the connection this has to the place around us.

It is the intention that over time we will build a repository of observations that will help shape our own maramataka and enable our rangatahi to exercise good decision-making practice using the techniques our tupuna left us.

New Staff

Puna Mātauranga have taken on new staff who are on their own journey toward achieving a tohu in teaching – both in Māori medium and English medium education.

It has been an important part of the philosophy of Puna Mātauranga to use this space as an opportunity to grow our own kaiako. We do this through enabling them to immerse themselves in a supported relevant environment, that will set them up for a fruitful teaching career.

There are currently 111 Ngāti Toa rangatahi and tamariki enrolled with Puna Mātauranga

Employment

Te Hoe Ākau

Te Hoe Ākau has been instrumental in supporting whānau onto employment, further education or training.

Outside of trades training, the team have supported career changes, recent graduates into professional practice, developed career goals and supported people onto further education. The development of Mauri Ora plans has been instrumental in identifying aspirations and addressing any barriers our whānau experience.

As a team we are committed to building good partnerships with those who understand our tikanga and display this in their practice. This has been a non-negotiable in identifying good employers who believe in our vision and in the vision our whānau have for

Te Hoe Ākau creating change

178 people registered with Te Hoe Ākau:

15 - 24 yrs - 87

Ngāti Toa - 134

Employed - 110

Mahi Toa

Securing full time employment

Gloria's previous work experience was varied where she has held roles within the residential safety net industry, as a personal trainer, as well as experience in other fields.

Gloria was enrolled into a Construction pre-trade course with WelTec and visited our offices to see what we did here at Te Hoe Ākau.

As we are primarily Māori focused, the interaction was natural and Gloria felt welcomed within our whanau-centred environment.

After several kōrero and hui with Gloria about her life and career, she expressed her passion to enter the Construction industry. Gloria is a mother of 4 children and her long-term career was important to her. After some decision-making Gloria decided to leave the pre-trade course to attend an interview with a contractor, Griffiths Civil Build Ltd, who is based locally in Porirua. Initially employed on a trial period, after several months of hard work on site and being part of a team, Gloria has now secured a full-time role and her employer has signed Gloria into a building apprenticeship through BCITO.

Through our support as Iwi Māori and Mahi Toa, subsidies and funding we were able to assist Gloria with tools and safety gear so she was fully prepared to excel in her role with her new employer. Our intense iwi-led pastoral care provides ongoing opportunities for our apprentices to feel supported throughout their trades and training journey.

During 2020/21, Mahi Toa has provided support to 59 people to gain entry into Māori trades training and apprenticeships.

59 people registered with Mahi Toa:

15 - 24 yrs - 28
Māori - 53
Ngāti Toa - 31
Women - 8
Employed - 52

Supported to identify a strong pathway

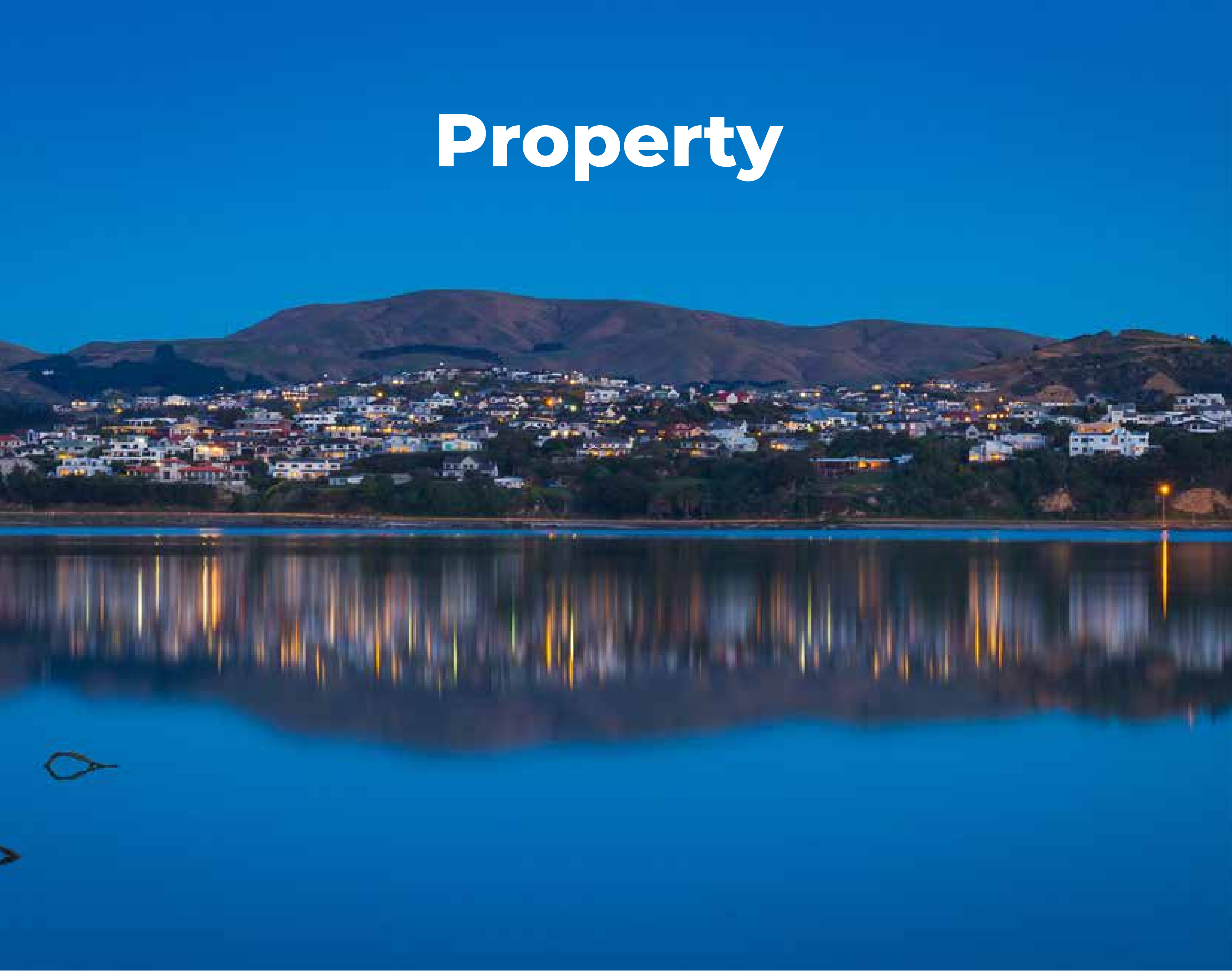
Jorge undertook an apprenticeship in plumbing in 2017 and really struggled with learning the required material. He was also impacted by additional challenges when his employer passed away and it left him wondering whether he wanted to continue with his apprenticeship.

Through Mahi Toa, Jorge was given an opportunity by a new employer to try building as a potential career path. Unfortunately this opportunity did not work out, but Mahi Toa team were able to refer him to another company who were the right fit for Jorge, offering him a supportive environment.

Jorge is now working towards an apprenticeship in foundations and he is learning the skills required and becoming more and more competent in both the work and his social interaction with others. He has recently completed training and passed his class 2 license.

Mahi Toa has been able to support Jorge with the building a strong relationship with his employer and remove the barriers that have made it challenging for him to find meaningful employment.

Property



The Property Team has focused on the development and accessibility of healthy and affordable housing.

2020/21 has seen an increase in opportunities for our whānau including:

- Working closely with Kainga Ora and Te Kooti Whenua Māori on behalf of Ngāti Toa whānau to support them in the re-acquisition of their land that was taken under the Public Works Act.
- The successful purchase of 24 – 26 View Road Titahi Bay, and the ongoing development of a remediation programme with the opportunity to return 24 properties back to iwi members, in alignment with our Community Land Trust model.
- The upgrade and refurbishment of the Tamariki Ora Whare at 20 Ngāti Toa Street.
- Developing an asset management plan to ensure all our current residential property stock meets the Healthy Homes Assessment criteria.
- Working with a range of building and construction specialists to develop a work programme and opportunities to introduce a range of new residential property stock to our existing stock.
- The fit out of Level 2, 1 Cobham Court as an additional office space for Te Rūnanga o Toa Rangatira staff.

Ohanga - Our Prosperity

Growing a sustainable economic base.

An overview of our innovations and investments

The Ngāti Toa economy has been growing in the period from 1 July 2020 to 30 June 2021. As outlined in Whakatupu Rua Rau: the Ngāti Toa economy is far bigger than the financial wellbeing of just the Rūnanga, the Trust or even the combined Group.

The wages bill for te Runanga has grown from $153,000 as at 30 June 2020, to $260,000 as at 30 June 2021, representing a growth in the number of jobs from 211 to 343. Across the broader, but unconsolidated Group, including Ngāti Toa Limited, Te Āhuru Mōwai, Aegis Retirement Living Limited, and TOA ITM, and the Rūnanga we are now involved in the employment of 401 people.

Finally, post balance date, the Iwi acquired [24] strata estate in fee simple units from Porirua City Council, that we will invest circa $5.5m into over the next 18 – 24 months to make them available to iwi members through the Community Land Trust model.

This will offer the opportunity to 24 Iwi members to buy their own properties and repay their loans over 20 years, building an estimated private wealth of $9.625m, even without any growth in the value of the improvements.

To this end we have also identified, and will execute post balance date, investments in a property maintenance company, we are also considering further involvement in associated building materials businesses, and building capacity in the broader construction sector, with both labour hire; and civil engineering capability.

We continue to monitor aged care and leasehold land development opportunities, and are taking our forestry investments to a new level with our Australasian partner One Forty One Limited.

In the period under review we have circulated and received approval of the Group SIPO; have instituted an executive Investment Committee to facilitate and filter direct investment opportunities.

We have worked with CHQ to build capability for our own Incubator; delivered entrepreneurial training for rangitahi (both done by Bianca Elkington and her team).

ARIC have also (shortly after balance date) approved a feasibility study of how the Crown procurement opportunity might be grasped by Iwi owned private businesses.

COVID-19 has played a part in delaying and driving up costs for the refurbished temporary

Waitangirua Medical Centre premises.

However these premises have now been opened and the next medical facility to be reviewed is Takapūwāhia.

Post balance date, the Iwi reacquired the management contract and limited partnership interest in the Kenepuru Landing Drive development, re-establishing Ngāti Toa mana over this land.

Our initial investment has grown from circa $11m to an estimated $65m as a result of this transaction.

A development agreement and agreement to lease the land at the Manor Park, Benmore Crescent estate was reached in early 2021. The property will be developed into an industrial business park to be named Te Rangihaeata Business Park.

Ngāti Toa will retain ownership of the underlying whenua and receive staged lease payments from the developer who will enter into a long term ground lease once development begins. Ngāti Toa have already received payment from the developer equal to 46% of the initial price paid for the site.

Our mahi is well under way on settling the first tranche of Ministry of Education properties. The Rūnanga has received a letter of offer from a Bank in regards to setting up a $23m Environmental Sustainable and Green Fund (ESG) based on the securitisation of the Crown Forestry Rentals from One Forty One Limited.

This will partly fund our investment in standing living timber managed by One Forty One, as well as partly fund the investment in repairs to the View Road properties mentioned above.

An example of how these investments are leveraged, is that in the middle of NZ's biggest timber shortage in recent memory, we have just received confirmation of supply for TOA ITM, from Kaituna Mill, owned by One Forty One.

It may well be that trees owned by Ngāti Toa; become timber sold by TOA ITM, to build or repair houses owned by Ngāti Toa, or rented by Te Āhuru Mōwai to Ngāti Toa, or manuhiri living in our rohe.

The Wellington Police Station Ground Rental was reviewed in May 2021 with the negotiated outcome being an increase of approximately 17%. This resulted in a revaluation gain from [$15.4m] as at June 2020, to [$18m] as at June 2021.

Another example, is that the revaluation gain in the forest assets managed by One Forty One Limited from [$45.26m] as at June 2020, to [$50.65m] as at June 2021, was a result of the renegotiation of the lease up by circa [60%] in September 2020, to [$2.5m p.a.], that will over the next 13 years fully repay the bank loan that will fund the ESG.

Our investment performance in the period July 2020 to June 2021 has been far better than we could have ever hoped for, and it is most unlikely that it will be repeated.

A snapshots of our investment performance for 2020/21

$20.5 million

As at 30 June 2021, the existing property portfolio was revalued for financial purposes.

The overall re-valuation increase was approximately $15.4m with additional increases of $5.1m for new properties valued.

$18 million

The Wellington Police Station was reviewed in May 2021 with the negotiated outcome being an increase in approximately 17%.

This resulted in a revaluation gain from $15.4m at June 2020,

$50.65 million

The revaluation gain in the forestry assets managed by One Forty One Limited from $45.25n as at June 2020, to $50.65m as at June 2021.

This was as a result of renegotiating the lease by circa 60% in September 2020, to $2.5m p.a. that will cover the next 13 years, fully repay the bank loan that will fund the ESG.

A snapshot of our staffing costs

343 kaimahi

As at 30 June 2021, Te Rūnanga o Toa Rangatira had 343 employee's. At 30 June 2020, we had 211 employees, onboarding 132 new employees during this financial year.

Across the broader, but unconsolidated Group, including Ngāti Toa Limited, Te Āhuru Mōwai, Aegis Retirement Living Limited, and TOA ITM, and the Rūnanga we are now involved in the employment of 401 people

Te Ao Tūroa - Our Environment

Nurturing a resilient environment to sustain future generations.

An overview of our mahi towards environmental sustainability

The focus for the Treaty & Strategic Relationship Team over the 20/21 financial year has been growth and expansion.

We have had new kaimahi starting in both Porirua and Te Tauihu and through our relationships with the Ministry of the Environment and Wellington City Council, we have also had kaimahi seconded to our team.

This growth and expansion has been coupled with a programme to build our capacity and capability to undertake key mahi, largely in the taiao space.

This focus has also meant improved funding arrangements with several of our local government partners at a level more appropriate to respond to the increasing requests for consultation, an increased appetite to have iwi involved in significant projects and a better societal reflection of the place of iwi as tangata whenua.

While significant challenges still exist in relation to ensuring that we can appropriately exercise our kaitiaki obligations, our focus has been on building our capacity and capability to do so.

Another significant achievement for the Treaty & Strategic Relationships Team for this financial year is securing funding from the Department of Conservation's Kaimahi for Nature Fund ($1.56M over three years). This funding is to carry out a project to enhance mauri across significant/traditional mahinga kai areas and improve existing ecological connectivity by restoring coastal systems and indigenous biodiversity. This project will kick off in the new 2021/22 financial year.

The Ara Piko Walkway around the Pāuatahanui was finally completed in June 2021. This project was first considered in 2000 but work on the project began in 2012. Sharli-Jo Solomon has worked as the iwi monitor on this project since work began so we would like to thank her for her tireless effort on this project. Given the significance of the area to Ngāti Toa, it is great to see this piece of mahi finally complete.

On Friday 20 November, the Department of Conservation in partnership with Te Rūnanga o Toa Rangatira, NIWA and the Greater Wellington Regional Council launched a coastal monitoring buoy just off the Kapiti Marine Reserve.

Whai Mana - Our Organisation

Building a strong organisation founded on leadership and connection.

An overview of our mahi to support the organisation

This year has seen a significant amount of change to the Executive Leadership Team and significant growth across the business.

The Corporate Services team are a newly formed team, developed to support the growing and changing needs of the organisation. This included newly introduced dedicated roles in:

- **Human Resources**
- **Governance support**
- **Administration including iwi registration**
- **Health and Safety**
- **Communications and Events**

The team have been focusing on system and process improvements that are able to be implemented across the organisation. A major initiative has been to increase the transparency of recruitment processes throughout the organisation.

People development is an area of focus and working alongside partner agency, Te Puni Kōkiri we have been able to secure 38 cadetships that will enable targeted development investment into our Māori staff.

The development focus has been targeted for our Rūnanga Board members, staff and subsidiary companies. The organisation is on a journey to achieve operational excellence and to achieve this we need to ensure that our staff and board members are supported and appropriately developed to undertake their mahi.

Eke Panuku is the Staff Engagement programme, designed to bring kaimahi together on a regular basis. Designed with staff at it's core, Eke Panuku will be led and delivered by staff across the Rūnanga coming together to form a committee.

Organisational policies and procedures aligned to our organisational values has begun. This will continue throughout the 2021/22 Financial Year. This is a significant programme of work and contributes to achieving our quality assurance requirements that are consistent across the organisation.

This includes a focus on Health and Safety across the organisation. We have introduced new systems and support required for an organisation of our size and services delivered.

A targeted programme of work guided by the newly developed Mauri Ora Framework (Mauri Ora) will be implemented across the organisation.

Mauri Ora will guide our external engagement and interactions with whānau and internally it will support a collaborative way of delivering our services across the organisation.

We will focus on working together and breaking down silos. This will be a cultural shift that requires a focused approach through the development and implementation that has begun.

It is expected that by the 2022/23 Financial Year, Mauri Ora will be operational across the organisation.

At 30 June 2021, Te Rūnanga o Toa Rangatira has

343 KAIMAHI

ACROSS 10 SERVICES

Cultural Services
Health Services
Social Services
Education and Employment Services
Property Group
Investments and Innovations
Treaty and Strategic Relationships
Corporate Services
Information Technology
Finance

Communications and Events

The mahi of the Communications and Events Team has grown from strength to strength during 2020/21.

Communications delivered by Te Rūnanga o Toa Rangatira has made a significant improvement with a focus on consistency and quality of our content and the channels we use.

During the 2020/21 period, we have seen a marked increase in the uptake of our communications from iwi members and the general public, as well as participation and attendance at key events. We have seen a 70% increase in social media engagement, a 40% increase in e-panui engagement and 60% increase in positive media coverage about Te Rūnanga o Toa Rangatira projects.

With a fully resourced Communications and Events Team for 2021/22, our ongoing work programme is extensive and will include dedicated support to the COVID-19 Response Programme, the launch of a new Ngāti Toa website, the ongoing update of Te Rūnanga o Toa Rangatira branding, and the implementation of new communications activities to share information in a meaningful way.

As the Rūnanga increases in size and service delivery, we anticipate that improved and strengthened internal communications will also become a strong focus.

Information Technology

It has been an extremely productive and successful year for the Information Technology (IT) team. We are continuing to refine our processes, systems and workflows, but for the most part, the team are operating at an optimal state.

A highlight for the year has been employing a new Junior Systems Administrator that has matured in his career path faster than expected. He has now been promoted to Junior Cyber Security Threat Engineer and is flourishing in the Rūnanga.

The most notable achievements from Information Technology Services in 2020/21 include:

- Full Replacement of entire IT Infrastructure.
- Full external Security Audit
- Replacement of Mobile Services and Device Supply from Spark to Vocus.
- Established a contract with a dedicated hardware supplier for all Rūnanga services
- Onboarding of internal IT staff and improved IT support to the organisation
- Setup of COVAX, and Cobham Court Level 2 sites.

We are currently working on a plan and business case to internalise all IT systems, removing the need for third-party hosts and providers. A proof of concept has already been built and refined, and a detailed analysis of current vs projected operating costs is underway.

This analysis along with documentation of the working prototype will form the core of the business case which is due to be completed by March 2022.

Education Grants 2020/21

Jana Abolins-Thompson
Danae Abolins-Thompson
Helena Abolins-Thompson
Aleina Arthur
Maia Ballard
Renee Black
Maia Black
Keeley Black
Christina Brown
Mikayla Cooper
Grace Davies
Kathryn Davies
Raiha Demuth
Ezra Dunlop
Maraea Edwards
Ria Elkington
Israel Elkington
Ruby Faragher
Mahia Martelli
Codi Ford
Xavier Forde
Tyrone Foster
Mairangi France-Colgate
Victoria Gemmell
Christopher Gibbs
Tiana Golder
Lucy Gotty
Bonnie Graham
Isaac Griffin
Miriama Harper
Leanne Haverkamp
Marcia Hawea
Courtney Hemi
Troy Hemi
Morgan Hemi
Ngahuia Henare
Jordanna Hermens
Kathryn Hippolite
Peter Hippolite-Webber
Caitlin Huria
Hannah Janaury
Reuben Katene
Asher Katene
Tazmyn Katene-Ashford
Johannah Katene-Burge
Chloe Kenny
Chelsea Kenny
Stevie Kenny
Tanira Kingi
Tiarna-Lee Jacobs
Victoria Martin
Layla Meritt
Samuel Metekingi
Caylin Morgan
Christina Neale
Rahiripounamu Nicholson
Terina Osborne
Ariki Osborne
Corban Paewai
Arielle Parai
Kyler Parai
Melanie Parata
Pere Pomare
Zoe Pretty
Jennah Rameka
Elena Rei
Pania Rei
Kakati Royal
Carlin Shaw
Kevin Simpkins
Adam Simpkins
Jackie Simpkins
Tirangi Skerrett-White
Shannon Solomon
Te Uatorikiriki Solomon
Ginnae Solomon
Lucinda Solomon
Paris Studd
Gwen Taitua
Elijah Tapine-Miller
Jessica Tchernegovski
Priscilla TeMoana
Jury Teniteni-Smeaton
Lisa Totoro
Te Ua Konehunehu-O-Te-Rangi
Tumoana
Frances Watson
Paige Wells
Leland Wineera
Ranei Wineera
Nikau Wineera
Whatarangi Winiata.

Te Rūnanga o Toa Rangatira

Incorporated Group Consolidated Statements for the year ending 30 June 2021

Contents

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Health, medical and other social services income	6	18,246,409	13,270,971
Direct service delivery costs		(2,820,544)	(1,385,481)
Surplus from delivery of social services		15,425,865	11,885,490
Trading income	6	6,363,559	14,908,630
Direct trading expenses		(3,412,976)	(10,162,745)
Surplus from trading activities		2,950,583	4,745,885
Other income			
Gain on revaluation of investment land		12,170,712	13,928,000
Other income	6	17,068,516	5,346,707
Total revenue from operations		**47,615,676**	**35,906,082**
Share in profit of joint venture		7,223,197	-
Less operating expenses			
Administration expenses		(1,389,943)	(2,808,690)
Depreciation, amortisation and impairment expenses	14, 22	(1,173,636)	(693,491)
Education, sports and marae distributions		(200,338)	(219,654)
Motor vehicle expenses		(380,620)	(254,134)
Other expenses		(1,699,153)	(686,304)
Personnel expenses	7	(18,347,428)	(11,520,093)
Property expenses		(6,869,203)	(2,509,071)
Loss on sale of property, plant and equipment		(83,282)	(21,194)
Total expenses		**(30,143,603)**	**(18,712,631)**
Surplus before net income on financial investments		**24,695,270**	**17,193,451**
Gain on revaluation of financial assets at fair value through surplus or deficit	9	8,316,487	2,088,081
Interest income	6	485,837	1,849,094
Interest expense		(41,602)	-
Net interest and revaluation income		**8,760,722**	**3,937,175**
Surplus for the year before tax		**33,455,992**	**21,130,626**
Tax expense	13	(434,129)	(943,668)
Surplus for the year, attributable to owners of the Parent		**33,021,863**	**20,186,958**

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Consolidated statement of comprehensive revenue and expense (continued)

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Other comprehensive revenue and expense			
Gain on revaluation of property, plant and equipment	14	6,449,080	5,463,252
Gain on revaluation of intangible assets	22	1,718,123	1,308,949
Total other comprehensive revenue and expense		**8,167,203**	**6,772,201**
Total comprehensive revenue and expense for the year, attributable to owners of the Parent		**41,189,066**	**26,959,159**

The above consolidated statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

For and on behalf of the Board, who authorised the issue of these financial statements on:

Board chair
4 November 2021

Board member
4 November 2021

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Consolidated statement of financial position

As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	8	46,133,154	16,197,376
Short-term deposits	9	3,693,753	53,586,264
Managed funds	9	54,552,491	46,919,434
Inventories	11	15,292,489	11,981,447
Trade and other receivables	10	6,077,857	2,686,258
Prepayments and other assets	12	31,557	33,193
Total current assets		125,781,301	131,403,972
Non-current assets			
Other receivables	10	542,819	-
Other investments	24	470,000	400,000
Property, plant and equipment	14	33,548,117	25,648,680
Investment property	15	92,513,152	70,997,473
Intangible assets	22	11,951,663	8,787,972
Investment in joint venture	23	26,923,199	-
Share investments	16	2,397,859	2,366,678
Total non-current assets		168,346,809	108,200,803
Total assets		**294,128,110**	**239,604,775**
Liabilities			
Current liabilities			
Trade and other payables	17	12,139,163	2,507,677
Deferred income	18	2,398,487	565,878
Income received in advance	19	2,149,658	508,560
Employee benefit liabilities	20	1,203,427	832,991
Income tax payable	13	312,173	453,533
Total current liabilities		18,202,908	4,868,639
Total liabilities		**18,202,908**	**4,868,639**
Net assets		**275,925,202**	**234,736,136**
Equity			
Treaty and fisheries settlement reserves	27	137,847,879	136,764,978
Special purpose reserve	27	1,186,078	1,186,078
Revaluation reserve - Intangibles	27	6,364,865	4,646,742
Revaluation reserve - Land and buildings	27	17,706,436	11,257,356
Accumulated comprehensive revenue and expense	27	112,819,944	80,880,982
Total equity		**275,925,202**	**234,736,136**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2021

	Treaty and fisheries settlement reserves (note 27)	Special purpose reserve (note 27)	Revaluation reserve - Intangibles (note 27)	Revaluation reserve - Land and buildings (note 27)	Accumulated comprehensive revenue and expense	Total equity
	$	$	$	$	$	$
At 1 July 2020	**136,764,978**	**1,186,078**	**4,646,742**	**11,257,356**	**80,880,982**	**234,736,136**
Surplus for the year	-	-	-	-	33,021,863	33,021,863
Other comprehensive revenue and expense	-	-	1,718,123	6,449,080	-	8,167,203
Total comprehensive revenue and expense for the year	-	-	1,718,123	6,449,080	33,021,863	41,189,066
Transfer between reserves (note 27)	1,082,901	-	-	-	(1,082,901)	-
At 30 June 2021	**137,847,879**	**1,186,078**	**6,364,865**	**17,706,436**	**112,819,944**	**275,925,202**

Consolidated statement of changes in equity (continued)

For the year ended 30 June 2021

	Treaty and fisheries settlement reserves (note 27)	Special purpose reserve (note 27)	Revaluation reserve - Intangibles (note 27)	Revaluation reserve - Land and buildings (note 27)	Accumulated comprehensive revenue and expense	Total equity
	$	$	$	$	$	$
At 1 July 2019	**136,764,978**	**1,186,078**	**3,337,793**	**5,794,104**	**60,694,024**	**207,776,977**
Surplus for the year	-	-	-	-	20,186,958	20,186,958
Other comprehensive revenue and expense	-	-	1,308,949	5,463,252	-	6,772,201
Total comprehensive revenue and expense for the year	-	-	1,308,949	5,463,252	20,186,958	26,959,159
At 30 June 2020	**136,764,978**	**1,186,078**	**4,646,742**	**11,257,356**	**80,880,982**	**234,736,136**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Cashflow from operating activities			
Proceeds from contract income and other income		30,891,080	15,561,594
Proceeds from trading income		2,115,884	14,671,109
Proceeds from rental income		7,188,203	3,769,523
Interest received		983,311	1,958,644
Interest paid		(41,602)	-
Net GST (paid)/received		(216,487)	237,908
Taxation paid		(575,489)	(956,691)
Payments made to suppliers and others		(18,176,024)	(15,314,515)
Payments made to employees		(17,976,992)	(11,500,641)
Net cash inflow from operating activities		**4,191,884**	**8,426,931**
Cashflows from investing activities			
Proceeds from sale of property, plant and equipment		5,815	11,973
Purchase of property, plant and equipment	14	(2,625,757)	(2,441,819)
Acquisition of intangibles	22	(450,000)	-
Purchase of investment properties	15	(1,960,924)	(1,522,472)
Purchase of share and other investments		(101,181)	(300,000)
Transfers from/(to) short-term deposits		49,892,511	(4,273,673)
Proceeds from/(investment in) managed funds		683,430	(13,781,888)
Investment in joint venture		(20,000,000)	-
Transfers from long-term deposits		-	4,321,405
Dividends received from joint venture		300,000	-
Net cash inflow/(outflow) from investing activities		**25,743,894**	**(17,986,474)**
Cashflows from financing activities			
Net cash inflow/(outflow) from financing activities		**-**	**-**
Net increase/(decrease) in cash and cash equivalents		29,935,778	(9,559,543)
Cash and cash equivalents at 1 July		16,197,376	25,756,919
Cash and cash equivalents at 30 June	8	**46,133,154**	**16,197,376**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2021

1. Reporting entity

Te Rūnanga o Toa Rangatira Incorporated is a registered charity under the Charities Act 2005, registration number CC42382, domiciled and registered in New Zealand.

The primary activity of the Group is the provision of assistance by way of relief of poverty, promotion of health and wellbeing and advancement of education for all members of Ngati Toa Rangatira and the community.

Te Rūnanga o Toa Rangatira Incorporated is also the Mandated Iwi Organisation and Trustee over the Ngati Toa Rangatira settlement assets.

The principal place of business is 26 Ngati Toa Street, Takapuwahia, Porirua.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements ("financial statements") for the year ended 30 June 2021 comprise the controlling entity (Te Rūnanga o Toa Rangatira Incorporated, the "Parent") and its controlled entities (together referred to as the "Group" and individually as "Group Entities").

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and requirements of the Charities Act 2005.

The Group is a public benefit entity for the purpose of complying with NZ GAAP.

The financial statements comply with Public Benefit Entity Standards ("PBE Standards").

These financial statements are for the year ended 30 June 2021 and were authorised for issue by the Board on 4 November 2021.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Group has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Group. The scale and duration of these developments remain uncertain at the date of this report. During the year, the Group has been affected by periods under COVID-19 Alert Level 2 restrictions during August 2020 and February, March and June 2021.

Although the Group has been impacted by COVID-19, the board have concluded the Group will be able to continue operating for the foreseeable future.

b) Measurement basis

The financial statements have been prepared on an historical cost basis, except for the following material items in the consolidated statement of financial position, which are measured at fair value;

- Land and buildings under the revaluation model;
- Investment property;
- NZ Forestry Emission Units (NZUs);
- Certain financial instruments; and
- Initial measurement of assets received from non-exchange transactions.

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars ($), which is the controlling entity's functional and Group presentation currency. All numbers presented have been rounded to the nearest dollar.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

2. Basis of preparation (continued)

d) Judgements, assumptions and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those judgements, estimates and assumptions.

Estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

(i) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Revenue recognitions - non-exchange revenue (conditional vs restrictive) (note 6b);
- Reclassification of property plant and equipment to (from) investment property (notes 14/15);
- Intangible assets having finite or indefinite useful lives (note 22); and
- Whether there is control or not over a Group entity, including classification of joint arrangements (notes 4c/23).

(ii) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2021 include the following:

- Fair value measurement of assets and liabilities carried at fair value (note 21); and
- Impairment of non-financial assets (note 25).

e) Changes in accounting policies

Changes due to the initial application of a new, revised, and amended PBE Standards

***Uncertainty over Income Tax Treatments* (Amendment to PBE IAS 12 *Income taxes*)**

The amendments incorporate guidance based on that in NZ IFRIC 23 *Uncertainty over Income Tax Treatments* to clarify recognition and measurement requirements when there is uncertainty over income tax treatments.

The amendments address the following:

- Whether an entity considers uncertain tax treatments separately. An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The amendment is effective for the Group for the annual period beginning on 1 July 2020. The amendment does not have an impact on the Group's financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

2. Basis of preparation (continued)

e) Changes in accounting policies (continued)

Amendments to PBE IPSAS 1 - *Going Concern Disclosures*

These amendments introduce more specific disclosure requirements about going concern assessments to help preparers of financial statements to provide relevant and transparent information to users of those financial statements about the matters considered when making such assessments.

The amendment is effective for the Group for the annual reporting period ending on 30 June 2021. The amendment does not have an impact on the Group's financial statements.

Other than changes due to the initial application of the new standards, there have been no other changes in accounting policies for the Group.

f) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. Significant accounting policies

The significant accounting policies set out below and in the notes to the consolidated financial statements have been consistently applied to all periods presented in these financial statements and have been consistently applied across the Group.

The Board have considered that for the information to be useful to the readers, that the note for any item on the face of the financial statements, will be shown below the policy that has been adopted where appropriate.

The significant accounting policies used in the preparation of these financial statements are summarised below and are contained within the following notes to the consolidated financial statements:

4. Basis of consolidation

5. Business combinations and goodwill

6. Revenue

7. Personnel costs

8. Cash and cash equivalents

9. Short-term investments and managed funds

10. Trade and other receivables

11. Inventories

12. Prepayments

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

3. Significant accounting policies (continued)

13. Income tax
14. Property, plant and equipment
15. Investment property
16. Share investments
17. Trade and other payables
18. Deferred income
19. Rent received in advance
20. Employment entitlements
21. Financial instruments
22. Intangible assets
23. Joint Operations
24. Advance - Maara Moana Limited
25. Impairment of non-financial assets
26. Leases (as lessor and as lessee)
27. Capital management and reserves
28. Audit fees
29. Contingencies and commitments
30. Events subsequent to balance date
31. Related parties
32. Reconciliation of net cash flows from operating activities to surplus
33. Prior period restatement
34. Standards and Interpretations issued but not yet effective

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

4. Basis of consolidation

a) Controlled entities

Controlled entities are entities controlled by the Group, being where the Group is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of the Group's controlled entities are included in the financial statements from the date that control commences to the date control ceases.

Subsequent changes in the ownership interest of a controlled entity that do not result in a loss of control are accounted for as transactions with owners of a controlling entity in their capacity as owners within net assets/equity.

The Group's financial statements include the following 100% controlled entities. All subsidiaries are incorporated or established in New Zealand and have a balance date of 30 June:

Subsidiary name	Nature of business	Share capital (number of shares) 2021	2020
Ngati Toa Limited	Holiday park operator	100	100
Ora Toa PHO Limited	Primary healthcare provider	1	1
Ika Toa Limited	Management of Annual Catch Entitlements	20,100	20,100
Kapiti Tours Limited	Tour operator	-	-
Sheltered Haven Limited	General partner of Te Āhuru Mōwai Limited Partnership	100	100
Te Āhuru Mōwai Limited Partnership	Class 1 community housing provider	-	-
Toa Building Supplies Limited	Building supplies distributor	100	-
Toa Homes Limited	Non-trading	100	-
Toa Rangatira Trust	Post settlement governance entity	10	10
Toa Rangatira Group Holdings Limited	Non-trading holding company	1	1
Toa Rangatira Investment Properties Limited	Investment property	-	-
Toa Rangatira Developments Limited	Investment land holdings	-	-
Whenua Toa Trust	Property developer	-	-
Arijit Residential Limited	Residential property owner	100	-
Toa Rangatira Retirement Villages Limited	Non-trading holding company	100	-
		20,712	20,312

Toa Building Supplies Limited, Toa Rangatira Retirement Villages Limited, Arijit Residential Limited and Toa Homes Limited were incorporated in October 2020, November 2020, April 2021 and May 2021, respectively.

b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c) Joint operations

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is the sharing of control over an arrangement where decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint control is assessed under the same principles as control over controlled entities.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

4. Basis of consolidation (continued)

c) Joint operations (continued)

The Group classifies its interests in joint arrangements as either:

- **Joint operations:** where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement; and
- **Joint ventures:** where the Group has rights to the net assets of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group has 50% equity interest in Kenepuru Developments Limited, a joint operation that operates in New Zealand through a limited partnership, Kenepuru LP. The joint operation is responsible for the development at Kenepuru Landings, a residential subdivision in Porirua, which it is developing into 726 residential sections. The joint operation is intended to complement the commercial opportunities and operations for land development.

The Group accounts for its interests in a joint operation by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Group has a 67% equity interest in Aegis Retirement Living Limited, a joint venture that operates a retirement village in Whitby, Porirua. Aegis Retirement Living Limited owns 100% of the share capital of Whitby Village (2009) Limited and Aegis Projects Limited. The Group classifies its interest in Aegis Retirement Living Limited as a joint venture as the shareholder agreement requires unanimous consent for a number of activities that significantly affect the returns of Aegis Retirement Living Limited.

The Group accounts for its interest in a joint venture according to the equity method, by recognising the initial investment at cost, plus the Group's share of surplus or deficit post-acquisition, less dividends received.

5. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date fair value) and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit. It is then considered in the determination of goodwill.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

5. Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*, is measured at fair value with changes in fair value recognised either in surplus or deficit or as a change to other comprehensive revenue and expense. If the contingent consideration is not within the scope of PBE IPSAS 29, it is measured in accordance with the appropriate PBE standard. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in surplus or deficit.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

6. Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Group. Revenue is measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

a) Revenue from exchange transactions

Exchange transactions are transactions in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the value of the consideration received or receivable, net of returns and any discounts.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

Sale of goods revenue included in trading revenue in the consolidated statement of comprehensive revenue and expense:

- Sale of annual catch entitlements from quota share;
- Sale of building supplies; and
- Sale of developed property.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

- For sale of annual catch entitlement, it is when the payment has been received from the customer.
- For sales of building supplies, it is when the goods have been delivered to the customer.
- For sale of developed property, it is when the contract for the sale has settled in full.

(ii) Rendering of services

Services rendered revenue is recognised in surplus or deficit in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to:

- A survey of the work completed for services under contract at balance date;
- Proportion of time remaining under the original service agreement at balance date for contracts spanning more than 12 months for health services, which are recognised on a straight line basis over the period of the contract; and
- The proportion of costs incurred to date relative to the total estimated costs of the transaction.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Income from services rendered (exchange revenue) included in trading income in the consolidated statement of comprehensive revenue and expense:

- Patient consultation fees
- Puna Reo parent fees
- Transport revenue
- Holiday park revenue
- Building maintenance revenue
- Income-related rent subsidy

The income-related rent subsidy relates to management, ongoing maintenance and repairs and upgrade work for community housing through Te Āhuru Mōwai Limited Partnership ("TAM"). Revenue for these services is recognised by reference to the stage of completion of the services, measured by reference to labour hours incurred as a percentage of total estimated labour hours.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

TAM has entered into a concession arrangement with the Ministry of Housing and Urban Development which includes the management of the properties owned by Kāinga Ora in Western Porirua, and the upgrade and redevelopment of those properties. During the period of the agreement, TAM will also undertake ongoing repairs and maintenance of the properties to ensure their compliance with relevant legislation. The concession arrangement sets out rights and obligations relative to the properties and the services to be provided. For fulfilling those obligations, TAM is entitled to receive cash from Kāinga Ora (the grantor), as well as collect payments from tenants on behalf of the grantor.

	2021	2020
	$	$
Revenue from exchange transactions		
Trading revenue		
Services rendered		
Holiday park revenue	567,213	484,745
Other exchange revenue	835	469
Patient and parent fees	1,451,994	852,611
	2,020,042	**1,337,825**
Sale of goods		
Sale of developed properties	2,568,845	12,936,882
Annual catch entitlement sale	589,179	633,923
Building supplies revenue	1,185,493	-
Total trading revenue from exchange transactions	**6,363,559**	**14,908,630**

(iii) Other income

(a) Rental and licence fee income

Rental income on licenced forestry land, residential rental, commercial and other investment property lease fees are recognised in surplus or deficit on a straight line basis over the term of the lease (note 26).

(b) Dividends

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

(c) Sale of NZ Forestry Emission Units

Income from the sale of NZ Emission units is recognised when the significant risks and rewards of ownership have been transferred.

	2021	2020
	$	$
Other income from exchange transactions		
Rental and licence fee income	8,547,777	3,769,523
Income-related rent subsidy	5,507,399	-
Dividends received	79,258	104,639
Local and regional council grants	30,000	30,000
Sundry income	972,918	684,470
Other income from exchange transactions	**15,137,352**	**4,588,632**

(d) Interest

Interest is recognised as it accrues in surplus or deficit, using the effective interest rate (EIR) method.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

(iii) Other income (continued)

(d) Interest (continued)

Interest income shown in other income in the consolidated statement of comprehensive revenue and expense includes interest earned on 'at call' funds and short-term deposits from the various banking organisations.

	2021	2020
	$	$
Interest income		
Interest from trading, at call and term investments	456,379	1,322,161
Interest accrued but not yet received	29,458	526,933
Total interest income	**485,837**	**1,849,094**

(e) Gain/(loss) on revaluation of financial assets at fair value through surplus or deficit

The fair value gain/loss on revaluation of financial portfolio is fair value gains on the investment portfolio held with ANZ, Milford Asset Management and Harbour Asset Management (note 9).

b) Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash or other tangible or non-tangible items) but provides no (or nominal) direct consideration in return for the inflow. With the exception of services in kind, inflow of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value can be reliably measured.

(i) Government contracts, grants and koha

The recognition of non-exchange revenue from government contracts, grants, donations, and koha depends on the nature and any stipulations attached to the inflow of economic resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not used as stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Government contracts

Funding is received to provide a range of health and wellbeing services to the community that are delivered by the Group. The primary source of funding is derived by contracts with the following providers:

- Ministry of Health
- Capital Coast District Health Board
- Ministry of Education
- Local and regional agencies

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

6. Revenue (continued)

b) Revenue from non-exchange transactions (continued)

(i) Government contracts, grants and koha (continued)

Contracts with the Ministry of Education and local and regional agencies are subject to restrictions, and revenue is recognised immediately. Contracts with the Ministry of Health and Capital Coast District Health Board are subject to a mixture of conditions and restrictions, and any funds unspent at balance date are recognised as a liability (note 18).

(ii) Historical and fisheries redress

Revenue from Historical and Fisheries Redress received as non-exchange transactions are recognised when the entitlement (control) passes to the Group and the Group is able to enforce the claim. Revenue is recognised in the consolidated statement of comprehensive revenue and expense, and the related asset received recognised in the consolidated statement of financial position, at fair value estimated at the date of the exchange.

Redress income included in the consolidated statement of comprehensive revenue and expense is subsequently moved to a special settlement reserve account to preserve the total accumulated settlement quantum.

	2021	2020
	$	$
Revenue from non-exchange transactions		
Health, medical and other social services income	18,246,409	13,270,971
Non-exchange revenue	**18,246,409**	**13,270,971**

Revenue from non-exchange transactions included in other income in the consolidated statement of comprehensive revenue and expense includes:

	2021	2020
	$	$
Other income from non-exchange transactions		
Local and regional council grants	423,711	298,513
Rates reimbursement	410,493	425,873
COVID-19 wage subsidy	14,059	33,689
Coastline settlement of quota shares	1,082,901	-
Other income from non-exchange transactions	**1,931,164**	**758,075**
Other income from exchange and non-exchange transactions	**17,068,516**	**5,346,707**

7. Personnel costs

Personnel expenses include all personnel, management, Board and payments for members for various committee duties. See note 20 for employee benefit liabilities at balance date.

(a) Employer contribution to KiwiSaver

The Group contributes to the New Zealand KiwiSaver scheme for employees who have enrolled in the scheme. Personnel costs include:

	2021	2020
	$	$
ACC levies	35,137	44,000
Staff payroll expense	17,535,974	10,983,850
Board and Committee expense	319,919	206,021
KiwiSaver deductions	456,398	286,222
Total payroll expense	**18,347,428**	**11,520,093**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

8. Cash and cash equivalents

Cash and cash equivalents are deposits held in trading accounts or deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2021	2020
	$	$
Cash at bank and on hand	46,133,154	16,197,376
Cash and cash equivalents in the consolidated statement of cash flows	**46,133,154**	**16,197,376**

Per annum annual interest rate ranges to components of cash and cash equivalents:

	2021	2020
	$	$
Bank deposits	0.01 - 0.05%	0.00 - 0.05%
Call deposits	0.045 - 0.085%	2.70 - 2.93%

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

9. Short-term deposits and managed funds

Short-term deposits are deposits that are held with maturities of more than 90 days but less than 12 months after balance date. Short-term deposits are classified as current assets in the consolidated statement of financial position. The carrying value of short-term deposits approximates their fair value due to their short-term nature and market interest rates.

There are no restrictions over the short-term deposits held by the Group.

Interest rates vary on the deposits between 0.05% and 0.085% (2020: 0.05% and 2.93%).

Managed funds are funds held with ANZ, Milford Asset Management and Harbour Asset Management in a balanced portfolio measured at fair value through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

10. Trade and other receivables

Trade and other receivables are non-interest bearing and receipts are normally on 30 day terms. Therefore carrying value of accounts and other receivables approximates its fair value.

As at 30 June 2021, all overdue receivables have been assessed for impairment and appropriate allowances made.

	2021	2020
	$	$
Current		
Trade and other receivables		
Trade receivables from exchange transactions	6,239,991	2,091,717
Allowances for doubtful debts	(349,473)	(214,195)
Net trade receivables from exchange transactions	**5,890,518**	**1,877,522**
Other receivables		
Accrued interest receivable	29,459	526,933
GST receivable	157,880	281,803
Total current trade and other receivables	**6,077,857**	**2,686,258**
Non-current		
Other receivables		
Other receivables	542,819	-
Total non-current trade and other receivables	**542,819**	**-**

The Board have considered whether an allowance for doubtful debts is appropriate based on historical evidence and have estimated on a percentage basis a doubtful debt allowance on the 90 day and over balances. All receivables are subject to credit risk exposure.

The Board have reviewed the allowance as at 30 June and a further impairment allowance of $89,760 has been recorded for the 2021 year (2020: $30,007).

	2021	2020
	$	$
Balance 1 July	214,195	184,188
Write off of bad debts	(8,175)	-
Impairment losses this year	143,453	30,007
Balance at 30 June	**349,473**	**214,195**

As at 30 June, the ageing analysis of trade and other receivables is, as follows:

			Past due but not impaired			
	Total	**Neither past due nor impaired**	**< 30 days**	**30-60 days**	**61-90 days**	**> 90 days**
	$	$	$	$	$	$
2021	6,322,609	2,792,827	1,659,261	417,853	547,940	904,728
2020	2,091,717	1,404,627	251,233	18,059	99,062	318,736

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

11. Inventories

Inventory is measured at cost upon initial recognition.

To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing each product to its present location and condition. Costs of inventories are accounted for as follows:

Finished goods and work-in-progress:

Cost of direct materials and labour. Costs are assigned on the basis of weighted average costs.

The Group's finished goods inventory includes items held for resale, such as building supplies. The Group's work in progress consists of land purchased for development and sale, including development in progress.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

	2021	2020
	$	$
Inventory held for sale or provision of services at commercial terms		
Work in progress - land development (at cost)	14,690,617	11,981,447
Finished goods (at lower of cost and net realisable value)	601,872	-
	15,292,489	**11,981,447**

During the year ended 30 June 2021, $nil (2020: $nil) was recognised as an expense in relation to an inventory write-down to net realisable value. This was recognised in general expenses in the consolidated statement of comprehensive revenue and expense.

12. Prepayments and other assets

Prepayments include payments that have been made prior to balance date, for goods or services that have not yet been delivered.

Prepayments also include payments toward the construction of an asset where the asset has not yet been completed or commissioned but for where there is a construction contract in place.

	2021	2020
	$	$
Prepayments for goods and services not yet consumed	27,055	33,193
Other assets	4,502	-
Total prepayments and other assets	**31,557**	**33,193**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

13. Income tax

Ngati Toa Limited receives income which provides taxable earnings. Toa Rangatira Trust has Maori Authority tax status and the current tax is calculated at 17.5%. Whenua Toa Trust is taxed at 33%. Other Trust subsidiaries are currently taxed at 28%.

Ora Toa PHO Limited, Ika Toa Limited and the Parent have Charitable Status for income tax purposes, and therefore are not subject to income tax.

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in surplus or deficit except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive revenue and expense. Tax relating to items recognised directly in equity or in other comprehensive revenue and expense is also recognised in equity or other comprehensive revenue and expense, respectively.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at balance date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

	2021	2020
	$	$
Opening tax payable	**453,533**	**466,558**
Less: Maori Tax credits available	(11,499)	(14,650)
Less: Resident withholding tax paid	(135,251)	(259,578)
Less: Tax payments made to Inland Revenue	(499,652)	(672,956)
Less: Refunds received	70,913	(9,509)
Tax expense	434,129	943,668
Current tax payable	**312,173**	**453,533**

The major components of income tax expense for the years ended 30 June 2021 and 2020 are:

	2021	2020
	$	$
Current income tax:		
Current income tax charge	408,624	943,668
Adjustments in respect of current income tax of previous year	25,505	-
Income tax expense reported in surplus or deficit	**434,129**	**943,668**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

13. Income tax (continued)

Reconciliation of tax expense and the accounting profit multiplied by New Zealand's domestic tax rate for 2021 and 2020:

	2021	2020
	$	$
Accounting profit before income tax	**33,455,992**	**21,130,626**
Share of profit from joint venture	(7,223,197)	-
	26,232,795	**21,130,626**
At statutory income tax rate of 28% (2020: 28%)	7,345,183	5,916,575
Effect of different tax rates	(1,681,905)	(566,200)
Effect of non taxable activities	(5,769,895)	(4,398,803)
Utilisation of previously unrecognised tax losses	-	(10,295)
Other non-deductible expenses	515,241	2,391
Adjustment in respect of previous years	25,505	-
Income tax expense reported in surplus or deficit	**434,129**	**943,668**

The effective income tax rate is 2% (2020: 4%)

	2021	2020
	$	$
Imputation credits available for use in subsequent reporting periods		
Balance at end of year	**190,958**	**174,750**

14. Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

The Group holds land that is classified as heritage as the land comprises sites that are either held as reserves, memorial sites or Urupa. Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the consolidated statement of financial position.

Items of property, plant and equipment are subsequently measured either under the:

(i) Cost model

Cost less accumulated depreciation and impairment.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

14. Property, plant and equipment (continued)

a) Recognition and measurement (continued)

Any revaluation losses in excess of credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

All of the Group's items of property plant and equipment are subsequently measured in accordance with the cost model, except for land and buildings which are subsequently measured in accordance with the revaluation model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

c) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

The estimated useful lives are shown below:

Class	2021	2020
Buildings and marine farm	10 to 60 years	10 to 60 years
Plant, office equipment and computers	3 to 30 years	3 to 30 years
Motor vehicles, watercraft, tractors and trailers	5 to 76 years	5 to 76 years
Fixtures and fittings	5 to 13 years	5 to 13 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed.

Depreciation methods, useful lives and residential value are reviewed are each balance date and adjusted if appropriate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

14. Property, plant and equipment (continued)

	Land, buildings and marine farm	Plant, office equipment and computers	Fixtures and fittings	Motor vehicles, watercraft, tractors and trailers	Work in progress	Total
	$	$	$	$	$	$
Cost or valuation						
At 1 July 2020	23,782,865	2,822,506	601,195	1,445,061	898,610	29,550,237
Additions - exchange	569,193	1,153,794	39,687	364,046	499,037	2,625,757
Revaluation	6,012,179	-	-	-	-	6,012,179
Capitalisation of work in progress	629,216	269,394	-	-	(898,610)	-
Disposals	(88,380)	(402,161)	(185,592)	(90,424)	-	(766,557)
At 30 June 2021	**30,905,073**	**3,843,533**	**455,290**	**1,718,683**	**499,037**	**37,421,616**
Accumulated depreciation and impairment						
At 1 July 2020	-	2,429,861	443,083	1,028,613	-	3,901,557
Depreciation charge for the year	413,572	473,147	11,067	165,188	-	1,062,974
Depreciation written back on disposal	-	(401,444)	(185,592)	(90,424)	-	(677,460)
Revaluation	(436,901)	-	-	-	-	(436,901)
Impairment	23,329	-	-	-	-	23,329
At 30 June 2021	**-**	**2,501,564**	**268,558**	**1,103,377**	**-**	**3,873,499**
Net book value						
At 30 June 2021	**30,905,073**	**1,341,969**	**186,732**	**615,306**	**499,037**	**33,548,117**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

14. Property, plant and equipment (continued)

	Land, buildings and marine farm	Plant, office equipment and computers	Fixtures and fittings	Motor vehicles, watercraft, tractors and trailers	Work in progress	Total
	$	$	$	$	$	$
Cost or valuation						
At 1 July 2019	17,401,819	2,620,900	598,045	1,390,274	-	22,011,038
Additions - exchange	1,213,490	213,231	3,150	113,338	898,610	2,441,819
Revaluation	5,167,556	-	-	-	-	5,167,556
Disposals	-	(11,625)	-	(58,551)	-	(70,176)
At 30 June 2020	**23,782,865**	**2,822,506**	**601,195**	**1,445,061**	**898,610**	**29,550,237**
Accumulated depreciation and impairment						
At 1 July 2019	-	2,179,087	434,999	928,689	-	3,542,775
Depreciation charge for the year	295,696	250,774	8,084	136,933	-	691,487
Depreciation written back on disposal	-	-	-	(37,009)	-	(37,009)
Revaluation	(295,696)	-	-	-	-	(295,696)
At 30 June 2020	**-**	**2,429,861**	**443,083**	**1,028,613**	**-**	**3,901,557**
Net book value						
At 30 June 2020	**23,782,865**	**392,645**	**158,112**	**416,448**	**898,610**	**25,648,680**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

14. Property, plant and equipment (continued)

Revaluation of land and buildings

Land and buildings are measured using the revaluation model and are revalued every three years. These assets were revalued on 30 June 2021.

Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

As at the date of revaluation 30 June 2021, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer.

Significant assumptions included in the valuations were that:

- There are no side agreements that would have an adverse effect on the market value of the property.
- All buildings have a seismic strength at a "market acceptable level" for their class.
- No significant capital expenditure is required in respect of any buildings or facilities contained therein.

15. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

a) Recognition and measurement

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are subsequently measured at fair value by an independent professional. Investment property valuations are reviewed annually.

Market source data has been used to determine the market value of the properties assessed by CBRE Limited.

The valuer used a comparison approach using recent market transactions that had occurred on an arm's length basis. Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The forestry land valuation was updated in June 2021 by CBRE on a discounted cash flow basis which uses forest licence fee income as an input.

Other land valuations were updated on 30 June 2021 by Peter Schellekens and Lewis England of CBRE. The valuations included land that is currently subject to long-term lease back arrangements with the relevant New Zealand Government (the "Crown") agencies. See note 26 for further detail on the terms of the leases. The methods of valuation used to determine fair value were the income capitalisation or discounted cashflow approach with a check by the direct comparison approach. See note 14 for significant assumptions used in property valuations.

All valuers used by the Group are independent.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

15. Investment properties (continued)

a) Recognition and measurement (continued)

Other land (from non-exchange transactions) is held as investment land where there has been no clear indication on a particular use for the land.

	2021	2020
	$	$
Investment property		
At 1 July	70,997,473	55,547,001
Gain on revaluation	12,170,027	13,928,000
Fair value of investment property at 30 June	**83,167,500**	**69,475,001**
Additions – from subsequent expenditure	-	1,522,472
Additions – from acquisitions	9,345,652	-
Fair value 30 June	**92,513,152**	**70,997,473**

The amount recognised in surplus or deficit in relation to investment property:

	2021	2020
	$	$
Rental income derived from investment properties	4,156,100	3,769,523
Direct operating expenses (including repairs and maintenance) generating rental income	593,922	853,217
Direct operating expenses (including repairs and maintenance) that did not generate rental income	53,622	11,733

Investment property includes:

- Forestry land in Nelson and Marlborough currently planted in pine and operated as a forestry operation. The forestry operation is owned and controlled by unrelated parties, and the land is leased to the forester under the terms of the present Crown Forestry Licence.
- Police stations in Richmond and central Wellington, that are subject to lease back arrangements with New Zealand Police. The lease back arrangements have initial terms to 2025 (Richmond) and 2036 (Wellington) with further perpetual terms of renewal.
- Property at Benmore Crescent, for which the Group has entered into a 125 year renewable ground lease and development agreement with Building-Solutions Limited. The lease term commences once the property has been rezoned by Hutt City Council to Special Business or its equivalent.

Minimum future rental payments receivable are disclosed in note 26.

b) Reclassifications

When the use of the investment property changes to owner occupied, such that it results in a reclassification of investment property to property, plant and equipment, the property's fair value at the date of reclassification becomes its cost for subsequent accounting.

16. Share investments

The Group owns 1,532 shares in Aotearoa Fisheries Limited (AFL). The shares were received as part of the Fisheries settlement in March 2010. The Group has no controlling or significant interest in AFL.

The shares are stated at cost less their impairment value as they are not publicly traded and therefore there is no active market to determine the quoted price and the shares cannot be measured reliably. The Board consider that the carrying amount of the shares approximates their fair value.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

16. Share investments (continued)

During the year, the Group acquired 12,000 ordinary shares and 19,181 redeemable preference shares in Independent Timber Merchants Limited (ITM). Fair value is considered to be equal to the issue price of $1 per share. The ordinary shares must be surrendered on exit from the ITM co-operative, and are paid out at their face value. The redeemable preference shares are non-voting, are only redeemable on exit from the co-operative, and are paid out over five years from exit date at the discretion of the co-op board. On 30 August 2021, 10 ordinary shares in ITM were transferred to Theo Modlik, a director of Toa Building Supplies Limited.

The shares are classified as available for sale.

	2021	2020
	$	$
Aotearoa Fisheries Limited	2,366,678	2,366,678
Independent Timber Merchants Limited - ordinary shares	12,000	-
Independent Timber Merchants Limited - redeemable preference shares	19,181	-
Deemed cost at 30 June	**2,397,859**	**2,366,678**

17. Trade and other payables

	2021	2020
	$	$
Trade payables from exchange transactions	2,391,891	1,436,075
Other payables	660,862	299,562
Sundry accruals	8,772,209	526,968
GST payable	314,201	245,072
Total trade and other payables	**12,139,163**	**2,507,677**

Trade payables are non-interest bearing and are normally settled within 30 days and are therefore reflected at their fair value. See note 21d for the accounting policy for trade and other payables.

18. Deferred income

Deferred income relates to service contract income where the obligations attached to the receipt of the funds have not been fully met at balance date. This includes government contract income for medical and health services, and for community housing management and upgrade services (note 6). These conditions and/or obligations are all expected to be met within three months of balance date and are considered current liabilities.

19. Income received in advance

Forestry Licence fees, residential rent and rent from lease back investment properties received in advance is rent received for future periods, where the service has not yet been delivered to the customer and the revenue is deferred to another period.

20. Employee benefit liabilities

a) Short-term employee benefits

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of balance date, and are measured on an undiscounted basis and expensed in the period in which employment services are provided.

These mainly consist of accrued holiday entitlements at balance date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

20. Employee benefit liabilities (continued)

a) Short-term employee benefits (continued)

	2021	2020
	$	$
Short-term employee entitlements	1,203,427	832,991
Total employee entitlements	**1,203,427**	**832,991**

No long-term obligations exist at 30 June 2021 and 2020.

21. Financial instruments

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of the contractual payments to be received and or paid.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when the Group has a legal right to offset the amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies the financial assets into the following categories: fair value through surplus or deficit, held-to-maturity, loans and receivables and available-for-sale.

The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and at amortised cost.

a) Cash and cash equivalents

Cash and cash equivalents represent highly liquid investments that are readily convertible to a known amount of cash with an insignificant amount of risk of changes in value, with maturities of 90 days or less.

b) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the EIR method, less any impairment losses.

Loans and receivables comprise short-term deposits, trade and other receivables, and other investments.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Available-for-sale financial assets include:

- Share investments

Share investments are measured at cost less any impairment charges, as they do not have a quoted market price and their value cannot be reliably measured.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

c) Available-for-sale financial assets (continued)

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expense and are reported within the "available-for-sale reserve" within equity.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in the available-for-sale reserve is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expense. Any associated interest income or dividends are recognised in surplus or deficit within "investment income".

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

d) Amortised cost financial liabilities

Financial liabilities at amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method.

Financial liabilities at amortised cost includes trade and other payables.

e) Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each balance date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original EIR. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

e) Impairment of non-derivative financial assets (continued)

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

f) Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is: held-for-trading; derivatives where hedge accounting is not applied; or designated at initial recognition, when the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Those fair value through surplus or deficit instruments sub-classified as held-for-trading comprise investment in managed funds that include the ANZ Managed Funds, Milford Asset Management Limited and Harbour Asset Management.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

The table below shows the carrying amount and classification of the Group's financial assets and liabilities:

		Financial assets			Financial liabilities	Total
2021		**Loans and receivables**	**Fair value through surplus or deficit**	**Available-for-sale**	**Liabilities at amortised cost**	
	Notes	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	8	46,133,154	-	-	-	46,133,154
Short-term deposits	9	3,693,753	-	-	-	3,693,753
Managed funds	9	-	54,552,491	-	-	54,552,491
Share investments	16	-	-	2,397,859	-	2,397,859
Trade and other receivables	10	6,620,676	-	-	-	6,620,676
Trade and other payables	17	-	-	-	(12,139,163)	(12,139,163)
		56,447,583	**54,552,491**	**2,397,859**	**(12,139,163)**	**101,258,770**

		Financial assets			Financial liabilities	Total
2020		**Loans and receivables**	**Fair value through surplus or deficit**	**Available-for-sale**	**Liabilities at amortised cost**	
	Notes	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	8	16,197,376	-	-	-	16,197,376
Short-term deposits	9	53,586,264	-	-	-	53,586,264
Managed funds	9	-	46,919,434	-	-	46,919,434
Share investments	16	-	-	2,366,678	-	2,366,678
Trade and other receivables	10	2,686,258	-	-	-	2,686,258
Trade and other payables	17	-	-	-	(2,507,677)	(2,507,677)
Total		**72,469,898**	**46,919,434**	**2,366,678**	**(2,507,677)**	**119,248,333**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

g) Fair value of financial instruments

For those instruments recognised at fair value in the consolidated statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets;
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable; and
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table shows financial instruments recorded at fair value, analyzed between whose fair value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2) and those where the valuation technique involves the use of non-market observable inputs (Level 3).

	Valued at quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non-market-observable inputs (Level 3)	Total
	$	$	$	$
2021				
Financial assets at fair value through surplus or deficit				
Managed funds	-	54,552,491	-	54,552,491
Available-for-sale financial assets				
Share investment	-	-	2,397,859	2,397,859
	-	**54,552,491**	**2,397,859**	**56,950,350**

	Valued at quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non-market-observable inputs (Level 3)	Total
	$	$	$	$
2020				
Financial assets at fair value through surplus or deficit				
Managed funds	-	46,919,434	-	46,919,434
Available-for-sale financial assets				
Share investment	-	-	2,366,678	2,366,678
	-	**46,919,434**	**2,366,678**	**49,286,112**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

h) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk (interest rate risk, unit price risk and equity price risk), liquidity risk and credit risk. The Parent's senior management oversees the management of these risks. The Parent's senior management is supported by an Audit Risk and Investment Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Parent also utilises when necessary other external parties to provide advice on financial investments and financial risk. The Audit Risk and Investment Committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Parent's Board Members review and agree policies for managing each of these risks, which are summarised below.

(i) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short deposits with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate deposits. The Group's policy is to keep the majority of deposits at fixed rates of interest, other than funds required for operating activities. At 30 June 2021, approximately 51% of the Group's deposits are at a fixed rate of interest (2020: 76%).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of deposits affected. With all other variables held constant, the Group's surplus before tax is affected through the impact on floating rate deposits, as follows:

	Increase/decrease in basis points	Effect on surplus before tax	Effect on net assets/equity
		$	$
2021			
Short-term deposits	+100	36,938	36,938
Short-term deposits	-100	(36,938)	(36,938)
2020			
Short-term deposits	+100	535,863	535,863
Short-term deposits	-100	(535,863)	(535,863)

Foreign currency risk

The Group is not exposed to foreign currency risk because there are no transactions undertaken in foreign currencies.

Equity price risk

The Group's unlisted equity security (investment in AFL's shares) is susceptible to market risk arising from uncertainties about its future value. This investment security is held for strategic reasons and therefore the equity price risk associated with this security is not managed. However, reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

h) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

Equity price risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the share price of AFL. With all other variables held constant, the Group's surplus before tax is affected through the impact on investment in AFL's shares, as follows:

	Increase/decrease in share price	Effect on surplus before tax	Effect on net assets/equity
		$	$
2021			
Share investments	+5%	118,334	118,334
Share investments	-5%	(118,334)	(118,334)
2020			
Share investments	+5%	118,334	118,334
Share investments	-5%	(118,334)	(118,334)

Unit price risk

The Group is exposed to unit price risk through its investments in unlisted unit funds.

Unit price risk is moderated by diversification and by ensuring that all investment activities are transacted in accordance with the mandates, overall investment strategy and within approved limits.

The following table demonstrates the sensitivity to a reasonably possible change in the unit prices of the Group's investments in unlisted unit funds. With all other variables held constant, the Group's surplus before tax is affected through the impact on investment in the funds, as follows:

	Increase/decrease in unit price	Effect on surplus before tax	Effect on net assets/equity
		$	$
2021			
Managed funds	+5%	2,727,625	2,727,625
Managed funds	-5%	(2,727,625)	(2,727,625)
2020			
Managed funds	+5%	2,345,972	2,345,972
Managed funds	-5%	(2,345,972)	(2,345,972)

(ii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits.

(a) Trade receivables from exchange transactions

Customer credit risk in relation to trade receivables from exchange transactions is managed by the Parent and each controlled entity subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group is not subject to material credit concentration in relation to trade receivables.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

21. Financial instruments (continued)

h) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

(a) Trade receivables from exchange transactions (continued)

An impairment analysis is performed at each balance date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at balance date is the carrying value of trade receivables disclosed in note 10. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low.

(b) Short-term deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Audit Risk and Investment Committee on an annual basis, and may be updated throughout the year subject to approval of the Group's Audit Risk and Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated in note 8 and 9.

(iii) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due.

The Group's liquidity management policy is designed to ensure that the Group has the ability to generate sufficient cash in a timely manner to meet its financial commitments.

The Group is exposed to liquidity risk through its trade payables.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 30 June 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$	$	$	$	$
Trade and other payables (excluding accruals)	361,940	3,005,014	-	-	3,366,954
	361,940	**3,005,014**	**-**	**-**	**3,366,954**

Year ended 30 June 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$	$	$	$	$
Trade and other payables (excluding accruals)	45,709	1,935,000	-	-	1,980,709
	45,709	**1,935,000**	**-**	**-**	**1,980,709**

22. Intangible assets

a) Recognition and measurement

Intangible assets are initially measured at cost. The cost of intangible assets acquired through non-exchange transactions is their fair value at the date of the exchange.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

22. Intangible assets (continued)

a) Recognition and measurement (continued)

Following initial recognition, intangible assets are measured as follows:

- NZ Forestry Emission Units are carried at fair value. NZ Forestry Emission Units have an indefinite life and therefore are not amortised, but tested for impairment annually. Gains/losses on revaluation of NZ Forestry Emission Units are recognised in other comprehensive revenue and expense and accumulated in the intangible revaluation reserve within net assets/equity. Losses on revaluation in excess of the balance of the intangible revaluation reserve for that asset are recognised in surplus or deficit. Gains on revaluation are recognised in surplus or deficit to the extent they reverse losses on the same asset previously recognised in surplus or deficit;
- Websites are carried at cost less accumulated amortisation and accumulated impairment losses; and
- Goodwill is measured at cost less any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit.

c) Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful life of each amortisable intangible asset. The estimated useful lives of each amortisable intangible asset are:

Website	5 years
Non-compete	2 years
NZ Forestry Emissions Units	Indefinite life
Quota share	Indefinite life
Other intangibles	Indefinite life

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

22. Intangible assets (continued)

	Goodwill	NZ Forestry Emissions units	Non-compete agreements	Quota shares	Website	Other intangibles	Total
	$	$	$	$	$	$	$
Cost or valuation							
At 1 July 2020	480,000	4,744,934	-	4,039,038	52,138	-	9,316,110
Additions - exchange	-	-	250,000	-	-	200,000	450,000
Additions - non-exchange	-	-	-	1,082,901	-	-	1,082,901
Fair value gain on units at reporting date	-	1,718,123	-	-	-	-	1,718,123
At 30 June 2021	**480,000**	**6,463,057**	**250,000**	**5,121,939**	**52,138**	**200,000**	**12,567,134**
Accumulated amortisation and impairment							
At 1 July 2020	480,000	-	-	-	48,138	-	528,138
Amortisation and impairment	-	-	83,333	-	4,000	-	87,333
At 30 June 2021	**480,000**	**-**	**83,333**	**-**	**52,138**	**-**	**615,471**
Net book value							
At 30 June 2021	**-**	**6,463,057**	**166,667**	**5,121,939**	**-**	**200,000**	**11,951,663**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

22. Intangible assets (continued)

	Goodwill	NZ Forestry Emissions units	Quota shares	Website	Total
	$	$	$	$	$
Cost or valuation					
At 1 July 2019	480,000	3,435,986	4,039,038	52,138	8,007,162
Fair value gain on units at reporting date	-	1,308,948	-	-	1,308,948
At 30 June 2020	**480,000**	**4,744,934**	**4,039,038**	**52,138**	**9,316,110**
Accumulated amortisation and impairment					
At 1 July 2019	480,000	-	-	46,134	526,134
Amortisation and impairment	-	-	-	2,004	2,004
At 30 June 2020	**480,000**	**-**	**-**	**48,138**	**528,138**
Net book value					
At 30 June 2020	**-**	**4,744,934**	**4,039,038**	**4,000**	**8,787,972**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

22. Intangible assets (continued)

Other intangibles includes the acquisition of a right-of-way at 9 Chapel Street during the year.

In October 2017, the Parent purchased the systems and processes of Waitangirua Medical Centre for $480,000. This included access to the patient database, and continuing with essentially the same doctors and staff. No shares were acquired.

The New Zealand Emissions Trading Scheme (ETS) is the system in which New Zealand Units (NZUs) are traded. Under the ETS, certain sectors are required to acquire and surrender NZUs or other eligible emission units to account for their direct greenhouse gas emissions or emissions associated with their products.

The allocation attached to the forestry lands purchased by the Trustee of Toa Rangatira Trust, was allocated as part of a compensation package for those forests that were planted pre-1990. As part of receiving the Golden Downs East, Golden Downs West and Queen Charlotte forest land on settlement, 548,747 pre-1990 NZUs were received. The NZ Emissions Units received into the Trust are pre-1990 emission trading units.

The NZ Emissions Units were initially recognised in the consolidated statement of comprehensive revenue and expense at the rate per unit as listed on the Carbon Forest Services site at 29 August 2014.

The Board did not resolve to sell units in 2021 (2020: nil). A balance of 148,747 carbon credits remain.

The Trustees expect that the current licensors will continue to replant and keep these areas forested for the term of the licences (31+ years). The Trustees do not consider the land suitable for a purpose other than forestry. In the event that areas of land are handed back in accordance with the Crown licence term during or at the end of the term, the Trustees expectation is that the land would either be replanted or that native bush would be allowed to regenerate. In the event that the land is handed back, is not replanted, and that native bush has not regenerated to the correct density within ten years of the land hand back, then a liability may be incurred. This potential liability is not recognised in the financial statements.

d) Quota share

	2021	2020
	$	$
Quota shares		
At 1 July	4,039,038	4,039,038
Treaty settlement	1,082,901	-
Cost at 30 June	**5,121,939**	**4,039,038**

Quota is initially measured at cost based on the valuation by Quota Management Systems Limited, as an independent broker, upon settlement date. Quota is subsequently carried at cost less any impairment costs.

Quota share has been assessed for impairment against a recoverable amount based upon fair value less costs to sell, with the fair value based upon market prices for fishing quota shares at 30 June 2020, with an assessment by management that the value has not decreased in the past year, reflected by steady cash flows receivable for annual catch entitlements.

23. Joint arrangements

a) Joint operation

The Group holds a 50% share in a limited partnership, Kenepuru LP, and its general partner, Kenepuru Developments Limited. Kenepuru Developments Limited has control over Kenepuru LP. The Group has joint control of Kenepuru Developments Limited and of Kenepuru LP. Kenepuru LP and Kenepuru Developments Limited are recognised as a joint operation, and the Group's 50% share is included in the consolidated financial statements on a line by line basis.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

23. Joint arrangements (continued)

a) Joint operation (continued)

A loan over and above the original capital committed was agreed to fund stage 1 and 2 of the developments in the joint operation. This loan is interest-bearing at a rate of 6% per annum.

b) Joint venture

During the year, the Group acquired 66.7% of the share capital of Aegis Retirement Living Limited, which owns 100% of Whitby Village (2009) Limited and Aegis Projects Limited (together, the "Aegis Group"). The Aegis Group owns and operates a retirement village in Whitby, Porirua. The Group's investment in the Aegis Group is classified as a joint venture.

Joint ventures are accounted for using the equity method. The share of the net surplus of joint ventures is recognised as a component of operating revenue in surplus or deficit, after adjusting for the amortisation of goodwill arising on acquisition, and any differences between the accounting policies of the Group and joint ventures. Dividends received from joint ventures are credited to the carrying amount of the investment in joint ventures. The unamortised balance of goodwill arising on acquisition is included in the carrying amount of the joint venture. When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued.

The Aegis Group has a balance date of 31 March. The consolidated financial statements include management figures for the year ended 30 June.

Summarised financial information for the Group's joint ventures is as follows (for the period from acquisition to 30 June 2021):

	Aegis Retirement Living Limited	Whitby Village (2009) Limited	Aegis Projects Limited
	$	$	$
Cash and cash equivalents	1,276,901	1,179,111	(252,057)
Other current assets	40,500	351,868	2,518,375
Non-current assets	23,959,500	119,386,425	1,777
Current liabilities	(315,889)	(5,047,622)	(2,190,812)
Non-current liabilities	-	(88,617,553)	-
Revenue	-	10,716,105	198,681
Depreciation expense	-	(1,729)	-
Interest expense	-	(584,692)	-
Tax expense	-	1,382,106	-
Other expenses	(738,988)	(1,454,022)	(64,660)
Dividends paid to the Group	300,000	-	-

24. Other investments

The Group holds a 1/8 share in Maara Moana GP Limited (formerly Maara Moana Limited), and a 1/7 share in Maara Moana Limited (incorporated November 2020). These companies, through Maara Moana Limited Partnership, provide services relating to the use and development of aquaculture assets in Golden Bay and Tasman Bay.

The Group has committed to contributing capital of $1,250,000 to the setup and development of Maara Moana's aquaculture assets. Of this, $470,000 had been advanced as of 30 June 2021 (2020: $400,000).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

25. Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets and intangible assets not yet available for use are tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of the asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated cash flows (for CGU) or future remaining service potential (for non-cash generating units) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash generating assets and non-cash generating assets are distinguished by the smallest identifiable unit that is used to generate a cash inflow from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

26. Leases (as lessor and lessee)

Leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

a) Lease payments as lessee

Payments made under an operating lease are recognised in surplus or deficit on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease and are expensed over the lease term. Associated costs such as maintenance and insurances are expensed as incurred.

	2021	2020
	$	$
Current rental payments commitments as lessee		
Within one year	487,203	-
Between one and five years	785,573	-
Total operating lease rentals payable	**1,272,776**	**-**

The Group leases various properties, equipment and vehicles. Property rental contracts are typically made for fixed periods of up to five years with renewal rights of two months to four years. Other lease contracts are typically made for fixed periods of six to 48 months. Lease terms are negotiated on an individual basis.

b) Rental lease revenue as lessor

Rental lease revenue received under operating leases is recognised on a straight line basis over the term of the lease. This excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service.

Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

c) Current rental revenue as lessor

The Parent purchased the building in Rugby Street, Wellington in 2009 and is utilising the property for its Wellington based medical and health services. The property currently has multiple tenancies who lease remaining units under operating leases.

The leases terms vary between two to three years.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

26. Leases (as lessor and lessee) (continued)

c) Current rental revenue as lessor (continued)

The Rugby Street property is included in 'Land, buildings and marine farm' and is depreciated over the estimated useful life of the asset as determined by the Board for that class of asset. Any expense that relates to the revenue is expensed in the period it is incurred and is included in administrative costs as shown in the consolidated statement of comprehensive revenue and expense. The rental income is recognised on a straight line basis over the term of the lease.

Toa Rangatira Investment Properties Limited manages the rental income of the Forestry lands that were purchased from the Crown on 1 August 2014. The current Crown Forestry Licence has a termination date of 30 years. The licence fees are reviewed every 3 years (periodic review) and can be reviewed every 9 years (general review).

Minimum future lease payments receivable under non-cancellable operating leases are as follows:

	2021	2020
	$	$
Within one year	3,637,491	3,125,554
Between one and five years	14,147,359	12,202,216
More than five years	67,602,993	61,382,567
Total minimum future lease receivable	**85,387,843**	**76,710,337**

27. Capital management and reserves

The Group's capital is comprised of all the Group's equity (which includes accumulated comprehensive revenue and expense).

	2021	2020
	$	$
Total equity	275,925,202	234,736,136
Total capital	**275,925,202**	**234,736,136**

The objective of managing the Group's capital is to ensure the Group effectively achieves its objectives and purpose for the benefit of the Group's beneficiaries whilst remaining a going concern and maintaining an optimal capital structure to reduce the cost of capital. In carrying out the objectives of the capital programme, the Group is subject to its Society Rules, Deed of Trust, the Charities Act 2005, and the Ngāti Toa Rangatira Deed of Settlement 2012.

The Board provides strategic direction and oversight of the Group's capital programme, and an Audit, Risk and Investments Sub-Committee of the Board and a management-run Investment Committee actively controls and monitors progress of plans and activities of the capital programme.

a) Treaty and fisheries settlement reserve

Cash funds and other assets (land, buildings, quota share etc.) received from the Treaty of Waitangi Claims are initially recorded through the consolidated statement of comprehensive revenue and expense and are then transferred to the Treaty and fisheries settlement reserve. An additional reserve representing an historical disagreement within Iwi, which has now been settled, is included in the other special purpose reserve. These funds are separately distinguished reserves so as to retain the core amounts received under settlement.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

27. Capital management and reserves (continued)

a) Treaty and fisheries settlement reserve (continued)

	2021	2020
	$	$
Treaty and fisheries settlement reserve		
Opening balance	136,764,978	136,764,978
Treaty settlement of quota shares	1,082,901	-
Closing balance	**137,847,879**	**136,764,978**

b) Other reserves

(i) Revaluation reserve – intangible assets

This reserve records the increases or decreases in the fair value of the NZ Emissions Units. The reserve cannot fall into deficit. If it falls into deficit, the difference over and above is recognised in surplus or deficit.

	2021	2020
	$	$
Revaluation reserve - intangible assets		
Opening balance	4,646,742	3,337,793
Movements this year	1,718,123	1,308,949
Closing balance	**6,364,865**	**4,646,742**

(ii) Revaluation reserve - land and buildings

This reserve records the increases and decreases in the fair value of land and buildings only to the extent that they offset each other. Land and buildings are revalued on a five yearly basis or where there is an indication that the carrying amount may be materially different.

	2021	2020
	$	$
Revaluation reserve - land and buildings		
Opening balance	11,257,356	5,794,104
Movements this year	6,449,080	5,463,252
Closing balance	**17,706,436**	**11,257,356**

(iii) Special purpose reserve

The special purpose reserve represents the funds from the historical Iwi dispute, transferred across from Ika Toa Limited to Te Rūnanga o Toa Rangatira Incorporated. The funds have been held separately to retain the identity.

	2021	2020
	$	$
Special purpose reserve		
Opening balance	1,186,078	1,186,078
Movements this year	-	-
Closing balance	**1,186,078**	**1,186,078**
Accumulated comprehensive revenue and expense	112,819,944	80,880,982
Total reserves	**275,925,202**	**234,736,136**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

28. Audit fees

	2021	2020
	$	$
Audit of the Group's financial statements	180,000	158,800
Compilation of financial statements	-	39,800
Other services provided - review of management report	1,020	-
	181,020	**198,600**

29. Contingencies and commitments

a) Contingent liabilities

The Group has no contingent liabilities at balance date (2020: none).

b) Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the Annual Catch Entitlement for Crayfish, and to Takitimu Seafoods Limited Partnership to supply the Annual Catch Entitlement for several species, both supplies are at the applicable market value.

The Group has committed expenditure for maintenance and capital work on housing properties at 30 June 2021 of $764,797 (2020: nil).

The Group has committed to provide $1,250,000 of capital funding to Maara Moana (see note 24), of which $780,000 (2020: $850,000) remained outstanding at balance date.

The Residential Tenancies (Healthy Homes Standards) Regulations 2019 has come into effect, requiring the housing stock managed by Te Āhuru Mōwai Limited Partnership to meet certain requirements under the regulations. The Group will be required to insulate and install heat pumps in a large majority of the Group's controlled housing, at a cost that is currently too difficult to reliably estimate.

30. Events subsequent to balance date

Further COVID-19 Alert Level changes have taken place subsequent to balance date, including an Alert Level 4 lockdown for all of New Zealand in mid-August 2021, extending into September for Auckland. Although the Group has been impacted by COVID-19 as outlined in note 2a, the board have concluded the Group will be able to continue operating for the foreseeable future.

On 7 July 2021, the Group formally notified the Ministry of Education of its intent to acquire 25 school sites in FY2022 in accordance with the Deferred Settlement Properties provisions of the 2012 Deed of Settlement with the Crown, for circa $170m to be funded through the issuance of bonds to the market. The annual ground rental is expected to be $10.6m.

On 9 August 2021, the Group sold 10% of the ordinary shares of its subsidiary Toa Building Supplies Limited for $120,000 to Theo Modlik, a relative of a member of the Group's governing body.

On 30 September 2021, the Group signed a contract with Carrus Kenepuru Limited to acquire the remaining 50% investment in Kenepuru LP and Kenepuru Developments Limited for $45.45m. The transaction for the balance of the land at the subdivision known as Kenepuru Landings is to be settled over a period of about 6 months. The investment meets the strategic direction of the Group, with a view to providing high quality, healthy and affordable housing to Iwi members and others who wish to live in the Kenepuru Landings suburb. The priority is to support the Group's whānau into affordable and healthy home ownership.

On 4 October 2021, the Group acquired 50% of the shares of Switched On Group Limited for $6.3m. The acquisition meets the strategic goals and direction of the Group to further diversify its settlement portfolio into direct investments with companies that share its values and that provide commercial and employment opportunities for Ngāti Toa whānau.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

30. Events subsequent to balance date (continued)

Disclosure of the fair values of assets and liabilities acquired from the purchases of Kenepuru Developments Limited, Kenepuru LP and Switched On Group Limited is not included as the values, and the accounting treatment of the Group's 50% share in Switched On Group Limited, have not been fully determined at the date of this financial report.

Subsequent to balance date, the Group has secured an ESG loan of $23.7m from BNZ, secured against forestry rental cashflows. The funds will enable the acquisition of standing timber and future social investment opportunities across the wider Wellington region.

Subsequent to balance date, the Group has lodged planning consents for developments at Te Hiko Street and Te Arawi Street, Takapūwāhia. Construction is expected to commence late 2021.

In August 2021, the Group, through the Aegis Group, submitted a resource consent to Porirua City Council for development of a care facility at Whitby Lakes Retirement Village, at an estimated cost of $33.5m.

On 5 October 2021, the Group signed a memorandum with NZ Police for the purchase of 2 Hagley Street for $2.8m, with settlement between April and June 2022. The purchase is in accordance with the Deferred Settlement Properties provisions of Ngāti Toa's 2012 Deed of Settlement with the Crown. The highest and best use of the site is as a redevelopment opportunity, with Ngāti Toa retaining ownership of the underlying whenua and tendering for a development partner who will have the right to develop the land under a long term ground lease.

Subsequent to balance date, the Group's subsidiary Te Āhuru Mōwai Limited Partnership has extended its service concession agreement with the Ministry of Housing and Urban Development to manage a further 16 properties, in addition to the initial 902 properties. This is expected to generate an additional $286,442 per annum of agreed rent.

There were no other significant events occurring after balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

31. Related parties

The financial statements include the financial statements of the ultimate controlling entity, its subsidiaries and other controlled entities, as listed in note 4. Other related parties are the group's joint arrangements. Transactions with joint operations and joint ventures are disclosed in note 23.

Key management personnel

The Group classifies its key management personnel into one of two classes:

- Members of the governing body (Board members and Company Directors). Members of the governing body are paid $11,500 per annum, the Chairperson of the Board is paid $46,641 per annum.
- Senior Executive Officer and Senior Management, responsible for reporting to the governing board.

A number of family members of key management personnel are employed by the Group on normal employment terms. Remuneration to close family members of key personnel is included below:

Key management personnel who received remuneration	**2021 FTE**	**2020 FTE**	**2021 $**	**2020 $**
Members of the Governing body	31	36	525,380	397,033
Senior Management and committees	27	12	2,895,671	1,230,499
Close family members	18	22	679,187	938,177
Key personnel remuneration	**76**	**70**	**4,100,238**	**2,565,709**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

31. Related parties (continued)

Key management personnel (continued)

The Manager of the Holiday Park is the spouse of the groundsman and housing accommodation is provided as part of the contract of service. A taxable allowance is paid for accommodation on a weekly basis (2021: $5,200, 2020: $5,200).

In March 2020, Mr Leon Grandy, a director of Armillary Limited, was contracted to serve as Group Treasurer and Acting General Manager Investments and Innovation for the Group. At that time, Armillary Limited had been engaged by the previous shareholders of Aegis Retirement Living Limited to sell down their equity and refinance their debt. Mr Grandy's interest in the engagement was disclosed to the Group Audit Risk and Investment Committee and resulted in the appointment of Deloitte to conduct due diligence on Aegis Group acquisition. At the completion of the transaction, a fee of $618,000 was paid by Aegis Retirement Living Limited to Armillary Limited as part of both the debt restructure and sale and purchase of shares in Whitby Village (2009) Limited. In December 2020 the Group appointed Mr Grandy as a director of Aegis post its acquisition of the shares.

32. Reconciliation of net cash flows from operating activities to surplus for the year

	2021	2020
	$	$
Cash flow reconciliation		
Surplus for the year	**33,021,863**	**20,186,958**
Adjustments for:		
Depreciation of property, plant and equipment	1,086,303	691,487
Amortisation of intangible assets	87,333	2,004
Loss on disposal of property, plant and equipment	83,282	21,194
Fair value gains on investment property	(12,170,027)	(13,928,000)
Fair value gains on managed funds	(8,316,487)	(2,088,081)
Share of profits of joint ventures	(7,223,199)	-
Accrual for purchase of investment property	(7,384,728)	-
Coastline settlement of quota shares	(1,082,901)	-
Changes in assets and liabilities:		
Increase in trade and other receivables	(4,140,959)	(129,091)
Decrease/(increase) in prepayments and other assets	1,636	(18,897)
(Increase)/decrease in inventories	(3,311,042)	1,416,951
Increase in trade and other payables	8,734,481	1,393,691
Increase in GST payable	193,052	158,847
Increase in income received in advance	1,750,158	323,839
Increase in deferred income	2,634,043	389,600
Increase in employee benefit liability	370,436	19,452
Decrease in income tax payable	(141,360)	(13,023)
Net cash flows from operating activities	**4,191,884**	**8,426,931**

33. Standards and Interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

33. Standards and Interpretations issued but not yet effective (continued)

33.1 *2018 Omnibus Amendments to PBE Standards*

This amendment amended the following standard:

i) PBE IPSAS 2 *Statement of Cash Flows*

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2021. There is no requirement to provide comparative information for preceding periods. Application of amendments will result in additional disclosures provided by the Group.

33.2 PBE FRS 48 *Service Performance Reporting*

This standard was issued in November 2017 and establishes requirements PBEs to select and present service performance information. PBEs within the scope of this Standard will need to provide users with:

- Sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long-term, and how it goes about this; and
- Information about what the entity has done during the reporting period in working towards its broader aims and objectives.

The standard is effective for annual periods beginning on or after 1 January 2022. Early application of the standard is permitted. The new standard will require additional disclosures to be provided by the Group.

33.3 PBE IPSAS 40 *PBE Combinations*

This Standard was issued in July 2019 and replaces PBE IFRS 3 *Business Combinations*. PBE IFRS 3 excludes combinations under common control and combinations arising from local authority reorganisations from its scope.

The new standard has a broader scope, and establishes requirements for accounting for both acquisitions and amalgamations (using the modified pooling of interests method). In general, the Standard is to be applied prospectively to PBE combinations for which the amalgamation date or acquisition date is on or after 1 January 2021.

Earlier application of the standard is permitted. The new standard will impact combinations take place after the effective of the standard, and it will have no impact to the Group's financial statements.

33.4 PBE IPSAS 41 *Financial Instruments*

In March 2019, the NZASB issued PBE IPSAS 41 *Financial Instruments*. When applied, this standard supersedes parts of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. Compared with PBE IPSAS 29, PBE IPSAS 41 introduces a number of changes to the recognition and measurement of financial instruments.

PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Except for hedge accounting, retrospective application is required in accordance with PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. The Group is currently undertaking a detailed impact assessment of the impact of PBE IPSAS 41. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2022 when the Group will adopt PBE IPSAS 41.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

33. Standards and Interpretations issued but not yet effective (continued)

33.4 PBE IPSAS 41 *Financial Instruments* (continued)

The initial consideration of the impacts the implementation of PBE IPSAS 41 is expected to have in the Group's financial statements is described below.

(a) Classification and measurement

The Group is currently assessing the impact on its consolidated statement of financial position and net assets/equity on applying the classification and measurement requirements of PBE IPSAS 41.

Currently, the Group classifies its investment in non-listed equity shares as available-for-sale (AFS) financial assets. The assessment of possible changes in the classification of these financial instruments is on-going. For the equity shares currently classified as AFS assets, the Group expects to continue measuring them at fair value, but has not yet determined whether to apply the option to present fair value gains/losses in other comprehensive revenue and expense rather than in surplus or deficit.

Short-term deposits and account receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under PBE IPSAS 41. Therefore, reclassification for these instruments is not required.

Investment in managed funds is currently classified as financial assets at fair value through surplus or deficit. The Group expects to continue classifying them at fair value through surplus or deficit.

(b) Impairment

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or fair value through other comprehensive revenue and expense. For all of such assets except receivables, the Group expects to apply the general approach and record impairment losses initially on a 12-months basis, moving to a lifetime basis if there is a significant deterioration in credit risk. The Group expects to apply the simplified approach and record lifetime expected losses on all receivables. The Group is assessing the expected impact of this change.

(c) Hedge accounting

The Group does not apply hedge accounting.

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TE RUNANGA O TOA RANGATIRA INCORPORATED GROUP

Opinion

We have audited the consolidated financial statements of Te Runanga o Toa Rangatira Incorporated ("the Parent") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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.

While insuring we comply with relevant independence requirements, our firm has carried out some assignments for one of the subsidiaries in the area of business advisory assistance. Our firm has no other relationship with, or interests in, the Parent or any of its subsidiaries.

Other Information

The Board is responsible for the other information. The other information comprises the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibilities for the Consolidated Financial Statements

The Board is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Parent's members, 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 Parent and the Parent's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
4 November 2021

Te Rūnanga o Toa Rangatira

Trust Group Financial Statements
for the year ending 30 June 2021

Contents

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Trading activities			
Trading income	6	2,568,845	13,362,755
Direct trading expenses		(5,466,576)	(11,094,869)
(Deficit)/surplus from trading activities		(2,897,731)	2,267,886
Other income			
Rental and licence fee income	6	3,905,942	3,006,761
Gain on revaluation of investment properties		11,955,026	13,838,000
Sundry income	6	475,716	21,038
Total revenue from operations		**13,438,953**	**19,133,685**
Share of profit of joint venture		7,223,197	-
Less operating expenses			
Administration expenses		(1,076,336)	(1,652,788)
Depreciation, amortisation and impairment expenses		(5,864)	-
Other expenses		(188,109)	(114,440)
Total expenses		**(1,270,309)**	**(1,767,228)**
Surplus before net income on financial investments		**19,391,841**	**17,366,457**
Gain on revaluation of financial assets at fair value through surplus or deficit	8	7,446,921	1,879,758
Interest income		305,046	1,487,339
Net interest and revaluation income		**7,751,967**	**3,367,097**
Surplus before tax		**27,143,808**	**20,733,554**
Income tax expense	11	(411,235)	(874,180)
Surplus for the year		**26,732,573**	**19,859,374**
Other comprehensive revenue and expense			
Gain on revaluation of NZ forestry units	18	1,718,123	1,308,948
Gain on revaluation of property, plant and equipment	18	564,674	-
Total other comprehensive revenue and expense		**2,282,797**	**1,308,948**
Total comprehensive revenue and expense for the year		**29,015,370**	**21,168,322**

The above consolidated statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	7	34,992,208	8,985,653
Short-term deposits	8	-	43,022,158
Managed funds	8	49,971,626	43,208,135
Inventories	10	14,690,527	11,981,447
Trade and other receivables	9	1,321,926	622,025
Total current assets		100,976,287	107,819,418
Non-current assets			
Other receivables	9	542,819	-
Intangible assets	20	6,463,057	4,744,934
Investment property	12	91,713,151	70,412,473
Property, plant and equipment	13	1,368,699	768,002
Investment in joint venture	21	26,923,199	-
Total non-current assets		127,010,925	75,925,409
Total assets		**227,987,212**	**183,744,827**
Liabilities			
Current liabilities			
Trade and other payables	14	8,018,332	948,162
Related party payables		8,494,481	887,357
Deferred income	15	73,764	-
Income received in advance	16	797,866	181,580
Income tax payable	11	291,603	431,932
Total current liabilities		17,676,046	2,449,031
Total liabilities		**17,676,046**	**2,449,031**
Net assets		**210,311,166**	**181,295,796**
Equity			
Trust settlement sum		10	10
Treaty settlement reserve	18	111,591,162	111,591,162
Revaluation reserve - land and buildings	18	564,674	-
NZ forestry emission unit reserves	18	5,845,769	4,127,646
Accumulated comprehensive revenue and expense		92,309,551	65,576,978
Total equity		**210,311,166**	**181,295,796**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Board, who authorised the issue of these financial statements on

Trustee
4 November 2021

Trustee
4 November 2021

Consolidated statement of changes in equity

For the year ended 30 June 2021

	Trust settlement sum	Treaty settlement reserve (note 18)	Revaluation reserve - Land and buildings (note 18)	NZ forestry emission unit reserve (note 18)	Accumulated comprehensive revenue and expense	Total equity
	$	$	$	$	$	$
At 1 July 2020	**10**	**111,591,162**	-	**4,127,646**	**65,576,978**	**181,295,796**
Surplus for the year	-	-	-	-	26,732,573	26,732,573
Other comprehensive revenue and expense	-	-	564,674	1,718,123	-	2,282,797
Total comprehensive revenue and expense for the year	-	-	564,674	1,718,123	26,732,573	29,015,370
At 30 June 2021	**10**	**111,591,162**	**564,674**	**5,845,769**	**92,309,551**	**210,311,166**

Consolidated statement of changes in equity (continued)

For the year ended 30 June 2021

	Trust settlement sum	Treaty settlement reserve (note 18)	NZ forestry emission unit reserve (note 18)	Accumulated comprehensive revenue and expense	Total equity
	$	$	$	$	$
At 1 July 2019	**10**	**111,591,162**	**2,818,698**	**45,717,604**	**160,127,474**
Surplus for the year	-	-	-	19,859,374	19,859,374
Other comprehensive revenue and expense	-	-	1,308,948	-	1,308,948
Total comprehensive revenue and expense for the year	-	-	1,308,948	19,859,374	21,168,322
At 30 June 2020	**10**	**111,591,162**	**4,127,646**	**65,576,978**	**181,295,796**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
Cashflows from operating activities			
Proceeds from trading income		2,645,021	12,278,462
Proceeds from rental income		3,905,942	3,036,485
Interest received		305,046	-
Property sales and other sundry income		-	21,038
Net GST received/(paid)		(204,219)	217,279
Taxation paid		(551,564)	(931,787)
Payments made to suppliers and others		(9,843,643)	(10,654,150)
Net cash (outflow)/inflow from operating activities		**(3,743,417)**	**3,967,327**
Cashflows from investing activities			
Proceeds from interest earnings		-	3,365,993
Payments to investment funds in short and long term deposits		43,022,158	(17,532,228)
Purchase of property, plant and equipment		(41,887)	(1,122)
Payments from investment in land development costs		-	1,416,951
Acquisition of investment property	12	(1,960,924)	(1,522,472)
Proceeds from managed funds		683,430	-
Investment in joint venture		(20,000,000)	-
Dividends received from joint venture		300,000	-
Net cash inflow/(outflow) from investing activities		**22,002,777**	**(14,272,878)**
Cashflows from financing activities			
Amounts advanced from related parties		7,747,195	-
Net cash inflow from financing activities		**7,747,195**	**-**
Net increase/(decrease) in cash and cash equivalents		26,006,555	(10,305,551)
Cash and cash equivalents at 1 July		8,985,653	19,291,204
Cash and cash equivalents at 30 June	7	**34,992,208**	**8,985,653**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2021

1. Reporting entity

Toa Rangatira Trust (the "Parent" or the "Trust") is the Post Governance Settlement Entity established by Trust Deed to receive redress assets on behalf of Ngati Toa Rangatira. The Trust is domiciled and registered in New Zealand.

The objective and primary activity of the Trust is to hold, manage and administer the assets received as part of the Ngati Toa Rangatira Historical Settlement, for any object or purpose that is beneficial to Ngati Toa Rangatira.

Te Runanga o Toa Rangatira Inc. is the Mandated Iwi Organisation for Ngati Toa Rangatira, and is the trustee of Toa Rangatira Trust.

The principal place of business is 26 Ngati Toa Street, Takapuwahia, Porirua.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements ("financial statements") for the year ended 30 June 2021 comprise the controlling entity (the Trust) and its controlled entities (together referred to as the "Group" and individually as "Group Entities").

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

The Group is a public benefit entity for the purpose of complying with NZ GAAP. The Group is a Tier 2 not-for-profit entity and has elected to report in accordance with Tier 2 not-for-profit public benefit entity accounting standards. The Group is eligible to report in accordance with Tier 2 on the basis that it has had between $2 million and $30m operating expenditure for the past two reporting periods.

These financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR").

These financial statements are for the year ended 30 June 2021 and were authorised for issue by the Board on 4 November 2021.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Group has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Group. The scale and duration of these developments remain uncertain at the date of this report. During the year, the Group has been affected by periods under COVID-19 Alert Level 2 restrictions during August 2020 and February, March and June 2021.

Although the Group has been impacted by COVID-19, the Trustees have concluded the Group will be able to continue operating for the foreseeable future.

b) Measurement basis

The financial statements have been prepared on an historical cost basis, except for the following material items in the consolidated statement of financial position, which are measured at fair value;

- Land and buildings under the revaluation model;
- Investment property;
- NZ Forestry Emission Units (NZUs);
- Certain financial instruments; and
- Initial measurement of assets received from non-exchange transactions.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

2. Basis of preparation (continued)

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars ($), which is the controlling entity's functional and Group presentation currency. All numbers presented have been rounded to the nearest dollar.

d) Judgements, assumptions and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those judgements, estimates and assumptions.

Estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

(i) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Revenue recognition - non-exchange revenue (conditional vs restrictive);
- Classification of lease arrangements;
- Intangible assets having finite or indefinite useful lives; and
- Whether there is control or not over a Group entity, including classification of joint arrangements.

(ii) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2021 include the following:

- Fair value measurement of assets and liabilities carried at fair value; and
- Impairment of non-financial assets.

e) Changes in accounting policies

Changes due to the initial application of a new, revised, and amended PBE Standards

***Uncertainty over Income Tax Treatments* (Amendment to PBE IAS 12 *Income taxes*)**

The amendments incorporate guidance based on that in NZ IFRIC 23 *Uncertainty over Income Tax Treatments* to clarify recognition and measurement requirements when there is uncertainty over income tax treatments.

The amendments address the following:

- Whether an entity considers uncertain tax treatments separately. An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The amendment is effective for the Group for the annual period beginning on 1 July 2020. The amendment does not have an impact on the Group's financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

2. Basis of preparation (continued)

e) Changes in accounting policies (continued)

Amendments to PBE IPSAS 1 - *Going Concern Disclosures*

These amendments introduce more specific disclosure requirements about going concern assessments to help preparers of financial statements to provide relevant and transparent information to users of those financial statements about the matters considered when making such assessments.

The amendment is effective for the Group for the annual reporting period ending on 30 June 2021. The amendment does not have an impact on the Group's financial statements.

Other than changes due to the initial application of the new standards, there have been no other changes in accounting policies for the Group.

f) Goods and Services Tax (GST)

All amounts shown in these financial statements are shown exclusive of GST except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from or payable to, Inland Revenue Department (IRD) is included as part of the receivables and payables in the consolidated statement of financial position.

g) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. Significant accounting policies

The significant accounting policies set out below and in the notes to the consolidated financial statements have been consistently applied to all periods presented in these financial statements and have been consistently applied across the Group.

The Trustees have considered that for the information to be useful to the readers that the note for any item on the face of the financial statements, will be shown below the policy that has been adopted where appropriate.

The significant accounting policies used in the preparation of these financial statements are summarised below and are contained within the following notes to the consolidated financial statements:

4. Basis of consolidation

5. Business combinations and goodwill

6. Revenue

7. Cash and cash equivalents

8. Short-term deposits and managed funds

9. Trade and other receivables

10. Inventories

11. Income tax

12. Investment properties

13. Property, plant and equipment

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

3. Significant accounting policies (continued)

14. Trade and other payables

15. Deferred income

16. Income received in advance

17. Financial instruments

18. Reserves

19. Contingencies and commitments

20. Intangible assets

21. Joint arrangements

22. Impairment of non-financial assets

23. Leases (as lessor)

24. Events subsequent to balance date

25. Related parties

4. Basis of consolidation

a) Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from their entities' activities. The financial statements of the Group's controlled entities are included in the financial statements from the date that control commences to the date control ceases.

Subsequent changes in the ownership interest of a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of a controlling entity in their capacity as controller within net assets/equity.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

4. Basis of consolidation (continued)

a) Controlled entities (continued)

The Group's financial statements include the following 100% controlled entities. All subsidiaries are incorporated or established in New Zealand and have a balance date of 30 June:

Subsidiary name	Nature of business	Share capital (number of shares) 2021	2020
Toa Rangatira Group Holdings Limited	Non-trading holding company	1	1
Toa Rangatira Investment Properties Limited	Investment property	1	1
Toa Rangatira Developments Limited	Investment land holdings	1	1
Whenua Toa Trust	Property developer	-	-
Arijit Residential Limited	Residential property owner	100	-
Toa Rangatira Retirement Villages Limited	Non-trading holding company	100	-
		203	3

Toa Rangatira Retirement Villages Limited and Arijit Residential Limited were incorporated in November 2020 and April 2021, respectively.

Te Runanga o Toa Rangatira Inc. is the Trustee of the Toa Rangatira Trust and Trustee shareholder in Toa Rangatira Group Holdings Limited. By virtue of the nature and purpose of the this relationship, Toa Rangatira Investment Properties Limited and Toa Rangatira Development Limited are considered under the control of the Trustee, as all financial policies and objectives are aligned to the Trust Deed and the duties are covered in the Powers of the Trustee. The Board of the Trust and the Trustee of Toa Rangatira Trust are one and the same.

The Trust has control over the Whenua Toa Trust as all funding and expenditure must be approved by the board of the Toa Rangatira Trust.

b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c) Joint operations

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is the sharing of control over an arrangement where decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint control is assessed under the same principles as control over subsidiaries.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

4. Basis of consolidation (continued)

c) Joint operations (continued)

The Group classifies its interests in joint arrangements as either:

- **Joint operations:** where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement; and
- **Joint ventures:** where the Group has rights to the net assets of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group has 50% equity interest in Kenepuru Developments Limited, a joint operation that operates in New Zealand through a limited partnership, Kenepuru LP. The joint operation is responsible for the development at Kenepuru Landings, a residential subdivision in Porirua, which it is developing into 726 residential sections. The joint operation is intended to complement the commercial opportunities and operations for land development.

The Group accounts for its interests in a joint operation by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Group has a 67% equity interest in Aegis Retirement Living Limited, a joint venture that operates a retirement village in Whitby, Porirua. Aegis Retirement Living Limited owns 100% of the share capital of Whitby Village (2009) Limited and Aegis Projects Limited.

The Group accounts for its interest in a joint venture according to the equity method, by recognising the initial investment at cost, plus the Group's share of surplus or deficit post-acquisition, less dividends received.

5. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date fair value) and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit. It is then considered in the determination of goodwill.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

5. Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*, is measured at fair value with changes in fair value recognised either in surplus or deficit or as a change to other comprehensive revenue and expense. If the contingent consideration is not within the scope of PBE IPSAS 29, it is measured in accordance with the appropriate PBE standard. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in surplus or deficit.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

6. Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Group, and can be measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

a) Revenue from exchange transactions

Exchange transactions are transactions in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

(i) Trading income

Revenue from trading income in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Trading income includes the following:

- Revenue from sales through joint operations; and
- Right of first refusal property sales.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

6. Revenue (continued)

b) Other income

(i) Licence fees and rental income on investment property

Rental income on properties purchased under a lease back arrangement with various Crown agencies and licence fee income from the Golden Downs and Queen Charlotte forestry land is recognised in surplus or deficit on a straight line basis over the term of the lease.

Income from licence fees and rentals comprises:

	2021	2020
	$	$
Licence fees from forestry land	3,905,942	1,945,968
Lease rentals from other commercial land	-	1,060,792
	3,905,942	**3,006,760**

(ii) Interest

Interest is recognised as it accrues in surplus or deficit, using the effective interest rate (EIR) method.

Interest income comprises interest earned on 'at call' funds and short-term deposits.

(iii) Gain/loss on revaluation of financial assets at fair value through surplus or deficit

The fair value gain/loss on revaluation of the financial portfolio is fair value gains on the investment portfolios held with ANZ, Milford Asset Management and Harbour Asset Management (note 8).

(iv) Sale of NZ Forestry Emission Units

Income from the sale of NZ Emission Units is recognised when the significant risks and rewards of ownership have been transferred.

Other income from exchange transactions includes:

	2021	2020
	$	$
Sundry income	**475,716**	**21,038**

c) Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash or other tangible or non-tangible items) but provides no (or nominal) direct consideration in return for the inflow. With the exception of services in kind, inflow of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value can be reliably measured.

(i) Redress income

Revenue from historical settlements received as non-exchange transactions are recognised when the entitlement (control) passes to the Group and the Group is able to enforce the claim. Revenue is recognised at fair value estimated at the date of the exchange.

Redress income is subsequently transferred to the treaty settlement reserve to preserve the settlement sum.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

7. Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are disclosed as current liabilities within short term borrowings.

	2021 $	2020 $
Cash at bank and on hand	34,992,208	8,985,653
Cash and cash equivalents in the consolidated statement of cash flows	**34,992,208**	**8,985,653**

Per annum interest rate ranges to components of cash and cash equivalents:

	2021 $	2020 $
Bank deposits	0.01 - 0.05%	0.00 - 3.00%
Call deposits	0.045 - 0.085%	2.30 - 2.93%

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

8. Short-term deposits and managed funds

Short-term deposits are deposits that are held with maturities of more than 90 days but less than 12 months after balance date. Short-term deposits are classified as current assets. The carrying value of short-term deposits approximates their fair value due to their short-term nature and market interest rates.

There are no restrictions over the short-term deposits held by the Group.

Interest rates vary on the deposits between 0.05% and 0.085% (2020: 0.05% and 2.93%).

Managed funds are held with ANZ, Milford Asset Management and Harbour Asset Management in a balanced portfolio measured at fair value through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

9. Trade and other receivables

Trade and other receivables are non-interest bearing and are normally on 30 day terms. Therefore carrying value of accounts and other receivables approximates its fair value.

As at 30 June 2021, all overdue receivables have been assessed for impairment and appropriate allowances made.

	2021	2020
	$	$
Current		
Trade and other receivables		
Trade receivables from exchange transactions	1,303,731	129,726
Net trade receivables from exchange transactions	**1,303,731**	**129,726**
Other receivables		
Accrued interest on deposits	18,195	492,299
Total current trade and other receivables	**1,321,926**	**622,025**
Non-current		
Other receivables		
Other receivables	542,819	-
Total non-current trade and other receivables	**542,819**	**-**

The Board have considered whether an allowance for doubtful debts is appropriate based on historical evidence and have estimated on a percentage basis a doubtful debt allowance on the 90 day and over balances. All receivables are subject to credit risk exposure.

The Board have reviewed the allowance as at 30 June and no further impairment allowance has been recorded for the 2021 year (2020: $nil).

10. Inventories

Inventory is measured at cost upon initial recognition.

To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is at fair value at the date of acquisition.

Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing each product to its present location and condition. Costs of inventories are accounted for as follows:

Finished goods and work-in-progress:

Cost of direct materials and labour. Costs are assigned on the basis of weighted average costs.

The Group's work in progress consists of land purchased for development and sale, including developments in progress.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

Direct trading expenses include cost of property sold including all transactions related to the sale of the properties including from sales in the joint operation.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

10. Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

	2021	2020
	$	$
Inventory held for sale or provision of services at commercial terms		
Work in progress - land development (at cost)	14,690,527	11,981,447
	14,690,527	**11,981,447**

During the year ended 30 June 2021, $nil (2020: $nil) was recognised as an expense in relation to an inventory write-down to net realisable value.

11. Income tax

Toa Rangatira Trust has Maori Authority tax status and current tax is calculated at 17.5%. Whenua Toa Trust is taxed at 33%. Other Trust subsidiaries are currently taxed at 28%.

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in surplus or deficit except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive revenue and expense. Tax relating to items recognised directly in equity or in other comprehensive revenue and expense is also recognised in equity or other comprehensive revenue and expense, respectively.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at balance date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

	2021	2020
	$	$
Opening tax payable	**431,932**	**489,539**
Less: Resident withholding tax paid	(135,287)	(259,272)
Less: Tax payments made to Inland Revenue	(483,527)	(672,956)
Add: Refunds received	67,250	441
Tax expense	411,235	874,180
Current tax payable	**291,603**	**431,932**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

11. Income tax (continued)

The major components of income tax expense for the years ended 30 June 2021 and 2020 are:

	2021	2020
	$	$
Current income tax:		
Current income tax charge	303,957	874,180
Adjustments in respect of current income tax of previous year	107,278	-
Income tax expense reported in surplus or deficit	**411,235**	**874,180**

Reconciliation of tax expense and the accounting profit for 2021 and 2020:

	2021	2020
	$	$
Surplus before tax	**27,143,808**	**20,733,554**
Less: Share of profit of joint venture	(7,223,197)	-
	19,920,611	**20,733,554**
At statutory income tax rate of 28% (2020: 28%)	5,577,771	2,980,549
Effect of different tax rates	(1,622,605)	-
Effect of non-taxable activities	(3,799,405)	(2,098,465)
Utilisation of previously unrecognised tax losses	-	(10,295)
Non-deductible expenses	148,196	2,391
Adjustment in respect of previous years	107,278	-
Income tax expense reported in surplus or deficit	**411,235**	**874,180**

12. Investment properties

Investment properties are held either to earn rental income or for capital appreciation or both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

a) Recognition and measurement

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are measured at fair value at the deemed cost at initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use including capitalised borrowing costs.

Investment properties are subsequently measured at fair value by an independent professional. Investment property valuations are reviewed annually.

Market source data has been used to determine the market value of the properties assessed by CBRE Limited.

The valuer used a comparison approach using recent market transactions that had occurred on an arm's length basis. Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The forestry land valuation was updated in June 2021 by CBRE on a discounted cash flow basis which uses forest licence fee income as an input.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

12. Investment properties (continued)

a) Recognition and measurement (continued)

Other land valuations were updated on 30 June 2021 by Peter Schellekens and Lewis England of CBRE. The valuations included land that is currently subject to long term lease back arrangements with the relevant New Zealand Government (the "Crown") agencies. See note 23 for further detail on the terms of the leases. The methods of valuation used to determine fair value were the income capitalisation or discounted cashflow approach with a check by the direct comparison approach.

All valuers used by the Group are independent.

Other land (from non-exchange transactions) is held as investment land where there has been no clear indication on a particular use for the land.

b) Reclassifications

When the use of an investment property changes to owner occupied, such that it results in a reclassification to property, plant and equipment, the property's fair value at the date of reclassification becomes its' cost for subsequent accounting.

	2021	2020
	$	$
Investment property		
At 1 July	70,412,473	55,052,001
Gain on revaluation	11,955,026	13,838,000
Fair value of investment property at 30 June	**82,367,499**	**68,890,001**
Additions – exchange transactions (purchased)	-	1,522,472
Additions – from acquisitions	9,345,652	-
Fair value 30 June	**91,713,151**	**70,412,473**

Investment property includes:

- Forestry land in Nelson and Marlborough currently planted in pine and operated as a forestry operation. The forestry operation is owned and controlled by unrelated parties, and the land is leased to the forester under the terms of the present Crown Forestry Licence.
- Police stations in Richmond and central Wellington, that are subject to lease back arrangements with New Zealand Police. The lease back arrangements have initial terms to 2025 (Richmond) and 2036 (Wellington) with further perpetual terms of renewal.
- Property at Benmore Crescent, for which the Group has entered into a 125 year renewable ground lease and development agreement with Building-Solutions Limited. The lease term commences once the property has been rezoned by Hutt City Council to Special Business or its equivalent.

Minimum future rental payments receivable are disclosed in note 23.

13. Property, plant and equipment

a) Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are measured at fair value at deemed cost at initial recognition. Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the consolidated statement of financial position.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

13. Property, plant and equipment (continued)

a) Recognition and measurement (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment are subsequently measured either under the:

(i) Cost model

Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within equity. Gains or losses relating to individual assets are offset against those from other assets in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit as an impairment. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

The Group's property plant and equipment are subsequently measured in accordance with the cost model, except for land and buildings which are subsequently measured in accordance with the revaluation model.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation reserve to accumulated comprehensive revenue and expense.

b) Depreciation

Depreciation is based on the cost, or revalued amount, of an asset less its residual value. Where significant components of individual assets have a useful life that is different from other components, those components are depreciated separately.

The estimated useful lives are shown below:

Class	2021	2020
Buildings and marine farm	10 to 60 years	10 to 60 years
Plant, office equipment and computers	3 to 30 years	3 to 30 years
Motor vehicles, watercraft, tractors and trailers	5 to 76 years	5 to 76 years
Fixtures and fittings	5 to 13 years	5 to 13 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

13. Property, plant and equipment (continued)

b) Depreciation (continued)

Depreciation methods, useful lives and residential value are reviewed are each balance date and adjusted if appropriate.

	Land and buildings (valuation)	Plant, office equipment and computers (cost)	Motor vehicles, watercraft, tractors and trailers (cost)	Total
	$	$	$	$
Cost or valuation				
At 1 July 2020	766,880	1,122	-	768,002
Additions - exchange	-	-	41,887	41,887
Revaluation	564,674	-	-	564,674
At 30 June 2021	**1,331,554**	**1,122**	**41,887**	**1,374,563**
Accumulated depreciation and impairment				
At 1 July 2020	-	-	-	-
Depreciation charge for the year	-	-	5,864	5,864
At 30 June 2021	**-**	**-**	**5,864**	**5,864**
Net book value				
At 30 June 2021	**1,331,554**	**1,122**	**36,023**	**1,368,699**
At 30 June 2020	766,880	1,122	-	768,002

Revaluation of land and buildings

Land and buildings are measured using the revaluation model and are revalued every three years. These assets were revalued on 30 June 2021.

Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

As at the date of revaluation 30 June 2021, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer.

Significant assumptions included in the valuations were that:

- There are no side agreements that would have an adverse effect on the market value of the property.
- All buildings have a seismic strength at a "market acceptable level" for their class.
- No significant capital expenditure is required in respect of any buildings or facilities contained therein.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

14. Trade and other payables

	2021	2020
	$	$
Trade payables from exchange transactions	553,786	838,812
Sundry accruals	7,457,537	88,430
GST payable	7,009	20,920
Total trade and other payables	**8,018,332**	**948,162**

Trade payables are non-interest bearing and are normally settled within 30 days and are therefore reflected at their fair value.

15. Deferred income

Deferred income relates to income in the Group's joint operation where obligations attached to the receipt of the funds have not fully been met at balance date. These conditions or obligations are expected to be met within 30 to 60 days of balance date and are considered current liabilities.

16. Income received in advance

Forestry Licence fees, residential rent and rent from investment properties received for future periods, where the service has not yet been delivered to the customer, are recorded as these services are provided.

17. Financial instruments

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets created or retained by the Group are recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of the contractual payments to be received and or paid.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when the Group has a legal right to offset the amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies the financial assets into the following categories: fair value through surplus or deficit, held-to-maturity, loans and receivables and available-for-sale.

The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and at amortised cost.

a) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the EIR method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, short-term deposits and trade and other receivables.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

17. Financial instruments (continued)

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expense and are reported within the "available-for-sale reserve" within equity.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in the available-for-sale reserve is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expense. Any associated interest income or dividends are recognised in surplus or deficit within "investment income".

c) Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables and related party payables.

d) Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each balance date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivable) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original EIR. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

17. Financial instruments (continued)

e) Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is: held-for-trading; derivatives where hedge accounting is not applied; or designated at initial recognition, when the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Those fair value through surplus or deficit instruments sub-classified as held-for-trading comprise investment in managed funds that include the ANZ Managed Funds, Milford Asset Management Limited and Harbour Asset Management.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

The table below shows the carrying amount and classification of the Group's financial assets and liabilities:

2021		Financial assets			Financial liabilities	Total
		Loans and receivables	Fair value through surplus or deficit	Available-for-sale	Liabilities at amortised cost	
	Notes	$	$	$	$	$
Cash and cash equivalents	7	34,992,208	-	-	-	34,992,208
Managed funds	8	-	49,971,626	-	-	49,971,626
Trade and other receivables	9	1,864,745	-	-	-	1,864,745
Trade and other payables	14	-	-	-	(8,018,332)	(8,018,332)
Related party payables		-	-	-	(8,494,481)	(8,494,481)
		36,856,953	49,971,626	-	(16,512,813)	70,315,766

2020		Financial assets			Financial liabilities	Total
		Loans and receivables	Fair value through surplus or deficit	Available-for-sale	Liabilities at amortised cost	
	Notes	$	$	$	$	$
Cash and cash equivalents	7	8,985,653	-	-	-	8,985,653
Short-term deposits	8	43,022,158	-	-	-	43,022,158
Managed funds	8	-	43,208,135	-	-	43,208,135
Trade and other receivables	9	622,025	-	-	-	622,025
Trade and other payables	14	-	-	-	(948,162)	(948,162)
Related party payables		-	-	-	(887,357)	(887,357)
Total		52,629,836	43,208,135	-	(1,835,519)	94,002,452

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

18. Reserves

a) Treaty Settlement reserve

The Treaty Settlement reserve comprises the cash settlement in accordance with the Deed of Settlement dated December 2012 received from a past Treaty of Waitangi Claim.

	2021	2020
	$	$
Treaty settlement reserve		
Opening balance	111,591,162	111,591,162
Movements this year	-	-
Closing balance	**111,591,162**	**111,591,162**

b) Other reserves

(i) NZ forestry emission unit reserves

The New Zealand Forestry Emissions Units are shown at fair value as at 30 June measured using the available market rates at balance date. The gain or loss in fair value is shown in the consolidated statement of comprehensive revenue and expense.

	2021	2020
	$	$
New Zealand Forestry Emission Units Reserve		
Opening balance	4,127,646	2,818,698
Movements this year	1,718,123	1,308,948
Closing balance	**5,845,769**	**4,127,646**

(ii) Revaluation reserve - land and buildings

This reserve records the increases and decreases in the fair value of land and buildings. Land and buildings are revalued on a five yearly basis or where there is an indication that the carrying amount may be materially different.

	2021	2020
	$	$
Revaluation reserve - land and buildings		
Opening balance	-	-
Movements this year	564,764	-
Closing balance	**564,764**	**-**

19. Contingencies and commitments

a) Contingent liabilities

The Group had no contingent liabilities at 30 June 2021 (2020: $nil).

b) Commitments

The Group had no commitments as at 30 June 2021 (2020: $nil).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

20. Intangible assets

a) Recognition and measurement

Intangible assets are initially measured at cost. The cost of intangible assets acquired through non-exchange transactions is their fair value at the date of the exchange.

Following initial recognition, intangible assets are measured as follows:

- NZ Forestry Emission Units are carried at fair value. NZ Forestry Emission Units have an indefinite life and therefore are not amortised, but tested for impairment annually. Gains/losses on revaluation of NZ Forestry Emission Units are recognised in other comprehensive revenue and expense. Losses on revaluation in excess of the balance of the intangible revaluation reserve for that asset are recognised in surplus or deficit. Gains on revaluation are recognised in surplus or deficit to the extent they reverse losses on the same asset previously recognised in surplus or deficit.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit.

c) Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful life of each amortisable intangible asset. The estimated useful lives of each amortisable intangible asset are:

NZ Forestry Emissions Units	Indefinite life

	NZ Forestry Emissions units
	$
Cost or valuation	
At 1 July 2020	4,744,934
Fair value gain on units at reporting date	1,718,123
At 30 June 2021	**6,463,057**
Accumulated amortisation and impairment	
At 1 July 2020	-
Amortisation and impairment	-
At 30 June 2021	-
Net book value	
At 30 June 2021	**6,463,057**
At 30 June 2020	4,744,934

The New Zealand Emissions Trading Scheme (ETS) is the system in which New Zealand Units (NZUs) are traded. Under the ETS, certain sectors are required to acquire and surrender NZUs or other eligible emission units to account for their direct greenhouse gas emissions or emissions associated with their products.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

20. Intangible assets (continued)

The allocation attached to the forestry lands purchased by the Trustee of Toa Rangatira Trust, was allocated as part of a compensation package for those forests that were planted pre-1990. As part of receiving the Golden Downs East, Golden Downs West and Queen Charlotte forest land on settlement, 548,747 pre-1990 NZUs were received. The NZ Emissions Units received into the Trust are pre-1990 emission trading units.

The NZ Emissions Units were initially recognised at the rate per unit as listed on the Carbon Forest Services site at 29 August 2014.

The Board did not resolve to sell units in 2021 (2020: nil). A balance of 148,747 carbon credits remain.

The Trustees expect that the current licensors will continue to replant and keep these areas forested for the term of the licences (31+ years). The Trustees do not consider the land suitable for a purpose other than forestry. In the event that areas of land are handed back in accordance with the Crown licence term during or at the end of the term, the Trustees expectation is that the land would either be replanted or that native bush would be allowed to regenerate. In the event that the land is handed back, is not replanted, and that native bush has not regenerated to the correct density within ten years of the land hand back, then a liability may be incurred. This potential liability is not recognised in the financial statements.

21. Joint arrangements

a) Joint operation

The Group holds a 50% share in a limited partnership, Kenepuru LP, and its general partner, Kenepuru Developments Limited. Kenepuru Developments Limited has control over Kenepuru LP. The Group has joint control of Kenepuru Developments Limited and of Kenepuru LP. Kenepuru LP and Kenepuru Developments Limited are recognised as a joint operation, and the Group's 50% share is included in the consolidated financial statements on a line by line basis.

A loan over and above the original capital committed was agreed to fund stage 1 and 2 of the developments in the joint operation. This loan is interest-bearing at a rate of 6% per annum.

b) Joint venture

During the year, the Group acquired 66.7% of the share capital of Aegis Retirement Living Limited, which owns 100% of Whitby Village (2009) Limited and Aegis Projects Limited (together, the "Aegis Group"). The Aegis Group owns and operates a retirement village in Whitby, Porirua. The Group's investment in the Aegis Group is classified as a joint venture.

Joint ventures are accounted for using the equity method. The share of the net surplus of joint ventures is recognised as a component of operating revenue in surplus or deficit, after adjusting for the amortisation of goodwill arising on acquisition, and any differences between the accounting policies of the Group and joint ventures. Dividends received from joint ventures are credited to the carrying amount of the investment in joint ventures. The unamortised balance of goodwill arising on acquisition is included in the carrying amount of the joint venture. When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued.

The Aegis Group has a balance date of 31 March. The consolidated financial statements include management figures for the year ended 30 June.

22. Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, where not carried at fair value, are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

22. Impairment of non-financial assets (continued)

The recoverable amount of the asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated cash flows or future remaining service potential (for non-cash generating units) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

23. Leases (as lessor)

Leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

a) Rental lease revenue

Rental lease revenue received under operating leases is recognised on a straight line basis over the term of the lease. This excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service.

Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

b) Current rental revenue

Toa Rangatira Investment Properties Limited manages the rental income of Forestry lands that were purchased from the Crown on 1 August 2014. The current Crown Forestry Licence has a termination date of 30 years. The licence fees are reviewed every 3 years (periodic review) and the methodology can be reviewed every 9 years (general review).

Minimum future lease payments receivable under non-cancellable operating leases are as follows:

	2021	2020
	$	$
Within one year	3,637,491	3,125,554
Between one and five years	14,147,359	12,202,216
More than five years	67,602,993	61,382,567
Total minimum future lease receivable	**85,387,843**	**76,710,337**

24. Events subsequent to balance date

Further COVID-19 Alert Level changes have taken place subsequent to balance date, including an Alert Level 4 lockdown for all of New Zealand in mid-August 2021, extending into September for Auckland. Although the Group has been impacted by COVID-19, the Trustees have concluded the Group will be able to continue operating for the foreseeable future.

On 7 July 2021, the Group formally notified the Ministry of Education of its intent to acquire 25 school sites in FY2022 in accordance with the Deferred Settlement Properties provisions of the 2012 Deed of Settlement with the Crown, for circa $170m to be funded through the issuance of bonds to the market. The annual ground rental is expected to be $10.6m.

On 30 September 2021, the Group signed a contract with Carrus Kenepuru Limited to acquire the remaining 50% investment in Kenepuru LP and Kenepuru Developments Limited for $45.45m. The transaction for the balance of the land at the subdivision known as Kenepuru Landings is to be settled over a period of about 6 months. The investment meets the strategic direction of the Group, with a view to providing high quality, healthy and affordable housing to Iwi members and others who wish to live in the Kenepuru Landings suburb. The priority is to support the Group's whānau into affordable and healthy home ownership.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

24. Events subsequent to balance date (continued)

On 4 October 2021, the Group acquired 50% of the shares of Switched On Group Limited for $6.3m. The acquisition meets the strategic goals and direction of the Group to further diversify its settlement portfolio into direct investments with companies that share its values and that provide commercial and employment opportunities for Ngāti Toa whānau.

Subsequent to balance date, the Group has secured an ESG loan of $23.7m from BNZ, secured against forestry rental cash flows. The funds will enable the acquisition of standing timber and future social investment opportunities across the wider Wellington region.

Subsequent to balance date, the Group has lodged planning consents for developments at Te Hiko Street and Te Arawi Street, Takapūwāhia. Construction is expected to commence late 2021.

In August 2021, the Group, through the Aegis Group, submitted a resource consent to Porirua City Council for development of a care facility at Whitby Lakes Retirement Village, at an estimated cost of $33.5m.

On 5 October 2021, the Group signed a memorandum with NZ Police for the purchase of 2 Hagley Street for $2.8m, with settlement between April and June 2022. The purchase is in accordance with the Deferred Settlement Properties provisions of Ngāti Toa's 2012 Deed of Settlement with the Crown. The highest and best use of the site is as a redevelopment opportunity, with Ngāti Toa retaining ownership of the underlying whenua and tendering for a development partner who will have the right to develop the land under a long term ground lease.

There were no other significant events occurring after balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

25. Related parties

Controlling entity

The immediate and ultimate controlling entity of the Group is Te Runanga o Toa Rangatira Inc.

The financial statements include the financial statements of the Trust, its subsidiaries and other controlled entities, as listed in note 4. Other related parties are the group's joint arrangements. Transactions with joint operations and joint ventures are disclosed in note 21.

Related party transactions

Related parties are the controlling entity and other subsidiaries of the controlling entity. Transactions with the controlling entity include administration services and funding. Transactions with other subsidiaries of the controlling entity include expense recharges.

		Expenses	Receivables	Payables
		$	$	$
Controlling entity	2021	2,968,868	-	8,494,481
	2020	978,647	-	887,357
Other subsidiaries of controlling entity	2021	6,478	1,862	-
	2020	-	-	-
Total	2021	2,975,346	1,862	8,494,481
	2020	978,647	-	887,357

During the year, the Group receive an additional $7.75m of funding from Te Runanga o Toa Rangatira Inc. (included within payables above) for the acquisition of investment properties.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2021

25. Related parties (continued)

Related party transactions (continued)

Terms and conditions of transactions with related parties

Transactions with related parties are recorded on terms agreed between the parties. Outstanding balances are unsecured and interest free and settlement occurs in cash or by netting.

Key management personnel

Key management personnel are the Trustee Board members, who are the same as the Board of Te Runanga o Toa Rangatira Inc. Key management personnel are remunerated by Te Runanga o Toa Rangatira Inc., with no recharge to the Group for their services.

In March 2020, Mr Leon Grandy, a director of Armillary Limited, was contracted to serve as Group Treasurer and Acting General Manager Investments and Innovation for Te Rūnanga o Toa Rangatira Group. At that time, Armillary Limited had been engaged by the previous shareholders of Aegis Retirement Living Limited to sell down their equity and refinance their debt. Mr Grandy's interest in the engagement was disclosed to the Group Audit Risk and Investment Committee and resulted in the appointment of Deloitte to conduct due diligence on Aegis Group acquisition. At the completion of the transaction, a fee of $618,000 was paid by Aegis Retirement Living Limited to Armillary Limited as part of both the debt restructure and sale and purchase of shares in Whitby Village (2009) Limited. In December 2020 Te Rūnanga o Toa Rangatira appointed Mr Grandy as a director of Aegis post its acquisition of the shares.

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF TOA RANGATIRA TRUST GROUP

Opinion

We have audited the consolidated financial statements of Toa Rangatira Trust ("the Parent") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 Parent or any of its subsidiaries.

Board's Responsibilities for the Consolidated Financial Statements

The Board is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Parent's Trustees, 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 Parent and the Parent's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
4 November 2021

Ika Toa Limited

Annual Report for the year ending 30 June 2021

Contents

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF IKA TOA LIMITED

Opinion

We have audited the financial statements of Ika Toa Limited ("the Company"), which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows 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 present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

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 Company 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 Company.

Board's Responsibilities for the Financial Statements

The Board is responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines 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 Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
2 November 2021

Corporate information

Company number
521364

Charities registration
CC47807

Shareholders	**Ordinary shares**
Te Runanga o Toa Rangatira Inc	20,100

Registered office
26 Ngati Toa Street
Porirua
New Zealand

Auditors
BDO Wellington Audit Limited

Bankers
Westpac Banking Corporation

Solicitors
Dentons Kensignton Swan
Wellington

Date of formation
21 October 1991

Nature of business
Fishing Quota Management

Business location
26 Ngati Toa Street
Porirua
New Zealand

Directors' report

For the year ended 30 June 2021

The directors present their annual report including financial statements of the company for the year ended 30 June 2021.

Reporting entity

The business of the company is Fishing Quota Management. The nature of the company's business has not changed during the year.

Auditors

The company's auditors were BDO Wellington Audit Limited. BDO Wellington Audit Limited is willing to continue as the company auditors.

Directors' disclosures

The following held office as directors during the year:

Atanatiu Te Kaira Hammond
Mark Styles
Tahua Stuart Solomon
Evan Morrison Kawharu Hippolite
Rangihoungariri Solomon
Margaret Hippolite

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the company.

The directors receive directors fees of $250 per meeting. There were no meetings attended during the year (2020: nil). No directors fees were paid for 2021 (2020: $nil).

The board of directors received no notices from any directors wishing to use company information received in their capacity as directors which would not have ordinarily been available.

The directors are covered by an indemnity insurance covering professional, management and general liability up to $5,000,000 for any one claim, and for employers and statutory liability up to $500,000. The insurance is part of an association combined insurance plan paid for by Te Runanga o Toa Rangatira Inc. to cover the officers of the company.

Donations

No donations were made by the company during the year (2020: $250,000).

Employee and director remuneration

Pursuant to section 211(g) of the Companies Act 1993, no employee or director received remuneration and/or any other benefits exceeding $100,000 during the year.

For and on behalf of the Board of Directors,

M. Styles

Mark Styles
Director

2 November 2021

EHippolite

Evan Morrison Kawharu Hippolite
Director

2 November 2021

Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Revenue			
Annual catch entitlement sales	3	409,798	593,641
Cost of sales	5	(83,821)	(87,961)
Gross surplus from trading		**325,977**	**505,680**
Other income	4	1,386,301	256,788
Total income		**1,712,278**	**762,468**
Expenses			
Administration fees		(49,200)	(49,200)
Accountancy fees		(5,639)	(2,500)
Audit fees		(1,883)	(15,860)
Bank charges		(181)	(152)
Consultant fees		(27,445)	(1,500)
Koha/grants		-	(250,000)
Legal fees		-	(2,300)
Customary fishing vehicle and boat expenses		(4,777)	(5,629)
Postage and courier		(4)	(82)
Rates		(655)	(648)
Training and development		(98)	(87)
Travel and accommodation		(896)	-
Valuation fees		(5,805)	(1,500)
Total expenses		**(96,583)**	**(329,458)**
Net surplus before depreciation		**1,615,695**	**433,010**
Depreciation		(2,362)	(3,385)
Net surplus for the year		**1,613,333**	**429,625**
Other comprehensive revenue and expense			
Gain/(loss) on revaluation of assets		92,000	(7,280)
Total comprehensive revenue and expense for the year		**1,705,333**	**422,345**

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents		1,020,847	1,455,473
Short term investments		3,692,412	4,118,332
Trade and other receivables	7	26,276	148,045
GST refund due		7,402	4,440
Income tax receivable	6	22,492	14,654
		4,769,429	**5,740,944**
Non-current assets			
Trade and other receivables	7	500,000	-
Property, plant and equipment	8	308,472	218,831
Intangible assets	9	5,121,939	4,039,038
Share investments	10	2,366,678	2,366,678
		8,297,089	**6,624,547**
Total assets		**13,066,518**	**12,365,491**
Liabilities			
Current liabilities			
Trade and other payables	11	44,864	49,170
		44,864	49,170
Total liabilities		**44,864**	**49,170**
Net assets		**13,021,654**	**12,316,321**
Equity			
Contributed equity	12	20,100	20,100
Retained earnings		4,169,951	4,639,519
Reserves	13	8,831,603	7,656,702
Total equity		**13,021,654**	**12,316,321**

The above statement of financial position should be read in conjunction with the accompanying notes.

Signed on behalf of the Board of Directors, who authorise the issue of these financial statements on 2 November 2021.

M. Styles

Mark Styles
Director

EHippolite

Evan Morrison Kawharu Hippolite
Director

Statement of changes in equity

For the year ended 30 June 2021

	Contributed equity (note 12)	Retained earnings	Fisheries redress reserve (note 13)	Revaluation reserve (note 13)	Total
	$	$	$	$	$
Balance at 1 July 2020	**20,100**	**4,639,519**	**7,519,866**	**136,836**	**12,316,321**
Net surplus for the year	-	1,613,333	-	-	1,613,333
Coastline settlement	-	(1,082,901)	1,082,901	-	-
Other comprehensive revenue and expense	-	-	-	92,000	92,000
Total comprehensive revenue and expense for the year	-	530,432	1,082,901	92,000	1,705,333
Dividends paid	-	(1,000,000)	-	-	(1,000,000)
Balance at 30 June 2021	**20,100**	**4,169,951**	**8,602,767**	**228,836**	**13,021,654**
Balance at 1 July 2019	**20,100**	**4,209,894**	**7,519,866**	**144,116**	**11,893,976**
Net surplus for the year	-	429,625	-	-	429,625
Other comprehensive revenue and expense	-	-	-	(7,280)	(7,280)
Total comprehensive revenue and expense for the year	-	429,625	-	(7,280)	422,345
Balance at 30 June 2020	**20,100**	**4,639,519**	**7,519,866**	**136,836**	**12,316,321**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Operating activities			
Proceeds from trading income		702,623	585,684
Interest received		49,620	197,005
Dividends received		65,707	83,712
Net GST refunds		14,557	17,148
Income tax credits received		(7,838)	(3,517)
Payments made to suppliers and others		(185,212)	(589,788)
Net cash flows from operating activities		**639,457**	**290,244**
Investing activities			
Purchase of property, plant and equipment	8	(3)	-
Funds received from sales of investment activities		425,920	445,472
Advanced to related parties		(1,500,000)	-
Net cash flows (used in)/from investing activities		**(1,074,083)**	**445,472**
Financing activities			
Net cash flows from/(used in) financing activities		**-**	**-**
Net (decrease)/increase in total cash		(434,626)	735,716
Cash and cash equivalents at 1 July		1,455,473	719,757
Cash and cash equivalents at end of year		**1,020,847**	**1,455,473**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2021

1. Corporate information

The financial statements of the Ika Toa Limited (the "company") for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of directors.

Ika Toa Limited is a public benefit entity incorporated in New Zealand registered under the Companies Act 1993 and registered on the Charities Register on 31 December 2011.

The principal business of operation of Ika Toa Limited is the management of fishing quota assets and the sale of an annual catch entitlement (ACE) of owned and leased quota on behalf of Te Runanga o Toa Rangatira Inc. There has been no change in the principal activities of the company during the year.

The company received fishing quota shares and cash assets to be held in trust, in accordance with the Maori Fisheries Act 2004 in 2010. Ika Toa Limited, as asset holding company for Ngati Toa fisheries assets, received coast line derived settlement quota shares under section 135 of the Maori Fisheries Act 2004 on 29 October and 19 December 2014 respectively.

2. Significant accounting policies

Accounting polices are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, ensuring the substance of the underlying transaction or other events is reported.

a) Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Companies Act 1993 and the Charities Act 2005.

The company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 3 reporting as it does not have public accountability as it does not have expenses more than or equal to $2 million. The company has elected to report as a Tier 2 entity and has used accounting policies consistent with the controlling entity, Te Runanga o Toa Rangatira Inc.

The company has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities. The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 non-for-profit public benefit entities.

The financial statements are presented in the company's functional currency New Zealand dollars (NZD) and have been rounded to the nearest dollar.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The company has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company. The scale and duration of these developments remain uncertain at the date of this report. During the year, the company has been affected by periods under COVID-19 Alert Level 2 restrictions during August 2020 and February, March and June 2021.

Although the company has been impacted by COVID-19, the board have concluded the company will be able to continue operating for the foreseeable future.

b) Statement of compliance

The financial statements have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR").

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

c) Revenue recognition

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the company's revenue streams must also be met before revenue is recognised.

Exchange transactions

(i) Sale of goods

Quota trading income is recognised when the cash is received or is receivable when the ACE for a particular fish stock is deemed to have been transferred to the customer.

The company leases ACE for trading purposes. The lease is for the twelve-month period and is aligned with the applicable fishing year for the species. Income is recognised when the ACE are transferred to the customer.

Any ACE leased or owned and not sold at 30 June has been determined by the directors to have a $nil value at the end of the financial year as unsold ACE expires, unless an arrangement to sell after the balance date is known.

(ii) Interest and dividend income

Interest income is recognised using the effective interest method. Dividends are recognised as revenue when the right to receive payment is established.

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount of the asset.

(iii) Port Nicholson Partnership (Profit Share) Income

Port Nicholson Partnership profit share is recognised when certain, being upon notification of the profit share.

Non-exchange transactions

Redress income

Non-exchange transactions are those where the company receives an inflow of resources (cash or assets) but provides nominal or no direct consideration in return for the inflow. Inflows of resource are only recognised as assets where it is probable that the associated future economic benefit will flow to the entity and fair value can be reliably measured.

Revenue from fisheries redress received as non-exchange transactions are recognised when the entitlement (control) passes to the company and the company is able to enforce the claim. Revenue is recognised at fair value estimated at the date of the exchange and is subsequently moved to a special settlement reserve account to preserve the total accumulated settlement quantum.

d) Income taxes

The company was granted charitable status on 31 December 2011 and as such the company is exempt from income tax.

e) Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash, have a maturity of less than three months and which are subject to an insignificant risk of changes in value.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

f) Financial instruments

The company initially recognises financial instruments when the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability. The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The company also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of the contractual payments to be received and or paid.

The company's financial assets are classified as loans and receivables and available-for-sale financial assets.

The company's financial liabilities are classified as held at amortised cost.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise: cash and cash equivalents, short term investments and trade and other receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible to a known amount of cash with an insignificant amount of risk of changes in value, with maturities of 90 days or less.

Short term investments represent deposits with maturities due over 90 days, and less than 12 months, from balance date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Available-for-sale financial assets comprise: Aotearoa Fisheries Limited (AFL) Income shares.

Share investments are shares in AFL and are measured at cost less any impairment charges, as they do not have a quoted market price and their value cannot be reliably measured.

Any associated interest income or dividends are recognised in surplus or deficit within "investment income".

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

f) Financial instruments (continued)

Impairment of non-derivative financial assets

A financial asset is assessed at each balance date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due on terms that would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers.

g) Trade and other payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

h) Property, plant and equipment

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the company.

Items of property, plant and equipment are subsequently measured either under the:

Cost model
Cost less accumulated depreciation and impairment.

Revaluation model
Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation surplus reserve for that class of property, plant and equipment are recognised in surplus or deficit.

Buildings (less than 50 years useful life)	3.0%-7.0% diminishing value
Tractor and trailer	14.4%-43.0% diminishing value
Marine farming assets	24.0% diminishing value
Marine farm resource consent	20 years straight line

Disposal

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

h) Property, plant and equipment (continued)

Coastal permit (Marine farm resource consent)

The marine farm consent has a lifespan of 20 years. The marine farm is not operational without the consent and it is therefore considered part of that asset.

i) Intangible assets

Quota shares are recorded initially at cost. Settlement quota shares are recorded at a value determined by the settlement documentation less any impairments.

Impairment losses are recognised whenever the carrying amount of an asset exceeds its recoverable amount. Quota shares are tested for impairment whenever there is an indication of impairment on an individual basis or at a cash-generating unit level. There is only one cash generating unit in Ika Toa Limited because there is only one core business activity and that is trading of ACE from the quota share.

j) Impairment of non-financial assets

At each balance date the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

k) Leased quota

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern over which the economic benefits from the lease asset are consumed.

l) Goods and services tax (GST)

All amounts shown in these statements are shown exclusive of GST except for receivables and payables that are stated inclusive of GST.

m) Changes in accounting policies and disclosures

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

3. Revenue

	2021	2020
	$	$
Trading revenue from exchange transactions		
Annual catch entitlement sales	**409,798**	**593,641**

4. Other income

	2021	2020
	$	$
Other income from exchange transactions		
Interest received	58,312	132,794
Dividends received	65,707	83,712
Port Nicholson Partnership (profit share)	179,381	40,282
	303,400	**256,788**
Other income from non-exchange transaction		
Coastline settlement of Quota Shares	1,082,901	-
	1,386,301	**256,788**

5. Cost of sales

	2021	2020
	$	$
ACE lease commission	-	33,151
ACE operating lease fees	18,794	4,098
FishServe and MAF fees	65,027	50,712
	83,821	**87,961**

6. Income tax receivable

	2021	2020
	$	$
Maori authority tax credits available previous year	14,654	11,136
Maori authority tax credits available this year	11,500	14,650
Tax refunds received	(3,662)	(11,132)
Total tax refund due	**22,492**	**14,654**

The company holds on trust the fisheries redress assets for the members of Te Runanga o Toa Rangatira Inc. Charitable Status was granted in December 2011 and the company is exempted from income tax on its net surplus earned during the year.

Notes to the financial statements (continued)

For the year ended 30 June 2021

7. Trade and other receivables

	2021	2020
	$	$
Current		
Trade receivables	15,012	145,473
Accrued interest	11,264	2,572
	26,276	**148,045**
Non-current		
Related party advances (note 14)	**500,000**	**-**

8. Property, plant and equipment

	Land - Te Awaiti Bay	Buildings - Te Awaiti Bay	Marine farm	Tractor and trailer	Total
	$	$	$	$	$
Cost					
At 1 July 2020	196,000	9,119	157,616	42,990	405,725
Additions	-	-	-	3	3
Revaluation	92,000	-	-	-	92,000
At 30 June 2021	**288,000**	**9,119**	**157,616**	**42,993**	**497,728**
Accumulated depreciation					
At 1 July 2020	-	9,119	136,828	40,947	186,894
Depreciation	-	-	2,068	294	2,362
At 30 June 2021	**-**	**9,119**	**138,896**	**41,241**	**189,256**
Net book value					
At 30 June 2021	**288,000**	**-**	**18,720**	**1,752**	**308,472**
At 30 June 2020	196,000	-	20,788	2,043	218,831

Land and Buildings are revalued on a five yearly basis or where there is an indication that the carrying amount may be materially different from the fair value of the property. A desktop assessment was carried out by Peter Schellekens, CBRE Limited, a Registered Valuer, and his report was dated 20 August 2021. The desktop assessment at June 2021 was carried out on for the land at Te Awaiti Bay. A discount was applied to the valuation in recognition of an Urupa on site (historical overlay). The company holds 80% of the land at Te Awaiti Bay.

Marine farm baskets and structures, included within marine farm assets, at cost of $42,553 (2020: $42,453) have been determined to have a recoverable value of $nil (2020: $nil). These assets have a resource consent carrying value of $18,719 ($20,788).

Notes to the financial statements (continued)

For the year ended 30 June 2021

9. Intangible assets

	Quota shares
	$
Cost	
At 1 July 2020	4,039,038
Treaty settlement	1,082,901
At 30 June 2021	**5,121,939**
Accumulated amortisation	
At 1 July 2020	-
Amortisation	-
At 30 June 2021	**-**
Net book value	
At 30 June 2021	5,121,939
At 30 June 2020	4,039,038

Historically, quota shares were initially recognised at deemed cost and revalued each year. In 2020, it was determined that as there is no active market for quota shares that the accounting policy should be changed for the measurement of quota shares at each reporting period. From 2020 onwards, quota share is measured at deemed cost based on documentation provided with each settlement unless the quota share is purchased. The cost of the fish quota at 30 June 2021 was $5,121,939 (2020: $4,039,038).

10. Investments

The company holds 1,532 shares in Aotearoa Fisheries Limited (AFL) (2020: 1,532 shares). Management has reviewed the shares for impairment by reviewing the net assets of AFL. AFL is not currently listed on the New Zealand Stock Exchange and there are legislative restrictions on the sale of shares in AFL. Management has assessed the value of the shares by comparing the company's net value against the value held. As the net value of the company's share is greater than the original transfer value the management has determined that no indication of impairment exists.

11. Trade and other payables

	2021	2020
	$	$
Trade and other payables	8,599	4,750
Related party payables (note 14)	26,009	24,559
Accrued expenses	10,256	19,861
	44,864	**49,170**

Notes to the financial statements (continued)

For the year ended 30 June 2021

12. Issued capital

	2021	2020
	$	$
20,100 ordinary shares, fully paid (2020: 20,100 ordinary shares, fully paid)	20,100	20,100

Ordinary shares have no par value.

Each share carries the right to vote at a meeting of shareholders, receive dividends as duly declared by directors and receive a share of any surplus on dissolution of the company.

13. Other equity reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings only to the extent that they offset each other.

Fisheries redress reserve

The fisheries redress reserve records the fisheries settlement Ika Toa Limited received under Treaty of Waitangi claims in March 2010. Further quota shares were received under section 135 of the Maori Fisheries Act 2004 in October 2014 and December 2014 respectively. A further parcel quota was settled for the Wellington coastline in 2021. This has been moved to the reserve account.

14. Related party disclosures

14.1 Subsidiaries

Te Runanga o Toa Rangatira Inc. is the parent, ultimate controlling entity and owns 100% of the shares in the company.

The company holds the quota and income shares received from the fisheries settlement. On behalf of Te Runanga o Toa Rangatira Inc., the company manages the trading of ACE from quota held and leased. The company receives a management fee from trading the leased fishing quota.

14.2 Transactions with related parties

The company reimburses Te Runanga o Toa Rangatira Inc. for all administrative costs provided to the company.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expense recharges	Related party advances	Related party payables
		$	$	$
Ultimate controlling entity	2021	70,789	500,000	26,009
	2020	350,711	-	24,559

Notes to the financial statements (continued)

For the year ended 30 June 2021

14. Related party disclosures (continued)

14.2 Transactions with related parties (continued)

	2021	2020
	$	$
Te Runanga o Toa Rangatira Inc. - payables		
Opening balance	24,559	244,696
Goods and services	81,409	71,803
Payments	(79,959)	(291,940)
Total related party payables	**26,009**	**24,559**

Ngati Toa Limited, Kapiti Tours Limited, Ora Toa PHO Limited, Sheltered Haven Limited, Toa Building Supplies Limited, Toa Homes Limited and Te Ahuru Mowai Limited Partnership are 100% owned by Te Runanga o Toa Rangatira Inc. The company advanced Te Runanga o Toa Rangatira Inc. $1,500,000 to fund the purchase of View Road Properties. The company declared a dividend of $1,000,000, which was offset against the amount advanced. There were no transactions between the company and other related companies during this year.

Toa Rangatira Trust, a trust formed in December 2012 to hold the Ngati Toa Rangatira historical settlement assets is a related party. The trust group and all other entities are related to Ika Toa Limited as they are all 100% owned by Te Runanga o Toa Rangatira Inc. There were no transactions between Ika Toa Limited and Toa Rangatira Trust this year.

14.3 Key management personnel

Key management personnel of the company includes the parent entity board members and the directors of the company. The directors receive directors fees of $250 per meeting. There were no meetings attended during the year. Directors fees paid for 2021 were $nil (2020: $nil). Senior management are employed by other group companies, with no recharge to the company for their services.

The company has engaged Okiwi Bay Aquaculture Limited (OBAL) to manage the company's marine farm assets. A director and shareholder of OBAL is a director of the company. OBAL manages the conditioning of immature oysters on the company's marine farm structures and the company is paid a commission based on the volume of mature oysters prepared for sale. OBAL made payments to the company amounting to $nil for the 2021 financial year (2020: $nil).

15. Commitments and contingencies

Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the ACE for crayfish, and to Takitimu Seafoods Limited Partnership to supply the ACE for several species, both supplies are at the applicable market value.

There were no commitments other than those in the ordinary course of business at 30 June 2021 (2020: nil).

Contingent liabilities

The company had no contingent liabilities at 30 June 2021 (2020: nil).

Notes to the financial statements (continued)

For the year ended 30 June 2021

16. Events after balance date

Further changes to COVID-19 Alert Levels have taken place subsequent to balance date, with all of New Zealand entering an Alert Level 4 lockdown in August 2021, followed by a gradual reduction in alert levels from early September for areas outside Auckland. Although the company has been impacted by COVID-19, the board have concluded the company will be able to continue operating for the foreseeable future.

There were no other significant events occurring after balance date which may affect either the company's operations or results of those operations or the company's state of affairs.

Ora Toa PHO Limited

Annual Report for the year ending 30 June 2021

Contents

Corporate information

Company number
1942404

Charities registration
CC42277

Shareholder	**Ordinary share**
Te Runanga O Toa Rangatira Inc.	1

Registered office
26 Ngati Toa Street
Porirua
New Zealand

Auditors
BDO Wellington Audit Limited

Bankers
Westpac Banking Corporation

Solicitors
Dentons Kensington Swan Wellington

Date of formation
23 May 2007

Nature of business
Primary Health Organisation

Business location
26 Ngati Toa Street
Porirua
New Zealand

Directors' report

For the year ended 30 June 2021

The directors present their annual report including financial statements of the company for the year ended 30 June 2021.

Reporting entity

The business of the company is as a Primary Health Organisation. The nature of the company's business has not changed during the year.

Auditors

The company's auditors were BDO Wellington Audit Limited. BDO Wellington Audit Limited is willing to continue as the company auditors. Fees payable to BDO Wellington Audit Limited for the 2021 audit are $17,000 (2020: $17,000).

Directors' disclosures

The following held office as directors during the year and since year end:

Teiringa Heather Davies	
Cassius Poe Kuresa	
Faith Louisa Woodcock	(Appointed: 31 August 2020)
Charlene Puhiwahine Williams	(Resigned: 31 December 2020)
Teresa Aroha Wall	(Resigned: 27 August 2020)
Janet Mei Collier-Taniela	(Appointed: 8 July 2021)
Stephen Arana Kenny	(Appointed: 8 July 2021)
Trini Te Uru Whakawaia Moana Ropata-Tawhiri	(Appointed: 8 July 2021)
Ranei Tara Wineera-Parai	(Appointed: 8 July 2021)

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the company.

Directors received $1,750 in total during the year for attendance at the five board meetings held in 2021.

The board of directors received no notice during the year from any director wishing to use company information received in their capacity as a director which would not have ordinarily been available.

The directors are covered by an indemnity insurance covering professional, management and general liability up to $5,000,000 for any one claim, and for employers and statutory liability up to $500,000. The insurance is part of an association combined insurance plan paid for by Te Runanga o Toa Rangatira Inc. to cover the officers of the company.

Donations

No donations were made by the company during the year (2020: $nil).

Employee and director remuneration

Pursuant to section 211(g) of the Companies Act 1993, no employee or director received remuneration and/or any other benefits exceeding $100,000 during the year.

For and on behalf of the Board of Directors,

Ranei Tara Wineera-Parai
Director

3 November 2021

Cassius Poe Kuresa
Director

3 November 2021

Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Contract income	3	11,874,373	9,413,168
Cost of sales		(11,445,847)	(9,064,692)
Net income from contract services		**428,526**	**348,476**
Other income:			
Grants received		97,110	20,000
Other expenses from ordinary activities:			
Administration fees		(24,000)	(25,941)
Accountancy fees		(21,125)	(2,100)
Audit fees		(30,899)	(17,000)
Bank charges		(248)	(255)
Computer expenses		(52,568)	(58,167)
General expenses		(89)	(410)
Legal fees		-	(1,640)
Motor vehicle expenses		(20,569)	(15,929)
Postage, printing, stamps and stationery		(67)	(3,428)
Rent and rates		(17,530)	(14,747)
Personnel costs		(234,017)	(208,295)
Total expenses		**(401,112)**	**(347,912)**
Surplus/(deficit) before depreciation		**124,524**	**20,564**
Depreciation		-	-
Total comprehensive revenue and expense for the year		**124,524**	**20,564**

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Notes	2021 $	2020 $
Current assets			
Cash and cash equivalents		943,746	966,079
Trade and other receivables	4	2,151,781	751,554
Prepayments		511,927	-
GST receivable		125,154	47,935
		3,732,608	1,765,568
Non-current assets			
Property, plant and equipment	5	-	-
Total assets		**3,732,608**	**1,765,568**
Current liabilities			
Trade and other payables	6	2,627,645	941,330
Income in advance		365,035	208,835
		2,992,680	1,150,165
Total liabilities		**2,992,680**	**1,150,165**
Net assets		**739,928**	**615,403**
Equity			
Share capital	7	1	-
Retained earnings		739,927	615,403
Total equity		**739,928**	**615,403**

The above statement of financial position should be read in conjunction with the accompanying notes.

Signed on behalf of the Board of Directors who authorised the issue of these financial statements on 3 November 2021.

Ranei Tara Wineera-Parai
Director

Cassius Poe Kuresa
Director

BDO
BDO WELLINGTON

Statement of changes in equity

For the year ended 30 June 2021

	Share capital (note 7)	Retained earnings	Total equity
	$	$	$
Balance at 1 July 2020	-	615,403	615,403
Total comprehensive revenue and expense for the year	-	124,524	124,524
Payment of share capital	1	-	1
Balance at 30 June 2021	1	739,927	739,928
Balance at 1 July 2019	-	594,839	594,839
Total comprehensive revenue and expense for the year	-	20,564	20,564
Balance at 30 June 2020	-	615,403	615,403

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Operating activities			
Proceeds from contract income		11,247,769	9,591,774
Payments made to suppliers and others		(10,672,943)	(9,282,345)
Proceeds from other income		97,110	20,000
Net GST paid		(194,268)	(39,327)
Net cash flows from operating activities		**477,668**	**290,102**
Investing activities			
Advanced to related parties		(500,001)	-
Net cash flows used in investing activities		**(500,001)**	**-**
Financing activities			
Net cash flows from/(used in) financing activities		**-**	**-**
Net (decrease)/increase in total cash and cash equivalents		(22,333)	290,102
Cash and cash equivalents at beginning of year		966,079	675,977
Cash and cash equivalents at end of year		**943,746**	**966,079**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2021

1. Corporate information

The financial statements of Ora Toa PHO Limited ("the company") for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors.

The company is a public benefit entity incorporated in New Zealand under the Companies Act 1993 and registered on the Charities Register on 15 September 2009.

The charitable objectives of the company are:

- improve community health outcomes in Porirua and surrounding districts in accordance with Ministry of Health service specifications;
- consolidate and integrate the delivery of services to more effectively meet the needs of the population; and
- pursue any other objectives the directors consider are consistent with the above objectives.

2. Significant accounting policies

Accounting polices are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, ensuring the substance of the underlying transaction or other events is reported.

a) Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Companies Act 1993 and the Charities Act 2005.

The company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 2 reporting as it does not have public accountability and for the past two reporting periods it has had between $2m and $30m operating expenditure. Ora Toa PHO Limited reports as a Tier 2 entity and has used accounting policies consistent with its shareholder, Te Runanga o Toa Rangatira Inc.

The company has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities.

The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities.

The financial statements are presented in the company's functional currency New Zealand dollars (NZD) and have been rounded to the nearest dollar.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The company has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company. The scale and duration of these developments remain uncertain at the date of this report. During the year, the company has been affected by periods under COVID-19 Alert Level 2 restrictions during August 2020 and February, March and June 2021.

Although the company has been impacted by COVID-19, the board have concluded the company will be able to continue operating for the foreseeable future.

b) Statement of compliance

The financial statements have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR").

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

c) Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown on the statement of financial position as current liabilities within short term borrowings.

There are no restrictions over any of the cash and cash equivalent balances held by the company.

d) Financial instruments

The company initially recognises financial instruments when the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability. The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The company also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of the contractual payments to be received and or paid.

The company's financial assets are classified as loans and receivables.

The company's financial liabilities are classified as held at amortised cost.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise: cash and cash equivalents and trade and other receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible to a known amount of cash with an insignificant amount of risk of changes in value, with maturities of 90 days or less.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables.

Impairment of non-derivative financial assets

A financial asset is assessed at each balance date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due on terms that would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

e) Receivables

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

f) Trade and other payables

Trade and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and or services.

g) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the company's revenue streams must also be met before revenue is recognised.

Revenue from non-exchange transactions

Non-exchange transactions are those where the company receives an inflow of resources but provides nominal, or no direct consideration in return for the inflow. Inflow of resources from non-exchange transactions are only recognised as assets where it is probable that the associated future economic benefit or service will flow to the entity and fair value can be reliably measured.

(i) Funding for Health Services

Health Service contract funding is recognised when all obligations and restrictions surrounding the receipt of funding have been met and have been accepted as met, by the funding organisation.

(ii) Management contract

Income for management of contracts is recognised when the service has been delivered, the invoice is accepted by the customer, revenue can be measured reliably and the economic rewards will flow to the company.

(iii) Government grants and other assistance

The recognition of non-exchange revenue from Government Contracts, Grants, Donations, and Koha depends on the nature and any stipulations attached to the inflow of economic resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are 'conditions' specifically require the company to return the inflow of resources received if they are not used as stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue. Government grants that have restrictive conditions are recognised as income in the period it is received.

h) Operating leases

Payments made under operating leases where the lessor retains substantially the risk and rewards of ownership of an asset are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i) Income tax

The company is registered with the Charities Commission and has charitable status for income tax purposes and is therefore not liable for income tax.

j) Goods and Services Tax (GST)

All amounts shown in these statements are shown exclusive of GST except for receivables and payables that are stated inclusive of GST.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

k) Changes in accounting policies and disclosures

There have been no changes to accounting policies, all accounting policies have been applied on a basis consistent with those in other years.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3. Revenue from non-exchange transactions

	2021	2020
	$	$
Contract income	11,874,373	9,413,168
Total trading revenue from non-exchange transactions	**11,874,373**	**9,413,168**

4. Trade and other receivables

	2021	2020
	$	$
Current		
Trade receivables - non-exchange transactions	1,651,780	751,554
Related party advances (note 8)	500,001	-
	2,151,781	**751,554**

5. Property, plant and equipment

	Motor vehicles	Office equipment	Plant and furniture	Total
	$	$	$	$
Cost				
At 1 July 2020	23,111	10,951	11,690	45,752
At 30 June 2021	**23,111**	**10,951**	**11,690**	**45,752**
Accumulated depreciation				
At 1 July 2020	23,111	10,951	11,690	45,752
At 30 June 2021	**23,111**	**10,951**	**11,690**	**45,752**
Net book value				
At 30 June 2021	-	-	-	-
At 30 June 2020	-	-	-	-

6. Trade and other payables

	2021	2020
	$	$
Trade creditors - exchange transactions	7,691	4,837
Accrued expenses	47,874	15,100
Related party payables (note 8)	2,572,080	921,393
	2,627,645	**941,330**

Notes to the financial statements (continued)

For the year ended 30 June 2021

7. Share capital

	2021	2020
	$	$
1 ordinary share - issued and fully paid (2020: 1 ordinary share, issued and unpaid)	1	-

	No. of shares	$
Ordinary shares		
At 1 July 2020	1	-
At 30 June 2021	1	-
Payment of share capital	-	1
At 30 June 2021	1	1

Ordinary shares have no par value and carry the right to vote at meetings of shareholders. Shares do not hold the right to receive a dividend, or distribution, as profits are required to be applied consistent with the objectives of the company, and will receive an equal share of residual assets on dissolution of the company where these have not been distributed by the liquidator for charitable purposes.

Ordinary shares may be held only by an entity that is established exclusively for charitable purposes that is consistent with the objectives of the company.

8. Related party disclosures

8.1 Ultimate parent

Te Runanga o Toa Rangatira Inc. is the ultimate controlling entity and owns 100% of the shares in the company.

8.2 Transactions with related parties

The company provides funding to the parent entity as a service provider, Ora Toa Health and Ora Toa Medical units are services provided by Te Runanga o Toa Rangatira Inc. and these units are recipients of contract income from the company.

The company pays administration fees, and reimburses staff wages and rent to Te Runanga o Toa Rangatira Inc.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharges	Related party advances	Related party payables
		$	$	$
Ultimate controlling entity	2021	315,172	500,001	2,572,080
	2020	305,353	-	921,393

The company provides funding to the Health Units and Medical Centres amounting to $11,951,491 by way of funding to Te Runanga o Toa Rangatira Inc. (2020: $8,912,564). During the year, the company advanced Te Runanga o Toa Rangatira Inc. $500,000 (2020: $nil).

Notes to the financial statements (continued)

For the year ended 30 June 2021

8. Related party disclosures (continued)

8.2 Transactions with related parties (continued)

Other related parties are the Toa Rangatira Trust, Ika Toa Limited, Ngati Toa Limited, Kapiti Tours Limited, Sheltered Haven Limited, Toa Building Supplies Limited, Toa Homes Limited and Te Ahuru Mowai Limited Partnership. The Trust Group and all other entities are related to PHO as they are all 100% owned by Te Runanga o Toa Rangatira Inc. There were no transactions between the Trust or the other companies and the company during the year.

8.3 Key management personnel

Key management personnel of the company include the parent board members, the directors of the company and senior management. During the year $1,750 in total was paid to board members for attendance at five board meetings (2020: $1,000). Senior management are employed by other group companies, with no recharge to the company for their services.

9. Commitments and contingent liabilities

There were no commitments other than those in the ordinary course of business (2020: $nil) and no securities or guarantees had been provided by the company (2020: $nil).

At balance date there are no known contingent liabilities (2020: $nil). The company has not granted any securities in respect of liabilities payable by any other party whatsoever.

10. Significant events after balance date

Further changes to COVID-19 Alert Levels have taken place subsequent to balance date, with all of New Zealand entering an Alert Level 4 lockdown in August 2021, followed by a gradual reduction in alert levels from early September for areas outside Auckland. Although the company has been impacted by COVID-19, the board have concluded the company will be able to continue operating for the foreseeable future.

There were no other significant events after 30 June 2021 that require disclosure.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ORA TOA PHO LIMITED

Opinion

We have audited the financial statements of Ora Toa PHO Limited ("the Company"), which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows 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 present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

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 Company 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 Company.

Board's Responsibilities for the Financial Statements

The Board is responsible on behalf of the abbreviation for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines 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 Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
3 November 2021

TE RŪNANGA O
TOA RANGATIRA

Annual Report

2021

Te Rūnanga o Toa Rangatira
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Takapūwāhia
Porirua 5022

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Porirua

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