

Rangitāne o Manawatū Investment Trust

PALMERSTON NORTH

Group Performance Report

For the Year Ended 30th June 2023



Rangitane o Manawatu Investment Trust
Group Performance Report
For the Year Ended 30th June 2023

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NATURE OF BUSINESS

Asset Management Entity

ADDRESS

140 -148 Maxwells Line
Palmerston North

TRUSTEES AND DIRECTORS

Ngaruma Mako Awapuni Karaitiana (Chair)
Rowland Prince Fitzgerald
Christopher Noel Whaiapu (to 14th December 2022)
Te Ariki Tamati Hemara Te Puni (from 14th December 2022)
Alexia Paretaunu McEwen (from 14th December 2022)

BANKERS

Bank of New Zealand
Palmerston North

ACCOUNTANTS

Greer & Wong Limited
Chartered Accountants
Palmerston North

AUDITORS

CKS Audit
Chartered Accountants
Palmerston North

SOLICITORS

Innes Dean
Barrister & Solicitors
Palmerston North

Rangitane o Manawatu Investment Trust

Group Entity Information

As at 30th June 2023



LEGAL NAME OF ENTITY

Rangitane o Manawatu Investment Trust and its subsidiaries Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited.

TYPE OF ENTITY AND LEGAL BASIS

Rangitane o Manawatu Investment Trust is a registered charity and is registered under the Charitable Trust Act 1957 and the Charities Act 2005. Its subsidiaries Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited are both companies registered under the Companies Act 1993. Rangitane o Manawatu Kaitiaki Limited is also a registered charity registered under the Charities Act 2005.

REGISTRATION NUMBER WITH DIA CHARITIES

CC54499

MISSION STATEMENT

The purpose of the Trust is to receive, use and administer the Trust's Funds exclusively for Charitable Purposes. The Trust was set up to manage and invest the assets of Rangitane o Manawatu Settlement Trust arising from the Treaty of Waitangi settlement with the Rangitane o Manawatu Iwi. The qualifying entities that distributions may be made include trusts and subsidiaries related to Rangitane o Manawatu.

ENTITY STRUCTURE

Trust Structure

The Trust Deed requires at least 3 trustees and no more than 5 trustees be appointed at one time - of which 2 trustees must be members of Rangitane o Manawatu. The Trust currently has 4 trustees, who also act as the board members. The Settlers of the Trust are the Trustees of Rangitane o Manawatu Settlement Trust.

Company Structure

Both companies were established under the Companies Act 1993.

The constitution of Rangitane o Manawatu Kaitiaki Limited states that there must not be fewer than 3 directors and not more than 5 directors, 3 of whom must be members of Rangitane o Manawatu.

There is no constitution for Rua Property Company Limited.

Both companies currently have 2 directors.

MAIN SOURCES OF THE ENTITY'S CASH AND RESOURCES

Investment income from the investment of assets from Rangitane o Manawatu Settlement Trust arising from the Treaty of Waitangi settlement.

Rangitane o Manawatu Investment Trust
Group Entity Information
As at 30th June 2023



MAIN METHODS USED BY THE ENTITY TO RAISE FUNDS

Manage and invest the assets of Rangitane o Manawatu Settlement Trust arising from the Treaty of Waitangi settlement with the Rangitane o Manawatu Iwi.

ENTITY'S RELIANCE ON VOLUNTEERS AND DONATED GOODS & SERVICES

The Trust does not rely on volunteers or donated goods and services.

Rangitane o Manawatu Investment Trust
Group Statement of Service Performance
For the Year Ended 30th June 2023



DESCRIPTION OF THE ENTITY'S OUTCOMES

Manage and invest the assets of Rangitane o Manawatu exclusively for Charitable purposes that benefits Rangitane O Manawatu whether it relates to the relief of poverty, the advancement of education or religion or any other matter that is beneficial to the community and in particular is beneficial to Maori as a people and the community of Rangitane o Manawatu and all the members of Rangitane o Manawatu irrespective of where those members of Rangitane o Manawatu reside within NZ.

DESCRIPTION AND QUANTIFICATION OF THE ENTITY'S OUTPUTS

	Targets	This Year	Last Year
Number of trustee meetings held	11	11	11
Number of reporting meetings with RoMST	4	4	4
Number of reporting hui with beneficiaries	2	2	2
Number of properties under development	1	2	2
Number of properties held for development	1	1	1
Number of properties completed development	1	-	-
Number of sections sold*	11	11	12
Number of sections completed development	15	21	-

*Please refer to the revenue recognition policy

Rangitane o Manawatu Investment Trust
Group Statement of Financial Performance
For the Year Ended 30th June 2023



	Note	2023 \$	2022 \$
REVENUE			
Revenue from providing goods or services	3	4,347,554	622,684
Interest, dividends and other investment revenue	3	<u>5,628</u>	<u>1,171</u>
Total Revenue		4,353,181	623,855
Less Expenses			
Volunteer and employee related costs	4	52,000	48,000
Costs related to providing goods or services	4	2,761,715	431,483
Other expenses	4	<u>252,388</u>	<u>247,494</u>
Total Expenses		3,066,103	726,977
SURPLUS/(DEFICIT) FOR THE YEAR		<u>\$1,287,079</u>	<u>(\$103,122)</u>

This statement is to be read in conjunction with the notes to the Performance Report and Independent Audit report.



Rangitane o Manawatu Investment Trust
Group Statement of Financial Position
As at 30th June 2023

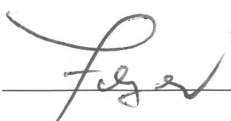


	Note	2023 \$	2022 \$
CURRENT ASSETS			
Bank accounts and cash	5	1,897,659	384,472
Debtors and prepayments	5	54,211	77,974
Total Current Assets		<u>1,951,871</u>	<u>462,446</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	47,520	49,680
Investment property	6	10,609,741	10,788,042
Land held for sale	5	3,976,496	5,307,486
Investments accounted for using the equity method	12	648,405	760,802
Intangibles	5	778,814	778,814
Total Non-Current Assets		<u>16,060,977</u>	<u>17,684,824</u>
TOTAL ASSETS		<u>18,012,847</u>	<u>18,147,270</u>
CURRENT LIABILITIES			
Bank Overdraft	5	-	769,933
Creditors and accrued expenses	5	119,678	100,296
Other Current Liabilities	5	386,833	852,686
Total Current Liabilities		<u>506,510</u>	<u>1,722,916</u>
NON-CURRENT LIABILITIES			
Loans	5	16,172,216	16,377,312
TOTAL LIABILITIES		<u>16,678,726</u>	<u>18,100,227</u>
NET ASSETS		<u>\$1,334,121</u>	<u>\$47,043</u>
Represented by;			
ACCUMULATED FUNDS			
Accumulated surpluses or (deficits)	8	1,334,121	47,043
TOTAL ACCUMULATED FUNDS		<u>\$1,334,121</u>	<u>\$47,043</u>

For and on behalf of the trustees;

Trustee 

Trustee 

Trustee 

Trustee 

Date 14 / 12 / 2023

This statement is to be read in conjunction with the notes to the Performance Report and Independent Audit report



Rangitane o Manawatu Investment Trust
Group Statement of Cash Flows
For the Year Ended 30th June 2023



	Note	2023 \$	2022 \$
<u>OPERATING ACTIVITIES</u>			
Cash was provided from:			
Receipts from providing goods and services		4,338,607	616,764
Interest, dividends and other investment receipts		5,622	1,169
Net GST refunds received from IRD		31,615	22,853
		<u>4,375,844</u>	<u>640,786</u>
Cash was applied to:			
Income tax paid		239	-
Payments to suppliers and employees		765,102	499,032
		<u>765,341</u>	<u>499,032</u>
Net Cash Inflow (Outflow) from Operating Activities		<u>3,610,503</u>	<u>141,754</u>
<u>FINANCING ACTIVITIES</u>			
Cash was provided from:			
Loan advances received		570	1,318,669
		<u>570</u>	<u>1,318,669</u>
Cash was applied to:			
Loan repayments		671,520	274,787
		<u>671,520</u>	<u>274,787</u>
Net Cash Inflow (Outflow) from Financing Activities		<u>(670,950)</u>	<u>1,043,882</u>
<u>INVESTING ACTIVITIES</u>			
Cash was provided from:			
Cash was applied to:			
Loans Advanced		-	505,563
Goodwill on share purchase		-	778,814
Development cost of investment property		656,434	1,516,789
		<u>656,434</u>	<u>2,801,166</u>
Net Cash Inflow (Outflow) from Investing Activities		<u>(656,434)</u>	<u>(2,801,166)</u>
NET INCREASE (DECREASE) IN CASH HELD		<u>2,283,119</u>	<u>(1,615,530)</u>

This statement is to be read in conjunction with the notes to the Performance Report and Independent Audit report

Rangitane o Manawatu Investment Trust
Group Statement of Cash Flows
For the Year Ended 30th June 2023



	Note	2023 \$	2022 \$
Opening Cash and cash equivalents		(385,461)	1,185,661
Bank balance on acquisition of Rua Property Company Ltd		-	44,409
Closing Cash and Cash Equivalents	5	<u>1,897,658</u>	<u>(385,460)</u>

This statement is to be read in conjunction with the notes to the Performance Report and Independent Audit report

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The group financial statements of Rangitane o Manawatu Investment Trust and its subsidiaries Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited are presented for the year ended 30th June 2023.

Rangitane o Manawatu Investment Trust is domiciled in New Zealand and is a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

Rangitane o Manawatu Kaitiaki Limited is a company incorporated in New Zealand registered under the Companies Act 1993 and a registered charity under the Charities Act 2005.

Rua Property Company Limited is a company incorporated in New Zealand registered under the Companies Act 1993.

BASIS OF PREPARATION

Rangitane o Manawatu Investment Trust and one of its subsidiaries Rangitane o Manawatu Kaitiaki Limited have elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) as established by the External Reporting Board for registered charities, on the basis that they do not have public accountability and have total annual expenses of equal to or less than \$2,000,000.

Rangitane o Manawatu Investment Trust's other subsidiary Rua Property Company Limited has prepared its financial statements under Special Purpose Financial Reporting, which is a different accounting framework to PBE SFR-A (NFP). The accounting framework used between the parent and subsidiary is different however the accounting policies result in consistent accounting treatment within the group. Please refer to the basis of consolidation.

All transactions in the Statement of Financial Performance are reported using the accrual basis of accounting. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Tier 2 PBE Accounting Standards Applied

As applicable to the Trust's circumstances and appropriate to PBE SFR-A (NFP), Rangitane o Manawatu Investment Trust has opted up to:

- PBE IPSAS 35 Consolidated Financial Statements
- PBE IPSAS 37 Joint Arrangements
- PBE IPSAS 36 Investments in Associates
- PBE IPSAS 16 Investment Property
- PBE IPSAS 12 Inventories

PBE IPSAS 31 Intangible Assets
PBE IPSAS 26 Impairment of cash-generating assets

Changes in Accounting Policies

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

Specific Accounting Policies

In the preparation of this Performance Report the specific accounting policies are as follows:

(a) Basis of consolidation

Controlled entities are those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. Controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated (group) financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity (being Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited) result in consistent accounting treatment adopted by the Group.

(b) Investment Property

The Investment Properties are accounted for using the cost model in accordance with PBE IPSAS 16, Investment Property. As its subsidiary Rua Property Company Ltd is a for profit company, it uses NZ IAS 40, Investment Property which also allows the cost model to be followed.

The Investment Properties are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on the buildings is recognised in the Statement of Financial Performance using the straight line depreciation method. The depreciation rate on the buildings is 2%. Land is not depreciated.

The classes and carrying amounts of the Investment Property are recorded in note 6.

(c) Interest in Joint Venture

The joint venture company is accounted for in these financial statements using the equity method in accordance with PBE IPSAS 36, Investments in Associates and Joint Ventures.

The investment in the joint venture company is initially recognised at cost and the carrying amount is increased or decreased to recognise Rangitane o Manawatu Investment Trust's share of the surplus or deficit of the Joint Venture Company after the date of acquisition.

Rangitane o Manawatu Investment Trust's share of the joint venture company is recognised in the Statement of Financial Performance and the retained interest in the investment recorded in the Statement of Financial Position in the Performance Report per

note 12.

(d) Land held for sale

The Land held for sale is measured at the lower of cost and net realisable value in accordance with PBE IPSAS 12, Inventories.

Cost comprises the purchase and development costs incurred in bringing the land to its present condition and is capitalised onto the company's Statement of Financial Position. When the land is sold, the carrying amount of the land is recognised as an expense in the period in which the revenue is recognised.

(e) Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation has been calculated over the estimated useful life of the asset, except for land. Land is not depreciated.

The entity has the following classes of Property, Plant & Equipment;

Land	0% CP
Buildings	2.0% to 20.0% DV
Plant and Equipment	4%CP

(f) Intangibles

Goodwill is recorded at cost in line with PBE IPSAS 31, Intangible Assets and is tested annually for impairment in accordance with PBE IPSAS 26, Impairment of cash-generating assets.

(g) Goods & Services Tax

Rangitane o Manawatu Investment Trust is registered for GST. These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(h) Taxation

Rangitane o Manawatu Investment Trust and its subsidiary Rangitane o Manawatu Kaitiaki Limited are charitable organisations and therefore are exempt from income tax.

Rangitane o Manawatu Investment Trust's other subsidiary Rua Property Company Limited is a tax paying company. Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year. As there is no tax liability owing for the 2022 financial year for Rua Property Company Limited, no tax note has been included in the group Performance Report.

Rangitane o Manawatu Investment Trust
Group Notes to the Performance Report
For the Year Ended 30th June 2023



(i) **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

In relation to the sale of sections, revenue is recognised upon the date sale contracts become unconditional, Sales contracts become unconditional once titles are issued.

Interest income is recognised as it accrues using the effective interest method.

(j) **Receivables**

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

2. **AUDIT**

These financial statements have been subject to audit, please refer to Auditor's Report.

3. **ANALYSIS OF REVENUE**

	2023	2022
	\$	\$
(a) Revenue from providing goods or services		
License Fee	37,300	37,300
Rent Received - 10 Ranfurly Street, PN	-	1,850
Rent Received - Carparking	7,644	8,400
Rent Received - Awatapu College	323,500	323,500
Insurance Recovered - 117 Fitzherbert Ave, PN	8,094	9,783
Rent Received - 117 Fitzherbert Ave, PN	223,046	222,809
Opex Recovered - 117 Fitzherbert Ave, PN	19,604	19,042
Sale of Sections	<u>3,728,365</u>	<u>-</u>
Total	<u>4,347,554</u>	<u>622,684</u>
(b) Interest, dividends and other investment revenue		
Interest Received	<u>5,628</u>	<u>1,171</u>
Total	<u>5,628</u>	<u>1,171</u>
Total Operating Revenue	<u><u>4,353,181</u></u>	<u><u>623,855</u></u>

4. **ANALYSIS OF EXPENSES**

	2023	2022
	\$	\$
(a) Volunteer and employee related costs		
Trustee Fees - R Fitzgerald	11,000	12,000

Rangitane o Manawatu Investment Trust
Group Notes to the Performance Report
For the Year Ended 30th June 2023



Trustee Fees - R Karaitiana	25,000	25,000
Trustee Fees - C Whaiapu	6,000	11,000
Trustee Fees - T Te Puni	5,000	-
Trustee Fees - A McEwen	5,000	-
Total	<u>52,000</u>	<u>48,000</u>

(b) Costs related to providing goods or services

Consent Costs	-	1,043
Property Maintenance Fees - 10 Ranfurly Street, PN	-	206
Management Fees	3,004	6,779
Rent Fee, Incentives & Termination Payments	-	25,514
Marketing	10,000	10,323
Loan fees	-	14,500
Commission	103,031	-
Land and Development costs	1,997,651	-
Legal Expenses	26,561	11,839
Insurance	30,758	25,813
Interest	352,181	190,418
Rates	99,335	94,186
Repairs & Maintenance	25,597	15,010
Valuation Fees	1,200	750
Share of net loss of JV using equity method - note 10	112,397	35,102
Total	<u>2,761,715</u>	<u>431,483</u>

(c) Other expenses

Accounting Fees	43,456	27,633
Administration	2,000	7,200
Audit Fees	14,300	9,250
Bank Fees	7,295	10,337
Banklink Charges	130	130
Computer & Software Expenses	707	674
General Expenses	1,150	114
Hui Expenses	348	157
Training & Development	563	-
Travel	1,434	804
Uniforms	543	-
Depreciation	180,461	191,193
Total	<u>252,388</u>	<u>247,494</u>

Total Operating Expenses

	<u>3,066,103</u>	<u>726,977</u>
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Rangitane o Manawatu Investment Trust
Group Notes to the Performance Report
For the Year Ended 30th June 2023



5. ANALYSIS OF ASSETS AND LIABILITIES

	2023	2022
	\$	\$
(a) Bank accounts and cash		
Bank accounts and cash	1,897,659	384,472
Less: Bank Overdrafts	-	(769,933)
Net bank accounts and cash for the purpose of the Statement of Cash Flows	<u>1,897,659</u>	<u>(385,461)</u>
(b) Debtors and Prepayments		
Accounts Receivable	20,850	11,903
Interest Receivable	12	6
Prepayments	7,970	9,309
GST Receivable	25,140	56,755
Taxation Receivable	239	1
Total	<u>54,211</u>	<u>77,974</u>
(c) Land held for sale		
Stirling Crescent/Ashford Ave, PN	<u>3,976,496</u>	<u>5,307,486</u>
Total	<u>3,976,496</u>	<u>5,307,486</u>
(d) Creditors and accrued expenses		
Accounts Payable	51,950	63,446
Accrued Expenses	53,430	22,552
Receipts in Advance	14,298	14,298
Total	<u>119,678</u>	<u>100,296</u>
(e) Intangibles		
Goodwill	<u>778,814</u>	<u>778,814</u>
Total	<u>778,814</u>	<u>778,814</u>
(f) Other Current Liabilities		
Rangitane o Manawatu Settlement Trust - Current Portion	250,000	852,686
BNZ Loans - Current Portion	<u>136,833</u>	-
Total	<u>386,833</u>	<u>852,686</u>
(g) Loans		
BNZ Loans - Non-current portion	3,878,160	4,252,813
Rangitane o Manawatu Settlement Trust - Long Term Portion	12,294,055	12,124,499
Total	<u>16,172,216</u>	<u>16,377,312</u>

Rangitane o Manawatu Investment Trust
Group Notes to the Performance Report
For the Year Ended 30th June 2023



The Rangitane o Manawatu Investment Trust BNZ loan is secured by a Perfected Security interest in all present and after acquired property of Rangitane o Manawatu Investment Trust and a registered first mortgage over 434 Botanical Road, Palmerston North. There is also an all obligations unlimited interlocking company guarantee within the group (Rangitane o Manawatu Kaitiaki Limited, Rangitane o Manawatu Investment Trust and Rua Property Company Limited). The loan is on a floating interest rate. The interest rate as at balance date is 9.05% per annum.

The Rua Property Company Limited BNZ loan is secured by a Perfected Security interest in all present and after acquired property of Rua Property Company Limited and a registered first mortgage over 117 Fitzherbert Avenue, Palmerston North. There is also an all obligations unlimited interlocking company guarantee within the group (Rangitane o Manawatu Kaitiaki Limited, Rangitane o Manawatu Investment Trust and Rua Property Company Limited). The total facility is \$2,343,640 of which \$2,313,093 was drawdown and the interest rate was 8.66% per annum as at balance date.

There is no interest charged on the above Rangitane o Manawatu Settlement Trust loan and is repayable on demand. The lenders have confirmed they will be calling \$250,000 of the debt within 12 months of balance date and therefore this loan has been divided between current liabilities and term liabilities.

The loan to the Rangitane o Manawatu Settlement Trust is secured over the property at:

- Stirling Crescent/Ashford Avenue, Palmerston North
- 375-379 Church Street, Palmerston North
- 434 Botanical Road, Palmerston North

6. INVESTMENT PROPERTY

	2023	2022
	\$	\$
(a) Land		
Cost	5,479,127	5,479,127
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
Net book value	<u>5,479,127</u>	<u>5,479,127</u>

Reconciliation of the carrying amount at the beginning and end of the period:

Opening Carrying Amount	<u>5,479,127</u>	<u>5,479,127</u>
Closing Carrying Amount	<u>5,479,127</u>	<u>5,479,127</u>

(b) Buildings

Cost	5,651,641	5,651,641
Less: Accumulated Depreciation	<u>(521,027)</u>	<u>(342,726)</u>
Net book value	<u>5,130,614</u>	<u>5,308,915</u>

Reconciliation of the carrying amount at the beginning and end of the period:

Rangitane o Manawatu Investment Trust
Group Notes to the Performance Report
For the Year Ended 30th June 2023



Opening Carrying Amount	5,308,915	5,630,471
Less: Current Year Depreciation and Impairment	178,301	189,033
Less: Depreciation previous years	-	(132,523)
Closing Carrying Amount	<u>5,130,614</u>	<u>5,308,915</u>
Total Investment Property	<u>\$10,609,741</u>	<u>\$10,788,042</u>

In 2022, an adjustment for depreciation from previous years of \$132,523 was required due to the last 3 years of Performance Reports omitting to depreciate Investment Properties. The adjustment has been made against Accumulated Surpluses or Deficits per note 8 of the Performance Report.

7. PROPERTY, PLANT & EQUIPMENT

	<i>2023</i>	<i>2022</i>
	\$	\$
(a) Plant & Equipment		
Cost	54,000	54,000
Less: Accumulated Depreciation	<u>(6,480)</u>	<u>(4,320)</u>
Net book value	<u>47,520</u>	<u>49,680</u>

Reconciliation of the carrying amount at the beginning and end of the period:

Opening Carrying Amount	49,680	51,840
Plus: Purchases	-	-
Less: Current Year Depreciation and Impairment	<u>(2,160)</u>	<u>(2,160)</u>
Closing Carrying Amount	<u>47,520</u>	<u>49,680</u>
Total Property, Plant & Equipment	<u>\$47,520</u>	<u>\$49,680</u>

8. ACCUMULATED FUNDS

	<i>2023</i>	<i>2022</i>
	\$	\$
(a) Accumulated Surpluses or Deficits		
Opening Balance	47,043	282,688
Surplus/(Deficit)	1,287,079	(103,122)
Depreciation previous years on investment properties	-	(132,523)
Closing Balance	<u>1,334,121</u>	<u>47,043</u>

9. COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities

At balance date there are no known contingent liabilities (2022:\$0).

(b) Commitments

There are no commitments as at balance date (2022:\$0).

10. RELATED PARTIES

(a) Rangitane o Manawatu Kaitiaki Ltd

On 20th March 2019, Rangitane o Manawatu Investment Trust acquired Rangitane o Manawatu Kaitiaki Limited from Rangitane o Manawatu Settlement Trust.

Rangitane o Manawatu Investment Trust purchased the 1 share in Rangitane o Manawatu Kaitiaki Limited for \$1 therefore making Rangitane o Manawatu Kaitiaki Limited a 100% owned subsidiary of Rangitane o Manawatu Investment Trust.

Ngaruma Karaitiana, Christopher Whaiapu (to 14th December 2022) and Rowland Fitzgerald are all trustees of Rangitane o Manawatu Investment Trust. They are also directors of Rangitane o Manawatu Kaitiaki Limited.

On 9th June 2020, Rangitane o Manawatu Investment Trust sold the properties at Stirling Crescent/Ashford Avenue, Palmerston North to Rangitane o Manawatu Kaitiaki Limited for \$2,862,000. Further development costs and other expenses were incurred by Rangitane o Manawatu Kaitiaki Limited and paid for by Rangitane o Manawatu Investment Trust resulting in a loan between the two entities.

During the year, Rangitane o Manawatu Kaitiaki Limited repaid \$433,129 to Rangitane o Manawatu Investment.

These transactions are eliminated on consolidation of Rangitane o Manawatu Investment Trust.

(b) Rangitane o Manawatu Settlement Trust

Christopher Whaiapu (to 14th December 2022) and Rowland Fitzgerald are also a trustees of Rangitane o Manawatu Settlement Trust. Assets were transferred to the Rangitane o Manawatu Investment Trust resulting in a loan between the Rangitane o Manawatu Settlement Trust and the Rangitane o Manawatu Investment Trust as per note 5(f) and 5(g) of the financial statements.

During the year, a repayment of \$433,130 (2022:\$144,377) was made to the Rangitane o Manawatu Settlement Trust. The total liability outstanding as at 30th June 2023 is \$12,544,055 with \$250,000 to be called in the next 12 months.

On 20 March 2019, Rangitane o Manawatu Investment Trust purchased 1 share in Rangitane

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o Manawatu Kaitiaki Limited for \$1 from Rangitane o Manawatu Settlement Trust.

(c) Tahi Property Company Limited

Ngaruma Karaitiana, Rowland Fitzgerald (from 12th September 2022) and Christopher Whaiapu (to 12th September 2022) are also directors of a joint venture entity named the Tahi Property Company Limited.

Rangitane o Manawatu Investment Trust hold a 50% interest in Tahi Property Company Ltd.

Rangitane o Manawatu Investment Trust accounts for it's investment in the joint venture company using the equity method per note 12(a).

(d) Rua Property Company Limited

Ngaruma Karaitiana, Rowland Fitzgerald and Christopher Whaiapu (to 9th September 2022) are also directors of a joint venture entity named the Rua Property Company Limited.

Rangitane o Manawatu Investment Trust held a 50% interest in Rua Property Company Ltd during the 2021 financial year with the remaining shares purchased on 7th October 2021 from Wallace Development Property Company Limited.

The amount paid to Wallace Development Company Limited was \$1,284,376 which includes their shareholder advance account of \$492,893 which was transferred to Rangitane o Manawatu Investment Trust on settlement date and a net rental reimbursement of \$12,669. Therefore the amount paid for the shares was \$778,814.

Rangitane o Manawatu Investment Trust had previously accounted for this joint venture using the equity method. Rua Property Development Company Limited is now a wholly owned subsidiary of Rangitane o Manawatu Investment Trust and its transactions are consolidated into the Rangitane o Manawatu Investment Trust group from 1st July 2021.

(e) Roly Fitzgerald

Roly Fitzgerald has an interest in Iwi Education Team 2015. Iwi Education Team 2015 provided marketing services to Rangitane o Manawatu Kaitiaki Ltd for the year ended 30th June 2023 for \$10,000 (2022: \$10,000).

11. SECURITIES AND GUARANTEES

Refer to note 5(g) of the Performance Report for details of security.

The joint venture entity in note 12, Tahi Property Company Limited has given bank a guarantee to Rangitane o Manawatu Investment Trust of \$4,928,000.

There is also an all obligations unlimited interlocking company guarantee between Rangitane o Manawatu Investment Trust, Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited.

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12. JOINT VENTURE

(a) Tahī Property Company Limited

Rangitane o Manawatu Investment Trust has a 50% interest in a joint venture entity named the Tahī Property Company Limited. The company was incorporated together with Wallace Development Company Limited to construct a building and lease it to Quest Limited.

The carrying amount of the investment in the joint venture company is:

	2023 \$	2022 \$
Opening Balance	760,802	795,904
Share of net loss of JV using equity method - note 10	(112,397)	(35,102)
Closing Balance	<u>648,405</u>	<u>760,802</u>

(b) Rua Property Company Limited

Rangitane o Manawatu Investment Trust had a 50% interest in a joint venture entity named the Rua Property Company Limited. The company was incorporated together with Wallace Development Company Limited to construct a building and lease it to PowerCo Limited.

On 7th October 2021, Rangitane o Manawatu Investment Trust purchased the remaining shares in Rua Property Company Limited from Wallace Development Company Limited. As Rua Property Development Company Limited is now a wholly owned subsidiary of Rangitane o Manawatu Investment Trust and its transactions are consolidated into the Rangitane o Manawatu Trust group from the 1st July 2021.

Opening Balance	-	492,893
Shareholder advances acquired from WDCL on acquisition	-	492,893
Transfer to Related Party Receivable	<u>-</u>	<u>(985,786)</u>
Closing Balance	<u>-</u>	<u>-</u>

Total Investments accounted for using equity method

<u>648,405</u>	<u>760,802</u>
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13. EVENTS AFTER THE BALANCE DATE

There were no events that have occurred after the reporting date that would have a material impact on the performance report.

INDEPENDENT AUDITOR'S REPORT
To the Trustees of the Rangitane o Manawatu Investment Trust Group

Qualified Opinion

We have audited the consolidated group financial statements of Rangitane o Manawatu Investment Trust and its subsidiaries Rangitane o Manawatu Kaitiaki Limited and Rua Property Company Limited (the Group) on pages 5 to 19, which comprise the group statement of financial position as at 30 June 2023, the group statement of financial performance and group statement of cash flows for the year then ended, the group statement of accounting policies and other explanatory information.

In our opinion, except as noted below in the basis for opinion, the group consolidated financial statements on pages 5 to 19 present fairly, in all material respects, the group financial position of the Rangitane o Manawatu Investment Trust as at 30 June 2023 and its group financial performance, for the year then ended, in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board relevant to reporting financial position, financial performance and cash flows.

Basis for Opinion

Rangitane o Manawatu Investment Trust (the Group) has an investment in Tahī Property Company Limited (The Partnership's) as described in Note 12 of the financial statements. The Group accounts for its share of the Partnership's net result by using the financial information contained in the Partnership's financial statements. The financial statements of the Partnership was unaudited and not prepared using the same accounting framework that the Group uses to prepare its financial statements. As a result we were unable to obtain sufficient audit evidence that the net result and therefore the corresponding closing balance of the Groups investment in the Partnership was correctly disclosed as at 30 June 2023.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the 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 Group.

Restriction on Responsibility

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

Other Information

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based, on the work we have performed, 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.

Trustees Responsibility for the Group Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and for such internal control as the Trustees determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- identify and assess the risks of material misstatement of the Group financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trusts to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

CKS audit

CKS Audit

14 December 2023