



# ANNUAL REPORT

# 2020



*Rangitāne o Manawatu  
Investment Trust*

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# Chairpersons Report



**Chairman**  
Ngaruma Karaitiana

*Tēnā koutou kī a koutou kua tae mai nei kī te tautoko te kaupapa. Tēnā koutou katoa*

It seems that every financial year that we have experienced since our Settlement has had its ups and downs. However, with the emergence of Covid 19 the 2019-2020 year will always be memorable. In presenting this Annual Report for the Rangitāne o Manawatū Investment Trust I am reporting on another year of ups and downs.

## **There have been highlights.**

The completion and handing over of the Quest Hotel project would have ended the financial year in spectacular fashion but Covid 19 delayed it just enough to flip its completion into the 2020-2021 financial year. Regardless of that, I think we can justifiably celebrate its successful outcome in this report. On one level it is worth celebrating as a project and recognising that in the short term, it will generate steady future revenue. But it is more than that. I am personally proud of the quality of its design and build. We can also be proud of its sustainable-green credentials.

However, I most acknowledge the powerful positive impact it has had on the sense of Rangitāne o Manawatū “presence” in the city. This is strengthened by the beautiful carving by

Heemi Te Peeti which the Board commissioned for the hotel lobby. The Quest management and operators acknowledge that it has added a vital and special character to the hotel which is often commented on by guests as well as attracting passers-by. Several Iwi groups visiting the city have also made a point of staying at the quest recognising its Rangitāne ownership.

Those of you who have passed by the Quest recently will have noted the PowerCo office building emerging next door which is designed to complement the hotel and will be completed in April 2021.

This is also the first whole year of our ownership of the land at Awatapu College. The steady revenue from the Awatapu College rental along with that received from Tangimoana Forest now underpins our operations.

There have been frustrations. We hold significant assets for development where our costs are high and our revenue low.

Last year I reported on the former Police Station and noted our work towards demolition of all of the non-Heritage buildings to alleviate the costs of holding the property while we sought to work on the challenge of finding the right project to develop the site. After a year of work and setbacks we have still not gained a consent to proceed. I also reported last year our struggle to gain consents for the sub-division at Stirling Crescent/Ashford Avenue. We did receive this consent and tendered the work successfully only to end the year without significant progress having discovered a major area of contamination on the site which we are now set to remediate. We anticipate completing the subdivision in the current financial year.



I noted in the last year's report that along with my fellow trustees Roly Fitzgerald and Chris Whaiapu, I looked forward to a breakthrough year in the next reporting period with much success to report. I thank Roly and Chris for their contribution to the mahi of the Investment Trust. We continue to strive and to drive our kaupapa forward with determination and optimism.

We continue to work closely with the Rangitāne o Manawātū Settlement Trust (RoMST) and to report to the beneficiaries alongside them. I attend RoMST Board meetings regularly to report to the trustees and ensure that there is transparency and accountability in place. I acknowledge the ongoing support of Danielle Harris and the RoMST trustees and the positive relationship between the two entities.

Likewise, we are well supported by contracted services from the team at Tanenuiarangi Manawatu Incorporated and I would like to particularly acknowledge the fine work of Debbie Te Puni and Tina Murdie.

I comment this report and our attached Financial Statements to you, our beneficiaries.

*Ko ngā pae tawhiti, whāia kia tata. Ko ngā pae tata, whakamaua kia tina!*  
*Nōreira, Ngā mihi kia kotou*



Chair – Rangitāne o Manawātū Investment Trust



## A Year in review from The Directors

### ROLY FITZGERALD



*Ko te Karaipeture e kii ana, “I te timatanga te kupu”*

*Ko Rangitāne e kii ana, “Tini Whetu ki te Rangi, ko Rangitānenui ki te whenua” Tihei Mauriora.*

The privilege of serving alongside fellow Director Trustees Christopher Whaiapu, Ngaruma

Karaitiana together with the unwavering support of Debbie Te Puni remains with great appreciation.

Whilst C19 placed many challenges in front of our communities this year, I join with my colleagues in the opportunities we were able to realise inside our work programme, not the least of which is our newest completed property development, the Quest Palmerston North.

The new premises for PowerCo also on Fitzherbert Avenue another achievement our beneficiaries will be proud of for the generations to follow.

We look forward to the coming 12 months which will see significant progress to our Hokowhitu subdivision and the old Police Station site, and we continue to welcome and encourage engagement from our beneficiaries and whānau whānui.

Nō reira, e mihi atu ana, e whakamanawa atu ana kia koutou, kia tātou, tēnā koutou katoa.

*Mr Roly Fitzgerald*

### CHRISTOPHER WHAIAPU



*Ka mihia ki o tātou mate huhua o te motu. Rātou kia rātou, tātou ngā mahuetanga iho o rātou mā, tēnā hui hui mai tātou katoa. Ka mihia ki tēnei kaupapa mō to tāua nei Iwi, te whakatau i te hoko a te pūtea hei oranga mā tātou*

I’m happy to provide in summary my report against as a Director/Trustee on the Rangitāne o Manawatū Investment Trust.

This year has seen many great undertakings, with the completion and opening of the new Quest Hotel to the turning of the soil for the new PowerCo offices. I’m pleased to see that we are making clearer financial decisions regarding where and what we will invest in, as well as continuously thinking about the future opportunities for future generations.

I would like to thank my fellow Trustee Roly Fitzgerald, and in particular our Chair – Ruma Karaitiana and my appreciation to our Trust Secretary Debbie Te Puni, for the backbone services in support of our Trust.

I would like to encourage whanau to engage more with the Investment Trust, as we begin the discussions around what the next 5 years direction will be, and I encourage whanau to participate in any or all of the activities that are being developed, as its highly important that your involvement, voice, participation and contribution is heard.

Nā reira, mā te atua koutou, tātou e manaaki, tēnā tātou katoa.

*Mr Christopher Whaiapu*

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## Strategic Priorities Guiding the Annual Plan

The Rangitāne o Manawātū Investment Trust (RoMIT) Strategic Plan was developed to align with the Rangitāne o Manawātū Settlement Trust Strategic (RoMST) Plan. The Directors have identified 5 key strategic priorities that will contribute to the vision of RoMIT “Future prosperity and wellbeing for Rangitāne Iwi, Hapu and whanau”.

The Five key strategic priorities are:

<b>1. MAXIMISING OPPORTUNITIES AND RETURNS OF THE SETTLEMENT</b>	
AIM	Understand the economic potential of Rangitāne o Manawatu assets.
<b>2. BUILDING AN ECONOMIC FUTURE</b>	
AIM	Increase Capital Growth Through Revenue
<b>3. PRESENCE</b>	
AIM	Contributing to ensure that RoM public presence in the community is a positive one.
<b>4. ADMINISTRATION/POLICY</b>	
AIM	Develop a process of reporting and measurement of progress.
<b>5. DISTRIBUTION STRATEGY</b>	
AIM	Contribute to developing a strategy for enabling distribution in a structured way to achieve sustainable distribution requirements

The 2020 – 2021 Annual Plan sets out to identify those aspects of the RoMIT Strategic Plan which the Trustees have identified as the priority aspects to tackle in this financial year. It is important to note that this will be the third full year of business since the Rangitāne o Manawātū settlement was effected. As such this plan presents a year of business which continues to be very much focused on establishment and the initiation of business which will carry on into future planning years

## Key Projects and Tasks

1 July 2019 to 30 June 2020

MAXIMISING OPPORTUNITIES AND RETURNS OF THE SETTLEMENT				
Project	Summary	Objectives	Key Tasks	2020
Develop and publish financial policies to align with a Statement of Investment Policy and Objectives (SIPO)	Develop financial policies and SIPO to specify: <ul style="list-style-type: none"> <li>• The Trustees' Overall Investment Objectives.</li> <li>• RoMIT's Investment Strategy.</li> <li>• Roles and responsibilities of the parties involved in the Implementation of the SIPO</li> <li>• Principles and values that will underpin the way investment is undertaken.</li> </ul>	To document the decisions the Trustees have made regarding the investment management of RoMIT settlement assets.	<ul style="list-style-type: none"> <li>• Review &amp; update the SIPO to align with financial policies.</li> <li>• Monitoring and reporting against the SIPO</li> </ul>	ACHIEVED
REALISING OUR PROJECTS 2019-2020				
Fitzherbert – Ranfurly Development	Providing revenue to at least cover costs of holding the asset while generating long-term "hold"	Development project.	<ul style="list-style-type: none"> <li>• Complete construction of Quest Hotel</li> <li>• Track project</li> <li>• Develop monitoring and reporting process from Tahi</li> <li>• Revalue on completion</li> </ul>	ACHIEVED
Fitzherbert – Ranfurly Development		Plan use of site balance	<ul style="list-style-type: none"> <li>• Seek development project for balance of Fitzherbert site.</li> </ul>	ACHIEVED
Stirling – Ashford Development	Development of site as sub-division and sell to deliver additional capital	Realisation of opportunity to increase capital base	<ul style="list-style-type: none"> <li>• Finalise design and develop tender for works</li> <li>• Develop Marketing Plan</li> <li>• Develop tender for the site works.</li> <li>• Select contractors</li> <li>• Finalise Borrowing</li> <li>• Complete development and prepare for sale of sections</li> </ul>	IN PROGRESS

Former Police Station	Joint venture development of site in liaison with PNCC, Heritage NZ and potential investors.	Confirm development and plans for this site.	<ul style="list-style-type: none"> <li>Obtain consent for partial demolition</li> <li>Seek potential projects and likely tenants/partners</li> <li>Revalue on completion</li> </ul>	<b>INPROGRESS</b>
Awatapu School Project	To begin the process to evaluate the opportunity	To build a business case and specifically understand the best timing for acquisition	<ul style="list-style-type: none"> <li>Agree transfer value</li> <li>Negotiate and sign lease</li> <li>Get Revenue!</li> <li>Investigate potential Borrowing options.</li> </ul>	<b>ACHIEVED</b>
Former Police Station	Joint venture development of site in liaison with PNCC, Heritage NZ and potential investors.	Confirm development and plans for this site.	<ul style="list-style-type: none"> <li>Obtain consent for partial demolition</li> <li>Seek potential projects and likely tenants/partners</li> <li>Revalue on completion</li> </ul>	<b>ACHIEVED</b>
Awatapu School Project	To begin the process to evaluate the opportunity	To build a business case and specifically understand the best timing for acquisition	<ul style="list-style-type: none"> <li>Agree transfer value</li> <li>Negotiate and sign lease</li> <li>Get Revenue!</li> <li>Investigate potential Borrowing options.</li> </ul>	<b>ACHIEVED</b>
Tangimoana Forest			<ul style="list-style-type: none"> <li>Investigate rent review process</li> <li>Investigate <ul style="list-style-type: none"> <li>harvest and replanting cycle</li> </ul> </li> <li>Handback option</li> </ul>	<b>ACHIEVED</b>
Te Wakahuia Project	Evaluate potential investment opportunity		<ul style="list-style-type: none"> <li>Set up process to bring together all the factors required</li> <li>Risk Mitigation of project</li> <li>Make a Go/No Go decision</li> <li>Borrowing</li> <li>Develop business case</li> </ul>	<b>ACHIEVED</b>

## Summary

The emphasis this financial year was to maximise opportunities represented by the Deferred Selection properties after the rights expired in March 2019. Having purchase rights expired our focus has been on finding and implementing developments on the properties.

Disappointing progress has been made with the Former Police Station and progress on the Stirling – Ashford Development has been slow.

The major success has been the build of the Quest Hotel on Fitzherbert Avenue and securing PowerCo as a tenant on the balance of the Fitzherbert Avenue site.



BUILDING AN ECONOMIC FUTURE				
Project	Summary	Objectives	Key Tasks	OUTCOME
Cash Management	Confirm best cash yield opportunities within parameters of SIPO	Maximise returns conservatively on small remaining cash holding.	<ul style="list-style-type: none"> <li>Investigate and understand options for investment</li> <li>Compare and analyse various bank and other returns and risk profiles</li> </ul>	ONGOING
Board Development and Process Improvement	Continually seek to improve RoMIT Board processes and performance	Achieving strong Board performance which is guided and driven by our values and Rangitāne tikanga	<ul style="list-style-type: none"> <li>Explore and introduce digitally enabled processes</li> <li>Develop a skills matrix and conduct a gap analysis</li> <li>Identify training needs</li> <li>Carry out a formal self-review of the Board and its performance</li> </ul>	ONGOING

## Summary

The items in this category are very much “business as usual” and as such will always be ongoing. However, the Board continues to work diligently on ensuring that we continue to progress the objectives and ensure we are an efficient, prudent and high-performing entity.

DISTRIBUTION STRATEGY			
Project	Summary	Objectives	Key Tasks
Aim	Contribute to developing a strategy for enabling distribution in a structured way to achieve sustainable distribution requirements		
NOTE : Unlikely to be addressed in this planning period			

## Summary

As anticipated our development focus has required rigorous management of capital precluding any distribution focus this period

ADMINISTRATION POLICY				
Project	Summary	Objectives	Key Tasks	OUTCOME
Review Letter of Expectation	Letter of Expectation understood and signed in agreement	Clarity about the relationship between RoMIT and RoMST as well as the expectations	<ul style="list-style-type: none"> <li>Agree and sign Annual Letter of Expectation</li> </ul>	ACHIEVED
Develop and publish RoMIT Annual Plan 2019-2020	Set in place and communicate a plan to give effect to 12 months of Strategic Plan progress	Publish and communicate goals, objectives and key tasks to be achieved within a specific annualised period	<ul style="list-style-type: none"> <li>Develop a draft and agree content</li> <li>Publish to RoMST for comment by 30 April 2020</li> <li>Finalise and publish</li> </ul>	ACHIEVED
Develop and publish RoMIT Annual Budget 2019-2020	Set in place and communicate a budget to support the RoMIT Annual Plan 2020-2021	Prudent management of funds in a structure to provide the basis for reporting and decision making	<ul style="list-style-type: none"> <li>Analyse and set draft budgets by line item by 30 April 2020</li> </ul>	ACHIEVED

## Summary

The items in this category are very much “business as usual” and as such will always be ongoing. However, the Board continues to work diligently on ensuring that we continue to progress the objectives and ensure we are an efficient, prudent and high-performing entity.

In the case of these items they are all essential to ensuring we are transparent in our actions and decisions and remain accountable to both RoMST and the beneficiaries.

ADMINISTRATION POLICY (continued)				
Project	Summary	Objectives	Key Tasks	OUTCOME
Develop and publish the annual Board Workplan and Periodic Reporting Schedule	Set in place and communicate reporting to meet the requirements of the RoMST Letter of Expectation	Meet both best practice and RoMST requirements for regular good quality reporting	<ul style="list-style-type: none"> <li>Develop a reporting process</li> <li>Report to RoMST as per RoMST Work Plan 2019-2020</li> </ul>	ACHIEVED
Develop a full set of policies and practices to appropriately support the effective operation of the RoMIT business	Set in place a full suite of policies and practices and regularly review them based on a work plan	Meet both best practice and RoMST requirements for the prudent and high quality operation of the business of RoMIT	<ul style="list-style-type: none"> <li>Regularly review policies and practices</li> <li>Develop new policies and practices as appropriate and as identified as needed</li> </ul>	ONGOING

## Summary

As noted above, the items in this category are very much “business as usual” and as such will always be ongoing. However, the Board continues to work diligently on ensuring that we continue to progress the objectives and ensure we are an efficient, prudent and high-performing entity.

In the case of these items they are all essential to ensuring we are transparent in our actions and decisions and remain accountable to both RoMST and the beneficiaries.

PRESENCE				
Project	Summary	Objectives	Key Tasks	OUTCOME
<b>Aim</b>	Contributing to ensure that RoM public presence in the community is a positive one.			
Ensure that all development projects add positively to the overall environment and economy of Palmerston North	Positive development principles	Development projects that are best practice and conform to regulation	<ul style="list-style-type: none"> <li>Continue to build strategy (<i>unlikely to be in this period</i>).</li> <li>Design and develop all projects to best practice</li> <li>Adhere to positive environmental principles</li> </ul>	ONGOING

## Summary

The Stirling Crescent/Ashford Avenue sub-division has progressed slowly mainly because we have been determined to implement best practice and apply strong environmental values. Similarly we have rejected projects for the balance of the Fitzherbert Avenue site because the tenant’s focus has not met our social policy values. The former Police Station presents challenges because its degraded condition presents badly. We are working towards demolition of all of the non-Heritage buildings to alleviate this. The Quest Hotel will eventually make a positive aesthetic and economic impact on the community. The adjoining PowerCo building is complimentary in design and will build a further positive presence.

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## Audited Annual Financial Statements

# Rangitane o Manawatu Investment Trust

PALMERSTON NORTH

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## Group Performance Report

For the Year Ended 30th June 2020



**Rangitane o Manawatu Investment Trust**  
**Group Performance Report**  
**For the Year Ended 30th June 2020**

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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

**BANKERS**

Bank of New Zealand  
Palmerston North

**Rangitane o Manawatu Investment Trust**  
**Group Entity Information**  
**As at 30th June 2020**



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**LEGAL NAME OF ENTITY**

Rangitane o Manawatu Investment Trust and its subsidiary Rangitane o Manawatu Kaitiaki 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. Rangitane o Manawatu Kaitiaki Limited is a company registered under the Companies Act 1993.

**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 3 trustees, who also act as the board members. The Settlers of the Trust are the Trustees of Rangitane o Manawatu Settlement Trust.

Company Structure

The company was established under the Companies Act 1993. The constitution 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. The company currently has 3 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.

**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 2020**



**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**

	<b>Targets</b>	<b>This Year</b>	<b>Last Year</b>
Number of trustee meetings held	11	11	11
Number of properties surveyed for possible acquisition	-	1	8
Number of properties acquired for development	-	-	2
Number of properties under development	3	3	1
Number of properties held for development	1	1	-
Number of properties completed development	-	-	-
Number of reporting meetings with RoMST	4	4	4
Number of reporting hui with beneficiaries	2	2	2

**Rangitane o Manawatu Investment Trust**  
**Group Statement of Financial Performance**  
**For the Year Ended 30th June 2020**



	Note	2020 \$	2019 \$
<b>REVENUE</b>			
Revenue from providing goods or services	3	516,885	44,334
Interest, dividends and other investment revenue	3	36,888	185,660
<b>Total Revenue</b>		<b>553,773</b>	<b>229,994</b>
<b>Less Expenses</b>			
Volunteer and employee related costs	4	49,000	50,739
Costs related to providing goods or services	4	246,935	208,361
Other expenses	4	57,321	43,434
<b>Total Expenses</b>		<b>353,256</b>	<b>302,534</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>\$200,517</b>	<b>(\$72,540)</b>

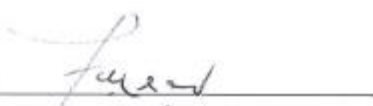
**Rangitane o Manawatu Investment Trust**  
**Group Statement of Financial Position**  
**As at 30th June 2020**



	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Bank accounts and cash	5	93,087	7,082,486
Debtors and prepayments	5	60,796	9,796
<b>Total Current Assets</b>		153,883	7,092,282
<b>NON-CURRENT ASSETS</b>			
Investments	5	1,170,682	-
Investment property held for development	5	10,793,009	5,578,420
Investments accounted for using the equity method	10	1,459,978	598,889
<b>Total Non-Current Assets</b>		13,423,669	6,177,309
<b>TOTAL ASSETS</b>		13,577,552	13,269,591
<b>CURRENT LIABILITIES</b>			
Creditors and accrued expenses	5	45,485	50,805
<b>NON-CURRENT LIABILITIES</b>			
Loans	5	13,311,561	13,198,797
<b>TOTAL LIABILITIES</b>		13,357,046	13,249,602
<b>NET ASSETS</b>		\$220,506	\$19,989
Represented by:			
<b>ACCUMULATED FUNDS</b>			
Accumulated surpluses or (deficits)	6	220,506	19,989
<b>TOTAL ACCUMULATED FUNDS</b>		\$220,506	\$19,989

For and on behalf of the trustees;

Trustee 

Trustee 

Trustee 

Date **7 DECEMBER 2020**

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



	Note	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from providing goods and services		377,244	57,163
Interest, dividends and other investment receipts		22,273	262,815
Net GST refunds received from IRD		1,894	-
		401,411	319,978
<b>Cash was applied to:</b>			
Payments to suppliers and employees		267,890	150,025
Net GST paid to IRD		-	907
		267,890	150,932
<b>Net Cash Inflow (Outflow) from Operating Activities</b>		133,521	169,046
<b>INVESTING AND FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Proceeds from investments		-	8,252,335
		-	8,252,335
<b>Cash was applied to:</b>			
Loan repayments		305,736	158,097
Loans advanced		282,586	-
Acquisition of investments		1,170,682	-
Acquisition of investment property		5,363,916	1,320,560
		7,122,920	1,478,658
<b>Net Cash Inflow (Outflow) from Investing and Financing Activities</b>		(7,122,920)	6,773,678
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		(6,989,398)	6,942,724
Opening Cash and cash equivalents		7,082,486	139,762
<b>Closing Cash and Cash Equivalents</b>	5	93,087	7,082,486

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



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## 1. STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

The group financial statements of Rangitane o Manawatu Investment Trust and its subsidiary Rangitane o Manawatu Kaitiaki Limited are presented for the year ended 30th June 2020. 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 an asset holding company and is a company incorporated in New Zealand registered under the Companies Act 1993.

### BASIS OF PREPARATION

Rangitane o Manawatu Investment Trust has 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 it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000.

Rangitane o Manawatu Kaitiaki Limited has prepared its special purpose financial statements in accordance with the policies of the company. There are no significant differences in accounting policies that have an effect on the consolidation of the financial statements into the Rangitane o Manawatu Investment Trust.

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

Rangitane o Manawatu Investment Trust has opted up to PBE IPSAS 37, Joint Arrangements, as applicable to the Trust's circumstances and appropriate to PBE SFR-A (NFP). The trust has recognised its interest in a joint venture as an investment and has accounted for the investment using the equity method in accordance with PBE IPSAS 36, Investments in Associates and Joint Ventures.

Rangitane o Manawatu Investment Trust has opted up to PBE IPSAS 35, Consolidated Financial Statements, as applicable to the Trust's circumstances and appropriate to PBE SFR-A (NFP).

### 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.

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**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) are consistent with the policies adopted by the Group and has the same (June) reporting date.

**(b) 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 10.

**(c) 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.

**(d) Investments**

Investments comprise of bank term deposits and property & land purchased for development. Investments are recorded at the lower of cost and current market value. Costs that are considered capital in nature are capitalised when there is certainty around project continuing.

**(e) 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.

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



(f) **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**

	<i>2020</i>	<i>2019</i>
	\$	\$
<b>(a) Revenue from providing goods or services</b>		
License Fee	37,300	24,867
Profit on Sale of 109 Fitzherbert Ave, PN	141,672	-
Rent Received - 10 Ranfurly Street, PN	10,198	16,551
Rent Received - Carparking	7,243	2,916
Rent Received - Awatapu College	<u>320,472</u>	<u>-</u>
Total	<u>516,885</u>	<u>44,334</u>
<b>(b) Interest, dividends and other investment revenue</b>		
Interest Received	<u>36,888</u>	<u>185,660</u>
Total	<u>36,888</u>	<u>185,660</u>
<b>Total Operating Revenue</b>	<u>553,773</u>	<u>229,994</u>

4. **ANALYSIS OF EXPENSES**

	<i>2020</i>	<i>2019</i>
	\$	\$
<b>(a) Volunteer and employee related costs</b>		
Trustee Fees - R Fitzgerald	12,000	12,000
Trustee Fees - R Karaitiana	25,000	25,000
Trustee Fees - C Whaiapu	<u>12,000</u>	<u>13,739</u>
Total	<u>49,000</u>	<u>50,739</u>
<b>(b) Costs related to providing goods or services</b>		
Loss on Sale of 109 Fitzherbert Ave, PN	-	139,140
Property Maintenance Fees - 10 Ranfurly Street, PN	1,016	1,875
Security	-	1,175
Consultancy	1,460	-
Legal Expenses	10,509	7,063
Rates	<u>81,867</u>	<u>40,573</u>



**Rangitane o Manawatu Investment Trust**  
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**For the Year Ended 30th June 2020**



Repairs & Maintenance	10,717	10,274
Valuation Fees	10,370	7,150
Share of net loss of JV using equity method - note 10	130,996	1,111
<b>Total</b>	<b>246,935</b>	<b>208,361</b>

**(c) Other expenses**

Accounting Fees	15,265	11,018
Administration	18,285	15,319
Audit Fees	7,450	5,950
Bank Charges	5,912	150
Banklink Charges	141	130
Koha	-	500
General Expenses	296	641
Hui Expenses	148	497
Insurance	7,982	7,636
Interest	1,131	-
Motor Vehicle Expenses	447	1,593
Travel	264	-
<b>Total</b>	<b>57,321</b>	<b>43,434</b>

**Total Operating Expenses**

<b>353,256</b>	<b>302,534</b>
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**5. ANALYSIS OF ASSETS AND LIABILITIES**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Bank accounts and cash</b>		
BNZ Current Account - #00	82,699	680,556
BNZ Current Account - #25	10,388	6,401,930
<b>Total bank accounts and cash</b>	<b>93,087</b>	<b>7,082,486</b>
<b>Net bank accounts and cash for the purpose of the Statement of Cash Flows</b>	<b>93,087</b>	<b>7,082,486</b>
<b>(b) Debtors and Prepayments</b>		
Accounts Receivable	636	2,669
Interest Receivable	15,299	684
Prepayments	40,312	-
GST Receivable	4,549	6,443
<b>Total</b>	<b>60,796</b>	<b>9,796</b>
<b>(c) Investments</b>		
BNZ Term Deposits	1,170,682	-
<b>Total</b>	<b>1,170,682</b>	<b>-</b>





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**(d) Investment Property**

12 Ranfurly St, PN	836,355	828,032
Stirling Crescent/Ashford Ave, PN	3,112,154	2,932,560
113-117 Fitzherbert Ave, PN	-	567,828
375-379 Church Street, PN	1,250,000	1,250,000
434 Botanical Road, PN	5,176,000	-
Tangimoana Forest	418,500	-
<b>Total</b>	<b>10,793,009</b>	<b>5,578,420</b>

Land at Tangimoana Forest was transferred from Rangitane o Manawatu Settlement Trust to Rangitane o Manawatu Investment Trust during the 2020 financial year. Prior to this, the land could not be transferred to Rangitane o Manawatu Investment Trust as the title had not been received from the Crown. Therefore in the 2019 financial year, the land resided in the Rangitane o Manawatu Settlement Trust with the associated Licence fee income shown in the Rangitane o Manawatu Investment Trust.

**(e) Creditors and accrued expenses**

Accounts Payable	31,187	36,507
Receipts in Advance	14,298	14,298
<b>Total</b>	<b>45,485</b>	<b>50,805</b>

**(f) Loans**

Rangitane o Manawatu Settlement Trust	13,311,561	13,198,797
<b>Total</b>	<b>13,311,561</b>	<b>13,198,797</b>

There is no interest charged on the above loans and are repayable on demand. The lenders have confirmed they will not call the debt within 12 months of balance date and therefore the loans have been accounted for as term liabilities.

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

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

**6. ACCUMULATED FUNDS**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Accumulated Surpluses or Deficits</b>		
Opening Balance	19,989	145,500
Acquisition of subsidiary impact	-	(52,971)
Surplus/(Deficit)	200,517	(72,540)
<b>Closing Balance</b>	<b>220,506</b>	<b>19,989</b>

The impact of acquiring the subsidiary during the year (refer Note 8) is a reduction in equity of the Rangitane o Manawatu Investment Trust group financial statement's of \$52,971 as shown above.



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## 7. COMMITMENTS AND CONTINGENCIES

### (a) **Contingent Liabilities**

At balance date there are no known contingent liabilities (2019:\$0).

### (b) **Commitments**

There are no commitments as at balance date (2019:\$0).

## 8. RELATED PARTIES

### (a) **Rangitane o Manawatu Kaitiaki Ltd - 100% Owned Subsidiary**

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 and Rowland Fitzgerald are all trustees of Rangitane o Manawatu Investment Trust. They are also directors of Rangitane o Manawatu Kaitiaki Limited.

During the year, Rangitane o Manawatu Investment Trust repaid \$920 to Rangitane o Manawatu Kaitiaki Limited. During the 2019 financial year, Rangitane o Manawatu Kaitiaki Limited loaned \$24 to Rangitane o Manawatu Investment Trust. These transactions are eliminated on consolidation.

### (b) **Rangitane o Manawatu Settlement Trust**

Christopher Whaiapu is also a trustee of Rangitane o Manawatu Settlement Trust. Assets have been 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) of the financial statements.

During the 2020 financial year, a repayment of \$305,735 (2019:\$158,122) was made to the Rangitane o Manawatu Settlement Trust.

On 20 March 2019, Rangitane o Manawatu Investment Trust purchased 1 share in Rangitane o Manawatu Kaitiaki Limited for \$1 from Rangitane o Manawatu Settlement Trust per note 8(a).

Under the terms of the Treaty Settlement agreement, certain properties are available to the Rangitane o Manawatu Settlement Trust to purchase. During the year, the Awatapu College site at 434 Botanical Road, Palmerston North was purchased and immediately onsold to the Rangitane o Manawatu Investment Trust for the same price (\$5,176,000). Rangitane o Manawatu Settlement Trust also sold the property at the Tangimoana Forest to Rangitane o



**Rangitane o Manawatu Investment Trust**  
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**For the Year Ended 30th June 2020**



Manawatu Investment Trust for \$418,500. In the 2019 financial year, a property at 375-379 Church Street, Palmerston North was purchased and immediately onsold to the Rangitane o Manawatu Investment Trust for the same price (\$1,250,000).

**(c) Tahi Property Company Limited**

Ngaruma Karaitiana and Christopher Whaiapu 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.

During the year, Capital Contributions of \$282,586 and land of \$709,500 was sold to Tahi Property Company Limited. During the 2019 financial year, land was sold to the Tahi Property Company Limited for \$600,000. Rangitane o Manawatu Investment Trust accounts for it's investment in the joint venture company using the equity method per note 10.

**9. SECURITIES AND GUARANTEES**

There is a BNZ loan facility of \$1,984,800 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. The facility has not been used as at balance date.

For details of the security to Rangitane o Manawatu Settlement Trust, please refer to note 5(f) of the Performance Report.

**10. JOINT VENTURE**

Rangitane o Manawatu Investment Trust has a 50% interest in a joint venture entity named the Tahi 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:

Opening Balance	598,889	-
Capital Contributions	992,086	600,000
Share of net loss of JV using equity method	(130,996)	(1,111)
Closing Balance	<u>1,459,979</u>	<u>598,889</u>

**11. 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. (2019: On the 3rd July 2019, Rangitane o Manawatu Investment Trust acquired the Awatapu College site at 434 Botanical Road, Palmerston North for \$5,176,000.)

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**12. COVID-19 IMPACT**

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. The lockdown progressively eased back to level 1 on 9 June 2020.

While the effects of the lockdown delayed the building of the Quest hotel (via the Tahiti Partnership Investment) and the development of the Stirling Crescent and Ashford Avenue subdivisions, the impact on the Trust was not considered significant.



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

**Qualified Opinion**

We have audited the consolidated financial statements of Rangitane o Manawatu Investment Trust and its subsidiary Rangitane o Manawatu Kaitiaki Limited (the Group) on pages 4 to 14, which comprise the statement of financial position as at 30 June 2020, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion, except as noted below in the basis for opinion, the consolidated financial statements on pages 4 to 14 present fairly, in all material respects, the financial position of the Rangitane o Manawatu Investment Trust as at 30 June 2020 and its 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 Tahi Property Company Limited (The Partnership) as described in Note 10 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 were unaudited and are 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 2020.

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 Rangitane o Manawatu Investment Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 Rangitane o Manawatu Investment Trust.

**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 Financial Statements**

The Trustees are responsible 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 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 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 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.

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**

**7 December 2020**

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