

Te Runanganui o Ngati Porou & Group

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Trustees Responsibility Statement

For the Period Ended 30 June 2015

The Trustees are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Te Runanganui o Ngati Porou and Group as at 30 June 2015 and the results of their operations and cash flows for the year ended 30 June 2015.

The Trustees consider that the financial statements of Te Runanganui o Ngati Porou and Group have been prepared using accounting policies appropriate to the company and group circumstances, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable New Zealand Equivalents to International Financial Reporting Standards have been followed.

The Trustees have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Te Runanganui o Ngati Porou and Group and enable them to ensure that the financial statements comply with the Financial Reporting Act 2013.

The Trustees have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Trustees consider that adequate steps have been taken to safeguard the assets of Te Runanganui o Ngati Porou and group and to prevent and detect fraud and other irregularities.

The Trustees are pleased to present the financial statements of Te Runanganui o Ngati Porou and Group for the period ended 30 June 2015. This annual report is dated 6 November 2015 and is signed in accordance with a resolution of the Trustees made on the same date.

For and on behalf of the Trustees



S. Parata

Chairman - Board of Trustees



R. Kohere

Deputy Chairman - Board of Trustees



INDEPENDENT AUDITOR'S REPORT TO TRUSTEE OF TE RUNANGANUI O NGATI POROU AND GROUP

Report on the Consolidated and Separate Financial Statements

We have audited the accompanying consolidated and separate financial statements of Te Runanganui O Ngati Porou and Group on pages 4 to 45, which comprise the consolidated and separate statements of financial position as at 30 June 2015, and the consolidated and separate income statements, statements of comprehensive income, statements of movements in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustee of Te Runanganui o Ngati Porou, in accordance with Section 12.2 of the Trust Deed. Our audit has been undertaken so that we might state to the Trustee 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 company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Trustee's Responsibility for the Consolidated and Separate Financial Statements

The Trustee is responsible for the preparation and fair presentation of these consolidated and separate financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards with Public Benefit Entity Modifications ("NZ IFRS PBE") and generally accepted accounting practice in New Zealand, and for such internal control as the Trustee determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated and separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with or interests in Te Runanganui o Ngati Porou or any of its subsidiaries.

Opinion

In our opinion, the consolidated and separate financial statements on pages 4 to 45 present fairly, in all material respects, the financial position of Te Runanganui o Ngati Porou and Group as at 30 June 2015, and their financial performance and cash flows for the year then ended in accordance with NZ IFRS PBE and generally accepted accounting practice in New Zealand.

Chartered Accountants

Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	GROUP		PARENT	
		2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
REVENUE					
Service delivery	4	12,380	11,156	3,512	3,234
Commercial trading revenue	4	4,911	5,339	–	–
Rental income	4	744	784	118	109
Interest income		1,266	4,069	11	–
Dividend income		2,665	987	2,032	2,000
Unrealised gains on asset valuation	4	13,020	1,807	–	–
Share income from Associate Entities	4	2,813	2,833	–	–
Quota, product share & other income	4	2,654	2,480	1,182	820
Total Income		40,453	29,455	6,855	6,163
EXPENSES					
Employee benefit expense		13,569	12,316	4,310	3,524
Cost of sales from commercial operations	4	2,214	2,282	–	–
Depreciation expense	4	529	504	131	121
Impairment of hospital property		517	–	–	–
Finance cost		983	698	1,607	977
Rental expense		352	409	95	132
Other expenses		10,013	9,012	4,068	3,374
Total Expenses		28,177	25,221	10,211	8,128
Net surplus/(deficit) for the period		12,276	4,235	(3,356)	(1,965)
Other Comprehensive Income					
Total Comprehensive Income before taxation		12,276	4,235	(3,356)	(1,965)
Taxation Expense	28	(36)	494	(36)	494
Total Comprehensive Income after taxation		12,312	3,741	(3,320)	(2,459)

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on pages 8 to 45 form an integral part of these Financial Statements

Statement of Movements in Equity

For the year ended 30 June 2015

	Note	GROUP		PARENT	
		2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Retained Earnings					
Opening balance		185,837	182,096	120,095	126,803
Net Surplus/(Deficit) for the year		12,312	3,741	(3,320)	(2,459)
Distribution to Toitu Ngati Porou Trust		–	–	(1,350)	(4,249)
Distribution to Ngati Porou Hauora		–	–	(1,250)	–
Closing Balance		198,149	185,837	114,175	120,095
Reserves					
Opening balance	20	2,703	2,703	1,499	1,499
Closing Balance		2,703	2,703	1,499	1,499
TOTAL EQUITY		200,852	188,540	115,674	121,594

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on pages 8 to 45 form an integral part of these Financial Statements

Statement of Financial Position

As at 30 June 2015

	Note	GROUP		PARENT	
		2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
CURRENT ASSETS					
Bank accounts	7	18,661	56,177	67	–
Trade and other receivables	8	4,857	3,994	2,146	1,548
Inventories	9	9	6	–	–
Work in progress		2,865	224	2,593	163
Taxation	26.2	1,239	1,257	684	356
Total Current Assets		27,631	61,658	5,490	2,067
NON-CURRENT ASSETS					
Investments	10a	119,607	69,869	136,929	136,929
Ngati Porou Hauora Charitable Trust		–	–	–	908
Carbon credits	10b	2,684	1,599	–	–
Biological assets	12	6,722	5,608	–	–
Quota shares	13	19,011	18,455	–	–
AFL income shares	14	16,886	16,886	–	–
Property, plant and equipment	15	31,452	31,996	7,477	7,450
Total Non-Current Assets		196,362	144,413	144,406	145,287
CURRENT LIABILITIES					
Bank accounts	7	5,892	1,752	4,306	1,303
Trade and other payables	16	4,369	4,631	7,251	4,529
Taxation		–	–	–	123
Borrowings	17	452	299	241	100
Employee Entitlements	18	1,120	832	256	241
Deferred taxation	26.3	229	132	229	132
Total Current Liabilities		12,062	7,646	12,283	6,428
NON-CURRENT LIABILITIES					
Borrowings	19	11,079	9,885	21,939	19,331
Total Non-Current Liabilities		11,079	9,885	21,939	19,331
Net Assets		200,852	188,540	115,674	121,594
EQUITY					
Reserves	20	2,703	2,703	1,499	1,499
Retained earnings		198,149	185,837	114,175	120,095
TOTAL EQUITY		200,852	188,540	115,674	121,594

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on pages 8 to 45 form an integral part of these Financial Statements

Statement of Cash Flows

For the year ended 30 June 2015

	Note	GROUP		PARENT	
		2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Cash flows from operating activities					
Service delivery		11,453	11,453	2,934	3,788
Commercial Trading Operations		4,723	5,339	-	-
Interest received		1,266	4,069	11	-
Dividends received		2,665	987	2,032	2,000
Share of income from associate		2,813	2,833	-	-
Other income		2,313	4,182	1,300	929
Payments to suppliers and operating expenses		(11,156)	(10,512)	(3,130)	(3,458)
Payments to employees, directors and trustees		(14,067)	(13,233)	(4,295)	(3,950)
GST paid		(583)	(212)	(27)	(55)
Interest paid		(983)	(698)	(1,607)	-
Income tax payable		151	645	(318)	(456)
Net cash inflow/(outflow) from operating activities	21	(1,405)	4,853	(3,100)	(1,202)
Cash flows from investing activities					
Purchase of listed investments		(37,760)	(69,527)	-	-
Purchase of property, plant & equipment		(3,143)	(2,395)	(2,585)	(3,657)
Purchase of biological assets		(695)	(1,900)	-	-
Net cash (outflow) from investing activities		(41,598)	(73,822)	(2,585)	(3,657)
Cash flow from financing activities					
Loan paid to Ngati Porou Hauora Charitable Trust		-	-	-	642
Loans and advances		1,347	2,159	2,749	2,915
Net cash inflow from financing activities		1,347	2,159	2,749	3,557
Net (decrease) in cash held		(41,656)	(66,810)	(2,936)	(1,302)
Opening balance of cash		54,425	121,235	(1,303)	(1)
Closing balance of cash	7	12,769	54,425	(4,239)	(1,303)

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on pages 8 to 45 form an integral part of these Financial Statements

Te Runanganui o Ngati Porou & Group

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

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**Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015**

1. GENERAL INFORMATION

Te Runanganui o Ngati Porou (TRONPnui) operates as a Maori Authority in accordance with the Ngati Porou Settlement Bill 2011. Te Runanganui o Ngati Porou is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act. The principal activities of the group are the support and development of Ngati Porou through the delivery of various services to Ngati Porou and the prudent management of Ngati Porou commercial assets for the benefit of Ngati Porou.

Te Runanganui o Ngati Porou Trustee Limited acting in its capacity as the trustee of the Te Runanganui o Ngati Porou Trust (Te Runanganui o Ngati Porou or TRONPnui) operates as a Maori Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') as appropriate for public benefit entities.

The financial statements were authorised for issue by the trustees on 6 November 2015.

2.2 Basis of preparation

TRONPnui is the parent entity of Ngati Porou Seafoods Ltd, Ngati Porou Fisheries Ltd, Pakihiroa Farms, Ngati Porou Hauora Charitable Trust, Ngati Porou Holding Company Limited and Toitu Ngati Porou Trust.

The financial statements have been prepared using historical cost, except for the revaluation of certain non-current assets and financial instruments, on a going concern basis.

The financial statements have been prepared in New Zealand dollars, and have been rounded to the nearest one thousand dollars (\$000).

2.3 Accounting standards and interpretations

The External Reporting Board (XRB) issued a New Accounting Standards Framework in 2012 based on a multi sector, multi-tier approach. The new framework applicable to TRONPnui was issued in May 2014 and is effective for periods beginning on or after 31 March 2015. Early adoption is not permitted. This means financial reporting requirements for PBEs are frozen for the short term. Consequently no disclosure has been made regarding the new or amended NZ IFRS released during the year as they are not applicable to PBEs. A detailed assessment of the new framework and its potential impact will be undertaken over the coming year.

2.4 Basis of Consolidation

Subsidiaries

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated group, being Te Runanganui O Ngati Porou (the parent entity) and its subsidiaries as defined in NZ IAS-27 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in note 11 to the financial statements.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

The consolidated financial statements include the information and results of each subsidiary from the date on which Te Runanganui O Ngati Porou obtains control and until such time as Te Runanganui O Ngati Porou ceases to control the subsidiary.

Associates

Associates are those entities which Te Runanganui o Ngati Porou has significant influence but no control over the operating policies. The consolidated financial statements include Te Runanganui O Ngati Porou's share of the total recognised gains and losses on an equity accounted basis from the date significant influence commences until the date significant influence ceases. Investments in associates are recorded using the equity method included in the group's financial statements. Refer to note 11 for a list of the associates.

2.5 Goods and Services Tax

Revenue, expenses, liabilities and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Cash flows are included in the statement of cash flows on an exclusive basis. The GST component of cash flows arising from investing and financing which is recovered from, or paid to, the taxation authority is classified as operating cash flow.

2.6 Revenue recognition

Service Delivery

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Grants received are recognised in operating revenue unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met. In these cases, the grant is treated as a liability until the conditions are met.

ACE Income

Annual Catch Entitlement (ACE) income is recognised as it is earned on a monthly basis, and transferred from the Iwi Collective Partnership's ("ICPs") to Ngati Porou Seafoods Group (NPSG) on a bi-monthly basis. ICP ACE income is recognised in share of income from associates

Sale of Goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risk and rewards of ownership of the goods.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

2.7 Government Grants

Government grants are assistance by the government in the form of transfers of resources to the consolidated entity in return for past or future compliance with certain conditions relating to the

operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income of the period in which it becomes receivable.

Government grants relating to assets are treated as capital and amortised over the expected useful lives of the assets concerned.

2.8 Taxation

Te Runanganui O Ngati Porou Ltd and subsidiary entities are look through companies, but are treated as a Maori Authority for taxation purposes, and are therefore taxed at 17.5%. Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.8.2 Deferred taxation

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.8.3 Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the seller's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

2.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

2.10 Financial assets

TRONPnui has the following financial assets:

- Investments in managed funds, including foreign exchange contracts managed by those fund managers on TRONPnui's behalf
- Investments in debt and equity instruments via a custodian
- Cash and term deposits
- Loans and receivables

The investments with fund managers and custodians are designated as financial assets at fair value through profit or loss and are measured at fair value as these assets are managed and their performance is assessed on a fair value basis.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. The Group's trade receivables, loans and intercompany loans are recognised in this category.

The subsidiary company, Ngati Porou Seafoods Limited holds 18,732 (2014: 18,732) shares or 7.49% of the income shares in Aotearoa Fisheries Limited (AFL). These income shares entitle Ngati Porou Seafoods Limited to receive a dividend from AFL but these shares also contain a number of restrictions. The investment in AFL shares is classified as available for sale and is recognised at cost, due to these restrictions. The AFL shares are assessed annually for impairment losses. Impairment losses are recognised whenever the carrying amount of the asset exceeds its recoverable amount.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. A trade receivable is deemed to be uncollectible upon notification of insolvency of the debtor or upon receipt of similar evidence that the Group will be unable to collect the trade receivable.

Changes in the carrying amount of the allowance account are recognised in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed.

In respect of financial assets carried at amortised cost, with the exception of trade receivables, the impairment loss is reversed through the income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. Subsequent recoveries of trade receivables previously written off are credited against the allowance account. In respect of available-for-sale debt instruments, the loss is reversed through the income statement. In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.13 Biological assets

Biological assets relate to the group's inventories in livestock (sheep and cattle) and a small forestry block owned and operated by the subsidiary Pakihiroa Farms Limited. In addition Te Runanganui O Ngati Porou owns several forestry blocks as detailed in note 12. Biological assets are stated at fair value less point-of-sale costs, with any changes recognised in profit or loss.

2.14 Fishing Quota (Intangible Asset)

Fish quota allocated has been recorded at fair value on initial recognition (Te Ohu Kaimoana allocation) with subsequent acquisitions recorded at cost. Fish quota is treated as an asset with an indefinite life and are not amortised and is assessed annually for impairment losses. Impairment losses are recognised whenever the carrying amount of the asset exceeds its recoverable amount.

Quota shares are a property right that represents the quota owner's share of a fishery. These are tradeable rights and are issued in perpetuity and are a tool used to actively manage the fishery in a sustainable manner. As a result the quota shares are not amortised.

2.15 Carbon credits (Intangible Asset)

Carbon credits are recognised as an intangible asset with an indefinite life and are recorded at fair value on initial recognition and subsequently carried at fair value. Changes in fair value are recognised in profit or loss.

2.16 Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation. For land transferred on settlement cost relates to the purchase price transferred to the Crown based on the deemed fair value of the land.

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value basis.

The following depreciation rates have been used in the calculation of depreciation:

- Buildings	2.50%	to	4%
- Plant and equipment	10%	to	50%
- Furniture and fittings	10%	to	40%
- Office Equipment	10%	to	67%
- Motor Vehicles	25%	to	30%
- Taonga	16%	to	20%

2.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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 in which economic benefits from the leased asset are consumed.

2.18 Impairment of tangible and intangible assets

At each reporting date the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group 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 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 not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19 Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

2.20 Provisions

Provisions are recognised when the consolidated group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

2.21 Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

2.22 Financial instruments issued by the Company

Debt instruments

Debt instruments are classified as financial liabilities in accordance with the substance of the contractual arrangement. Debt is classified as current unless the Group has the unconditional right to defer settlement of the debt for at least 12 months after the balance sheet date.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the borrowings, or where appropriate, a shorter period, to the net carrying amount of the borrowings.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates, and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

(a) Significant judgements

Fish Quota Shares

Fish Quota	GROUP	
	2015 NZ\$'000	2014 NZ\$'000
Allocation from TOKM at Fair Value	10,181	10,181
Acquisitions at cost	8,830	7,300
TOTAL	19,011	17,481

Fish quota has been recorded at fair value on recognition (Te Ohu Kaimoana allocation) with subsequent quota acquisitions recorded at cost. The Board of the subsidiaries entities, the Ngati Porou Seafoods Group (incorporating Ngati Porou Seafoods Limited and Ngati Porou Fisheries Limited) in conjunction with the Trustees of Te Runanganui o Ngati Porou undertook an annual review of the carrying value of fish quota for impairment at 30 June 2015.

A combination of independent valuation reports was requested and discounted cash flow analysis (DCF) valuations were undertaken to review the carrying values for impairment as at 30 June 2015. On a DCF valuation basis, the value of the TOKM fish quota (\$10.2 million) was confirmed as appropriate given annual ACE lease revenue generated from this quota.

The DCF valuation adopting an 12.0% forecast earnings before interest and tax on this quota of \$0.95 million to \$2.0 million from 2014 to 2016. Management has projected cash flows over a four year period.

AFL Income Shares

	GROUP	
	2015 NZ\$'000	2014 NZ\$'000
Allocation from TOKM at deemed value	16,886	16,886

The Board of Ngati Porou Seafoods Group (incorporating Ngati Porou Seafoods Limited and Ngati Porou Fisheries Limited) have exercised their judgement in determining the value of AFL income shares as due to restrictions these shares do not have readily available market values to enable a reliable assessment of fair value to be determined. Using a net tangible asset valuation methodology, the AL income shares values on allocation from TOKM were initially written down by \$5.6m (or 25%) to reflect the restrictions attached to these shares (such as no voting rights and an inability to sell the shares). The Boards have undertaken an annual review of the carrying value of AFL shares for impairment. Both parties were satisfied that the fair value remains appropriate having reviewed the interim financial statements of Aotearoa Fisheries Limited.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

Impairment of Hospital Property

Certain buildings at the Ngati Porou Hauora Te Puia Springs Hospital have been impaired during the 2015 financial year due to damage. The square metreage of these buildings has been calculated as a proportion of the total building square metreage of all the buildings. This proportion has then been applied to the latest rateable valuation to arrive at an impairment value that has been recorded in the Statement of Comprehensive Income.

4. PROFIT FROM OPERATIONS

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Revenue includes				
Service delivery revenue:				
- Government contracts - TRONPnui	3,512	3,234	3,512	3,234
- Government contracts - NPHCT	8,868	7,922	-	-
Total Service Delivery Revenue	12,380	11,156	3,512	3,234
Commercial trading operations				
- Gross Fishing ACE Income	87	69	-	-
- Gross Fishing Sales Income	2,330	2,336	-	-
Total External Fishing Income	2,417	2,405	-	-
- Gross Farming Livestock income	2,494	2,934	-	-
Total commercial trading operations revenue	4,911	5,339	-	-
External rental income	744	784	118	109
	744	784	118	109
Unrealised gains on asset valuation				
- Change in fair value of investments	12,668	1,227	-	-
- Revaluation of forestry	352	580	-	-
	13,020	1,807	-	-
Share of income from Associate	2,813	2,833	-	-
Other income				
- Administration fees & charges	677	820	677	820
- Revaluation of carbon credits	1,085	580	-	-
- Other income	892	1,080	505	-
	2,654	2,480	1,182	820

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Expenses include:				
Commercial trading operations				
- Gross Fishing ACE Expense	379	397	-	-
- Gross Fishing Sales Expense	1,470	704	-	-
Total External Fishing Expense	1,849	1,101	-	-
- Gross Farming Livestock expense	365	1,181	-	-
Total commercial trading operations expenses	2,214	2,282	-	-
Depreciation				
- Buildings	154	184	8	6
- Plant & Equipment	172	180	16	10
- Furniture & Fittings	12	26	9	10
- Office Equipment	103	57	66	54
- Motor Vehicle	58	19	2	3
- Taonga	30	38	30	38
	529	504	131	121
Other expenditure includes:				
- Vehicle expenses	881	830	319	362
- Travel	613	483	360	238
- Legal expenses	351	403	318	367
Auditors remuneration (refer note 5)	110	97	102	97
Bad and Doubtful debts	94	48	57	-
Trustees and Directors fees	781	811	362	370
- Ngati Porou Marae Grants	1,201	110	-	-
- Other Ngati Porou Activities	51	164	470	322

5. REMUNERATION OF AUDITORS

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Remuneration of Auditors				
Auditor of the parent entity and group				
- Audit of the financial statements	110	97	102	97
	110	97	102	97

The auditor of Te Runanganui o Ngati Porou and all of its subsidiary entities is Deloitte (Wellington Office).

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

6. KEY GOVERNANCE PERSONNEL REMUNERATION

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Trustee Meeting Fees				
Te Runanganui o Ngati Porou	362	370	362	370
Ngati Porou Hauora Charitable Trust	45	40	-	-
Toitu Ngati Porou Trust	173	189	-	-
	580	599	362	370
Subsidiary entities Directors Fees				
Ngati Porou Seafoods Group	80	80	-	-
Ngati Porou Holding Company Limited	120	126	-	-
Pakihiroa Farms Limited	6	6	-	-
	206	212	-	-
Trustees and Directors fees	786	811	362	370

Key governance personnel are defined as Trustees or Directors associated with entities within the Te Runanganui o Ngati Porou group. Remuneration relates to Trustee and Directors' fees together with additional payments made to Trustees or Directors engaged to act as professional advisors.

Note 22, related party disclosures, and provides details of other remuneration (professional services).

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Trustees Fees				
Trustee By Rohe				
Rohe One:				
A Pahuru – Huriwai	25	25	25	25
R Kohere (deputy chair from March 2015)	27	25	27	25
Rohe Two:				
Dr A Mahuika	-	-	-	-
A Papuni	25	25	25	25
Rohe Three:				
L Tangaere – Baldwin	25	25	25	25
N Ihaka	25	25	25	25
Rohe Four:				
M Warmenhoven	25	25	25	25
T Warmenhoven	25	25	25	25
Rohe Five:				
S Parata (Deputy Chair resigned March 2015)	20	30	20	30
B Soutar	25	25	25	25
Rohe Six:				
K Pewhairangi	25	25	25	25
J Chambers	25	25	25	25
Rohe Seven:				
Dr F Te Momo	25	25	25	25
J Walker	25	25	25	25
	322	330	322	330
Chair's Honorarium (Dr A Mahuika) until February 2015	27	40	27	40
Chair's Honorarium (S Parata) from March 2015	13	-	13	-
	362	370	362	370

Te Runanganui o Ngati Porou
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For the year ended 30 June 2015

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Ngati Porou Hauora Charitable Trustees				
J Watson	15	15	-	-
K Potae	10	10	-	-
L McCarthy Robinson (Chair)	20	15	-	-
J Carr	-	-	-	-
	45	40	-	-
Toitu Ngati Porou Trust				
A Houkamau (Chair)	37	40	-	-
B Soutar (Deputy Chair)	26	26	-	-
R Kohere	22	24	-	-
L Tangaere-Baldwin	22	24	-	-
A Forester	22	25	-	-
T Porou	22	25	-	-
W Gilvray	22	25	-	-
	173	189	-	-
Directors				
Ngati Porou Seafoods Group				
W Dewes (Chair)	20	20	-	-
C Insley	15	15	-	-
G Milner	15	15	-	-
D Moana	15	15	-	-
B Soutar	15	15	-	-
	80	80	-	-
Ngati Porou Holding Company Limited				
M Mahuika (Chair)	40	40	-	-
T Tibble (Deputy Chair)	30	30	-	-
T Wawatai	-	6	-	-
W Dewes	25	25	-	-
K Kohere-Soutar	25	25	-	-
	120	126	-	-
Pakihiroa Farms Limited				
S Parata (Chair)	4	3	-	-
T Pewhairangi	1	1	-	-
W Burdett (resigned 1/7/14)	-	1	-	-
W Mackey (resigned 1/7/14)	-	1	-	-
H Collier (resigned 2/6/15)	-	-	-	-
T Tibble (appointed 9/9/14)	-	-	-	-
L Rickard	1	-	-	-
	6	6	-	-
	206	212	-	-

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

6a. Key Management Personnel Remuneration

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Short term	1,408	1,033	689	481
	1,408	1,033	689	481

The total number of staff/key management personnel is 13 (2014: 11). The number of staff/key management personnel within the group earning in excess of \$100k is 5 (2014: 4)

7. CASH AND CASH EQUIVALENTS

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Cash at bank	9,554	1,938	67	-
Short term deposits	9,107	54,239	-	-
	18,661	56,177	67	-
Bank overdraft - secured	(5,892)	(1,752)	(4,306)	(1,303)
Total cash and cash equivalents	12,769	54,425	(4,239)	(1,303)

The group's primary bankers are The ANZ Banking Group (ANZ) with subsidiary Pakihiroa Farms Limited banking with the Bank of New Zealand (BNZ). Surplus funds forecast not to be required for short-term operational requirements are invested in various short - term interest earning deposit accounts ranging from call accounts to 120-day term deposits.

The bank overdraft for the group at 30 June 2015 related to TRONPnui overdraft facility (limit \$1m) with the ANZ bank (overdraft interest rate of 6.25%), the Ngati Porou Seafoods Group overdraft facility (limit of \$450k) with the ANZ Bank (overdraft interest rate of 6.25%), Pakihiroa Farms Limited overdraft facility (limit of \$1.2m) with the BNZ Bank (overdraft interest rate of 7.95%), and NPHCT with overdraft facility (limit of \$300k) with the ANZ Bank (overdraft interest rate 6.49%).

8. TRADE AND OTHER RECEIVABLES

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Trade receivables	2,989	2,474	1,837	1,465
Less allowance for doubtful debts	-	-	-	-
GST refund due/(payable)	-	-	-	-
Related party receivables (note 22)	1,615	1,427	101	28
Prepayments	253	93	208	55
Total trade receivables	4,857	3,994	2,146	1,548
60-90 days	37	74	32	57
90-120 days	331	239	275	117
Total past due date	368	313	307	174

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

9. INVENTORIES

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Raw materials (fish supplies)	9	6	-	-
	9	6	-	-

10. INVESTMENTS AND CARBON CREDITS

10a. Investments

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Equity in Subsidiary Companies				
Pakihiroa Farms Limited	-	-	-	-
Ngati Porou Holding Company Limited	-	-	136,929	136,929
	-	-	136,929	136,929
Investment in Associates				
ICP Koura Facilities Limited Partnership	287	286	-	-
	287	286	-	-
Other Investments				
NZ Equities	55	55	-	-
Investments at fair value through profit and loss	119,265	69,528	-	-
	119,607	69,869	136,929	136,929

Te Runanganui o Ngati Porou is the 100% shareholder in Ngati Porou Holding Company Limited. On 31 October 2012 Te Runanganui o Ngati Porou transferred assets to Ngati Porou Holding Company Limited at fair value for \$171.3m. The investment is carried at cost totalling \$136.9m in Te Runanganui o Ngati Porou.

Investment in Associates is the investment in ICP Koura Operations Limited Partnership, and ICP Koura Facilities Limited Partnership.

Other investments; NZ equities relate to direct investments of Pakihiroa Farms into listed agriculture equities.

Te Runanganui o Ngati Porou
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Investments at fair value through the profit and loss are detailed as follows:

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Investments at fair value through profit and loss				
<u>Growth Assets</u>				
- Milford Funds	12,645	10,296	-	-
- Devon Funds Management	13,446	10,358	-	-
	26,091	20,654	-	-
Trans-Tasman Equity				
- Blackrock/ANZ Investments	15,657	13,976	-	-
- Artisan Partners Global Funds	8,587	4,403	-	-
- Harding Loevner Funds Plc	8,995	4,549	-	-
	33,239	22,928	-	-
Developed Market Equity				
- Blackrock Investment Management (Aust)	7,250	5,943	-	-
- Somerset Capital Management	7,606	6,177	-	-
	14,856	12,120	-	-
Emerging Market Equity				
<u>Inflation Sensitive Assets</u>				
- Van Eck Global	4,486	2,413	-	-
- Lazard Asset Management Pacific Co	2,595	2,257	-	-
	7,081	4,670	-	-
Growth Diversifiers				
- Standard Life GARS	12,727	-	-	-
	12,727	-	-	-
Inflation Sensitive Assets				
<u>Deflation Assets</u>				
- AMP Capital	25,271	9,156	-	-
	25,271	9,156	-	-
	119,265	69,528	-	-

10b. Carbon Credits

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Carbon credits	710	710	-	-
Accumulated Revaluation of Carbon Credits	1,974	889	-	-
	2,684	1,599	-	-

Carbon Credits totalling \$2,684k represent 394,704 (2014: 394,704) tradeable carbon credits at an independent value of \$6.80per credit at 30 June 2015 (2014: \$4.05 per credit).

**Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015**

11. SUBSIDIARIES & ASSOCIATES

11a. Subsidiaries

Name of subsidiary	Place of incorporation & operation	Ownership %	Voting Right	Principal activity
Ngati Porou Holding Company Limited	NZ	100%	100%	Management of group commercial activities
Toitu Ngati Porou Trust	NZ	100%	100%	Administers trust funds for cultural development activities
Pakihiroa Farms Limited	NZ	100%	100%	Commercial farming operation
Ngati Porou Hauora Charitable Trust	NZ	100%	100%	Health Services
Ngati Porou Seafoods Limited	NZ	100%	100%	Fish asset holding & corporate administration
Ngati Porou Fisheries Limited	NZ	100%	100%	Fish processing, distribution, wholesale & export, fish retail and food service

The reporting date of all subsidiary & Associate entities is 30 June.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

11b. Associated Entities

The group has formed an alliance with 11 other Iwi in the central North Island to manage their respective Annual Catch Entitlements (ACE) collectively. These entities are deemed an associate of Te Runanganui o Ngati Porou.

11b(i) General Information

Name of Joint Venture	Place of incorporation	Principal activity	Balance Date	Voting Rights		% of Quota supplied to partnership	
				2015 %	2014 %	2015 %	2014 %
ICP ACE Holdings Limited Partnership	New Zealand	Marketing fish quota	30 June	33	33	31.2	31.2
ICP Inshore ACE Limited Partnership	New Zealand	Marketing fish quota	30 June	33	33	62.0	62.0
ICP Koura Operations Limited Partnership	New Zealand	Marketing lobster quota	30 June	33	33	51.2	51.2
ICP Koura Facilities Limited Partnership	New Zealand	Investment in Port Nicholson Fisheries	30 June	33	33	-	-

The General partner of the above named Limited Partnerships is ICP General Partner. Ngati Porou Fisheries Ltd holds 33% of the shares in the general partner.

11b(ii) Summary of financial information on Associate Entities (100%) 1 July 2014 to 30 June 2015

	Assets NZ \$'000	Liabilities NZ \$'000	Equity NZ \$'000	Revenue NZ \$'000	Expenditure NZ \$'000	Profit/(loss) NZ \$'000
ICP ACE Holdings LP	380	380	-	3,875	3,871	4
ICP Inshore ACE LP	500	500	-	1,403	1,402	1
ICP Koura Operations LP	2,065	2,065	-	1,647	1,169	478
ICP Koura Facilities LP	1,642	416	1,226	144	5	139
Total	4,587	3,361	1,226	7,069	6,447	622

The Ngati Porou Seafood's Group also obtain revenue from the associated entities. To 30 June 2015 total revenue amounted to \$2,813k (2014: \$2,833k), included in this figure is the profit share from ICP Koura Operations of \$913k (2014: \$225k) and ICP Koura Facilities of \$31k (2014: \$52k).

Te Runanganui o Ngati Porou
Notes to the Financial Statements
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12. BIOLOGICAL ASSETS

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Pakihiroa Farms Ltd				
Opening balance livestock				
Sheep 12,075 (2014: 12,105)	1,448	1,026	-	-
Cattle 2,512 (2014: 2,669)	2,079	1,992	-	-
	3,527	3,018	-	-
Changes in balance due to numbers of livestock	(52)	(32)	-	-
Changes in balance due to market values (holding gain)	67	541	-	-
Closing balance livestock	3,542	3,527	-	-
Made up of:				
Sheep 13,188 (2014: 12,075)	1,534	1,448	-	-
Cattle 2,367 (2014: 2,512)	2,008	2,079	-	-
	3,542	3,527	-	-
Forestry blocks				
Hoia Station & Manutahi Forests	1,784	1,432	-	-
Tokomaru & Ruatoria Forest (ex CFRT)	1,396	649	-	-
	3,180	2,081	-	-
Total Biological Assets	6,722	5,608	-	-

Livestock has been valued at independent market fair values by PGG Wrightson Ltd at 30 June 2015, we have used this basis for the valuation.

Hoia Station and Manutahi Forests' tree stock has been valued at independent market fair values by Interpine Ltd at 30 June 2015, we have used this basis for the valuation.

13. FISHING QUOTA

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Ngati Porou Seafoods Group				
Te Ohu Kaimoana quota allocation fair value	10,181	10,181	-	-
Quota purchase on the open market at cost	8,830	8,274	-	-
	19,011	18,455	-	-

A combination of independent valuations and discounted cash flow (DCF) valuation methodologies were considered as part of the annual review of carrying values. The Board of Ngati Porou Seafoods Group were satisfied that the values as at 30 June 2015 were not impaired. Refer to Note 3 on key significant accounting judgements, estimates and assumptions relating to the valuation of this fish quota.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
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14. AFL SHARES

Ngati Porou Seafoods Group
Aotearoa Fisheries Limited income shares

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
	16,886	16,886	-	-
	16,886	16,886	-	-

Ngati Porou Seafoods Limited hold 18,732 (2014: 18,732) shares or 7.49% of the income shares in Aotearoa Fisheries Limited. These income shares entitle Ngati Porou Seafoods Ltd to receive a dividend from Aotearoa Fisheries Limited. These shares also contain a number of restrictions. Refer to note 3 on key significant accounting judgements, estimates and assumption relating to the valuation of these AFL income shares.

15. PROPERTY, PLANT AND EQUIPMENT

	GROUP							
	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipment	Motor Vehicles	Taonga	Total
<u>Cost</u>	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Balance at 30 June 2014	21,685	10,061	2,138	164	1,202	637	499	36,386
Additions	82	96	192	9	126	33	-	538
Disposals	-	-	(33)	-	-	-	-	(33)
Impairment	-	(517)	-	-	-	-	-	(517)
Balance at 30 June 2015	21,767	9,640	2,297	173	1,328	670	499	36,374
<u>Accumulated depreciation</u>								
Balance at 30 June 2014	-	(1,251)	(1,280)	(84)	(1,023)	(409)	(346)	(4,393)
Depreciation expense	-	(154)	(172)	(12)	(103)	(58)	(30)	(529)
Balance at 30 June 2015	-	(1,405)	(1,452)	(96)	(1,126)	(467)	(376)	(4,922)
Balance at 30 June 2015	21,767	8,235	845	77	202	203	123	31,452

	GROUP							
	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipment	Motor Vehicles	Taonga	Total
<u>Cost</u>	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Balance at 30 June 2013	21,137	8,705	2,006	147	1,118	587	499	34,199
Additions	1,185	2,807	133	18	85	50	-	4,278
Disposals	(637)	(1,451)	-	-	(1)	-	-	(2,089)
Balance at 30 June 2014	21,685	10,061	2,139	165	1,202	637	499	36,388
<u>Accumulated depreciation</u>								
Balance at 30 June 2013	-	(1,213)	(1,116)	(71)	(923)	(357)	(309)	(3,989)
Depreciation expense	-	(38)	(164)	(13)	(100)	(52)	(37)	(404)
Balance at 30 June 2014	-	(1,251)	(1,280)	(84)	(1,023)	(409)	(346)	(4,393)
Balance at 30 June 2014	21,685	8,810	859	81	179	228	153	31,995

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<u>Cost</u>	PARENT							
	Land NZ\$'000	Buildings NZ\$'000	Plant & Equipment NZ\$'000	Furniture & Fittings NZ\$'000	Office Equipment NZ\$'000	Motor Vehicles NZ\$'000	Taonga NZ\$'000	Total NZ\$'000
Balance at 30 June 2014	3,460	4,153	108	131	764	244	499	9,359
Additions	-	513	54	2	85	-	-	654
Disposals	-	(465)	(33)	-	-	-	-	(498)
Balance at 30 June 2015	3,460	4,201	129	133	849	244	499	9,515
<u>Accumulated depreciation</u>								
Balance at 30 June 2014	-	(527)	(61)	(69)	(667)	(237)	(346)	(1,907)
Depreciation expense	-	(8)	(16)	(9)	(66)	(2)	(30)	(131)
Balance at 30 June 2015	-	(535)	(77)	(78)	(733)	(239)	(376)	(2,038)
Balance at 30 June 2015	3,460	3,666	52	55	116	5	123	7,477

<u>Cost</u>	PARENT							
	Land NZ\$'000	Buildings NZ\$'000	Plant & Equipment NZ\$'000	Furniture & Fittings NZ\$'000	Office Equipment NZ\$'000	Motor Vehicles NZ\$'000	Taonga NZ\$'000	Total NZ\$'000
Balance at 30 June 2013	2,679	1,373	80	126	693	244	499	5,694
Additions	781	2,807	27	5	71	-	-	3,691
Disposals	-	(28)	-	-	-	-	-	(28)
Balance at 30 June 2014	3,460	4,152	107	131	764	244	499	9,357
<u>Accumulated depreciation</u>								
Balance at 30 June 2013	-	(521)	(51)	(59)	(613)	(234)	(309)	(1,787)
Depreciation expense	-	(6)	(10)	(10)	(54)	(3)	(37)	(120)
Balance at 30 June 2014	-	(527)	(61)	(69)	(667)	(237)	(346)	(1,907)
Balance at 30 June 2014	3,460	3,625	46	62	97	7	153	7,450

16. TRADE AND OTHER PAYABLES

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Trade creditors	2,368	1,635	1,389	613
Related party payables (note 22)	-	-	5,076	2,934
GST payable	30	613	(27)	-
Income in advance	1,971	2,383	813	982
	4,369	4,631	7,251	4,529

17. BORROWINGS (CURRENT)

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Te Runanganui o Ngati Porou				
ANZ Banking Group (6.78%)	85	-	85	-
Telecom Rentals (11.85%)	56	-	56	-
Millpark Investments (3.00%)	100	100	100	100
Ngati Porou Seafoods Group				
ANZ Banking Group (6.78%)	211	199	-	-
	452	299	241	100

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18. EMPLOYEE ENTITLEMENTS

	GROUP		PARENT	
	2015	2014	2015	2014
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Employee entitlements	1,120	832	256	241

The provision relates to employee entitlements, primarily annual leave entitlements.

19. NON-CURRENT BORROWINGS

	GROUP		PARENT	
	2015	2014	2015	2014
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Te Runanganui o Ngati Porou				
Toitu Ngati Porou (due 30/06/18, 6.95% fixed)	-	-	13,141	12,261
Toitu Ngati Porou (due 30/06/19, 7.45% fixed)	-	-	4,583	4,255
ANZ Banking Group (due 24/04/17, 6.95% floating)	1,000	1,000	1,000	1,000
ANZ Banking Group (due 24/04/17, 6.92% floating)	513	534	513	534
ANZ Banking Group (due 24/04/17, 6.40% floating)	1,104	1,112	1,104	1,112
ANZ Banking Group (due 24/04/17, 6.78% floating)	309	-	309	-
ANZ Banking Group (due 24/04/17, 6.56% floating)	669	-	669	-
ANZ Banking Group (due 24/04/17, 6.38% floating)	633	-	633	-
Telecom Rentals (due 30/04/17, 11.85% fixed)	128	69	128	69
Millpark Investments (vendor finance re Gisborne Hotel purchase, due 26/06/16, 3.00% pa fixed)	100	200	100	200
Pakihiroa Farms Ltd				
Bank of New Zealand (due 20/10/17, 5.75% pa fixed interest only repayments)	3,250	3,250	-	-
Bank of New Zealand (due 12/10/16, 5.02% pa fixed interest only repayments)	1,093	1,093	-	-
Ngati Porou Seafoods Group				
ANZ Banking Group (due 24/04/17, 6.78% floating)	1,560	1,640	-	-
ANZ Banking Group (due 24/04/17, 6.78% floating)	161	170	-	-
ANZ Banking Group (due 24/04/17, 6.68% floating)	1,011	1,116	-	-
Total Borrowings	11,531	10,184	22,180	19,431
Less current portion transferred (refer note 17)	452	299	241	100
Total non-current borrowings	11,079	9,885	21,939	19,331

(a) Assets Pledged as Security

The Te Runanganui o Ngati Porou – Toitu Ngati Porou loans are not secured.

The Te Runanganui o Ngati Porou ANZ Banking Group loans are secured over Te Tini o Porou (the former Gisborne Hotel) and selected property of Te Runanganui o Ngati Porou. The Te Runanganui o Ngati Porou – Telecom Rental loan is secured over the web development. The Te Runanganui o Ngati Porou – Millbrook Investments loan is not secured.

The Bank of New Zealand loan is secured via a registered mortgage over Puanga Station (Goodwin Road, Gisborne) and Makarika Station (Makarika Road, Ruatoria). The carrying value of the assets pledged as security over Puanga Station is \$1.84m as at 30 June 2015 (2014: \$1.84m).

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The carrying value of the assets pledged as security over Makarika Station is \$4.37m as at 30 June 2015 (2014: \$4.32m). The Ngati Porou Seafoods Group ANZ Banking Group loans are secured over the assets of the Ngati Porou Seafoods Group with cross guarantees between Ngati Porou Seafoods Limited and Ngati Porou Fisheries Limited. The carrying value of the assets pledged as security over Ngati Porou Seafoods Limited is \$42,127,960 as at 30 June 2015 (2014: \$43,750,699).

(b) Defaults and Breaches

There have been no defaults or breaches of the banking covenants during the financial year. The fair value of the borrowings at 30 June 2015 is \$11,531,000 (2014: \$9,925,000)

20. RESERVES

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Asset revaluation reserve	1,487	1,487	283	283
Capital reserve account – farms	1,216	1,216	1,216	1,216
	2,703	2,703	1,499	1,499

(a) Asset Revaluation Reserve

The group reserve relates to the revaluation of Puanga Station – Gisborne, to market value (an increase of \$1,205k) upon the establishment of Pakihiroa Farms Ltd on 30 June 2006 prior to the farming assets (inclusive of Puanga Station – Gisborne) being transferred from Te Runanga o Ngati Porou to Pakihiroa Farms Ltd plus \$283k relating to other asset revaluations within Te Runanga o Ngati Porou.

(b) Capital Reserve Account - Farms

This reserve relates to the valuation of Pakihiroa Station when the asset was transferred from Te Runanga o Ngati Porou to Pakihiroa Farms Ltd. It is not the policy of Te Runanganui o Ngati Porou to revalue this land given the various restrictions associated with the title of this land.

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21. NOTE TO THE CASH FLOW STATEMENT

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Cash Flows from Operating Activities				
Net operating profit/(loss)	12,312	3,644	(3,320)	(2,549)
Non-cash Items:				
Revaluation of carbon credits	(1,085)	(889)	-	-
Biological asset holding gains	68	-	-	-
Depreciation and amortisation	529	503	127	121
Impairment	517	-	-	-
Revaluation of Investments	(13,020)	-	-	-
	(13,049)	(386)	127	121
Add movements in Working Capital				
(Increase)/Decrease in sundry debtors & prepayments	(863)	(354)	(598)	626
(Increase)/Decrease in inventory	(3)	21	-	-
(Increase)/Decrease in taxation	115	1,104	(354)	245
(Increase)/Decrease in GST	(584)	(212)	(27)	(55)
(Decrease)/Increase in creditors	733	439	1,190	(277)
(Decrease)/Increase in employee entitlements	288	(106)	15	(55)
(Decrease)/Increase in income in advance	(412)	703	(133)	742
	(726)	1,596	93	1,226
Net Cash Inflow/(Outflow)	(1,405)	4,854	(3,100)	(1,202)

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22. RELATED PARTY DISCLOSURES

(a) Parent Entity – Te Runanganui o Ngati Porou

Details of subsidiaries and associates of Te Runanganui o Ngati Porou are reported under Note 11. Details of key governance personnel remuneration are also reported separately under Note 6.

(b) Transactions with Related Parties

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Revenue received from related parties				
Admin fee	-	-	677	664
ICP ACE Holdings LP				
- Quota revenue received by NPSL	1,067	1,094	-	-
ICP ACE Inshore LP				
- Quota revenue received by NPSL	814	814	-	-
ICP Koura Operations LP				
- Quota revenue received by NPSL	913	648	-	-
ICP Koura Operations LP - share of income	87	225	-	-
ICP Koura Facilities LP - share of income	31	26	-	-
Pakihiroa Farms Ltd – Rent	-	-	80	80
Ngati Porou Holding Company Ltd - Dividend	-	-	2,032	2,000
	2,912	2,807	2,789	2,744
Expenses paid to related parties				
Toitu Ngati Porou – Interest	-	-	1,208	834
	-	-	1,208	834
Distributions to related parties				
Toitu Ngati Porou – Dividend	-	-	1,350	4,248
Ngati Porou Hauora Charitable Trust - Dividend	-	-	1,250	-
	-	-	2,600	4,248
Receivables owing from related parties				
ICP ACE Holdings LP - Unpaid quota revenue	94	130	-	-
ICP ACE Holdings LP - profit share	1	1	-	-
ICP ACE Inshore LP - Unpaid quota revenue	274	173	-	-
ICP ACE Inshore LP - profit share	1	1	-	-
ICP Koura Operations LP - Unpaid quota revenue	868	700	-	-
ICP Koura operations LP - profit share	296	372	-	-
ICP Koura facilities LP - profit share	81	50	-	-
Toitu Ngati Porou	-	-	18	-
Ngati Porou Fisheries Ltd	-	-	-	7
Ngati Porou Holding Company Limited	-	-	83	8
Ngati Porou Hauora Charitable Trust	-	-	-	13
	1,615	1,427	101	28
Loans owing from related parties				
Ngati Porou Hauora Charitable Trust	-	-	-	908
	-	-	-	908

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	GROUP		PARENT	
	2015	2014	2015	2014
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Payables owing to related parties				
Ngati Porou Holding Company Ltd	-	-	3,317	2,484
Ngati Porou Hauora Charitable Trust	-	-	119	
Toitu Ngati Porou	-	-	1,475	285
Ngati Porou Seafoods Ltd	-	-	165	165
	-	-	5,076	2,934

- (i) Other related party transaction were eliminated upon consolidation
- (ii) TRONPnui had provided an unsecured loan to Ngati Porou Hauora Charitable Trust (NPHCT) (2014: \$907,749) this has now been repaid by way of distribution.
- (iii) Refer to Note 10 for information about related party investments.

(c) Key Governance Personnel Remuneration

Details of key governance and management personnel remuneration are disclosed in note 6 of the financial statements. Outlined below are the transactions where Te Runanganui o Ngati Porou has made payment for professional services to either a trustee or Director or a close member of the family of a key management personnel.

Professional Services Provided by Related Parties (Trustees and/or close Family Members)	GROUP		PARENT	
	2015	2014	2015	2014
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Te Runanganui o Ngati Porou				
BDO Gisborne Limited – ARF Chair	25	-	25	-
BDO Gisborne Limited – Strategic Planning	6	-	6	-
BDO Gisborne Limited – Tax Consulting	35	-	35	-
BDO Gisborne Limited – Recruitment	10	-	10	-
Kahui Legal - Legal advice	204	227	204	227
Ngati Porou Hauora Charitable Trust				
BDO Gisborne Limited – Trusteeship	10	-	-	-
BDO Gisborne Limited – HR & Recruitment	13	-	-	-
Pakihiroa Farms Limited				
BDO Gisborne Limited – Accounting Services	17	-	-	-
BDO Gisborne Limited – Strategic Planning	7	-	-	-
BDO Gisborne Limited – Consulting	3	-	-	-
Ngati Porou Fisheries Limited				
BDO Gisborne Limited – HR & Recruitment	35	-	-	-
Ngati Porou Seafoods Limited				
Kahui Legal - Legal advice	6	-	-	-
Ngati Porou Holding Company Limited				
Kahui Legal - Directorship	40	40	-	-
Kahui Legal - Legal advice	4	-	-	-
	415	267	280	227

M Mahuika is defined as a close family member (son) under NZ IAS 24.9 (Related Party Disclosures) with respect to the former Chairman of Te Runanganui o Ngati Porou. As a partner of Kahui Legal, he receives payments directly from Te Runanganui o Ngati Porou, Ngati Porou

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Seafoods Ltd, and Ngati Porou Holding Company Limited for the provision of professional legal advice, and from Ngati Porou Holding Company Limited for the provision of directorship services.

K Potae is a director of BDO Gisborne Limited, BDO Gisborne Limited receives payments directly from Te Runanganui o Ngati Porou, Ngati Porou Fisheries Limited, Pakihiroa Farms Limited and Ngati Porou Hauora Charitable for the provision of various accounting and HR services, trusteeship and chair of the ARF committee.

**Professional Services Provided by Related Parties
(Directors)**

Pakihiroa Farms Limited:

Agfirst NZ Limited

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
Agfirst NZ Limited	102	93	-	-
	102	93	-	-

The above services provided by Directors of Pakihiroa Farms Limited relate to Farm Supervisory and Administration support to the Company. H Collier is a Director of Agfirst NZ Limited. These professional services were provided on standard commercial terms and conditions. These inter-company advances and loans have been eliminated on the consolidation of the group accounts.

The related party receivables are arms' length transactions on standard terms and conditions as for other creditors, with payment due on 20th of the month following the month that the accounts are sent.

23. FINANCIAL INSTRUMENTS

(a) Financial Instruments and Management Objectives

The group are party to a number of financial instruments as part of normal operations. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The group activities expose it primarily to the financial risks associated with interest rates (on both term deposits and borrowing), foreign exchange risk on overseas investments and credit risk and interest rate risk on fixed interest investments.

Ngati Porou Holding Company developed a Statement of Investment Policies and Objectives in the 2014 financial year. This was approved by the TRONPNui Board of Directors in the 2014 financial year. There have been no changes to the strategy or risk management objectives during the period.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

(c) Foreign Currency Risk Management

There are a number of investment funds domiciled in foreign currency as at 30 June 2015, totalling \$39.540m (2014: \$39.718m), of which \$18.431m is hedged (2014: \$16.233m)

Currency hedging is used to manage the impact of currency fluctuations to portfolio returns over time.

(d) Interest Rate Risk Management

The group is exposed to interest rate risk as it borrows funds at both fixed and floating rates. This risk is managed by maintaining an appropriate mix between fixed and floating rate borrowing.

The group has not entered into the use of interest rate swap contracts or forward interest rate contracts as at 30 June 2015.

(e) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated group. The group has adopted a policy of checking the creditworthiness of counterparties it deals with as a means of mitigating the risk of financial loss from defaults.

Trade accounts receivables consist of a range of customers and parties, spread across a number of diverse industries (Crown through individuals) with the vast majority of customers and parties New Zealand based.

With the exception of the Crown/Government for various service delivery contracts, the consolidated group does not have any significant credit risk exposure to any single counterparty.

The credit worthiness of Investment Fund Managers is assessed following advice from Cambridge Associates.

(f) Fair Value of Financial Instruments

The carrying values of financial assets and financial liabilities recorded in the financial statements approximate fair value except for.

- i. Borrowings – refer Notes 17 and 19. Borrowings are carried at cost. The fair value estimation is \$11,531,000
- ii. AFL income shares – refer Note 3 and Note 14. The investment in AFL shares is classified as available for sale and is recognised at cost, due to share restrictions. The AFL shares are assessed annually for impairment losses. Impairment losses are recognised whenever the carrying amount of the asset exceeds its recoverable amount.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based upon the degree to which fair value is observable:-

- o Level 1 fair value measurements those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- o Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- o Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GROUP 2015

	GROUP			
	Level 1 NZ\$'000	Level 2 NZ\$'000	Level 3 NZ\$'000	Total NZ\$'000
Available for sale financial assets shares	-	-	16,886	16,886
Investments held at fair value through income	13,446	105,820	-	119,266
Shares	13,446	105,820	16,886	136,152

GROUP 2014

	GROUP			
	Level 1 NZ\$'000	Level 2 NZ\$'000	Level 3 NZ\$'000	Total NZ\$'000
Available for sale financial assets shares	-	-	16,886	16,886
Investments held at fair value through income	10,358	59,169	-	69,527
Shares	10,358	59,169	16,886	86,413

There were no transfers between level 1 and 2 during the period.

Capital management

The Group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consists of debt, which includes borrowings disclosed in Note 17 and 19, cash and cash equivalents disclosed in Note 7.

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(g) Liquidity risk management

The consolidated group manages liquidity risk by maintaining adequate cash reserves and banking facilities and by regularly monitoring forecast and actual cash flows.

The following table details the remaining contractual maturities of the consolidated group's non-derivative financial liabilities. The amounts are the cash flows of the financial liabilities based on the earliest date on which the group can be required to pay amounts.

GROUP 2015							
			Less than 1 year	1-2 years	2-5 years	5+ years	Total
	Note	Interest rate	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Financial Liabilities							
Bank overdrafts	7	6.40%	5,892	-	-	-	5,892
Trade and other payables	16	0.00%	4,369	-	-	-	4,369
Employee entitlements	18	0.00%	1,120	-	-	-	1,120
Borrowings	17,19	6.29%	452	-	11,079	-	11,531
			11,833	-	11,079	-	22,912
GROUP 2014							
			Less than 1 year	1-2 years	2-5 years	5+ years	Total
	Note	Interest rate	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Financial Liabilities							
Bank overdrafts	7	9.70%	1,752	-	-	-	1,752
Trade and other payables	16	0.00%	4,631	-	-	-	4,631
Employee entitlements	18	0.00%	832	-	-	-	832
Borrowings	17,19	6.23%	299	-	9,885	-	10,184
			7,514	-	9,885	-	17,399

PARENT 2015							
			Less than 1 year	1-2 years	2-5 years	5+ years	Total
	Note	Interest rate	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Financial Liabilities							
Bank overdrafts	7	6.25%	4,306	-	-	-	4,306
Trade and other payables	16	0.00%	7,251	-	-	-	7,251
Employee entitlements	18	0.00%	256	-	-	-	256
Borrowings	17,19	7.01%	241	21,939	-	-	22,180
			12,054	21,939	-	-	33,993
PARENT 2014							
			Less than 1 year	1-2 years	2-5 years	5+ years	Total
	Note	Interest rate	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Financial Liabilities							
Bank overdrafts	7	9.70%	1,303	-	-	-	1,303
Trade and other payables	16	0.00%	4,529	-	-	-	4,529
Employee entitlements	18	0.00%	241	-	-	-	241
Borrowings	17,19	6.99%	100	-	19,331	-	19,431
			6,173	-	19,331	-	25,504

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(h) Sensitivity Analysis

A one hundred point increase in floating interest rates would have resulted in a \$109k reduction in net profit.

A five hundred point increase/decrease in returns on assets held at fair value would yield an increase/decrease of \$5.980m in net profit.

(i) Categories of financial instruments

The following table list the group's financial assets and liabilities by category of financial instrument. Details of the criteria for recognition and methods used to account for the different categories of financial assets and liabilities are detailed in the accounting policies in Note 2. The table below lists the groups of financial assets and liabilities by category of financial instrument.

Group 2015	Note			Fair value	Financial	Total
		Loan and	Available	through	Liabilities at	
		Receivables	for sale	profit and	amortised	
		NZ\$'000	NZ\$'000	loss	cost	NZ\$'000
Financial Assets						
Cash & Cash equivalents	7	18,661	-	-	-	18,661
Investments	10	342	-	119,265	-	119,607
Trade & other receivables	8	4,857	-	-	-	4,857
AFL income shares	14	-	16,886	-	-	16,886
		23,860	16,886	119,265	-	160,011
Non-Financial assets						63,982
TOTAL ASSETS						223,993
Financial Liabilities						
Bank overdrafts	7	5,892	-	-	-	5,892
Trade and other payables	16	4,369	-	-	-	4,369
Employee entitlements	18	1,120	-	-	-	1,120
Borrowings	17,19	-	-	-	11,531	11,531
TOTAL LIABILITIES		11,381	-	-	11,531	22,912

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Group 2014	Note			Fair value through profit and loss	Financial Liabilities at amortised cost	Total
		Loan and Receivables	Available for sale			
		NZ\$'000	NZ\$'000			
Financial Assets						
Cash & Cash equivalents	7	56,177	-	-	-	56,177
Investments	10	341	-	69,528	-	69,869
Trade & other receivables	8	3,994	-	-	-	3,994
AFL income shares	14	-	16,886	-	-	16,886
		60,512	16,886	69,528	-	146,926
Non-Financial assets						58,944
TOTAL ASSETS						205,870
	Note			Fair value through profit and loss	Financial Liabilities at amortised cost	Total
		Loan and Receivables	Available for sale			
		NZ\$'000	NZ\$'000			
Financial Liabilities						
Bank overdrafts	7	1,752	-	-	-	1,752
Trade and other payables	16	4,631	-	-	-	4,631
Borrowings	17,19	-	-	-	10,184	10,184
TOTAL LIABILITIES		6,383	-	-	10,184	16,567

Parent 2015	Note			Fair value through profit and loss	Financial Liabilities at amortised cost	Total
		Loan and Receivables	Available for sale			
		NZ\$'000	NZ\$'000			
Financial Assets						
Cash & Cash equivalents	7	67	-	-	-	67
Investments	10	136,929	-	-	-	136,929
Trade & other receivables	8	2,146	-	-	-	2,146
		139,142	-	-	-	139,142
Non-Financial assets						10,754
TOTAL ASSETS						149,896
	Note			Fair value through profit and loss	Financial Liabilities at amortised cost	Total
		Loan and Receivables	Available for sale			
		NZ\$'000	NZ\$'000			
Financial Liabilities						
Bank overdrafts	7	4,306	-	-	-	4,306
Trade and other payables	16	7,251	-	-	-	7,251
Employee entitlements	18	256	-	-	-	256
Borrowings	17,19	-	-	-	22,180	22,180
TOTAL LIABILITIES		11,813	-	-	22,180	33,993

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Parent 2014	Note			Fair value through profit and loss	Financial Liabilities at	
		Loan and Receivables	Available for sale		amortised cost	Total
		NZ\$'000	NZ\$'000		NZ\$'000	NZ\$'000
Financial Assets						
Cash & Cash equivalents	7	-	-	-	-	-
Investments	10	136,929	-	-	-	136,929
Trade & other receivables	8	1,548	-	-	-	1,548
		138,477	-	-	-	138,477
Non-Financial assets						8,656
TOTAL ASSETS						147,133
	Note			Fair value through profit and loss	Financial Liabilities at	
		Loan and Receivables	Available for sale		amortised cost	Total
		NZ\$'000	NZ\$'000		NZ\$'000	NZ\$'000
Financial Liabilities						
Bank overdrafts	7	1,303	-	-	-	1,303
Trade and other payables	16	-	-	-	4,529	4,529
Borrowings	17,19	-	-	-	19,431	19,431
TOTAL LIABILITIES		1,303	-	-	23,960	25,263

24. COMMITMENTS FOR EXPENDITURE

Operating lease commitments

Operating lease commitments payable:

With one year

Between two and five years

Later than 5 years

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
With one year	552	682	215	224
Between two and five years	475	731	194	183
Later than 5 years	-	-	-	-
	1,027	1,413	409	407

The group has lease commitments for the properties at 47, 51, 53, 55 and 57 The Esplanade, Gisborne, until June 2017, with the right of renewal, and a review of the rental due in June 2017. Also the group leases approximately 59 motor vehicles including a truck and a forklift, with terms of up to 3 years. There are no options to purchase at the end of the term, with no provision for increase in rental charges.

Operating lease receivables

Operating lease commitments receivable:

With one year

Between two and five years

Later than 5 years

	GROUP		PARENT	
	2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
With one year	-	-	80	80
Between two and five years	-	-	-	-
Later than 5 years	-	-	-	-
	-	-	80	80

Te Runanganui o Ngati Porou owns and leases the land at Pakihiroa Station to Pakihiroa Farms at a market rental.

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

25. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at balance date.

26. TAXATION

26.1 Income tax recognised in profit or loss

Taxation expense comprises:

Current tax expense in respect of the current year	-	203	-	203
Prior years' tax adjustment	(132)	(4)	(132)	(4)
Adjustments recognised in the current year in relation to the current tax of prior years	-	49	-	49
Deferred tax expense relating to the origination and reversal of temporary differences	97	246	97	246
Total tax (income)/expense	(35)	494	(35)	494

GROUP		PARENT	
2015	2014	2015	2014
NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
-	203	-	203
(132)	(4)	(132)	(4)
-	49	-	49
97	246	97	246
(35)	494	(35)	494

The total charge for the year can be reconciled to the accounting profit as follows:

Profit from operations	12,277	4,073	(3,356)	(1,965)
Income tax calculated at 17.5%	2,148	713	(587)	(344)
Prior years' tax adjustment	(132)	(4)	(132)	(4)
Adjustments recognised in the current year in relation to the current tax of prior years	-	49	-	49
Effect of revenue exempt from taxation	(2,116)	(323)	(356)	(350)
Effect of expenses that are not deductible in determining taxable profit	65	59	46	86
Effect of profits transferred from other entities	-	-	993	1,057
Income tax expense recognised in profit or loss	(35)	494	(36)	494

12,277	4,073	(3,356)	(1,965)
2,148	713	(587)	(344)
(132)	(4)	(132)	(4)
-	49	-	49
(2,116)	(323)	(356)	(350)
65	59	46	86
-	-	993	1,057
(35)	494	(36)	494

26.2 Current tax assets and liabilities

Taxation receivable

GROUP		PARENT	
2015	2014	2015	2014
NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
1,239	1,206	684	282
1,239	1,206	684	282

Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015

26.3 Deferred tax balances

Deferred tax balances Group 2015

Temporary differences

Income in advance
 Biological assets
 Employee entitlements

Opening Balance NZ\$'000	Charged to Profit and Loss NZ\$'000	Closing Balance NZ\$'000
(21)	21	-
219	88	307
(66)	(12)	(78)
132	97	229

Deferred tax balances Group 2014

Temporary differences

Income in advance
 Biological assets
 Employee entitlements

(21)	-	(21)
(37)	256	219
(56)	(10)	(66)
(114)	246	132

Deferred tax balances Parent 2015

Temporary differences

Income in advance
 Biological assets
 Employee entitlements

(21)	21	(21)
219	88	219
(66)	(12)	(66)
153	97	153

Deferred tax balances Parent 2014

Temporary differences

Income in advance
 Biological assets
 Employee entitlements

(21)	-	(21)
(37)	256	219
(56)	(10)	(66)
(114)	246	132

Deferred tax balances are classified as:

Deferred tax liabilities

GROUP		PARENT	
2015 NZ\$'000	2014 NZ\$'000	2014 NZ\$'000	2014 NZ\$'000
229	132	229	132
229	132	229	132

26.4 Maori Authority Credit Account

Balance at beginning of the year
 Credits attached to dividends received
 RWT paid
 Taxation (refunded)/paid
 Credits attached to dividends paid
Balance at the end of the year

GROUP		PARENT	
2015 NZ\$'000	2014 NZ\$'000	2015 NZ\$'000	2014 NZ\$'000
126	183	126	183
140	-	140	-
-	-	-	-
(61)	844	(61)	844
(552)	(901)	(552)	(901)
(347)	126	(347)	126

27. SUBSEQUENT EVENTS

There have been no subsequent events in the current year.

**Te Runanganui o Ngati Porou
Notes to the Financial Statements
For the year ended 30 June 2015**

DIRECTORY

Registered Office

195 Wainui Road
PO Box 394
GISBORNE
Ph: 06 867 9960

Auditors

Deloitte
Deloitte House
10 Brandon Street
PO Box 1990
WELLINGTON

Bankers

ANZ Banking Group
Bank of New Zealand
Westpac Banking Corporation
Kiwi Bank

Solicitors

Kahui Legal
Dunbar Sloane Building
Level 3
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WELLINGTON

Rainey Collins
PWC Tower
113-119 The Terrace
PO Box 689
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Burnard Bull & Co
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