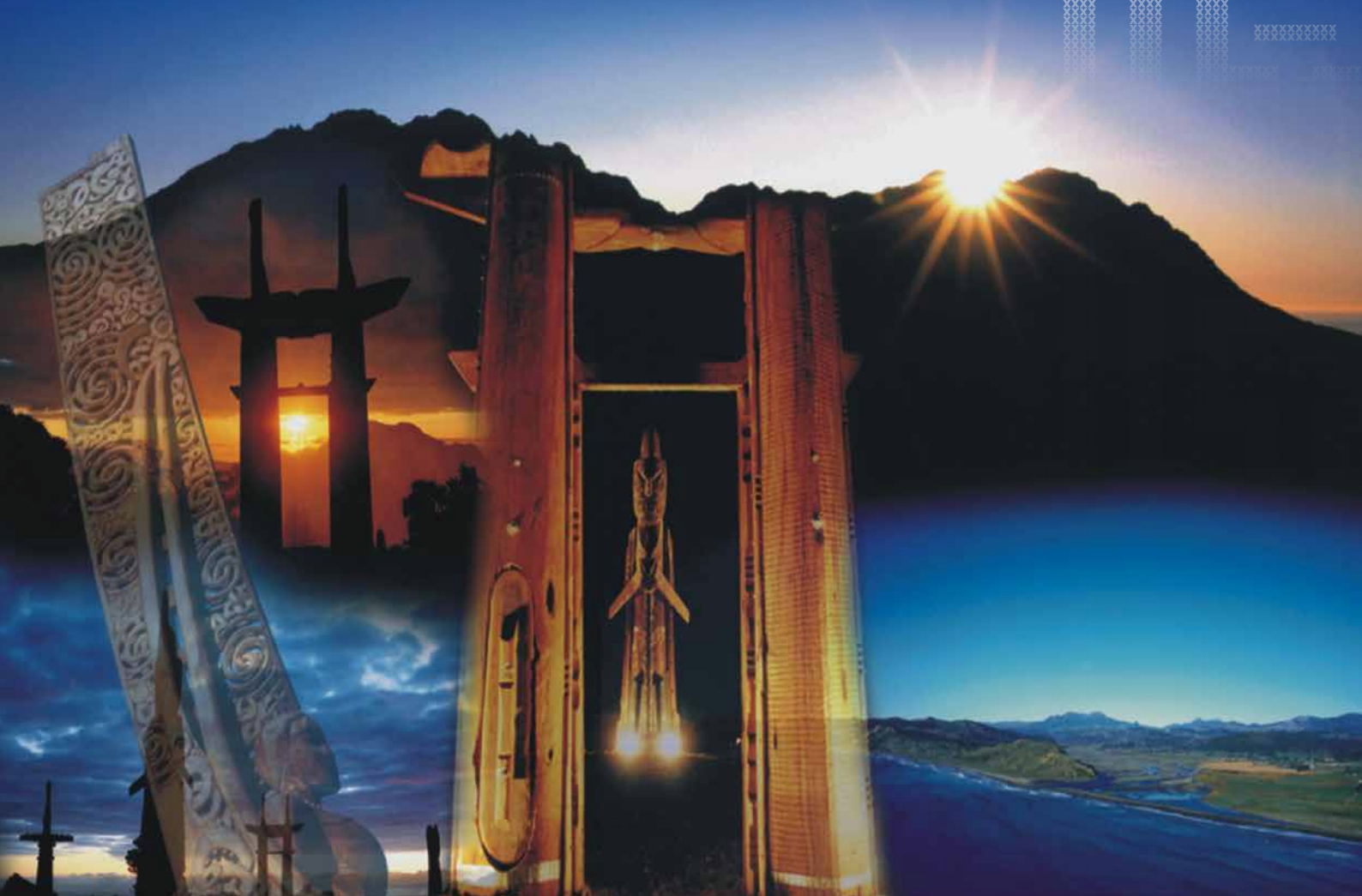
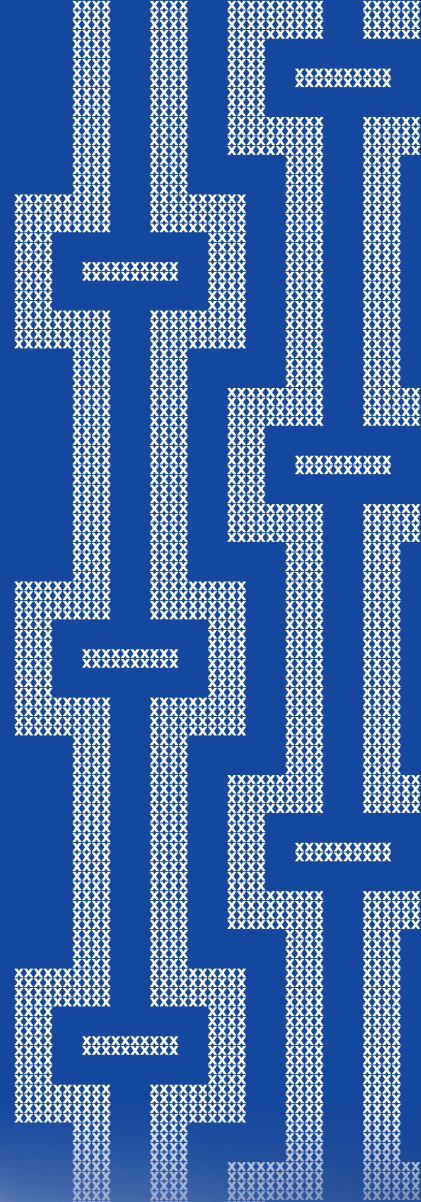




# **TE RUNANGANUI O NGATI POROU**

## **ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

**2023**



# | Table of contents

## Annual Consolidated Financial Report for the year ended 30 June 2023

**02**

DIRECTORY

---

**03**

STATEMENT OF  
RESPONSIBILITY

---

**04**

STATEMENT OF SERVICE  
PERFORMANCE

---

**05**

CONSOLIDATED STATEMENT  
OF PROFIT OR LOSS & OTHER  
COMPREHENSIVE INCOME

---

**06**

CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION

---

**07**

CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY

**08**

CONSOLIDATED STATEMENT  
OF CASH FLOWS

---

**09**

NOTES TO THE  
CONSOLIDATED FINANCIAL  
STATEMENTS

---

**33**

INDEPENDENT AUDITOR'S  
REPORT

## Directory

<b>Trustee:</b>	Te Runanganui o Ngati Porou Trustee Limited														
<b>Registered Office:</b>	Rainey Collins Level 19, 113-119 The Terrace, Wellington 6014.														
<b>Place of business:</b>	75 Huxley Road, Kaiti, Gisborne														
<b>Auditor:</b>	PricewaterhouseCoopers Napier														
<b>Company Number:</b>	3179347														
<b>Elected Representatives:</b>	<table><tr><td>Rohenga Tipuna 1:</td><td>A Pahuru - Huriwai R Kohere (Deputy Chair)</td></tr><tr><td>Rohenga Tipuna 2:</td><td>D Moana P Tangaere</td></tr><tr><td>Rohenga Tipuna 3:</td><td>L Tangaere – Baldwin T Fox</td></tr><tr><td>Rohenga Tipuna 4:</td><td>T Warmenhoven M Warmenhoven</td></tr><tr><td>Rohenga Tipuna 5:</td><td>S Parata (Chair) T Kupenga</td></tr><tr><td>Rohenga Tipuna 6:</td><td>T Lewis N Raihania</td></tr><tr><td>Rohenga Tipuna 7:</td><td>K Blackman M Tangohau</td></tr></table>	Rohenga Tipuna 1:	A Pahuru - Huriwai R Kohere (Deputy Chair)	Rohenga Tipuna 2:	D Moana P Tangaere	Rohenga Tipuna 3:	L Tangaere – Baldwin T Fox	Rohenga Tipuna 4:	T Warmenhoven M Warmenhoven	Rohenga Tipuna 5:	S Parata (Chair) T Kupenga	Rohenga Tipuna 6:	T Lewis N Raihania	Rohenga Tipuna 7:	K Blackman M Tangohau
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Rohenga Tipuna 6:	T Lewis N Raihania														
Rohenga Tipuna 7:	K Blackman M Tangohau														
<b>Bankers:</b>	ANZ Group Gisborne														
<b>Solicitors:</b>	Chapman Tripp Auckland TB Johnson Gisborne														

## | Statement of responsibility

We are responsible for the preparation of these consolidated financial statements of Te Runanganui o Ngati Porou Group and for the judgements made in them.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurances as to the integrity and reliability of financial reporting.

In our opinion, these consolidated financial statements present fairly the Group's financial position as at 30 June 2023 and the results of its operations for the year ended 30 June 2023.

Signed on behalf of the Board:



.....  
**S Parata**



.....  
**R Kohere**

# Statement of service performance

## Entity information

Legal name of entity:	Te Runanganui O Ngati Porou Trustee Limited
Type of entity and legal basis:	NZ Limited Company/Corporate Trustee
Registration number:	3179347

## Entity's purpose - Who we are & why do we exist?

Te Runanganui o Ngati Porou is the mandated Iwi organisation which represents the collective interests of nga whanau me nga hapu o Ngati Porou.

The organisation is made up of several entities, with each having a role to play towards achieving their shared aspirations. The Group is predominately made up of the following:

- Te Runanganui o Ngati Porou (Parent) - operates mainly in the Governance and Taiao space and advocates to the Crown, and to others, on matters of significance to the whole of Ngati Porou; and in support of the mana motuhake, rights and interests of Ngati Porou whanau hapu. Also responsible for providing corporate services to the wider group.
- Ngati Porou Oranga (previously Ngati Porou Hauora Charitable Trust) - provides Health, Housing and Whanau Oranga services. The social divisions are focused on empowering Ngati Porou people to become successful and to have access to a wide range of opportunities.
- Toitu Ngati Porou - is a Charitable Trust established as a wealth or benefit distribution entity to ensure that cultural development activities serve the needs of Ngati Porou now and in the future.
- Nati Growth Limited (previously Ngati Porou Holding Company Limited) & subsidiaries - is the economic and wealth generation group of Te Runanganui o Ngati Porou focused on growing the collective asset base to create a sustainable future for the Iwi.

## Description of Entity's outcomes

To administer services which ensure:

- Ngati Poroutanga is retained and passed on to future generations through Ngati Porou histories, language acquisition programmes, exhibitions and wananga.
- Ngati Porou has access to improved infrastructure, information, options and partnerships to achieve high value use of their land and resources.
- The Ngati Porou rohe is enriched by its indigenous flora and fauna, and bio diversity; effective bio security; and responsiveness to future impacts such as climate change.
- Ngati Porou hapu have greater authority, capability and capacity to protect and manage their customary land, marine and freshwater resources.
- Ngati Porou whanau are more connected to each other and to their shared identity as Ngati Porou
- Ngati Porou whanau are living healthier lives and ensuring physical and emotional well-being of their members, young and old.

## Description of Entity's outputs

(Services that the entity delivered during the year)

	Actual 2023	Actual 2022
Number of housing related placements made (assists)	26	12
Number of PHO enrollments	9,449	9,500
Number of active whanau assisted through Tuhono Whanau	26	20
Number of educational scholarships provided	70	130
Number of cultural activities supported	2	2

# Consolidated statement of profit or loss and other comprehensive income

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
<b>Income</b>			
Service delivery income	A1	36,329	28,367
Commercial trading income	A2	4,854	4,658
Rental income	A3	1,297	928
Interest income		200	40
Dividend income	A4	3,548	1,890
Realised & unrealised gains/(losses) on asset valuation	A5	11,590	(7,919)
Income share from associates and joint ventures	A6	3,677	2,372
Other income	A7	4,569	1,921
<i>Total income</i>		<u>66,064</u>	<u>32,257</u>
<b>Expenses</b>			
Personnel costs	B1	(28,589)	(21,185)
Other expenses	B2	(27,674)	(20,554)
Depreciation expense	F1	(1,852)	(1,011)
Finance cost		(991)	(390)
<i>Total expenses</i>		<u>(59,106)</u>	<u>(43,140)</u>
<b>Net surplus/(loss) before tax</b>		<u>6,958</u>	<u>(10,883)</u>
<b>Other comprehensive income</b>			
Total comprehensive income/(loss) before tax		6,958	(10,883)
Less Tax expenses	H1	(633)	(352)
<b>Total comprehensive income/(loss) after tax</b>		<u>6,325</u>	<u>(11,235)</u>

The accompanying notes forms part of these consolidated financial statements.

## Consolidated statement of financial position

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	C1	21,339	15,505
Trade and other receivables	C2	12,531	4,175
Prepayments		514	290
Inventories	C3	3,408	2,943
Work in progress		4,350	2,926
Current tax asset		900	485
<i>Total current assets</i>		<u>43,042</u>	<u>26,324</u>
<i>Non-current assets</i>			
Investments	D1	150,535	153,665
Loan advances	C4	-	213
AFL income shares	E1	16,886	16,886
Fishing quota shares	E2	24,311	24,311
Biological assets	E3	20,496	20,310
Property, plant and equipment	F1	42,729	38,121
Intangible asset	F2	-	255
<i>Total non-current assets</i>		<u>254,957</u>	<u>253,761</u>
<b>Total assets</b>		<u><b>297,999</b></u>	<u><b>280,085</b></u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Bank overdraft	C1	-	2,000
Trade and other payables	G1	6,948	2,504
Borrowings	G2	7,291	9,438
Employee entitlements	G3	2,808	1,490
Income received in advance	G4	14,265	8,388
<i>Total current liabilities</i>		<u>31,312</u>	<u>23,820</u>
<i>Non-current liabilities</i>			
Borrowings	G2	11,528	7,828
Deferred maintenance	G5	284	100
Deferred tax liability	H2	3,086	2,873
<i>Total non-current liabilities</i>		<u>14,898</u>	<u>10,801</u>
<b>Total liabilities</b>		<u><b>46,210</b></u>	<u><b>34,621</b></u>
<b>Net assets</b>		<u><b>251,789</b></u>	<u><b>245,464</b></u>
<b>Equity</b>			
Reserves	K2	2,703	2,703
Retained earnings		249,086	242,761
<b>Total equity</b>		<u><b>251,789</b></u>	<u><b>245,464</b></u>

The accompanying notes forms part of these consolidated financial statements.

## Consolidated statement of changes in equity

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
<b>Reserves</b>			
Balance as at 30 June	K2	2,703	2,703
<b>Retained earnings</b>			
Opening balance as at 1 July		242,761	253,996
Total comprehensive income/(loss) for the year		6,325	(11,235)
<b>Closing balance as at 30 June</b>		<b>249,086</b>	<b>242,761</b>

The accompanying notes forms part of these consolidated financial statements.



## Consolidated statement of cash flows

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
<b>Cash flows from operating activities</b>			
<i>Cash was provided from:</i>			
Service delivery		33,850	32,542
Commercial trading operations (incl. forestry)		4,854	1,565
Interest received		200	40
Dividends received		3,548	1,890
Share of income from associates and joint venture		3,000	2,356
Other income		5,252	1,882
		<u>50,704</u>	<u>40,275</u>
<i>Cash was applied to:</i>			
Payments to suppliers for goods and services		(24,156)	(22,899)
Payments to employees, directors and trustees		(27,271)	(20,737)
Interest paid		(991)	(391)
Tax received		371	-
		<u>(52,047)</u>	<u>(44,027)</u>
<b>Net cashflow from/(used in) operating activities</b>		<b>(1,343)</b>	<b>(3,752)</b>
<b>Cash flows from investing activities</b>			
<i>Cash was provided from:</i>			
Sale of listed investments		14,773	148,987
		<u>14,773</u>	<u>148,987</u>
<i>Cash was applied to:</i>			
Purchase of investments		(466)	(144,753)
Purchase of property, plant and equipment & WIP		(7,884)	(4,686)
Net (purchase)/sales of biological assets including forestry		989	685
		<u>(7,361)</u>	<u>(148,754)</u>
<b>Net cash inflow from investing activities</b>		<b>7,412</b>	<b>233</b>
<b>Cash flows from financing activities</b>			
<i>Cash was provided from:</i>			
Loan advances received		3,863	3,200
		<u>3,863</u>	<u>3,200</u>
<i>Cash was applied to:</i>			
Loan repayments		(2,098)	(1,497)
		<u>(2,098)</u>	<u>(1,497)</u>
<b>Net cashflow from/(used in) investing activities</b>		<b>1,765</b>	<b>1,703</b>
<b>Net increase in cash and cash equivalents</b>		<b>7,834</b>	<b>(1,816)</b>
Cash and cash equivalents at beginning of the year		13,505	15,321
<b>Cash and cash equivalents at end of the year</b>	<b>C1</b>	<b>21,339</b>	<b>13,505</b>

The accompanying notes forms part of these consolidated financial statements.

# Notes to the consolidated financial statements

## 1. Statement of accounting policies

### a) General information

These consolidated financial statements for Te Runanganui o Ngati Porou Group comprises of Te Runanganui o Ngati Porou Trustee Limited acting in its capacity as the trustee of Te Runanganui o Ngati Porou Trust (Te Runanganui o Ngati Porou or TRONPnui) and its subsidiaries and controlled entities for the year ended 30 June 2023.

TRONPnui is a post-settlement governance entity under the Ngati Porou Claims Settlement Act 2012 and a Maori Authority in accordance with the Income Tax Act 2007.

### b) Principal activities

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 cultural and commercial assets for the benefit of Ngati Porou. The principal activities of the individual subsidiaries and related entities of the Group are listed in Note I (ii).

### c) Basis of preparation

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with Public Benefit Entity Accounting Standards ("PBE Standards") as appropriate for Tier 1 not-for-profit public benefit entities.

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

### d) Presentation currency and rounding

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

### e) Summary of significant accounting policies

Accounting policies that are relevant to the understanding of these consolidated financial statements are presented throughout the notes. These policies have been consistently applied unless otherwise stated.

### f) Key judgements and estimates

In the process of applying the Group's accounting policies, the Group has made a number of judgements and estimates. All material judgements and estimates are disclosed throughout the notes to these consolidated financial statements.

### g) GST

Revenues, expenses, assets and liabilities (excluding trade receivables and payables) are recognised net of GST. The net GST recoverable from, or payable to the taxation authority is included in the statement of consolidated financial position as part of trade and other receivables or trade and other payables.

Cashflows are included in the statement of consolidated cash flows on a net basis.

### h) Comparative amounts

Where necessary, comparative figures are adjusted to achieve consistency with current year disclosures. No material changes to comparative figures have been made in the current year.

# Notes to the consolidated financial statements

## SECTION A - INCOME

### A1 - Service delivery income

Government contracts – exchange

#### Total service delivery income

2023 NZ\$ '000	2022 NZ\$ '000
36,329	28,367
<b>36,329</b>	<b>28,367</b>

Service delivery income require the provision of services and the fulfilment of substantive conditions to the satisfaction of the funder. This income is recognised by reference to the relevant specified service period and fulfilment of a contract's substantive conditions or stage of completion of the contract. Judgement is often required in determining the timing of revenue recognition for multi-year funding arrangements and contracts that span across balance dates.

### A2 - Commercial trading income

i) Fishing income

ii) Farming income

iii) Honey income

#### Total commercial trading income

2023 NZ\$ '000	2022 NZ\$ '000
720	921
3,269	2,485
865	1,252
<b>4,854</b>	<b>4,658</b>

i) Fishing income is derived from:

- the sale of fish, shellfish and related produce (revenue is recognised upon receipt by the customer when the risks and rewards of ownership have been transferred);
- contract processing income (recognised at the time the processing is completed); and
- Annual Catch Entitlement (ACE) income that the Group manages itself, in contrast to ACE that is managed by the Iwi Collective Partnership (ICP), which is recognised under income share from associates and joint ventures (Note A6).

ii) Farming income is derived from:

- the sale of livestock and sales of other agriculture produce (revenue is recognised upon receipt by the customer when the risks and rewards of ownership have been transferred);
- net increases due to births, growth and losses of livestock.

iii) Honey income is derived from:

- sale of honey (revenue is recognised upon receipt by the customer when the risks and rewards of ownership have been transferred); and
- sales of honey inventory and gains from changes in the value of harvested honey.

### A3 - Rental income

Rental income from leased forest land

Rental income from tenants

#### Total rental income

2023 NZ\$ '000	2022 NZ\$ '000
718	656
579	272
<b>1,297</b>	<b>928</b>

The Group derives rental income from the leasing of forest land to Ernslaw One Limited, Summit Forests and properties to commercial and residential tenants.

# Notes to the consolidated financial statements

## SECTION A - REVENUE (CONTINUED)

### A4 - Dividend income

	2023 NZ\$ '000	2022 NZ\$ '000
AFL Dividend income	436	983
Dividend income from investments	3,112	907
<b>Total dividend income</b>	<b>3,548</b>	<b>1,890</b>

Dividend income relates to dividends received from Aotearoa Fisheries Limited and the Group's portfolio of financial investments.

### A5 - Realised & unrealised gains/(losses) on asset valuation

Note

	2023 NZ\$ '000	2022 NZ\$ '000
Realised & unrealised gains/(losses) on financial investments	10,900	(9,540)
Gain from valuation of biological assets	E3 690	1,621
<b>Total unrealised gain/(loss) on asset valuation</b>	<b>11,590</b>	<b>(7,919)</b>

Gains on asset valuation reflects changes in the fair value of financial investments, forests and livestock due to changes in market values.

### A6 - Income/(Loss) share from associates and joint ventures

	2023 NZ\$ '000	2022 NZ\$ '000
ICP ACE Holdings LP – quota income received by NPSL	931	771
ICP ACE Inshore LP – quota income received by NPSL	750	701
ICP Koura Operations LP – quota income received by NPSL	467	533
ICP Koura Operations LP – share of income received by NPFL	253	308
ICP Koura Facilities LP – share of income received by NPFL	(17)	42
Share of Income from Ahi Mokopuna LP	1,731	544
Hauti Berries JV	(438)	(518)
Miro LP Ltd	-	(9)
<b>Total income share from associates and joint ventures</b>	<b>3,677</b>	<b>2,372</b>

### A7 - Other income

Administration fees and charges	37	37
Other income	4,532	1,884
<b>Total other income</b>	<b>4,569</b>	<b>1,921</b>

Other income is derived from:

- the provision of administration, accountancy and financial services to associates and third parties (revenue is recognised as the services are provided);
- other incidental income, derived in the course of business, including grants, service fees and cost recoveries.

# Notes to the consolidated financial statements

## SECTION B - EXPENSES

### B1 - Personnel costs

	2023 NZ\$ '000	2022 NZ\$ '000
Salaries and wages	25,584	19,508
Contractor costs	2,553	1,539
Other personnel related costs	452	138
<b>Total personnel costs</b>	<b>28,589</b>	<b>21,185</b>

### B2 - Other expenses

Cost of sales from commercial operations and forestry	3,307	1,197
Rental expense	415	443
Farm costs	359	814
Vehicle expenses	1,698	1,135
Property, rates, electricity and gas	711	574
Business development and promotional costs	309	973
Governance costs	1,091	918
Marae grants	500	460
Fund management fees	716	706
Accounting and audit fees	460	758
IT costs	381	987
Consulting costs	1,255	562
Travel costs	538	141
Repairs and maintenance costs	790	2,421
Donations, koha and sponsorship	1,137	122
Insurance expenses	709	482
Medical and hospital costs	560	310
Office costs, photocopying, freight, courier and postage	612	215
Legal costs	363	259
Meeting and catering costs	211	534
Contractors expense	445	496
Communications and publications	124	90
Employment related costs	179	89
Impairment of investments	1,945	-
Impairment of property, plant, equipment & intangibles	710	-
Projects, program delivery	2,823	-
Other costs	5,326	5,868
<b>Total other expenses</b>	<b>27,674</b>	<b>20,554</b>

# Notes to the consolidated financial statements

## SECTION C - CASH, TRADE AND OTHER RECEIVABLES & INVENTORIES

	Note	2023 NZ\$ '000	2022 NZ\$ '000
<b>C1 - Cash and cash equivalents</b>			
Cash at bank		21,339	15,505
Bank overdraft - secured	G2 i	-	(2,000)
<b>Total cash and cash equivalents</b>		<b>21,339</b>	<b>13,505</b>

Cash and cash equivalents comprises of cash on hand, cash in banks and investments in money market instruments with maturities of less than 3 months, net of outstanding bank overdrafts.

Surplus funds in excess of what is required for forecasted short-term operational requirements are invested in various short term interest earning deposit accounts ranging from call accounts to 120-day term deposits.

	Note	2023 NZ\$ '000	2022 NZ\$ '000
<b>C2 - Trade and other receivables</b>			
Trade receivables		10,425	2,515
Related party receivables	I iv	2,106	1,660
Less allowance for doubtful debts		-	-
<b>Total trade and other receivables</b>		<b>12,531</b>	<b>4,175</b>
<i>Ageing of receivables</i>			
60 - 90 days		269	2
90-120 days		66	140
		<b>335</b>	<b>142</b>

Receivables greater than 60 days are considered to be past due. Impairment assessments are performed based on an analysis of past collection history, write-offs and the probability of collecting the debts.

	2023 NZ\$ '000	2022 NZ\$ '000
<b>C3 - Inventories</b>		
Agricultural produce - Honey	3,320	2,814
Seafoods inventory	88	129
<b>Total inventories</b>	<b>3,408</b>	<b>2,943</b>

Honey is valued at fair value less costs to sell at the point of harvest in accordance with PBE IPSAS 27 - Agriculture. Such measurement is the deemed cost at the date of harvest, after which PBE IPSAS 12 - Inventories applies whereby the honey is tested annually to ensure the net realisable value does not exceed the cost of the honey. Where the net realisable value of the honey is significantly lower than the cost of the honey, the value of the honey is written down with the impairment being recognised in the statement of profit or loss and other comprehensive income.

Seafoods inventory comprises of raw, smoked and processed fish, which is carried at lower of cost and net realisable value.

	Note	2023 NZ\$ '000	2022 NZ\$ '000
<b>C4 - Loan advances</b>			
Te Poho-o-Rawiri Marae Committee Loan	i	-	213
		<b>-</b>	<b>213</b>

i) The Te Poho-o-Rawiri Marae Committee loan was fully repaid on 18 May 2023.

# Notes to the consolidated financial statements

## SECTION D - INVESTMENTS

### D1 - INVESTMENTS

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
Investments at fair value through profit and loss	D1.1	145,482	147,115
Investment in Associates & Joint Ventures	D1.2	4,808	6,307
Other investments – NZ Equities		244	243
<b>Total investments</b>		<b>150,534</b>	<b>153,665</b>
<i>D1.1 Investments at fair value through profit and loss</i>			
<i>Growth assets</i>			
<i>Trans-Tasman equities</i>			
- Castle Point Trans-Tasman Fund		14,644	11,977
- Milford Funds		8,988	6,350
- Devon Funds Management		8,050	7,086
<i>Emerging market equities</i>			
- Dimensional Emerging Mrkts Sustnblty Tr		6,668	6,721
- Capital Group New World		6,523	5,630
<i>Total growth assets</i>		<i>44,873</i>	<i>37,764</i>
<i>Income assets</i>			
- Cash call account		808	613
- Nikko AM NZ Corporate Bond		2,847	10,215
- Daintree Core Income NZD Hdg		2,266	11,140
<i>Total income assets</i>		<i>5,921</i>	<i>21,968</i>
<i>Private Equity</i>			
- ICG Senior Loan Fund		4,764	4,663
- LGT Fund Managers		2,152	1,551
- Accolade		1,696	860
- PCG Diversified New Zealand Private Debt Fund		3,142	-
<i>Total Private Equity</i>		<i>11,754</i>	<i>7,074</i>
<i>Global Equity</i>			
- Dimensional Global Equity Sustainability NZD Hedged		35,935	25,456
- iShares Screened International Equity Index		5,797	9,450
- Dimensional Global Value Trust		3,241	9,946
- Dimensional Global Small Company Trust		10,908	2,036
		<i>55,881</i>	<i>46,888</i>
<i>Real estate and infrastructure</i>			
- Kernel Global Infrastructure		7,263	8,764
- Dimensional Global Real Estate NZD Hedge		4,893	2,489
- Trust Management - Property fund		-	5,836
		<i>12,156</i>	<i>17,089</i>
<i>Alternatives</i>			
- ETFS Physical Gold		5,628	6,053
- Man AHL Alpha B		9,269	10,279
		<i>14,897</i>	<i>16,332</i>
<i>Total investments at fair value</i>		<i>145,482</i>	<i>147,115</i>

# Notes to the consolidated financial statements

## SECTION D - INVESTMENTS (CONTINUED)

Investment portfolio is classified as fair value through profit or loss with related distributions, dividends and gains or losses being recognised in the statement of profit or loss and other comprehensive income. The fair value of these investments is classified as Level 2 for reporting purposes, as the values of investments are not directly observable in active markets however are based on unit rates derived from inputs that are observable either directly or indirectly (i.e. based on the market prices of the underlying investments in the fund).

The investments portfolio is managed in accordance with the Nati Growth Limited Statement of Investment Policies and Objectives (SIPO). The SIPO details the organisation's objectives, asset classes, target allocations, portfolio benchmarks and currency hedging. In May 2021, Myfiduciary was appointed as financial advisor for Nati Growth Limited.

It is recognised that a portfolio biased to Growth Assets could be severely impacted during periods of unanticipated inflation or prolonged deflation. The objective of the allocations to Income Assets is to protect the portfolio of Financial Assets during such environments. These allocations should also offer portfolio diversification benefits that would moderate portfolio volatility.

### D1.2 Investment in Associates & Joint Ventures

	Notes	2023 NZ\$ '000	2022 NZ\$ '000
ICP Koura Facilities Limited Partnership	i	219	287
Miro LP	ii	-	99
Hauiti Berries LP	iii	64	1,861
Ahi Mokopuna LP	iv	4,525	4,061
<b>Total investments in associates and joint ventures</b>		<b>4,808</b>	<b>6,308</b>

- This relates to the Group's share of property and other costs which was incurred on establishment of the Limited Partnership. The Group has formed an alliance with 19 (2022: 19) other Iwi in the North Island to manage their respective Annual Catch Entitlements (ACE) collectively. These entities are deemed associates of the Group.
- Investment in Miro LP relates to the 2.32% shares of investment in Miro LP, less any impairment.
- This relates to the Group's investment in Hauiti Berries LP, net of its share of accumulated losses, less any impairment.
- During 2021/22, Ngati Porou Seafoods Limited acquired 35.9% interest in Ahi Mokopuna LP which owns 100% of Akaroa Salmon NZ Limited.



# Notes to the consolidated financial statements

## SECTION E - FISHERIES, FARMING AND FORESTRY ASSETS

### E1 - AFL Income Shares

Aotearoa Fisheries Limited income shares

2023	2022
NZ\$ '000	NZ\$ '000
16,886	16,886
<b>16,886</b>	<b>16,886</b>

The Group holds 37,464 (2022: 18,732) shares or 7.49% (2022: 7.49%) of the revenue shares in Aotearoa Fisheries Limited (AFL). These income shares entitle the Group to receive dividends from AFL.

AFL revenue shares are classed as “available-for-sale financial asset”. As these shares contain a number of restrictions and do not have a readily available market value, the board of Ngati Porou Seafoods Limited has exercised its judgement in determining the value of the shares. Using a net tangible asset valuation methodology, the value of the shares on allocation from Te Ohu Kaimoana were initially written down by \$5.6m (or 25%) to reflect the restrictions attached to these shares (such as no voting rights and restrictions on the sale of shares).

Due to the absence of a readily available market, the shares have not been re-valued since the original impairment was recorded. The shares are subject to an annual impairment review that considers the value of the Group’s 7.49% share of net assets of AFL based on their most recent financial statements. No indicators of impairment were identified based on this review.

The Group received net dividends of \$359,959 during the year with \$76,355 worth of Maori Authority Tax Credits "MATCs" (2022: net dividend of \$810,625 with \$171,951 worth of Maori Authority Tax Credits).

During the year AFL issued a taxable bonus share, pro rata, to its existing shareholders. The reason for the bonus share issue was to release excess MATCs to shareholders. The net value of the bonus share was \$4,238,784 with \$899,136 of MATCs attached. The net value of the bonus share has not been recognised in these financial statements on the basis that the carrying value of the AFL shares is unchanged. The MATCs attached to the bonus share are a current tax asset and therefore have been recognised in the financial statements.

	Fishing Quota Te Ohu Kaimoana allocation Deemed cost NZ\$ '000	Other Fishing Quota Deemed cost NZ\$ '000	Total Fishing Quota Deemed cost NZ\$ '000
<b>E2 - Fishing quota shares</b>			
Balance at 1 July 2022	10,181	14,130	24,311
Balance at 30 June 2023	<b>10,181</b>	<b>14,130</b>	<b>24,311</b>
Balance at 1 July 2021	10,181	14,130	24,311
Balance at 30 June 2022	<b>10,181</b>	<b>14,130</b>	<b>24,311</b>

Fishing quota shares is an intangible asset with an indefinite useful life. The Te Ohu Kaimoana allocation was recognised at (deemed cost) being fair value on initial recognition with subsequent quota acquisitions recorded at cost. Fishing quota is subsequently carried at cost and tested annually for impairment.

# Notes to the consolidated financial statements

## SECTION E - FISHERIES, FARMING AND FORESTRY ASSETS (CONTINUED)

The board of Ngati Porou Seafoods Group Limited in conjunction with the board of Te Runanganui o Ngati Porou Trustee Limited undertook an annual review of the carrying value of fishing quota for impairment as at 30 June 2023. Independent valuations were undertaken using quoted market prices. No indicators of impairment were identified based on this review.

### Restrictions

Te Ohu Kaimoana quota is a settlement asset and any transactions to do with this asset are subject to the Maori Fisheries Act 2004.

### E3 - BIOLOGICAL ASSETS

	Bees NZ\$ '000	Livestock NZ\$ '000	Forestry NZ\$ '000	Total NZ\$ '000
<b>Balance as at 1 July 2022</b>	141	4,406	15,763	20,310
Purchases	-	68	192	260
Net increase due to births/deaths/losses	-	254	-	254
Decrease due to sales	-	(1,248)	-	(1,248)
<i>Change in fair value less costs to sell</i>				
- Due to change in market prices (holding gains)	-	230	690	920
<b>Balance as at 30 June 2023</b>	<b>141</b>	<b>3,710</b>	<b>16,645</b>	<b>20,496</b>
<b>Balance as at 1 July 2021</b>	141	4,193	13,569	17,903
Purchases	-	112	573	685
Net increase due to births/deaths/losses	-	1,850	-	1,850
Decrease due to sales	-	(2,110)	-	(2,110)
<i>Change in fair value less costs to sell</i>				
- Due to change in market prices (holding gains)	-	361	1,621	1,982
<b>Balance as at 30 June 2022</b>	<b>141</b>	<b>4,406</b>	<b>15,763</b>	<b>20,310</b>

Biological assets include livestock (sheep and cattle), forestry and bees. Biological assets are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Biological assets are subsequently measured at fair value less costs to sell, with any change therein recognised in surplus or deficit. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Biological assets transferred to inventory are done so at fair value less estimated costs to sell.

### Bees

As the bee hives are continually regenerating, the fair value assigned to a hive is on a \$ per kg basis, plus queen and brood. The value attributed to these quantities has been sourced from the Ministry of Primary Industries.

### Livestock

Livestock valuations at 30 June 2023 were provided by PGG Wrightson Ltd. These market values reflect livestock of similar age, breed and genetic merit throughout New Zealand. At 30 June 2023, livestock comprised 12,769 sheep (2022: 12,949) and 1,583 cattle (2022: 1,819).

### Forestry

At reporting date, forestry land comprised of 25,064 hectares (2022: 25,064 hectares) of which 13,971 hectares (2022: 13,971) was leased to Ernslaw One Limited and Summit Forests. Forest land planted with trees owned by the Group totalled 4,515 hectares (2022: 4,603 hectares). Forests are accounted for at fair values. The valuation has been prepared by Interpine Group Limited.

# Notes to the consolidated financial statements

## SECTION F - PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

### F1 - Property, plant and equipment

#### 2023

##### Cost or valuation

	Land NZ\$ '000	Buildings NZ\$ '000	Plant & Equipment and Office Equipment NZ\$ '000	Motor Vehicles NZ\$ '000	Taonga NZ\$ '000	Total NZ\$ '000
Opening balance - 1 July 2022	23,151	15,306	9,220	2,319	499	50,495
Additions	2,315	1,811	1,531	1,072	-	6,729
Disposals	(232)	-	(37)	-	-	(269)
Closing balance - 30 June 2023	25,234	17,117	10,714	3,391	499	56,955

##### Accumulated depreciation

Opening balance - 1 July 2022	(79)	(4,329)	(6,493)	(1,004)	(469)	(12,374)
Depreciation and impairment	(6)	(196)	(1,263)	(382)	(5)	(1,852)
Closing balance - 30 June 2023	(85)	(4,525)	(7,756)	(1,386)	(474)	(14,226)

##### Carrying amounts

Opening balance - 1 July 2022	23,072	10,977	2,727	1,315	30	38,121
Closing balance - 30 June 2023	25,149	12,592	2,958	2,005	25	42,729

### F1 - Property, plant and equipment

#### 2022

##### Cost or valuation

	Land NZ\$ '000	Buildings NZ\$ '000	Plant & Equipment and Office Equipment NZ\$ '000	Motor Vehicles NZ\$ '000	Taonga NZ\$ '000	Total NZ\$ '000
Opening balance - 1 July 2021	22,901	14,721	8,122	1,420	499	47,663
Additions	250	585	1,106	931	-	2,872
Disposals	-	-	(8)	(32)	-	(40)
Closing balance - 30 June 2022	23,151	15,306	9,220	2,319	499	50,495

##### Accumulated depreciation

Opening balance - 1 July 2021	(46)	(4,194)	(5,870)	(790)	(463)	(11,363)
Depreciation and impairment	(33)	(135)	(623)	(214)	(6)	(1,011)
Closing balance - 30 June 2022	(79)	(4,329)	(6,493)	(1,004)	(469)	(12,374)

##### Carrying amounts

Opening balance - 1 July 2021	22,855	10,527	2,252	630	36	36,300
Closing balance - 30 June 2022	23,072	10,977	2,727	1,315	30	38,121

#### i. Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses. Significant parts of an item of property, plant and equipment having different useful lives are accounted for as separate items of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income.

# Notes to the consolidated financial statements

## SECTION F - PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES (CONTINUED)

### F1 - Property, plant and equipment (continued)

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is recognised in the statement of profit or loss and other comprehensive income. Freehold land is not depreciated.

The estimated depreciation rates of property, plant and equipment are as follows:

- Buildings - 2% to 4%
- Plant and equipment and office equipment - 10% to 50%
- Motor vehicles - 25% to 30%
- Taonga - 16% to 20%

Depreciation methods, useful lives and residual values are reviewed at each year end and adjusted if required.

#### iv. Heritage assets

Te Runanganui o Ngati Porou may from time to time by special resolution of Elected Representatives determine that any property become a Heritage Asset. In that case, Te Runanganui o Ngati Porou must not:

- a) sell, exchange, transfer, or otherwise permanently dispose of the Heritage Asset;
- b) grant any mortgage, charge or other encumbrance over the Heritage Asset or any part of it which confers a power of sale; or
- c) use the Heritage Asset as the subject of any guarantee or collateral security arrangement.

Heritage assets are as follows:

- Mt Hikurangi  
Legal description: Hikurangi Block, ML Plan 8929, CFR GS6D/412  
Land area: 3,760 hectares
- All fisheries Settlement Quota and AFL Income Shares

#### v. Security held over items of property, plant and equipment

Refer to Note G2 i.

### F2 - Intangibles

The intangible asset relates to the creation of the "Ahia" brand for the sale and distribution of smoked kaimoana by Ngati Porou Seafoods Group. This was fully impaired during the financial year.

# Notes to the consolidated financial statements

## SECTION G - BORROWINGS, TRADE AND OTHER PAYABLES, EMPLOYEE ENTITLEMENTS & INCOME IN ADVANCE

### G1 - Trade and other payables

*Payables from exchange transactions*

Trade payables

**Total trade and other payables**

2023	2022
NZ\$ '000	NZ\$ '000
6,948	2,504
<b>6,948</b>	<b>2,504</b>

### G2 - Borrowings

		2023			2022		
	Maturity Date	Interest rate %	Current NZ\$ '000	Non Current NZ\$ '000	Interest rate %	Current NZ\$ '000	Non Current NZ\$ '000
<u>TRONPnui Parent</u>							
Term facility	Jul-24	6.91%	468	3,178	4.13%	468	3,646
<u>NG</u>							
Flexible credit facility		6.40%	2,000	-			
<u>NPSG</u>							
Term facility	Jul-24	6.91%	360	3,500	4.13%	360	3,860
Flexible credit facility		8.26%	2,000	-	5.11%	3,000	-
<u>PFL</u>							
Flexible credit		6.99%	2,200	-	4.33%	2,200	-
Term facility	Jul-24	6.81%	240	2,900	4.53%	3,380	-
John Deere Financial		1.85%	23	-	1.85%	30	22
<u>Tohetaka Limited</u>							
PDU Loan	Dec-31	1.27%	-	1,950	1.27%	-	300
<b>Total Borrowings</b>			<b>7,291</b>	<b>11,528</b>		<b>9,438</b>	<b>7,828</b>

#### i. Assets Pledged as Security

- The Te Runanganui o Ngati Porou ANZ Banking Group loans are secured over Te Tini o Porou.
- The Ngati Porou Seafoods Group and Pakihiroa Farms Limited loans and facilities with ANZ Banking Group are secured by a registered first ranking General Security Agreement over all the present and after acquired property of Ngati Porou Holding Company Limited. Cross guarantees and indemnities are in place between Ngati Porou Holding Company Limited, Ngati Porou Seafoods Limited, Ngati Porou Fisheries Limited and Pakihiroa Farms Limited.
- The PDU Loan Facility will be secured by Tohetaka Limited in favour of the Ministry by a first ranking general security deed granted by Tohetaka Limited in favour of the Ministry in respect of all of its present and after acquired property (GSD).

#### ii. Defaults and breaches at reporting date and during the reporting period

- There have been no defaults or breaches of the banking covenants during the financial year.

## Notes to the consolidated financial statements

### G3 - Employee entitlements

Employee entitlements relates primarily to annual leave entitlements which are current and measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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 the provisions are capable of being measured reliably.

		2023	2022
	Note	NZ\$ '000	NZ\$ '000
<b>G4 - Income received in advance</b>			
Service delivery income in advance	(i)	10,957	6,240
Ma Wai Ra income in advance	(ii)	1,278	956
Other income in advance		2,030	1,192
<b>Total income in advance</b>		<b>14,265</b>	<b>8,388</b>

(i) Service delivery income in advance relates to contractual income unspent at balance date in relation to Government contracts. These contracts span across Housing, Hauora, Whanau Oranga and Taiao services.

(ii) Ma Wai Ra income in advance received relates to a funding agreement with the Provincial Development Unit totalling \$8,381,998 in 2021 for the renovation and restoration of 41 Marae and 1 church. As at balance date, a total of \$1.51 million is remaining to be spent from these funds.

### G5 - Deferred maintenance

The Group has a maintenance program which ensures that regular and ongoing maintenance is performed on properties and assets that the Group owns. As at balance date \$284 thousand (2022: \$100 thousand) of maintenance expenditure had been committed to.

# Notes to the consolidated financial statements

## SECTION H - TAXATION

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

### H1 - Tax expense

#### Tax expense is comprised of:

	2023 NZ\$ '000	2022 NZ\$ '000
Current tax expense in respect of the current year	614	131
Current tax expense in respect of prior years	(1)	(11)
Adjustments recognised in the current year in relation to tax credits	(193)	(126)
Deferred tax prior period adjustment	24	(42)
Deferred tax expense relating to the origination and reversal of temporary differences	189	400
<b>Total tax expense for the current year</b>	<b>633</b>	<b>352</b>
<b>The total charge for the year can be reconciled to the Net surplus as follows:</b>		
Surplus/(loss) before tax	6,957	(10,883)
Tax calculated at 17.5%	1,217	(1,904)
Prior year's tax adjustment	22	(53)
Adjustments recognised in the current year - imputation and foreign tax credits	(193)	(126)
Effect of revenue exempt from taxation and non-deductible expenses	(413)	2,521
Effect of losses to carry forward	-	(86)
<b>Total tax expense for the current year</b>	<b>633</b>	<b>352</b>

#### Current tax expense

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 revenue and expenses because it excludes items of revenue 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.

### H2 - Deferred tax liability

	2023			2022		
	Opening balance NZ\$ '000	Movement during the year NZ\$ '000	Closing balance NZ\$ '000	Opening balance NZ\$ '000	Movement during the year NZ\$ '000	Closing balance NZ\$ '000
Imputation credits converted to losses	(85)	85	-	(38)	(47)	(85)
Provision - Building work	-	-	-	(41)	41	-
Deferred maintenance	(18)	(32)	(50)	(69)	51	(18)
Biological assets	420	(111)	309	346	74	420
Forestry	2,758	154	2,912	2,375	383	2,758
Employee entitlements	(112)	32	(80)	(66)	(46)	(112)
Fencing	10	-	10	10	-	10
Income unrecognised	-	-	-	(1)	1	-
Provisions	(1)	1	-	(1)	-	(1)
Repairs & maintenance	(99)	99	-	-	(99)	(99)
Other accruals	-	(15)	(15)	-	-	-
	<b>2,873</b>	<b>213</b>	<b>3,086</b>	<b>2,515</b>	<b>358</b>	<b>2,873</b>

# Notes to the consolidated financial statements

## SECTION H - TAXATION (CONTINUED)

### *Deferred tax (continued)*

Deferred tax is income tax which is expected to be payable or receivable in the future as a result of temporary differences unwinding. These arise from differences in the recognition of assets and liabilities for financial reporting and for the filing of income tax returns. Deferred tax is recognised on all temporary differences other than those arising from goodwill; and from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss.

Deferred tax assets arising from deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to use the asset. 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 revenue taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis

Current and deferred tax are recognised as an expense or revenue in profit or loss, except when they relate to items recognised in other comprehensive revenue or directly in equity, in which case the tax is also recognised in other comprehensive revenue 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.

	2023 NZ\$ '000	2022 NZ\$ '000
<b>Maori Authority Tax Credits</b>		
Balance at start of year	1,253	945
Movements	626	308
<b>Balance at end of year</b>	<b>1,879</b>	<b>1,253</b>



# Notes to the consolidated financial statements

## SECTION I - RELATED PARTIES

### i) Parent and controlling entity

The parent and ultimate controlling entity of the Group is Te Runanganui o Ngati Porou Trustee Limited.

### ii) Other related parties and entities

#### a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity. These consolidated financial statements include the financial 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.

#### b) Associates and joint ventures (JV)

Associates are those entities over which the Group has significant influence but no control. 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 with impairments being recorded against the carrying value of the investment.

The following table lists all entities which form part of the Group and related associates and joint ventures. All entities have their principal place of business and are incorporated in New Zealand.

Name of entity	Type	Principal activity	Share ownership	Voting rights
Nati Growth Limited	Subsidiary	Management of Group commercial activities	100%	100%
Toitu Ngati Porou Trustee Limited	Subsidiary	Administers cultural development activities	N/A	100%
Ngati Porou Oranga	Subsidiary	Provision of health services to the community	N/A	100%
Ngati Porou Fisheries Limited	Subsidiary	Fish processing, distribution, wholesale & retail	100%	100%
Ngati Porou Seafoods Limited	Subsidiary	Fisheries asset holding company & management	100%	100%
Pakihiroa Farms Limited	Subsidiary	Commercial farming	100%	100%
Pohewa Limited	Subsidiary	Digital & marketing	100%	100%
Real Fresh Limited	Subsidiary	Retail fish & related products	100%	100%
Tohe Taka Limited	Subsidiary	Honey extraction	100%	100%
ICP Koura Facilities LP	Associate	Commercial fishing	33%	33%
ICP ACE Holdings Limited	Associate	Commercial fishing	33%	33%
ICP Inshore ACE Limited	Associate	Commercial fishing	33%	33%
ICP Koura Operations Limited	Associate	Commercial fishing	33%	33%
Ahi Mokopuna LP	Associate	Salmon Harvesting	36%	28%
Hauti Berries LP Limited	Joint Venture	Horticulture	80%	50%
Ngati Porou Miere LP	GP	Honey harvesting & sales	16.7%	16.7%
The Work Shop Limited	Investee	Digital management system	2.34%	2.34%
Hautupua GP Limited	Investee	Arboriculture and fruit production	2.32%	2.32%

# Notes to the consolidated financial statements

## SECTION I - RELATED PARTIES (CONTINUED)

### iii) Interest in Associates and Joint Ventures

Name of entity	Total Assets		Total Liabilities		Total Revenue		Surplus/(Deficit)	
	2023	2022	2023	2022	2023	2022	2023	2022
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
ICP ACE Holdings LP	1,727	1,904	1,716	1,904	3,452	464	-	-
ICP Inshore ACE LP	605	456	601	456	1,731	67	-	-
ICP Koura Operations LP	1,953	2,144	1,949	2,143	1,793	1,947	-	-
ICP Koura Facilities LP	1,754	1,568	762	539	230	192	-	-
Ngati Porou Miere LP	-	229	-	179	-	55	-	(20)
Hauti Berries LP	1,802	1,943	1,974	80	1,035	960	(545)	(649)
Hautupua GP LTD - Miro	5,498	5,555	1,781	1,761	831	2,044	(78)	(386)
The Work Shop Limited	-	219	-	4,593	-	287	-	(1,920)
Ahi Mokopuna LP	19,682	9,155	5,018	5,062	8,498	1,603	2,055	361
	<b>33,021</b>	<b>23,173</b>	<b>13,801</b>	<b>16,717</b>	<b>17,570</b>	<b>7,619</b>	<b>1,432</b>	<b>(2,614)</b>

\* The table above reflects 100% of the balances of the respective entities.

### ICP

The balance date for all ICP's is 30 September. The results shown in the table above are to 30 June 2023.

The were no significant restrictions regarding the distribution of dividends from the ICP Associates. The ICP Associates had no contingent liabilities as at balance date (2022: Nil).

### Ngati Porou Miere LP

The Group holds a 16.67% share in Ngati Porou Miere Limited Partnership. The LP also facilitates sales of honey at a commission rate of 5%. During the year, sales commissions paid or payable to Ngati Porou Miere LP amounted to nil (2022: Nil).

The balance date of the LP is 30 June and there are no significant restrictions regarding the distributions of dividends from the LP. The LP had no contingent liabilities as at balance date (2022: Nil).

### Hauti Berries LP

The Group has an 80% investment share in Hauti Berries LP and is entitled to 80% of the profits or losses generated by the LP. However as per the LP agreement, the Group has 50% of the voting rights and therefore this entity is considered a joint venture entity of the Group.

The balance date of the LP is 30 June and there are no restrictions regarding the distribution of dividends from the LP. The LP had no contingent liabilities as at balance date (2022: Nil).

The LP has been through an operations start up phase during the time since its inception in April 2019. Due to the financial losses incurred over this period, management has taken the decision to impair the carrying value of the investment in the LP by \$1.80 million (2022: Nil).

### Ahi Mokopuna LP

The Group invested \$3.52 million to acquire 35.9% interest in Ahi Mokopuna LP in 2022. The LP owns 100% shares in Akaroa Salmon NZ Limited. As per the LP agreement, the Group has 28% voting rights in Ahi Mokopuna LP.

### iv) Transactions with related parties

During the year, a number of related companies transacted with the Group. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non related parties on an arm's length basis.

Balances and transactions between the Trustee and its subsidiaries, which are related parties of the Trust have been eliminated on consolidation and are not disclosed in this note.

# Notes to the consolidated financial statements

## SECTION I - RELATED PARTIES (CONTINUED)

	2023 NZ\$ '000	2022 NZ\$ '000
<b>Related party receivables</b>		
ICP ACE Holdings LP – quota revenue receivable	394	450
ICP ACE Inshore LP – quota revenue receivable	285	241
ICP Koura Operations LP – quota revenue receivable	-	-
ICP Koura Operations LP – share of income	253	308
ICP Koura Facilities LP – quota revenue receivable	168	117
Ngati Porou Miere LP	-	-
Ahi Mokopuna LP - share of income	1,006	542
<b>Total related party receivables</b>	<b>2,106</b>	<b>1,660</b>

### v) Identity and remuneration of key management personnel

Key management personnel comprises trustees, directors and leadership team personnel who have responsibility for planning, directing and controlling the activities of the Group.

Key management personnel as at 30 June 2023 were as follows, together with remuneration received during the year.

	2023 NZ\$'000	2022 NZ\$ '000
<i>Te Runanganui o Ngati Porou Trustee Limited - Elected Representatives</i>		
Rohenga Tipuna 1: A Pahuru - Huriwai	30	30
Rohenga Tipuna 1: R Kohere (Deputy Chair)	38	38
Rohenga Tipuna 2: D Moana	30	30
Rohenga Tipuna 2: P Tangaere	30	30
Rohenga Tipuna 3: L Tangaere - Baldwin	30	30
Rohenga Tipuna 3: T Fox	30	30
Rohenga Tipuna 4: T Warmenhoven	30	30
Rohenga Tipuna 4: M Warmenhoven	30	30
Rohenga Tipuna 5: S Parata (Chair)	60	60
Rohenga Tipuna 5: T Kupenga	30	30
Rohenga Tipuna 6: T Lewis	30	30
Rohenga Tipuna 6: N Raihania	30	30
Rohenga Tipuna 7: K Blackman	30	30
Rohenga Tipuna 7: M Tangohau	30	30
	<b>458</b>	<b>458</b>

### Ngati Porou Hauora Charitable Trust - Trustees (for period ending 30 September 2022)

S Parata (Chair) - (appointed 1 November 2021)	9	23
R Kohere - (appointed 1 November 2021)	6	17
Dr E McNicholas - (appointed 1 November 2021)	6	25
T Wawatai - ceased 31 October 2021	-	13
J Watson - ceased 31 October 2021	-	9
M Pavarno - ceased 31 October 2021	-	8
R Tibble - ceased 31 October 2021	-	8
K Ngarimu (July 2019 - December 2019)	-	-
	<b>21</b>	<b>103</b>

# Notes to the consolidated financial statements

## SECTION I - RELATED PARTIES (CONTINUED)

### v) Identity and remuneration of key management personnel (continued)

	2023 NZ\$ '000	2022 NZ\$ '000
<i>Ngati Porou Oranga - Trustees (for period beginning 1 October 2022)</i>		
S Parata (Chair) - (appointed 1 October 2022)	30	-
R Kohere - (appointed 1 October 2022)	19	-
Dr E McNicholas - (appointed 1 October 2022)	19	-
A Walker (Dep. Chair) - (appointed 1 October 2022)	23	-
H Gibson - (appointed 1 October 2022)	19	-
N Whitewood - (appointed 1 October 2022)	19	-
W P Mita - (appointed 1 October 2022)	19	-
A Pahuru-Huriwai - (appointed 1 October 2022)	5	-
P Tangaere - (appointed 1 October 2022)	5	-
	<b>158</b>	<b>-</b>
<i>Toitu Ngati Porou Charitable Trustee Limited - Directors</i>		
P Tangaere - (Chair) - (appointed 1 January 2021)	40	40
A Walker - (Deputy Chair) - (appointed 1 January 2021)	30	30
H Gibson - (appointed 1 January 2021)	25	25
N Parata - (appointed 1 January 2021)	25	25
N Whitewood - (appointed 1 January 2021)	25	25
A Pahuru-Huriwai (appointed 1 January 2021)	25	25
W Mita - (appointed 1 January 2021)	25	25
	<b>195</b>	<b>195</b>
<i>Ngati Porou Holding Company Limited - Directors</i>		
Sir Robert McLeod - (Chair)	40	40
D Moana - (Deputy Chair)	30	30
D Puketapu	25	25
B Mackey	25	25
B Morice	25	25
H Walker - (ceased 21 October 2022)	8	25
	<b>153</b>	<b>170</b>
<i>Ngati Porou Seafoods Group – Directors</i>		
D Moana - (Chair) - (appointed 1 November 2020)	20	20
B Morice (appointed 1 November 2020)	15	15
B Mackey (appointed 1 November 2020)	15	15
	<b>50</b>	<b>50</b>
<i>Pakihiroa Farms Limited – Directors</i>		
S Parata (Chair)	3	9
M Mahuika (Deputy Chair)	1	3
T Pewhairangi	-	1
L Rickard	1	3
	<b>6</b>	<b>16</b>
<b>Total trustee and board remuneration</b>	<b>1,041</b>	<b>993</b>

# Notes to the consolidated financial statements

## SECTION I - RELATED PARTIES (CONTINUED)

A summary of total remuneration paid to key management personnel during the year was as follows:

### a) Remuneration of key management personnel

#### *Trustee and Board members*

	2023 NZ\$ '000	2022 NZ\$ '000
Remuneration	1,041	993
Number of Board members	46 Head Count	40 Head Count

#### *Leadership Team*

Remuneration	2,955	2,140
Full time equivalent (FTEs) members	13 FTE's	12 FTE's
	<b>3,996</b>	<b>3,133</b>

#### vi) Other transactions with key management personnel

- H Collier is key management personnel of Pakihiroa Farms Limited and also a director of Taiao Connect Limited "TCL" (previously named Agfirst Consultants Wairoa Limited). TCL receives payments directly from Pakihiroa Farms Limited for the provision of farm supervisory and administration support. During the year, fees from professional services received by TCL amounted to \$106 thousand (2022: \$106 thousand).
- K Potae is the Chair of the Te Runanganui o Ngati Porou Audit, Risk and Finance Committee and also a director of BDO Gisborne Limited. BDO Gisborne Limited receives payments from the Group for the provision of various accounting and human resource services. Fees for professional services during the year amounted to \$136 thousand (2022: \$100 thousand).

# Notes to the consolidated financial statements

## SECTION J - FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Group's risk management policies are established and designed to identify and analyse the risks faced by the Group, following which the trustees and the board of directors develop risk management strategies to lower and minimise risks to an acceptable level.

### i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its financial assets, including cash and cash equivalents, equity investments, investments in unit funds and trade and other receivables.

The carrying amount of the Group's financial assets is the Group's maximum exposure to credit risk.

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

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

The creditworthiness of Investment Fund Managers is assessed following advice from MyFiduciary, the Group's investment manager.

### ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group ensures the maturity profile of its short-term liquid financial assets (such as cash and cash equivalents, and trade and other receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

The Group also ensures that it has available lines of credit with sufficient amounts undrawn which as at balance date was fully undrawn. (Total facility of \$4.30 million). (2022: fully undrawn).

The table below details the undiscounted contractual cash flows (principal and interest) of the Group's financial liabilities:

	Less than 1 year	1–2 years	2–5 years	5+ years	Total
	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000	NZ\$ '000
<b>2023</b>					
Trade and other payables	6,948	-	-	-	6,948
Borrowings	7,291	9,438	-	-	16,729
	<b>14,239</b>	<b>9,438</b>	-	-	<b>23,677</b>
<b>2022</b>					
Trade and other payables	2,504	-	-	-	2,504
Borrowings	9,438	7,828	-	-	17,266
	<b>11,942</b>	<b>7,828</b>	-	-	<b>19,770</b>

# Notes to the consolidated financial statements

## SECTION J - FINANCIAL RISK MANAGEMENT (CONTINUED)

### iii) Market risk

Market risk arises from the Group's use of financial instruments that are interest bearing, denominated in foreign currencies, and/or traded in public markets. Specifically, market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in:

- a) interest rates (interest rate risk),
- b) foreign exchange rates (currency risk)
- c) or other market factors (other price risk).

#### a) Interest rate risk

The Group is exposed to interest rate risk in respect of its financial liabilities listed under Section J (ii). The Group manages this risk by utilising its net cash position to minimise the interest rates. A 1% increase/decrease in floating interest rates would have resulted in a \$170 thousand (2022: \$74 thousand) reduction/increase in net surplus.

#### b) Foreign exchange risk

The group is exposed to foreign currency risk through its overseas domiciled unit funds. The total foreign currency exposure at balance date is:

		2023	2022
	Currency	NZ\$'000	NZ\$ '000
<i>Growth assets</i>			
- Dimensional Emerging Markets Sustainability Tr	AUD	6,668	6,721
- iShares Screened International Equity Index	AUD	5,797	-
- Dimensional Global Value Trust	AUD	10,908	-
- Dimensional Global Small Company Trust	AUD	3,241	-
- Capital Group New World	AUD	6,523	5,630
<b>Total growth assets</b>		<b>33,137</b>	<b>12,351</b>
<i>Income assets</i>			
-LGT Fund Managers	USD	2,152	1,551
<b>Total income assets</b>		<b>2,152</b>	<b>1,551</b>
<i>Private Investments</i>			
- ICG Senior Loan Fund	AUD	4,764	-
- Crown Global Secondaries V Feeder S.C.Sp	USD	2,152	-
- Accolade	USD	1,696	860
		<b>8,612</b>	<b>860</b>
<i>Global equities</i>	AUD	-	21,433
<i>Alternatives</i>	AUD	14,898	16,332
<b>Total foreign currency exposure</b>		<b>58,799</b>	<b>52,527</b>

A 5% movement in currencies would have a \$2.9 million (2022: \$2.6 million) impact on net surplus and net assets.

#### c) Price risk

The Group is exposed to price risk in respect of its publicly listed equity instruments and investments in unitised funds classified as Fair Value Through Surplus or Deficit.

In respect of its publically listed equity instruments and unitised funds, the Group manages this risk indirectly by requiring that the portfolio is spread across different sectors with various amounts of systematic risk to movements in the economy as a whole.

A 5% increase/decrease in returns on financial assets held at Fair Value Through Surplus or Deficit would yield an increase/decrease of \$7.3 million (2022: \$7.6 million) in net surplus and net assets.



# Notes to the consolidated financial statements

## SECTION K - OTHER DISCLOSURES

### K1 - Reconciliation of net operating cash flows to profit (loss)

	2023 NZ\$ '000	2022 NZ\$ '000
Net profit/(loss) after taxation	6,325	(11,235)
<i>Plus non-cash items:</i>		
Livestock revaluation	673	361
Depreciation and amortisation	1,852	1,011
Loss on disposal of property, plant and equipment	(232)	40
Share of associates loss	(763)	(21)
Revaluation of investments	(11,590)	7,919
	(10,060)	9,310
<i>Add movements in working capital</i>		
(Decrease)/Increase in creditors	4,444	(1,033)
(Increase)/Decrease in sundry debtors & prepayments	(8,580)	1,186
(Increase)/Decrease in inventory	(465)	(3,873)
Increase/Decrease in taxation	(202)	(613)
Increase in income in advance	5,877	2,059
Increase in employee entitlements	1,318	447
	2,392	(1,827)
<b>Net operating cashflow</b>	<b>(1,343)</b>	<b>(3,752)</b>

### K2 - Reserves

Asset revaluation reserve	282	282
Capital reserve account – farms	2,421	2,421
<b>Total reserves</b>	<b>2,703</b>	<b>2,703</b>

- Asset revaluation reserve relates to general asset revaluations undertaken by Te Runanganui o Ngati Porou Trustee Limited.
- Capital reserve account - farms relates to the revaluation of farming assets and is detailed as follows:
  - upon the establishment of Pakihiroa Farms Limited and transfer of assets from Te Runanga o Ngati Porou, a revaluation of Puanga Station, Gisborne was undertaken which resulted in an increase in market value of the Puanga Station by \$1.20 million on 30 June 2006.
  - the revaluation of buildings and structures (of \$1.22 million) on Pakihiroa Station (excluding land) when the farming operations were transferred from Te Runanganui o Ngati Porou Trustee Limited to Pakihiroa Farms Limited.

### K3 - Remuneration of auditors

The auditor of the Group are PricewaterhouseCoopers (PwC) (Napier Office). Audit fees for the financial year ended 30 June 2023 amounted to \$175 thousand (2022: \$149.5 thousand). Non-audit fees relating to deals advisory amounted to \$35 thousand (2022: Nil).



# Notes to the consolidated financial statements

## SECTION K - OTHER DISCLOSURES

### K4 - Operating lease commitments

Future aggregate minimum lease payments to be paid under non cancellable operating leases are as follows:

	2023 NZ\$ '000	2022 NZ\$ '000
Not later than one year	1,520	792
Later than one year and not later than five years	1,483	749
Later than five years	1	-
	<b>3,004</b>	<b>1,541</b>

The Group has a number of lease commitments for commercial properties and vehicles with lease terms ranging from 3 years to 5 years for motor vehicles and 3 to 10 years for commercial and residential properties. Approximately 106 motor vehicles including a forklift were leased as at balance date (2022: 75). There are no options to purchase at the end of the lease term and no provision for increase in rental charges.

### K5 - Nga Rohe Moana o Nga Hapu o Ngati Porou

Te Runanganui o Ngati Porou holds on trust the implementation monies relating to Nga Rohe Moana o Nga Hapu o Ngati Porou. This amount is not shown in these financial statements as Te Runanganui o Ngati Porou holds no beneficial interest.

### K6 - Capital commitments

Nati Growth Limited has a commitment to Hauiti Berries LP of \$200 thousand (2022: \$200 thousand).

### K7 - Contingent assets and liabilities

Te Runanganui o Ngati Porou is entitled to coastline allocation of fisheries settlement assets under the Maori Fisheries Act 2004 (MFA) based on its rohe or share of the coastline within Fisheries Management Area 2 (from the top of the East Cape to Te Kowhai). The conservative value of these assets is \$6.5 million. The allocation requires agreement between all Iwi with interests in this coastline.

There were no contingent liabilities as at balance date (2022: Nil).

### K8 - Significant events during the year

#### *Ngati Porou Oranga*

On 1 October 2022, the Housing & Social Services divisions of the Parent (Te Runanganui o Ngati Porou Trustee Limited) transferred into Ngati Porou Hauora Charitable Trust. Amendments to the Ngati Porou Hauora trust deed were also made to clarify definitions, improve administrative provisions, ensure consistency with the Trusts Act 2019, and change the name from Ngati Porou Hauora Charitable Trust to Ngati Porou Oranga. These changes allow for more streamlined and consolidated services to be provided to the community.

#### *Nati Growth Limited*

On 27 June 2023, Ngati Porou Holding Company Limited changed its name to Nati Growth Limited.

### K9 - Subsequent events

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group in future financial years.



## Independent auditor's report

To the Board of Directors of Te Runanganui o Ngati Porou Trustee Limited

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### Our opinion

In our opinion the accompanying annual consolidated financial report of Te Runanganui o Ngati Porou Trustee Limited (the Company) and its subsidiaries (together, the "Group") on pages 4 to 32 presents fairly, in all material respects, the financial position of the Group as at 30 June 2023, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Standards International Public Sector Accounting Standards (PBE IPSAS).

### What we have audited

The annual consolidated financial report which comprises:

- The Group's consolidated financial statements, including:
  - the consolidated statement of financial position as at 30 June 2023;
  - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated statement of cash flows for the year then ended; and
  - the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.
- the service performance information for the year ended 30 June 2023.

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### Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). The audit of the service performance information was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000 (Revised)).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual consolidated financial report* section of our report.

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

### Our independence and quality management

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm carries out other services for the Group in the area of deals advisory. The provision of these other services have not impaired our independence as auditor of the Group.



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#### **Other information**

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

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

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

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

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#### **Other matter**

The service performance information presented for the corresponding year ended 30 June 2022 is unaudited.

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#### **Responsibilities of the Board of Directors for the annual consolidated financial report**

The Board of Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the annual consolidated financial report in accordance with PBE IPSAS, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible, on behalf of the Company, for identifying performance measures and/or descriptions to report in the general purpose financial report that are a faithful representation of the Group's service performance and that are relevant, understandable, timely, comparable and verifiable.

In preparing the annual consolidated financial report, the Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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#### **Auditor's responsibilities for the audit of the annual consolidated financial report**

Our objectives are to obtain reasonable assurance about whether the annual consolidated financial report, as a whole, is 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), ISAs or ISAE (NZ) 3000 (Revised) 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 the annual consolidated financial report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual consolidated financial report, including performing procedures to obtain evidence about and evaluating whether the service performance information is a faithful representation of the Group's service performance and that is relevant, understandable, timely, comparable and verifiable.

As part of our audit in accordance with ISAs (NZ), ISAs and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit.



A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13/>  
This description forms part of our auditor's report.

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**Who we report to**

This report is made solely to the Board of Directors, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Board of Directors, as a body, for our audit work, for this report or for the opinions we have formed.

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The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

A handwritten signature in black ink, appearing to read "FreewaterhouseCoopers", written over a light blue rectangular background.

Chartered Accountants  
Napier  
25 October 2023



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