



# *Ika Toa Limited*

## **Financial Statements and Annual Report** *For the Year ended 30th June 2020*

# Ika Toa Limited

## Financial Statements and Annual Report

For the Year ended 30th June 2020

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**Ika Toa Limited**  
**Company Directory**  
As at 30th June 2020

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Issued Capital	20,100 Ordinary Shares
Registered Office	26 Ngati Toa Street Porirua
Directors	Tui Hammond Mark Styles Tahua Solomon Evan Morrison Kawharu Hippolite Rangihoungariri Solomon Margaret Hippolite
Company Number	WN521364
Auditors	BDO Wellington Audit Limited
Bankers	Westpac Banking Corporation
Solicitors	Kensington Swan
Date of Formation	21 October 1991
Nature of Business	Fishing Quota Management
Business Location	26 Ngati Toa Street Porirua
Shareholders	Te Runanga O Toa Rangatira Inc. <u>20,100</u> Ordinary Shares <u>20,100</u>

**Ika Toa Limited**  
**Directors Annual report**  
**For the Year ended 30th June 2020**

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The Directors present their Annual Report including Financial Statements of the company for the year ended 30th June 2020.

**Reporting Entity**

The business of the company is Fishing Quota Management. The nature of the company's business has not changed during the year.

**Auditors**

The company's Auditors were BDO Wellington Audit Limited. BDO Wellington Audit Limited is willing to continue as the company auditors. Fees payable to BDO Wellington Audit Limited for the 2020 audit are \$15,860.

**Directors' Disclosures**

There were no entries recorded in the Register of Interests.

No Director acquired or disposed of any interest in shares in the company.

Tui Hammond, Mark Styles, Tahua Solomon, Evan Hippolite, Rangihoungariri Solomon and Margaret Hippolite held office as Directors during the year. No other person was a Director at any time.

The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

The Directors are covered by an indemnity insurance covering Professional, Management and General liability up to \$5,000,000 for any one claim, and for Employers and Statutory liability up to \$500,000. The insurance is part of an association combined insurance plan paid for by Te Runanga o Toa Rangatira Inc. to cover the officers of the company.

**Donations**

\$250,000 of donations were made by the company during the year.

**Employee and Director Remuneration**

Pursuant to section 211(g) of the Companies Act 1993, no employee or Director received remuneration and/or any other benefits exceeding \$100,000 during the year. Directors receive a payment of \$250 per meeting attended during the year. There were no Directors meetings during 2020 (2019: Nil).

For and on behalf of the Board of Directors,

Director E. Hippolite Director M. Styles

Dated this 20 day of Nov. 2020

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IKA TOA LIMITED

### Opinion

We have audited the financial statements of Ika Toa Limited (“the Company”), which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, and our involvement in the assistance with formatting the financial statements, we have no relationship with, or interests in, the Company.

### Board’s Responsibilities for the Financial Statements

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

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

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

#### **Who we Report to**

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

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**

Wellington

New Zealand

20 November 2020

**Ika Toa Limited**  
**Statement of Comprehensive Revenue and Expense**  
**For the Year Ended 30th June 2020**

	NOTE	2020 \$	2019 Restated \$
<b>Revenue</b>			
Sale of annual catch entitlement	4b	593,641	730,200
Less cost of sales	17	(87,961)	(291,778)
<b>Gross surplus from trading</b>		<b>505,680</b>	<b>438,423</b>
<b>Other income</b>			
Interest received	4b	132,794	155,908
Dividends	4b	83,712	63,609
Port Nicholson Partnership (profit share)	4b	40,282	109,522
<b>Total Other Income</b>		<b>256,788</b>	<b>329,039</b>
<b>Total Income</b>		<b>762,467</b>	<b>767,462</b>
<b>Less expenses</b>			
Administration fees		(49,200)	(49,200)
Accountancy fees		(2,500)	(3,600)
Audit fees		(15,860)	(13,000)
Bank charges		(152)	(155)
Consultants fees		(1,500)	(650)
Koha/grants		(250,000)	-
Legal fees		(2,300)	-
Customary fishing vehicle and boat expenses		(5,629)	(20,599)
Postage & courier		(82)	-
Rates		(648)	(675)
Training & development		(87)	-
Valuation fees		(1,500)	-
<b>Total Expenses</b>		<b>(329,458)</b>	<b>(87,879)</b>
<b>Net surplus before depreciation and impairments</b>		<b>433,009</b>	<b>679,583</b>
<b>Less depreciation and impairments</b>			
Depreciation	14	(3,385)	(3,919)
<b>Total depreciation and impairments</b>		<b>(3,385)</b>	<b>(3,919)</b>
<b>Surplus for the year before income tax</b>		<b>429,624</b>	<b>675,663</b>
<b>Net surplus for the year after income tax</b>		<b>429,624</b>	<b>675,663</b>

Ika Toa Limited

**Statement of Comprehensive Revenue and Expense**

For the Year Ended 30th June 2020

	NOTE	2020 \$	2019 Restated \$
<b>Other comprehensive revenue and expense</b>			
Gain/(loss) on revaluation of Assets	14	(7,280)	(38,304)
		<u>(7,280)</u>	<u>(38,304)</u>
<b>Total comprehensive revenue and expense for the year net of tax</b>		<b>422,344</b>	<b>637,359</b>



**Ika Toa Limited**  
**Statement of Financial Position**  
**As at 30th June 2020**

	NOTE	2020 \$	2019 Restated \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	18	1,455,473	719,757
Short term investments	21	4,118,332	4,563,804
Trade and other receivables	12	148,043	193,472
GST refund due		4,440	33,241
Income tax receivable	10	14,654	11,137
<b>Total Current Assets</b>		<b>5,740,944</b>	<b>5,521,411</b>
<b>Non Current Assets</b>			
Property plant and equipment	14	218,830	229,496
Share investments	20	2,366,678	2,366,678
Intangible Assets	13	4,039,038	4,039,038
<b>Total Non Current Assets</b>		<b>6,624,546</b>	<b>6,635,212</b>
<b>Total Assets</b>		<b>12,365,490</b>	<b>12,156,623</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	24,611	17,950
Related party payables	6	24,559	244,697
<b>Total Current Liabilities</b>		<b>49,170</b>	<b>262,647</b>
<b>Total liabilities</b>		<b>49,170</b>	<b>262,647</b>
<b>Net Assets</b>		<b>12,316,320</b>	<b>11,893,976</b>
<b>Equity</b>			
Capital contributed	15	20,100	20,100
Reserves	16	7,656,702	7,663,982
Retained earnings		4,639,518	4,209,894
<b>Total Equity</b>		<b>12,316,320</b>	<b>11,893,976</b>

Director Eldipolite

Date: 20/11/2020

Director M. Styles

Date: 20/11/2020

Ika Toa Limited  
**Statement of Cash Flows**  
For the Year ended 30th June 2020

	NOTE	2020	2019
		\$	\$
<b>Cash flows from operating activities</b>			
<i>Proceeds have come from:</i>			
Trading income		585,684	692,383
Interest received		197,005	142,742
Dividends		83,712	63,609
GST refunds/(payments)		17,148	(12,335)
Income tax refunds/(credits received)		(3,517)	1,423
Payments made to suppliers and others		(589,787)	(229,003)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>290,245</b>	<b>658,819</b>
<b>Cash flows from investing activities</b>			
Funds received from sales of investment activities		445,472	-
Payments made to invest funds in investment activities		-	(103,879)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>445,472</b>	<b>(103,879)</b>
<b>Net cash inflow/(outflow) from all activity</b>		<b>735,717</b>	<b>554,940</b>
Cash and cash equivalents at the beginning of the year	18	719,757	164,817
<b>Cash and cash equivalents at the end of the year</b>	<b>18</b>	<b>1,455,473</b>	<b>719,757</b>

Ika Toa Limited  
**Statement of Changes in Equity**  
For the Year ended 30th June 2020

2020	Share Capital	Fisheries	Revaluation	Retained	Total
		Reserve	Reserve	Earnings	
	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>	<b>20,100</b>	<b>7,519,866</b>	<b>144,116</b>	<b>4,209,894</b>	<b>11,893,976</b>
Surplus for the year	-	-	-	429,624	429,624
Other comprehensive income	-	-	(7,280)	-	(7,280)
Other movements in reserves	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>20,100</b>	<b>7,519,866</b>	<b>136,836</b>	<b>4,639,518</b>	<b>12,316,320</b>
	NOTE	15	16	16	
<b>2019 Restated</b>					
<b>Balance as at 1 July 2018</b>	<b>20,100</b>	<b>7,519,866</b>	<b>182,420</b>	<b>3,534,231</b>	<b>11,256,617</b>
Surplus for the year	-	-	-	675,663	675,663
Other comprehensive income	-	-	(38,304)	-	(38,304)
Other movements in reserves	-	-	-	-	-
<b>Balance at 30 June 2019 Restated</b>	<b>20,100</b>	<b>7,519,866</b>	<b>144,116</b>	<b>4,209,894</b>	<b>11,893,976</b>
	NOTE	15	16	16	

# Ika Toa Limited

## Notes to the Financial Statements

### For the Year ended 30th June 2020

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#### 1. Statement of Compliance

These are the financial statements of Ika Toa Limited ('the company'). Ika Toa Limited is a public benefit entity incorporated in New Zealand registered under the Companies Act 1993.

The Principal business operation of Ika Toa Limited is the management of Fishing Quota assets and the sale of an Annual Catch entitlement, of owned and leased quota on behalf of Te Runanga o Toa Rangatira Inc.

The company received fishing quota share and cash assets to be held in trust, in accordance with the Maori Fisheries Act 2004 in 2010. Ika Toa Limited (asset holding company) for Ngati Toa fisheries assets received coast line derived settlement quota shares under section 135 of the Maori Fisheries Act 2004 on the 29<sup>th</sup> October and the 19<sup>th</sup> December 2014 respectively. The value of the quota shares on those dates has been recognised as revenue income in the statement of comprehensive income and has been transferred from retained earnings to a fisheries reserve in the Statement of Changes in Equity.

These financial statements for Ika Toa Limited as at 30th June 2020 are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards ('PBE IPSAS') as appropriate for Tier 2 not-for-profit public benefit entities for which all reduced disclosure regime exemptions have been adopted.

The company qualifies for Tier 3 reporting as it does not have public accountability as it does not have expenses more than or equal to \$2 million. Ika Toa Limited has elected to report as a Tier 2 entity and has used policies consistent with the controlling entity, Te Runanga o Toa Rangatira Inc. (TROTR).

The Financial Statements were presented and authorised for issue by the Directors on the date that they were signed.

#### 2. Basis of Preparation

##### a. Statement of Compliance

The financial statements of Ika Toa Limited have been prepared on an historical cost basis.

The information is presented in New Zealand dollars (NZD) rounded to the nearest dollar.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability thereby ensuring the substance of the underlying transaction or other events is reported.



**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

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**3. Changes in Accounting Policies**

There has been a change in accounting policy for the treatment of Quota Shares as explained in the Prior Period Restatement note. The Quota shares have previously been recognised at fair value. They are now valued at deemed cost based on the valuation upon settlement date less any impairment costs.

All accounting policies for the year are consistently applied.

**4. Summary of Significant Accounting Policies**

**a. Income Tax**

The company was granted Charitable Status on 31st December 2011 and as such the company is exempt from income tax.

**b. Revenue Recognition**

**Exchange Transactions**

**(i) Sale of goods**

Quota trading income is recognised when cash is received or is receivable when the Annual Catch Entitlement for a particular fish stock is deemed to have been transferred to the customer.

Ika Toa also leases Annual Catch Entitlements for trading. The lease is for the twelve month period and is aligned with the applicable fishing year for the species. Income is recognised when the Annual Catch Entitlements are transferred to the customer.

Any Annual Catch Entitlement leased or owned and not sold, at 30 June has been determined by the directors to have a Nil value at the end of the financial year as unsold ACE expires, unless an arrangement to sell after balance date is known.

	2020	2019
<b>Revenue from exchange transactions</b>	\$	\$
<b>Sale of Goods</b>		
Annual Catch Entitlement sale	593,641	730,200
<b>Total Trading revenue from exchange transactions</b>	<b>593,641</b>	<b>730,200</b>

**(ii) Interest and dividend income**

Interest income is recognised using the effective interest method. Dividends are recognised as revenue when the right to receive payment is established.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount of the asset.

**(iii) Port Nicholson Partnership (Profit Share) income**

Port Nicholson Partnership income is recognised when certain, being upon notification of the profit share.

**Ika Toa Limited**  
**Notes to the Financial Statements**  
For the Year ended 30th June 2020

	2020	2019
	\$	\$
<b>Other Income from exchange transactions</b>		
Interest income	132,794	155,908
Dividends received	83,712	63,609
Port Nicholson Partnership (Profit Share)	40,282	109,522
<b>Other Income from exchange transactions</b>	<b>256,788</b>	<b>329,039</b>

**Non-exchange transactions**

**(iv) Redress income**

Non-exchange transactions are those where the company receives an inflow of resources (cash or assets) but provides no direct consideration in return for the inflow. Inflows of resource are only recognised as assets where both it is probable that the associated future economic benefit will flow to the entity and fair value can be reliably measured.

Income received from settlement assets is recognised on the date that the settlement assets transfer to the control of the company and all rights and obligations associated with the assets are released from the Crown agency.

**c. Financial Instruments**

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

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

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

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

**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

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The entity classifies the financial assets into the following categories: loans and receivables and available for sale.

The entity classifies financial liabilities into the following categories: amortised cost.

**(i) Loans and Receivables**

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

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

Loans and receivables comprise: The entity's cash and cash equivalents, trade and other receivables.

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

**(ii) Available-For-Sale Financial Assets**

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

Available-for-sale financial assets include:

- Aotearoa Fisheries Limited Income shares

Equity investments are shares in Aotearoa Fisheries Limited (AFL) and are measured at cost less any impairment charges, as they do not have a quoted market price and their value cannot be reliably measured.

**(iii) Amortised cost financial liabilities**

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

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include cash and cash equivalents (bank overdrafts), trade and other payables.

**(iv) Impairment of non-derivative financial assets**

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

**Ika Toa Limited**  
**Notes to the Financial Statements**  
For the Year ended 30th June 2020

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

The table below shows the carrying value of the company's financial assets and financial liabilities.

Carrying value of Financial Instruments \$					
	NOTE	Financial Assets		Financial Liabilities	TOTAL
		Loans and receivables	Available for sale	Liabilities (at amortised cost)	
2020					
Cash and cash equivalents	18.	1,455,473	-	-	1,455,473
Short Term Deposits	21.	4,118,332	-	-	4,118,332
Receivables	12.	148,043	-	-	148,043
Other Financial assets	20.	-	2,366,678	-	2,366,678
Payables	6, 11	-	-	(29,309)	(29,309)
		<b>5,721,849</b>	<b>2,366,678</b>	<b>(29,309)</b>	<b>8,059,218</b>
Carrying value of Financial Instruments \$					
	NOTE	Financial Assets		Financial Liabilities	TOTAL
		Loans and receivables	Available for sale	Liabilities (at amortised cost)	
2019					
Cash and cash equivalents	18.	719,757	-	-	719,757
Short Term Deposits	21.	4,563,804	-	-	4,563,804
Receivables	12.	193,472	-	-	193,472
Other Financial assets	20.	-	2,366,678	-	2,366,678
Payables	6, 11	-	-	(249,646)	(249,646)
		<b>5,477,033</b>	<b>2,366,678</b>	<b>(249,646)</b>	<b>7,594,066</b>



**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

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**d. Property, Plant & Equipment**

All property, plant & equipment, with the exception of land and buildings, are carried at cost less depreciation and any impairment losses

Cost includes all 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. Subsequent costs are capitalised if it is possible that future economic benefits will flow to the entity and the costs can be measured reliably. All maintenance costs are recognised as an expense.

Land and buildings are carried at the revalued amount. The last valuation was carried out by an independent registered valuer in June 2020. The value was assessed at estimated market value taking into consideration the specific conditions related to the area and land. Valuations are carried out each five years or where there is an indication that the carrying amount may be materially different from the fair value of the property. Fair value was determined by the valuer as \$196,000 (Land and Building).

Buildings (less than 50 years useful life)	3.0%-7.0% DV
Trailer and Accessories	14.4%-43.0% DV
Marine Farming Assets	24.0% DV
Marine Farm Resource Consent	20 Years SL

**e. Leased Quota**

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern over which the economic benefits from the lease asset are consumed.

**f. Impairment of Non-Financial Assets**

At each reporting date the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

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Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. (or cash generating unit) in prior years. A reversal of impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

The company has only one cash generating unit because it only has one operating activity of trading annual catch entitlements from quota share.

Following initial recognition at cost, land and buildings are carried at re-valued amounts which is the fair value at valuation date, less any accumulated impairment losses.

**g. Loans and Borrowings**

**(i) Interest and dividends**

Interest and dividends are classified as expenses or as distributions of profit consistent with the Statement of financial position classification of the related debt or equity instrument.

**(ii) Borrowings**

Borrowings are recorded initially at fair value less 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 the 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.

**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

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**h. Payables**

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

**i. Intangible assets**

Quota shares are recorded initially at cost. Settlement quota shares are recorded at a value determined by the settlement documentation less any impairments.

Impairment losses are recognised whenever the carrying amount of an asset exceeds its recoverable amount. Quota shares are tested for impairment whenever there is an indication of impairment on an individual basis or at a cash-generating unit level. There is only one cash generating unit in Ika Toa Limited because there is only one core business activity and that is trading of annual catch entitlement from the quota share.

**j. Coastal Permit (Marine Farm Consent)**

The Marine farm consent has been recognised as Plant, Property and Equipment with a lifespan of 20 years. The Marine farm is not operational without the consent and it is therefore considered part of that asset. The consent is amortised over its estimated useful life. The Marine farm asset is carried at cost less any accumulated depreciation and or impairment. Impairment is tested when there is an indication of an impairment.

**k. Cash and cash equivalents**

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

**l. Goods and Services Tax (GST)**

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

**5. Contingent Assets and Liabilities**

**a. Contingent Assets**

At balance date there are no known contingent assets.

**b. Contingent Liabilities**

At balance date there are no known contingent liabilities. Ika Toa Limited has not granted any securities in respect of liabilities payable by any other party whatsoever. (2019: NIL).



**Ika Toa Limited**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2020**

**6. Related Parties**

Te Runanga o Toa Rangatira Inc. is the controlling entity and holds 100% of the 20,100 shares in Ika Toa Limited.

Ika Toa Limited holds on trust the quota shares and Income shares received from the Fisheries Settlement. The company manages the trading of Annual Catch Entitlements from quota held and leased. Ika Toa receives a management fee from trading the Annual Catch Entitlement from the leased fishing quota on behalf of Te Runanga o Toa Rangatira Inc.

Ika Toa Limited reimburses Te Runanga o Toa Rangatira Inc. for all administrative costs provided to the company. The company paid administration costs of \$49,200 (2019: \$49,200), Audit fees of \$15,860 (2019: \$13,000), Accountancy and tax fees of \$2,500 (2019: \$3,600), Koha of \$250,000 (2019: \$NIL) and the ACE commission of \$33,151 (2019: \$239,956) exclusive of GST. At June \$24,559 is payable to Te Runanga o Toa Rangatira (2019: \$244,697)

	2020	2019
	\$	\$
<b>Te Runanga o Toa Rangatira Inc. – Payables</b>		
Opening balance	244,696	204,408
Goods and services	71,803	309,915
Less Payments made	(291,941)	(269,627)
<b>Total inter group payables</b>	<b>24,559</b>	<b>244,696</b>

Ngati Toa Limited, Kapiti Tours Limited and Ora Toa PHO Limited are 100% owned by Te Runanga O Toa Rangatira. There were no transactions between Ika Toa Limited and these related companies during this year.

Toa Rangatira Trust, a Trust formed in December 2012 to hold the Ngati Toa Rangatira historical settlement assets is a related party. The Trust Group and all other entities are related to Ika Toa Limited as they are all 100% owned by TROTR. There were no transactions between Ika Toa Limited and Toa Rangatira Trust this year.

**a. Key Management Personnel**

Key management personnel of Ika Toa Limited includes the parent entity Board members and the Directors of the company. The directors receive Directors fees of \$250 per meeting, There were no meetings attended during the year. Directors fees paid for 2020 were NIL (2019: \$NIL).

Ika Toa Limited has engaged Okiwi Bay Aquaculture Limited (OBAL) to manage the Company's Marine Farm assets. A Director and shareholder of OBAL is a Director of Ika Toa Limited. OBAL manages the conditioning of immature oysters on the company's marine farm structures and the company (ITL) is paid a commission based on the volume of mature oysters prepared for sale. Okiwi Bay Aquaculture made payments to Ika Toa Limited amounting to NIL for the 2020 financial year (2019: \$NIL). Ika Toa Limited paid directors fees to Okiwi Bay Aquaculture Limited amounting to \$NIL for 2020 (2019: \$NIL).

**7. Securities and Guarantees**

There is no overdraft facility or guarantees held for Ika Toa Limited.

**8 Significant Events After Balance Date**

There have been no significant events to report

**Ika Toa Limited**  
**Notes to the Financial Statements**  
For the Year ended 30th June 2020

9. Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the Annual Catch Entitlement for Crayfish, and to Aotearoa Fisheries Limited to supply the Annual catch Entitlement for a number of Species including Orange Roughy, both supplies are at the applicable market value for a five year period ending in 2024.

There were no commitments other than those in the ordinary course of business at 30 June 2020 (2019: nil)

10. Income Tax

	2020	2019
	\$	\$
Income tax recognised in surplus	-	-
<b>Taxable earnings</b>	-	-
Current tax expense	-	-
Maori authority tax credits available previous years	(11,137)	(12,560)
Maori authority tax credits available this year	(14,650)	(21,839)
Tax refunds received	11,132	23,262
<b>Total Tax Payable (Refund Due)</b>	<b>(14,655)</b>	<b>(11,137)</b>

The company holds on trust, the fisheries redress assets for the members of Te Runanga o Toa Rangatira Inc. and Charitable Status was granted in December 2011.

11. Trade and Other Payables

	2020	2019
	\$	\$
Trade and Other Payables	4,750	4,949
Accruals	19,861	13,001
<b>Total Trade and Other Payables</b>	<b>24,611</b>	<b>17,950</b>

12. Accounts and Other Receivables

	2020	2019
	\$	\$
Trade receivables - from exchange transactions	145,472	126,690
Accrued interest	2,572	66,783
<b>Total Accounts and Other Receivables</b>	<b>148,043</b>	<b>193,472</b>

**Ika Toa Limited**  
**Notes to the Financial Statements**  
For the Year ended 30th June 2020

13. Intangible Asset - Quota Shares

	2020	2019
	\$	\$
Opening balance	4,039,038	4,039,038
<b>Closing Balance</b>	<b>4,039,038</b>	<b>4,039,038</b>

As at 30 June 2020 the fair value of the Fish Quota is \$10,834,339 as valued by Quota Management Systems Limited (2019: \$10,432,146).

The amount stated for the 2019 financial year has been restated. Please refer to the Prior Period Restatement schedule for more information).

14. Property, Plant, and Equipment

	Land - Te Awaiti Bay	Buildings - Te Awaiti Bay	Marine farm	Tractor and trailer	TOTAL
2020	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
Balance 1 July 2019	180,000	30,704	159,311	42,990	413,005
Adjustment to carrying amount	-	1,695	(1,695)	-	-
Revaluation to Other Comprehensive Income	16,000	(23,280)	-	-	(7,280)
<b>Balance 30 June 2020</b>	<b>196,000</b>	<b>9,119</b>	<b>157,616</b>	<b>42,990</b>	<b>405,725</b>
<b>Accumulated depreciation and impairment</b>					
Balance 1 July 2019	-	8,399	134,760	40,350	183,509
Current year depreciation	-	720	2,068	597	3,385
<b>Balance 30 June 2020</b>	<b>-</b>	<b>9,119</b>	<b>136,828</b>	<b>40,947</b>	<b>186,894</b>
<b>Carrying amount 30 June 2020</b>	<b>196,000</b>	<b>(0)</b>	<b>20,788</b>	<b>2,043</b>	<b>218,830</b>

	Land - Te Awaiti Bay	Buildings - Te Awaiti Bay	Marine farm	Tractor and trailer	TOTAL
2019	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
Balance 1 July 2018	220,000	30,704	157,615	42,990	451,309
Additions	-	-	-	-	-
Revaluation	(40,000)	-	1,696	-	(38,304)
Disposals	-	-	-	-	-
<b>Balance 30 June 2019</b>	<b>180,000</b>	<b>30,704</b>	<b>159,311</b>	<b>42,990</b>	<b>413,005</b>
<b>Accumulated depreciation and impairment</b>					
Balance 1 July 2018	-	7,709	132,692	39,189	179,590
Current year depreciation	-	690	2,068	1,161	3,919
<b>Balance 30 June 2019</b>	<b>-</b>	<b>8,399</b>	<b>134,760</b>	<b>40,350</b>	<b>183,509</b>
<b>Carrying amount 30 June 2019</b>	<b>180,000</b>	<b>22,305</b>	<b>24,551</b>	<b>2,640</b>	<b>229,496</b>



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The land and buildings at Te Awaiti Bay were last revalued in June 2020 and are assessed for indicators of impairment annually. The land at Te Awaiti Bay has been revalued as a result of the 2020 valuation.

15. Share Capital

	2020	2019
	\$	\$
Opening balance	20,100	20,100
<b>Closing balance</b>	<b>20,100</b>	<b>20,100</b>

There were 20,100 fully paid up shares with a par value of \$1 each at Balance Date. The Company's shares are held by the Parent. The shares are eligible to receive dividends and the repayment of capital, and represent one vote at the shareholders meeting.

16. Other Equity Reserves

	2020	2019
	\$	\$
<b>Asset Revaluation Reserve</b>		
Opening balance	144,116	182,420
Movements during the year	(7,280) -	38,304
<b>Closing balance of asset revaluation reserve</b>	<b>136,836</b>	<b>144,116</b>

The asset revaluation reserve is used to record increases and decreases in the fair value of Land and Buildings only to the extent that they offset each other. The reserve cannot fall into deficit. Land and Buildings are revalued on a five yearly basis or where there is an indication that the carrying amount may be materially different from the fair value of the property. The Valuation was carried out by Peter Schellekens, CBRE Limited, a Registered Valuer, and his report was dated 30 June 2020.

	2020	2019
	\$	\$
<b>Fisheries Redress Reserve</b>		
Opening balance	7,519,866	7,519,866
<b>Closing balance of asset revaluation reserve</b>	<b>7,519,866</b>	<b>7,519,866</b>

The Fisheries Redress reserve records the fisheries settlement Ika Toa Limited received as the Asset Holding Company in March 2010. Further quota shares were received under section 135 of the Maori Fisheries Act 2004 in October 2014 and December 2014 respectively.

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17. Quota Cost of Sales

	2020	2019
	\$	\$
ACE lease commission	33,151	239,991
ACE operating lease fees	4,098	-
FishServe and MAF fees	50,712	51,787
<b>Quota Cost of sales</b>	<b>87,961</b>	<b>291,777</b>

18. Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	1,455,473	719,757
<b>Total cash and cash equivalents</b>	<b>1,455,473</b>	<b>719,757</b>

19. Impairment of Assets

	2020	2019
	\$	\$
<b>Marine farm baskets and structures</b>		
Opening balance	42,553	42,553
Impairment expense	-	-
<b>Closing balance</b>	<b>42,553</b>	<b>42,553</b>

Management have assessed the Marine Farm assets for impairment and have determined that the baskets and structures would have a recoverable value of \$NIL. The resource consent has a carrying value of \$20,788.

20. Investments

The company holds 1532 shares in Aotearoa Fisheries Limited (AFL) (2019: 1532 shares). Management has reviewed the shares for impairment by reviewing the net assets of Aotearoa Fisheries Limited. AFL is not currently listed on the New Zealand stock exchange and there are legislative restrictions on the sale of shares in Aotearoa Fisheries Limited. The management has assessed the value of the shares by comparing the Net value in the company against the original transfer value. As the Net Value of the companies share is greater than the original transfer value the management has determined that no indication of impairment exists.

For 30 June 2020, the AFL shares were reassessed for signs of impairment. It was identified that there was no decrease in value.

21. Short Term Investments

Short term investments consist of deposits with maturities due over 90 days from balance date and mature within 12 months of balance date. Short term investments earn interest income at various rates aligned to the term of the deposit.

22. Long Term Deposits

Long term deposits consist of deposits with maturities greater than 12 months from balance date. Long term deposits earn interest income at various rates aligned to the term of the deposit.



**Ika Toa Limited**  
**Notes to the Financial Statements**  
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**23. Prior Period Restatement**

During the financial year, it was agreed that the Quota Shares would be valued at settlement value (Cost less impairment) in accordance with PBE IPSAS 31 as there is no active market. The change in accounting policy has been reflected in the prior period by restating each of the affected items as follows:

	2019 Audited Accounts	Movement adjustments	2019 Restated Accounts
<b>Effect of Reclassification</b>			
Impact on Statement of Comprehensive Revenue and Expense			
Gain/loss on Revaluation of Quota Shares	1,634,283	- 1,634,283	-
Other Comprehensive Revenue & Expense	1,595,979	- 1,634,283	38,304
Total Comprehensive Revenue & Expense	2,271,642	- 1,634,283	637,359
Impact on Statement of Financial Position			
Intangible Assets	10,432,146	- 6,393,108	4,039,038
Non Current Assets	13,028,320	- 6,393,108	6,635,212
Total Assets	18,549,731	- 6,393,108	12,156,623
Impact on Statement of Changes in Equity			
Balances as at 1 July 2018			
Revaluation Reserve - Intangible Assets	4,758,825	- 4,758,825	-
Total Equity	16,015,442	- 4,758,825	11,256,617
Balances as at 30 June 2019			
Revaluation Reserve - Intangible Assets	6,393,108	- 6,393,108	-
Total Equity	18,287,084	- 6,393,108	11,893,976

**24. Subsequent Events**

Subsequent to balance date a quota settlement was received to the value of \$1,062,857.

**25. COVID-19 Pandemic**

A new virus, COVID-19, arose in China in December 2019 and became a global pandemic by March 2020.

In response to the pandemic, in late March 2020 the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home. As a result of the lockdown, community transmission of COVID-19 was eliminated.

In late April 2020, the lockdown period ended and the New Zealand Government started gradually easing the restrictions that had been placed on businesses, organisations and individuals, although substantial restrictions remained at the border. However, in mid-August 2020, community transmission of COVID-19 was detected in Auckland, and the New Zealand Government again placed restrictions on businesses, organisations and individuals within New Zealand. At the time of signing the financial statements, these restrictions have been lifted for all of New Zealand.

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