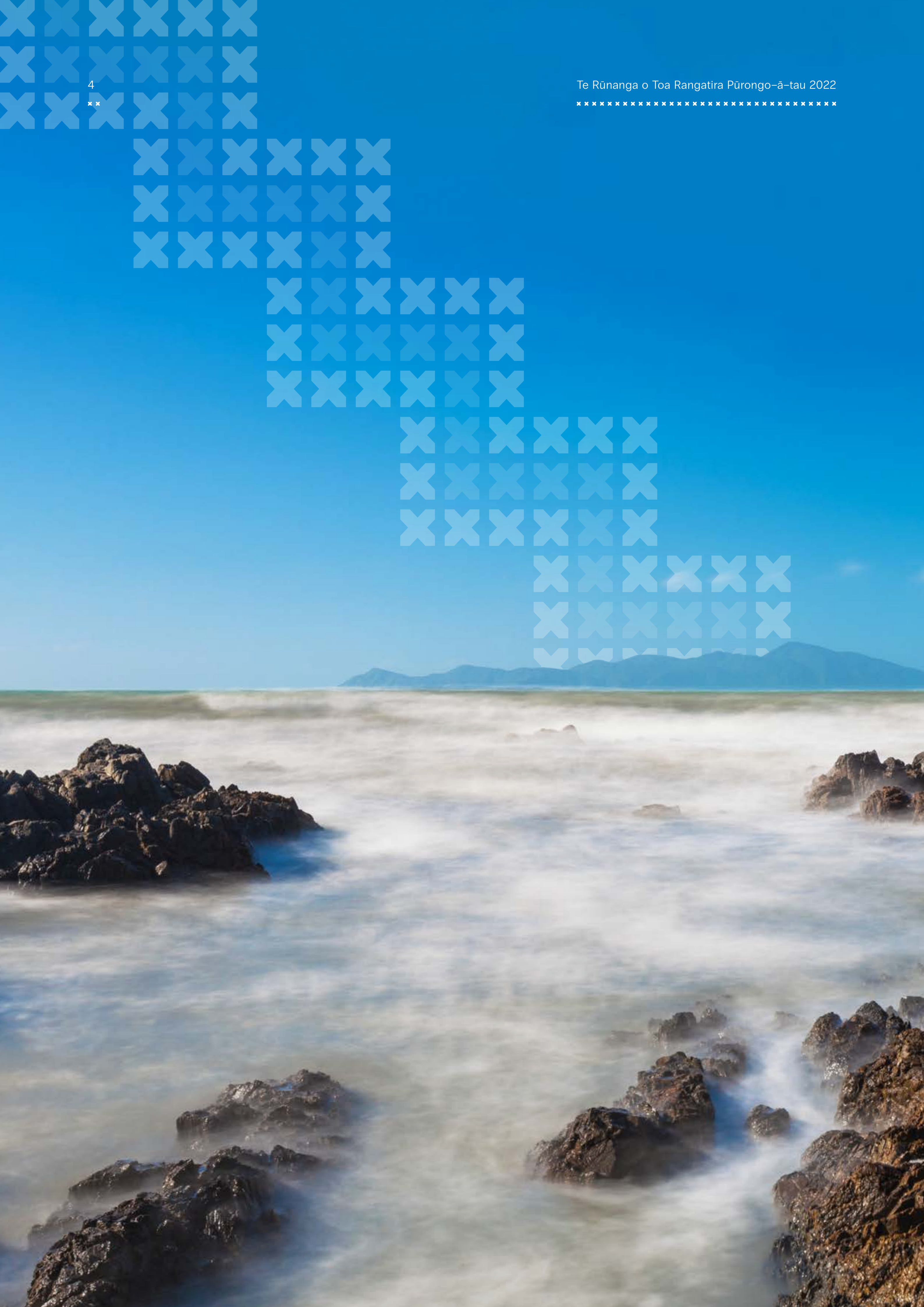
Pūrongo ā tau | Annual Report

2022

TE RŪNANGA O
TOA RANGATIRA

Te toto o te tangata he kai, te oranga o te tangata he whenua

While food provides nourishment to our bodies,
our health and wellbeing is drawn from the land



Contents

Rārangi Ūpoko

Highlights of 2022

Tīpakonga

1000+
Resource consents processed

20
Ngāti Toa training as carvers

90%
First to reach 90% Māori double vaxed

Rūnanga executive leadership
50% Wāhine

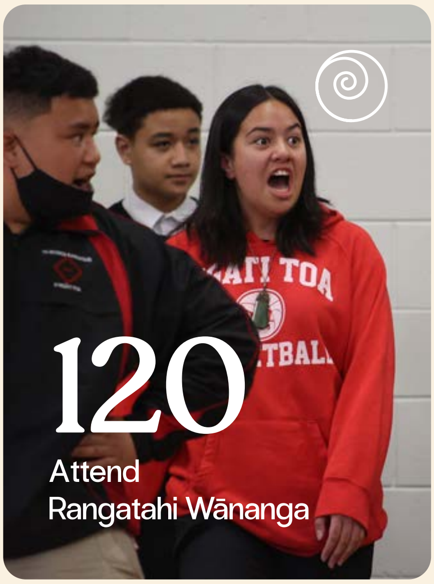
169 New staff
2x New office sites (Whitireia & Wairau)

24
Townhouses acquired in Titahi Bay

144
Hectares of whenua reclaimed

200+
Iwi through
Mahi Toa
Trades Training

Transmission Gully opened
30.03.2022



120
Attend
Rangatahi Wānanga

Toa ITM staff:
30% Iwi members
50% Wāhine

3
Wānanga
Reo

3
New websites
created

Our focus for the year ahead

- Building the capability across our organisation
- Growing our economic base
- Ensuring our taiao is protected
- Advancing the mana,wellbeing & prosperity of Ngāti Toa
- Ensuring te reo Māori is a living & thriving language
- Progressing the establishment of services in Te Tau Ihu
- Developing & fostering our strategic partnerships across all services

Chairman's Report

Rīpoata o te Tiamana

Whenua is central to the identity of iwi Māori, and Ngāti Toa is no exception. We still remember the alienation of our lands through the Wairau and Porirua Purchases of 1847, coercion orchestrated by Governor George Grey to take advantage of the imprisonment of Te Rauparaha and banishment of Te Rangihaeata. We recall the Te Waipounamu Purchase of 1853, and then the Native Lands Act of 1862, both of which led to the further erosion of Ngāti Toa land ownership. By the turn of the twentieth century, Ngāti Toa was a people of the land with virtually no land. And as livelihoods were linked to land resources, generations of Ngāti Toa were condemned to lives of poverty. We do not forget.

It was not until the 1980s that Ngāti Toa would be able to make any meaningful progress in having these wrongs put right. In 1984, fourteen Ngāti Toa kaumātua lodged our Treaty of Waitangi claim. It would take a further 30 years for our claim to reach settlement. Negotiations were finalised in 2012 and then passed into law in 2014.

Our settlement includes Deferred Selection Properties (DSP) rights; the right to the future purchase of Government properties at a discount. In 2021, Te Rūnanga o Toa Rangatira notified the Government of our intention to exercise these DSP rights, to move forward with the purchase of the lands of 40 schools throughout the greater Wellington region.

Earlier this year we completed this purchase and 141 hectares of whenua returned to Ngāti Toa hands.

E te iwi, it is not our way to praise ourselves; kāore te kūmara e kōrero mō tōna ake reka. But I would be doing you all a disservice if I did not highlight the level of commitment, innovation, skill, and sheer tenacity that our CEO Helmut Modlik and his team have shown to make this transaction happen. At times it seemed like the obstacles were insurmountable; the slowness of the Government to do their part, coupled with deteriorating financial conditions, meant that it was touch and go on more than one occasion. But we got there. Helmut and the team have done a wonderful job. We are indebted to them, for their vision and foresight to come up with this concept, and then their drive and commitment to get it over the line.

Hoki Whenua Mai

The acquisition of land is an end in and of itself. In addition, though, land ownership creates opportunities to pursue other meaningful goals. One of the Rūnanga top priorities is to provide a pathway for iwi members toward home ownership. House prices across the country have been driven up to levels that make home ownership completely unaffordable for so many of us.

One response to this housing crisis is the Community Land Trust Model (CLT).

This is a scheme to help iwi members and their whānau onto the property ladder. Under the CLT, the Rūnanga will make homes available for purchase to iwi members. The difference though is that only the house itself is for sale. The land will remain the property of the Iwi. The benefit of this approach is that the purchase price will be significantly reduced.

In August 2021 the Rūnanga purchased twenty-four townhouses in Tītahi Bay from the Porirua City Council. All of these townhouses required remedial work, which is underway now.

As you know, in 2016 the Rūnanga purchased 42 hectares of the old Porirua hospital site, and then entered a joint venture with a local property developer to create the new Kenepuru Landing subdivision. In 2021, Te Rūnanga o Toa Rangatira signed an agreement to take over the remaining stages of the development.

The Rūnanga then applied for funding from the Government's Infrastructure Acceleration Fund to expand the capacity of the subdivision.

We received a commitment for millions of dollars to go towards expanding Kenepuru Landing's infrastructure. This means that an additional 430 houses can be built, taking the total to 800+.

Callum Katene

E ngā manu taupunga i tauhōkai iho mai i te tāepa o te rangi, tēnā koutou katoa. E tangi hotuhotu ana te ngākau ki ngā mate huhua o te tau. Haere atu rā. Momotu atu ki tua o Paerau, ki te hui o ngā kahurangi. Rātou ki a rātou, tātou ki a tātou.

Ānei nā te pūrongo-ā-tau hei whakamārama i a koutou he aha ngā mahi o te Rūnanga, ā, he aha ngā hua i puta. Ko te whenua te tino tikanga o te rīpoata nei. He nui ngā manako o te iwi kia whakahokia ngā whenua i raupatungia i tērā atu rau tau.

Me hoki whenua mai. Nō reira, e te iwi, kaingia ngā horotai i horahia ki raro rā, kia whāngaia te hinengaro, kia mākona ai te pīkoko o te wairua.

Tēnā tātou katoa.

COVID-19 Update

The last few years have been very difficult for everybody as the world has battled the COVID-19 pandemic. The restrictions imposed to contain the virus' spread have constrained our freedoms, interrupted our businesses and made it difficult for many of us to even work.

In late 2021, preparations were made for the expected surge of COVID-19 cases in Porirua. Te Rūnanga o Toa Rangatira established a programme to provide care and support to those suffering from COVID-19. Called the Tiaki Hub and led by Te Rūnanga o Toa Rangatira, this project was a collaboration between the Rūnanga, Ora Toa PHO, Whatuora (formally CCDHB), and would provide care and support for whānau across Porirua.

By any measure, the project was a great success. Many of us that did find ourselves locked down with COVID-19 saw the value of the Tiaki service and the quality and enthusiasm of the staff. Te Rūnanga o Toa Rangatira wishes to acknowledge Ranei Wineera-Parai, who led the Tiaki operation who's primary focus was to deliver manaakitanga and support for whānau impacted by COVID-19. Without her leadership and guidance, the COVID-19 outbreak in Porirua could have been very different. E te kōkō tangiwai, kei runga noa atu koe!

Te Roopu Āwhina

Forty years ago, a group of Ngāti Toa Kaumātua inspired the formation of Te Roopu Āwhina (TRA) an entity that supplied social services to the Porirua community. Early this year, Te Rūnanga o Toa Rangatira merged with Te Roopu Āwhina, adding an additional one hundred employees, and bringing with them the associated services contracts.
By merging with TRA, we can ensure the vision of our kaumātua lives on. It also gives us additional capability to deliver on our MauriOra model.

Te Rūnanga o Toa Rangatira

Te Rūnanga o Toa Rangatira has more than one hundred appointments to committees, boards and subsidiaries. In 2021, the board made the decision to review the entire representative appointment process to ensure it was fair, open and transparent. Obviously, appointments would still be made based on skill and experience, but by creating an appointment policy, the entire process would be openly visible and accessible to all.

In March of this year, the board established the Remuneration and Appointments (RAC) Committee, with Caleb Ware as the inaugural chair. Among other things, the RAC committee's role is to implement the board's appointment policy:

1. All vacancies to be advertised via the Rūnanga communications channels
2. Assemble a panel or experts to conduct interviews, evaluate the applicants, and provides a recommendation
3. RAC then formalises the recommendation and presents it the the board, who make the final decision.

The board believes that tenure is an important part of ensuring that the appointments process is fair. With very few exceptions, no one should expect to occupy a Rūnanga representative position indefinitely. When an appointee reaches the end of their tenure, the position will go through the appointment process once again. Of course, the incumbent is welcome to reapply.

As mentioned above, the last few years have made in-person hui difficult for all. We have done our best to compensate by using technology to stay connected, but it is a poor alternative. Hui-ā-tīnana is how we express our whanaungatanga.

As the restrictions of COVID-19 started to lift near the middle of this year, we made the decision to take the Rūnanga on the road.

> "One of the focuses of the Rūnanga reo programmes will be to find ways to support our kaumātua of today to improve their skills and confidence with our reo and kawa, so that we can bridge the gap over the next 10 years."

Toa on Tour

Our first hui-ā-iwi of the Toa on Tour roadshow was held at Takapūwāhia Marae on 18 July 2022. From there the roadshow continued to Hongoeka Marae then Whakatū Marae in Nelson, and on to Blenheim.

The next phase was Hamilton and Auckland, with the final leg of the tour being visits to Sydney and the Gold Coast.

All in all, the tour was a great success and long overdue. We took many learnings, and people have asked for this to be an annual event. We have our AGM in December of each year, but twelve months is too long for our people to wait for a face-to-face update. The board will give this further consideration in the coming year.

The Toa on Tour roadshow had two objectives: One was to update our people on recent developments. The other was to garner feedback. Is the Rūnanga on the right track? What more should we be doing and focussing on? Given our growth over the last couple of years, how can we support our people better?

The Rūnanga answer is Te Kete Hāpai. The goal of Te Kete Hāpai is to provide direct, tangible benefits to iwi members over the long term. It requires careful and deliberate consideration to make sure we can land on an affordable and sustainable solution. Further details will follow as the programme solidifies.

Following the roadshow, the board met with the Rūnanga executive leadership team to come up with a list of priorities for Te Kete Hāpai. After a robust and comprehensive discussion, and taking into account the feedback received, the restoration of our reo and tikanga emerged as our top priority; by quite some margin. The board has directed the Rūnanga executive to implement programmes to rejuvenate Te Reo Māori across our communities.

Our reo deserves special mention this year. On 14 September 2022, we celebrated the fiftieth anniversary of Te Pētihana Reo Māori 1972. The delegation that delivered the petition was led by Ngāti Toa kaumātua, Te Ouenuku Rene.

Many agree that this petition heralded a turning point for Te Ao Māori in Aotearoa. Our tamariki that grew up during the eighties and nineties were the beneficiaries of that whawhai, and today they are strong in their reo and confident in their identity. In the years to come, the paepae of our marae will be in good hands.

But we have a gap. For those of us that were children of the sixties and earlier, the Māori language was frowned upon during our school years, and access to resources and teachers were scarce. It is this group who currently hold the responsibility of maintaining the mana of our pae until the next generation is ready to take up the mantle.

One of the focuses of the Rūnanga reo programmes will be to find ways to support our kaumātua of today to improve their skills and confidence with our reo and kawa, so that we can bridge the gap over the next 10 years.

At the end of this year, the term of our kaumātua and rangatahi representatives will end and the board will transition to eight seats, as per the constitutional changes voted on by us all in 2020. We acknowledge the contributions of Uncle Mahu Wineera, Aunty Judy Rene and Te Rauparaha Horomona, and thank them for their wisdom and insight over the length of their terms.

The Rūnanga executive team has produced another outstanding financial result for the 2022 year. Please see our CEO's report below, and the following financial reports, for the details.

E te iwi, I am delighted to present Te Rūnanga o Toa Rangatira Annual Report 2022.

Callum Katene
Board Chairman

Helmut Modlik

CEO's Report

Rīpoata o te Tumu Whakarae

E aku rautītapu kua mene atu ki te pō, haere rā ki tō tira mokemoke.

Kei te puna o mahara koutou e tangihia, kei te whare o whakaaro nui koutou e ora ai.

Ki a tātou ngā urupā o rātou mā,
Ngāti Toa Rangatira,
tēnā tātou katoa!

2021-22 was a year of historically significant financial and operational growth for Te Rūnanga o Toa Rangatira. "Paddling our own waka" while seeking to add value wherever we could, saw opportunities present themselves in abundance. As we responded positively, the profile of Ngāti Toa – locally and nationally – increased, creating even more opportunities. The Rūnanga consequently secured many new contracts for services and business, resulting in exciting new initiatives and significant increase in revenues and staff. More importantly, the capability and capacity of Ngāti Toa to assert our rangatiratanga and enhance the wellbeing, prosperity and mana of our people grew greatly.

A key example occurred late 2021, when health authorities asked Ngāti Toa to lead the urgent delivery of comprehensive manaaki and health services to every family in Porirua, not just our people, during an expected surge in COVID-19 infections. The Rūnanga accepted that tono on the iwi's behalf, asserting our rangatiratanga through manaaki to all manuhiri living across this part of our rohe. I again acknowledge and sincerely thank all our people who contributed to that extraordinary, mana-enhancing mahi, kia ora ai te iwi!

As always, we also farewelled many loved ones during the past year, and although we continued to be hampered by COVID-19 related restrictions, the aroha and manaakitanga of our iwi was still seen and felt. We treasure and will never forget those who've gone before us. Kua okioki te hunga aroha, kua okioki.

Two notable changes to the Rūnanga operations occured during the year with the move of our head office to the Whitireia Polytech Executive Wing – renamed "Kahe Te Rau o Te Rangi". This move was part of our planned acquisition of the whenua under Whitireia and leaseback of its facilities for our use, particularly education and vocational programmes.

I am pleased to advise that for the year ending June 2022 the consolidated result for the Rūnanga was a surplus of $**166.8 million** (versus $41.2 million in 2021), total assets of $**811.1 million** (versus $294.1 million in 2021) and a net worth of $**442.9 million** (versus $275.9 million in 2021).

In addition, the Rūnanga executive leadership was restructured with the creation of a six-member Pou Whakahaere. With the exception of our Pou Pūtea, all other Pou roles are filled by appropriately skilled and experienced Ngāti Toa uri – a great accomplishment and blessing for our iwi. Under this new leadership team and structure, the operations of the Rūnanga are now fully scalable and able to respond flexibly to any future opportunities.

A highlight of 2022 was strengthening our connection with iwi members in eight locations across Aotearoa and Australia through a Toa-on-Tour roadshow. Connecting and reconnecting with whanaunga while providing updates and listening to whānau aspirations and concerns, was a powerful source of insights and strength for all involved, and will be repeated moving forward.

A further highlight during 2022, was the strengthening of our A.R.T. confederation, with more regular contact and work with our Āti Awa ki Whakarongotai and Ngāti Raukawa whanaunga. In 2020-21, Ngāti Toa and Te Āti Awa had formally reconfirmed our alliance and commitment to acting in unison, and in 2022 this included progressing additional central and local government strategic partnerships, and various joint venture services.

Operational highlights for the Rūnanga in 2022 have been numerous and difficult to single out. However, the following are noted for their potential to make a significant difference to our whānau moving forward.

Housing

Progress remediating 24 apartments acquired in Tītahi Bay to house 24 Ngāti Toa whānau from 2023. Acquistion of Kenepuru Landing housing development as a source of up to 1000 new homes for iwi members and others over the next 10+ years. Finalisation of Ngāti Toa housing strategy and Iwi housing register to guide and prioritise housing decisions moving forward.

Progress on Toa Homes project – an innovative, healthy, affordable, energy-efficient housing solution to meet iwi members housing needs in the future. Implementation of Te Tumu Paeroa-funded house remediation programme for existing homes in dire need of repair.

Education & Employment

Continued growth of Mahi Toa and Te Hoe Ākau vocational employment services. Establishment of new services: Ūpane – a professional development service for public and private sector clients seeking training and content on Te Tiriti o Waitangi, Ngāti Toatanga, local history education, and Te Awarua – an iwi-led partnership with Te Pūkenga (Whitireia & Weltec) providing ākonga Māori with academic, pastoral, cultural, and mentoring support.

Health & Social Services

Merger with Te Roopu Awhina (100 kaimahi Porirua-based NGO) to form Toa-TRA, our new, integrated social service arm. Partnership with Te Āti Awa and Corrections to stand up Te Whare Whakaruruhau o Raumanuka – a transition housing service for former Remutaka inmates. Stand up of Tiaki – a new service working with Ora Toa to provide comprehensive manaaki, vaccination and testing services to all of Porirua. Confirmation of Ngāti Toa to lead the country's first primary health care Locality Network as part of the new health sector reforms. Stand up of 502 Rangatahi Ora in partnership with Partners Porirua – Porirua's first "one-stop-shop" youth health and social service provider.

Treaty Relationships

Establishment of formal partnerships with local governments (Porirua, Wellington, Lower Hutt and Greater Wellington Regional Council) plus key central government agencies (Oranga Tamariki, Kāinga Ora, Te Ara Poutama, CCDHB, Te Pūkenga, and ACC).

Support for the establishment of new Māori wards across the rohe, including endorsement of an inaugural Ngāti Toa candidate in Porirua and to GWRC. Appointment of an inaugural Mana Whenua representative to Wellington City Council. Initiation of a Ngāti Toa-led Porirua community leadership forum to promote stronger local action and democratic participation.

Whenua

Acquisition of 144 hectares under 40 schools across the rohe providing enourmous future cultural and financial benefits to Ngāti Toa. Acquisition of Kenepuru Landing housing development from Carrus Developments to enable the direct provision of quality, affordable housing to Ngāti Toa over the next 10+ years. Acquisition of properties in Upper Hutt (former Courthouse) and Porirua (former Police Station) and agreement to acquire 170 hectare Landcorp farm extending from Porirua East to Linden.

Economic

Extraordinary financial growth and profitability achieved across the Iwi asset base and investment portfolio. Continued progress acquiring businesses to develop our whenua and deliver affordable housing to Iwi members. Continued development of services and opportunities to support Iwi member's businesses and enable their growth and development. Establishment of Te Kete Hāpai to identify and progressively implement initiatives providing direct benefits to iwi members no matter where they live.

Taiao

Significant growth in capability and capacity to directly participate in a wide range of taiao and kaitiaki-related mahi across our rohe, including on Mana, Kapiti, and Te Tauihu. Progress in discussions to see the transfer of kaitiaki responsibilities from regional and central government agencies to Ngāti Toa.

Approval from MoE to establish a Ngāti Toa kura kaupapa taiao, planned for establishment on Whitireia.

Looking ahead, I'd like to signal a few important kaupapa the Rūnanga is prioritising in the coming year. First, the board has instructed me to enable reo acquisition pathways for all iwi members as soon as practicable. **Accordingly, I'd like to issue a wero for Ngāti Toa Rangatira to become entirely bilingual by 2040.** This will require the establishment of realistically accessible and affordable pathways for all iwi members to learn te reo, plus a commitment by iwi members to achieve that aspiration. Work is already underway and will be publicised in due course.

Work has also begun to ensure all of the envisioned benefits of our 2014 Treaty Settlement are realised, including re-assertion of our rangatiratanga across Raukawa Moana, on Mana and Kapiti Islands, and in Te Tauihu, especially Wairau. Lastly, early work on planning for our own Whare Taonga here in Porirua, to store our taonga, tell our pūrakau, and display our mahi toi will shortly commence, and we look forward to reporting its progress in future.

I'd like to thank all of our hard working staff who have produced such outstanding financial and operational results for Ngāti Toa in 2022.

Ma te Atua tātou katoa e manaaki, e tiaki i ngā wa kātoa e ōku whanaunga.

Helmut Modlik
Tumu Whakarae

How we Connect

MauriOra

Any door is the right door.

MauriOra has been a core focus for Te Rūnanga o Toa Rangatira this last year. Our MauriOra model reflects that over the course of a lifetime of an individual there are different times when we are more dependent on others, and that moving into states of independence and interdependence is fluid depending on whānau and personal circumstance, age and stage of life. Our services at Te Rūnanga are designed to work together to achieve MauriOra.

Many whānau or individuals come through one of our services but may have multiple challenges facing them. Rather than concentrating on our own specific areas of expertise MauriOra reminds us of our responsibility to look at the complete wellbeing of that person.

The MauriOra model was developed from the four cornerstones of Māori health & wellbeing;

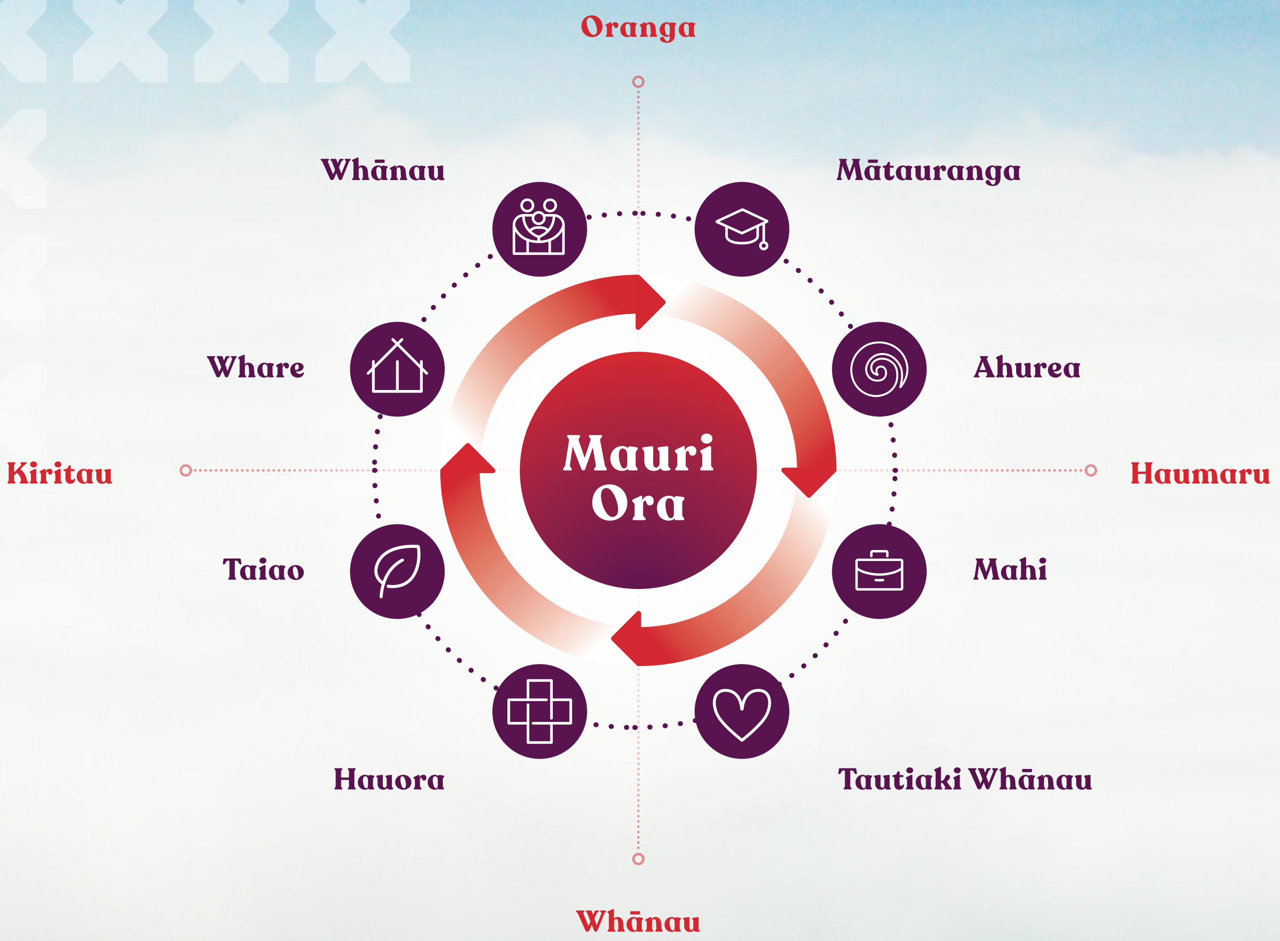
– **Oranga: Health & Wellbeing**

– **Haumaru: Safety**

– **Whānau: Family Support**

– **Kiritau: Self-Respect / Self-worth**

When a person is thriving, their MauriOra is demonstrated by a spirit that is enlightened, a mind that is alert and inquiring, a body that is fit-for-purpose and free of pain, and with relationships that are nurturing and mutually beneficial.



Ka oho te wairua
Ka mataara te tinana
He aroha ki te aroha
Ka kā te rama

He Rautaki Angitū

Planning for success

Covid was a barrier for many whānau to send their tamariki to school, we received a referral for 2 brothers one 8yrs and the other 6yrs of Raukawa decent who last attended school 30 September 2021. Mum did not send the children to school because they were not vaccinated, other children at school were teasing them because they were not vaccinated. This put pressure on mum to try and home school her tamariki, she knew they lacked in reading and writing. Through our MauriOra model of working, kaimahi contacted the whānau, listened with no judgement to see how we could help this whānau re-engage back into education. A hui was set up with school, with whānau taking the lead and kaimahi supporting and guiding the whānau. The whānau wanted clarity around covid and what that would look like for her boys at school. In a collaborative approach with whānau, school and kaimahi at the hui, the outcome was positive with the whānau enrolling both boys back into kura and the boys were able to continue with their education with their mana intact.

Building good and strong relationships with schools, community organisation to support whānau have been important part of MauriOra to work toward positive attendance and education outcomes. To strengthen our partnerships with schools, kaimahi have placed themselves onsite in schools, this allows students, whānau and school staff to meet with kaimahi and receive regular updates on their school referrals, it also allows kaimahi to check on any students that have not arrived at school. This allows the kaimahi to do home visits to bring students to school as well. The goal for our kaimahi is kanohi kitea - to be seen.

Piki Te Mauri referral request forms are working well. This gives us a background on the student and to see how well the school knows their student and whānau. This is the beginning of the MauriOra journey with the whānau. Schools have been engaging which has only helped strengthen the change.

Networking has been positive, it connects us to our community support partners, it gives us a better understanding of our roles, who the main contact is and how we can work together. We all must be on the waka and paddling in the same direction to better support our whānau.

Partnership, collaboration and mahi-tahi have been important in ensuring MauriOra is achieved. We know that sometimes we need to get everyone on board to see outcomes. Some of the networks we have connected with are our iwi partners Te Āti Awa, Orongomai Kahungungu services, New Zealand Police, Whakamana Tane & Wahine course, Challenge 2000, Vibe, Big Brother Big Sister, and Capital Training.

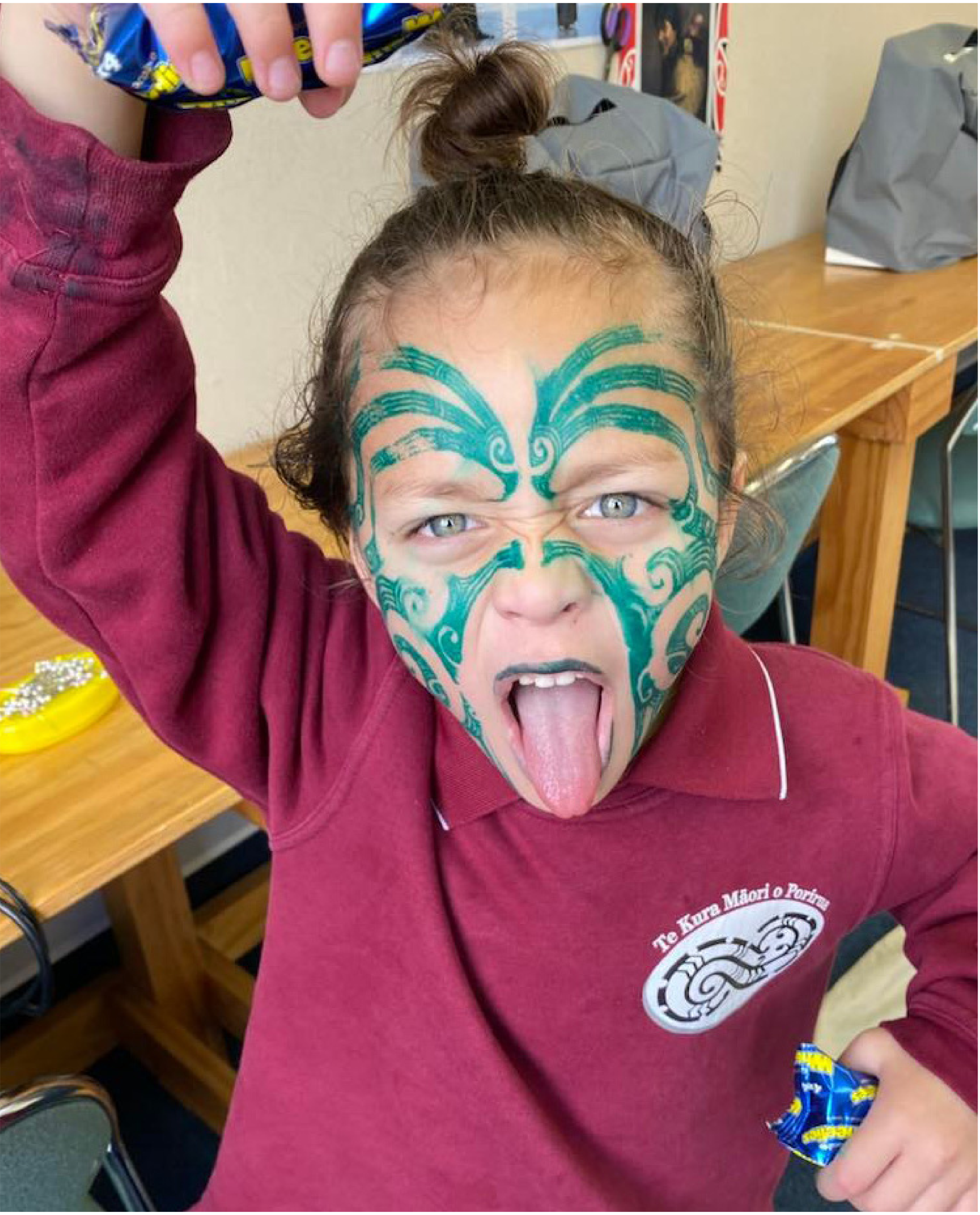
How does MauriOra help success?

- Whānau take their place at the centre of their journey – power imbalance shifts
- Encourages a collaborative effort – everyone involved, creating a community of champions
- Creating MauriOra plans to provide the whole picture, avoiding the habit of siloed support and practice

Some of the challenges and opportunities for operationalizing MauriOra include supporting our kaimahi to develop their understanding and application of MauriOra, ensuring we have culturally competent kaimahi to meet the demand across our services, and the ability to secure long-term contracts to improve sustainable outcomes.

"Partnership, collaboration and mahi-tahi have been important in ensuring MauriOra is achieved.

We know that sometimes we need to get everyone on board to see outcomes."


Te Kura Māori o Porirua

Returning Land to Ngāti Toa

Hoki Whenua Mai

Te toto o te
tangata he kai,
te oranga
o te tangata
he whenua.

I riro whenua atu, kua hoki whenua mai.

40 schools

144 hectares of whenua

$440mil value

$350mil purchase price

Rent in perpetuity

Mokopuna and future generations of Ngāti Toa Rangatira will inherit a significant income in perpetuity thanks to a long-term and strategic investment secured by the iwi.

Settlement between Ngāti Toa Rangatira and the Ministry of Education completed on 6 May 2021, securing Ngāti Toa Rangatira's purchase and lease back of the land of 40 public schools across the Porirua and Wellington rohe.

The purchase of the properties was made possible through the iwi Deferred Selection Properties which forms part of the broader Ngāti Toa Rangatira Claims Settlement Act 2014.

Led by Tā Matiu Rei, the Ngāti Toa Treaty Negotiations Team Te Kaha successfully challenged the Crown on their deliberate historical breaches of Te Tiriti o Waitangi which saw Ngāti Toa significantly stripped of whenua, resources and mana in both the North and South Islands.

Had it not been for the leadership, tenacity and fortitude of our original claimants, Tā Matiu and Te Kaha, we would not have been in the position to progress this deal. We continue to benefit from and grow the fruits of their commitment to our iwi. Mei kore ake koutou hei arataki i a mātou.

This deal didn't come without it's challenges, working with the Ministry of Education over an 18 month period to secure the deal as well as sourcing lending partners to fund the majority of the purchase was a huge undertaking.

We acknowledge the many hours and hard work the team put in to get this kaupapa across the line – pai tū, pai hinga, i ea ngā mahi.

The initial deal equates to a total of approximately 144 hectares throughout our rohe, making Ngāti Toa the largest landlord of the Ministry of Education.

While we will not see any income for the next 25 years due to loan repayments, it ensures that our mokopuna and future generations will be in a strong financial position and benefit from a steady income in perpetuity. We continue to negotiate with the Ministry of Education to purchase the land of the remaining 28 schools within Te Whanganui ā Tara, and following the next tranche of kura we have further DSP rights including; Correctional Facilities, Police College, Police Stations & Court Houses.

Beyond the financial gains this deal will procure, the most meaningful acquirement is the whenua. The importance of land to Māori has been paramount throughout Aotearoa, our iwi history and mana comes from this whenua.

I raupatungia te whenua, our tūpuna were stripped of their land in the 19th century and now in the 21st century, we – ngā uri whakaheke, descendants of those tūpuna are returning the whenua to us, enhancing in some ways our rangatiratanga, never to be alienated again.

Mahere Kura ki Porirua

Deferred Settlement Properties Map Porirua

Porirua Region

1. **Pukerua Bay School**
89 Rawhiti Road, Porirua - 2.0234 ha
2. **Plimmerton School**
11 School Road, Porirua - 3.4515 ha
3. **Titahi Bay North School**
47 Jillett Street, Porirua - 2.9675 h
4. **Titahi Bay School**
11 Kura Street, Wellington - 2.6748 ha
5. **Titahi Bay Intermediate**
16 Kahutea Terrace, Porirua - 4.6880 ha
6. **Paremata School**
43 Paremata Crescent, Porirua - 1.6455 ha
7. **Discovery School**
Pullen Lane, Whitby, Porirua - 2.1657 ha
8. **Pauatahanui School**
2 Paekakariki Hill Road, Porirua - 1.6896 ha
9. **Papakowhai School**
17 Spey Place, Porirua - 2.5166 ha
10. **Postgate School**
Staithes Drive North, Porirua - 2.2005 ha
11. **Rangikura School**
95 Conclusion Street, Ascot Park - 2.0755 ha
12. **Te Kura Maori O Porirua**
392 Warspite Avenue, Ascot Park - 7.2039 ha
13. **Adventure School, Whitby**
18 Longitude Place, Porirua - 2.9640 ha
14. **Tairangi School**
3 Omapere Street, Porirua - 7.2039 ha
15. **Aotea College**
Okowai Road, Aotea - 12.2610 ha
16. **Mahinawa Specialist School**
1 Takapuwahia Drive, Porirua - 0.4719 ha
17. **Mana College**
22 Awarua Street, Porirua - 10.4719 ha
18. **Porirua School**
1 Awarua Street, Porirua - 2.5550 ha
19. **Russell School**
18 Fantame Street, Porirua - 2.0797 ha
20. **Corinna School**
36 Kalingo Street, Porirua - 2.6483 ha
21. **Porirua East School**
8 Martin Street, Porirua - 2.8332 ha
22. **Cannons Creek School**
5 Warspite Avenue, Porirua - 1.9402 ha
23. **Maeraeroa School**
47 Driver Crescent, Porirua - 2.7003 ha
24. **Windley School**
46 Mungavin Avenue, Wellington - 2.2356 ha
25. **Brandon Intermediate**
32 Driver Crescent, Wellington - 19.5056 ha
26. **Porirua School**
1 Awarua St. Elsdon - 2.5550 ha
27. **Glenview School, Porirua East**
06 Bedford Street, Wellington - 2.8667 ha

Wellington Region

Linden School
58 Ranui Terrace, Tawa

Hampton Hill School
Rimu Street, Tawa

Tawa College and Intermediate
1 Ranui Terrace, Tawa

Greenacres School
60 Raroa Terrace, Tawa

Tawa School
6A Oxford Street, Tawa

Redwood School Tawa
5028/71A Redwood Avenue, Tawa

Churton Park School
90 Churton Drive, Churton Park

Paparangi School
Beazley Avenue, Paparangi

Johnsonville School
Morgan Street, Johnsonville

Rewa Rewa School
18 Padnell Crescent, Newlands

Bellevue School
20 Princess Road, Bellevue

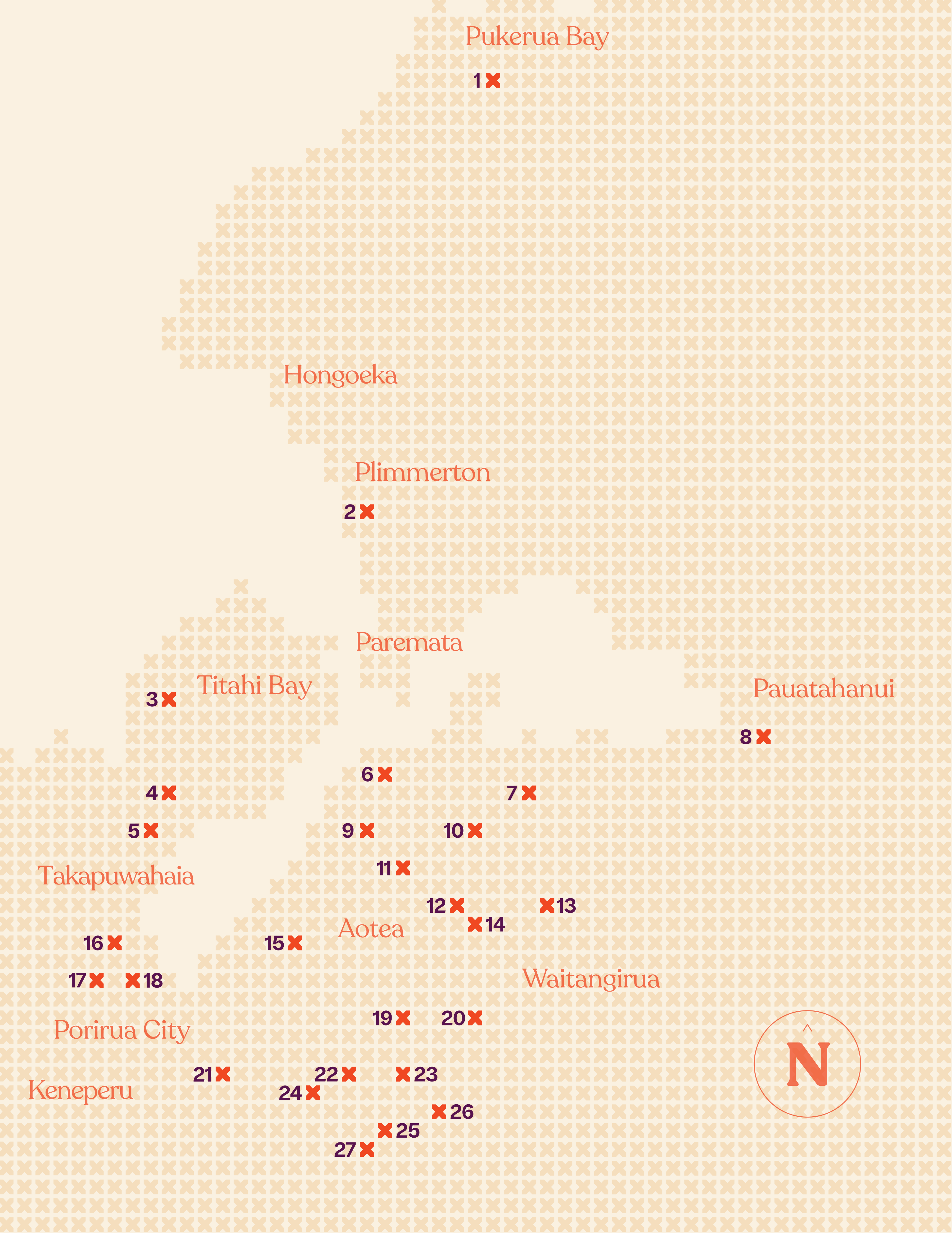
Khandallah School
20 Clark Street, Khandallah

Ngaio School
45 Abbott Street, Ngaio

Karori Normal School
Donald Street, Karori

Evans Bay Intermediate
14A Kemp Street, Kilbirnie

Tawa


Pukerua Bay
1
Hongoeka
Plimmerton
2
Paremata
Titahi Bay
3
Pauatahanui
8
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7
5
9
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11
Takapuwahaia
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Aotea
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Waitangirua
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Porirua City
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N

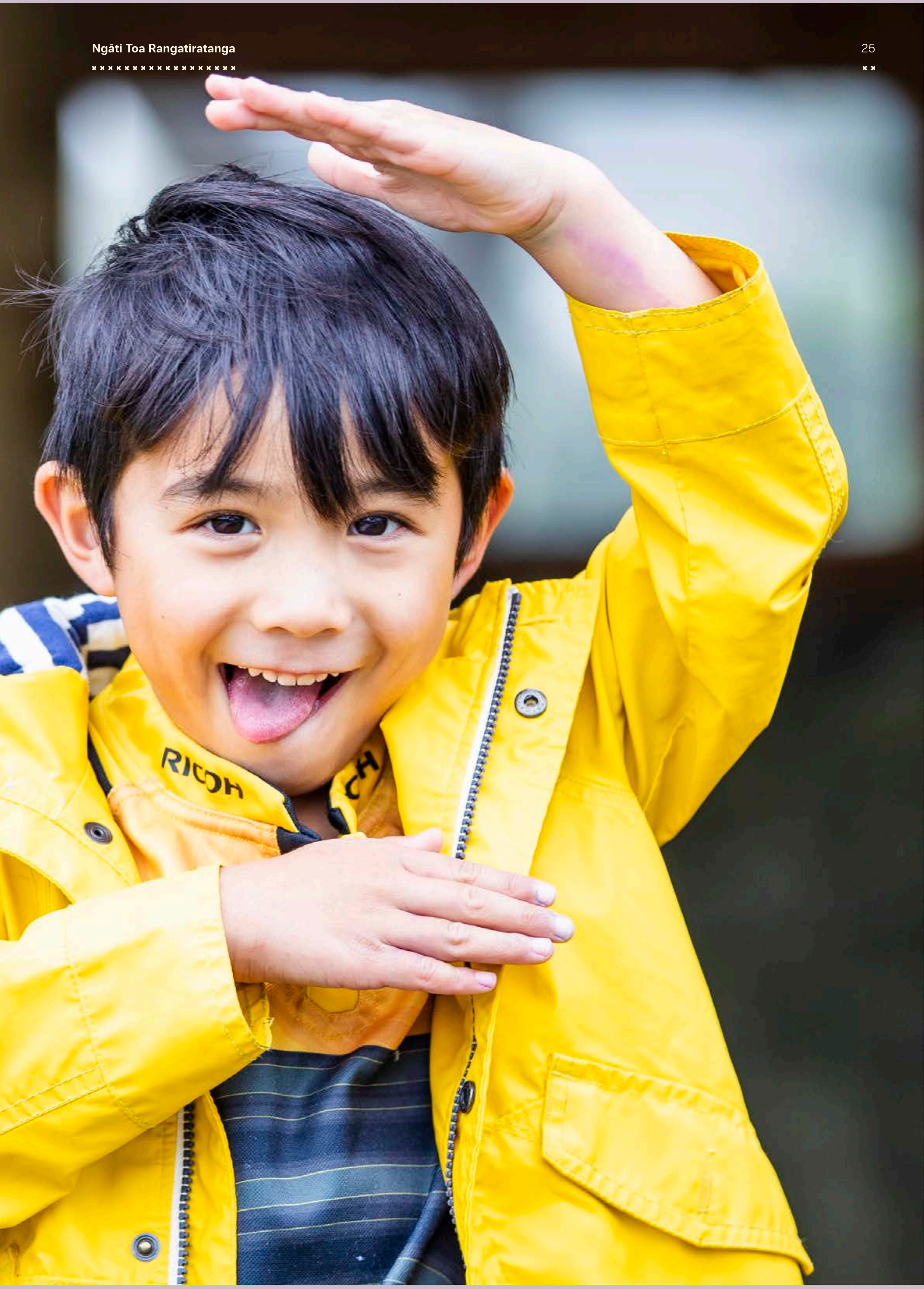
Our Culture and Identity

Ngāti Toa Rangatiratanga

Revitalizing & strengthening our identity as whānau, hapū and iwi.

Our identity is revitalised through our whānau who are confident in their reo, tikanga, kawa and identity. We have vibrant marae that upholds our kawa and are able to serve our varied and changing needs, through this we thrive.

Our whānau are strongly grounded in our history and whakapapa, and we continue to celebrate Ngāti Toa Rangatira culture and success.


RICOH

Cultural Services

The Cultural Services team has grown in the past 12 months to support the goals of the Culture and Identity Kaupapa of the Rūnanga Strategic Plan by providing strategic and operational outcomes for the iwi in Te Reo, culture, history, iwi grants and marae support.

Wānanga Reo programmes & initiatives held 2021 to 2022 financial year

Ngāti Toa te Reo o te Hapori Wānanga Reo

Due to Covid three Ngāti Toa te Reo o te Hapori wānanga reo delivered by Tamahae Keelan and Kamiria DeMuth for beginners scheduled for the 2020 financial were held in August, September and October of 2021. There were 60 members registered from 27 whanau. Te Reo o te Hapori wānanga reo included activities to provide simple sentences to use on an everyday basis in the community.

These wānanga were hosted at Whitireia Polytechnic and two online due to Covid restrictions.

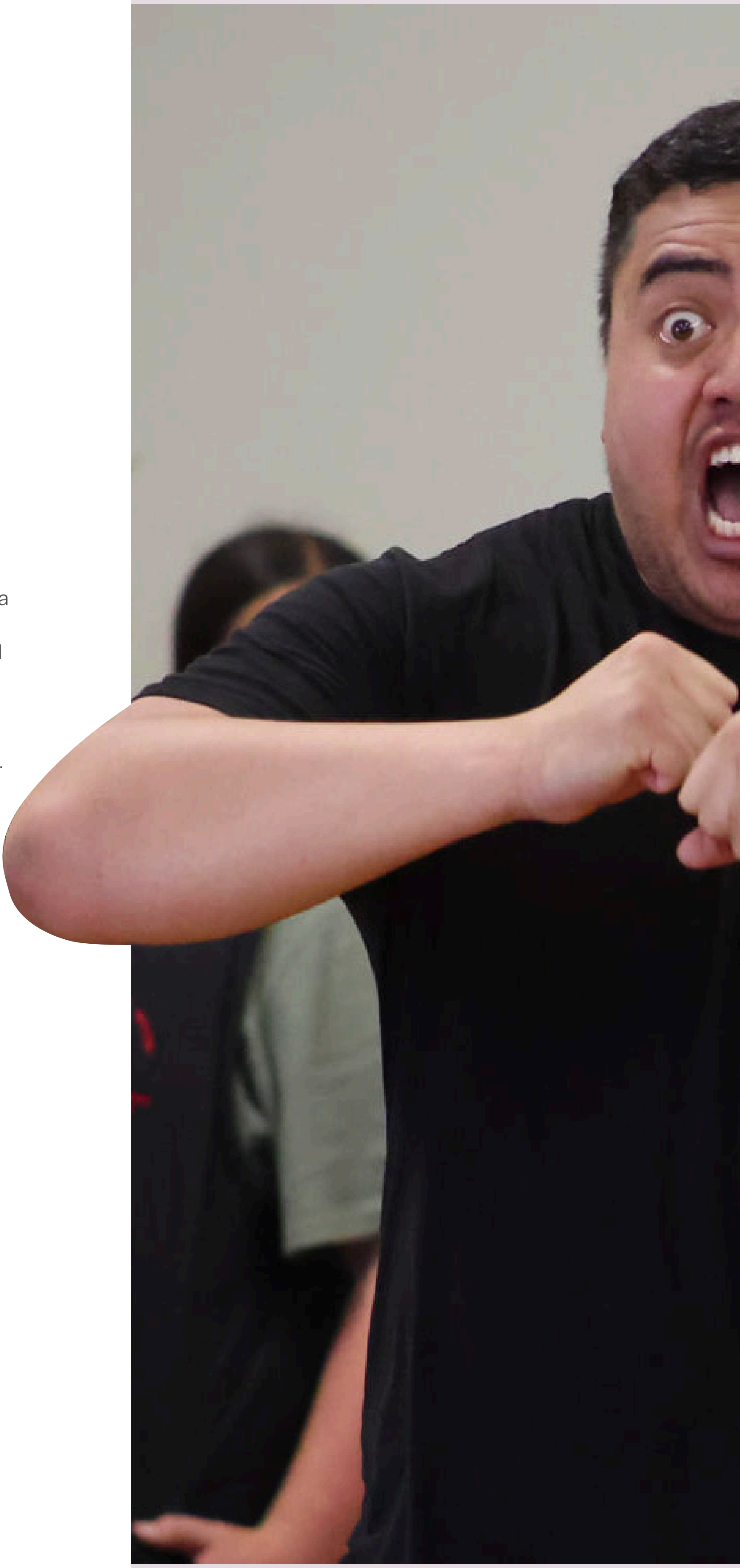
Ngā Wānanga Reo

- Marae Atea Wānanga Reo 1 – 3 December 2021 at Takapuwahia Marae (30)
- Kaitiaki Iwi Monitors Wānanga Reo 14 December 2021 Paekakariki (35)
- Toi Wānanga Reo – Toi @ Mana 22 to 23 June 2022 at Mana College to embrace te reo Māori and tikinga Māori through the exploration of patterns and designs linked to purakau associated with the art forms and relevant to the rebuild of the whare. Throughout these wānanga te reo, karakia and waiata were embedded. Karanga and whaikorero classes were also included.
- Waiata – 17 to 18 June 2022 at Hongoeka Marae (36)

Rāngatahi Wānanga Reo

Three Hui Rangatahi Wānanga Reo were held this year. Two at Takapūwāhia Marae 20 to 23 July with 30 rangatahi, 12 to 15 October 2021 with 47 rangatahi, and one at Hongoeka Marae 27 to 30 April 2021 with over 50 Rangatahi.

Rangatahi from as far as Tauranga to Otaki and Te Whanganui a Tara attended the wananga reo.



Thorough planning and the utilisation of TROTR networks made for successful wananga reo. Our kaupapa was Whare Tapa Whā/Manaaki marae / Te rua rau tau o te hekenga mai raro. I believe we achieved if not exceeded the theme/kaupapa by continuously keeping the health and wellbeing of every rangatahi paramount in all our mahi.

Ngāti Toa Reo o te Kāinga ki Whakatū

We have completed four bi-lingual wānanga with components of immersion only times throughout the wānanga (making it fun with activities and prizes for those completed all in Te Reo). We have used a range of different sources like Reo classes in the wānanga, Moteatea, Whaikorero, Karanga, Wakaama, water sports and small rounds of sports using the same kupu that can cross over between the sports.

We have also visited sites around Te Tauihu and shared iwi kōrero around those places to support their identity and commitment to te reo.

A range of places were used as part of the wānanga being held in Whakatū. We had interruptions due to COVID and had to keep numbers a bit lower than we would have liked and to also change some of the format like; we have had Water sports at Cable Bay (significant to Ngāti Toa, learnt karakia around Tangaroa, karakia for kai, names and actions), we had a Wakaama Day (same learning as above but also the name of the waka, commands in wakaama and we can use this through other sports). Third was Mau rakau day spent at Whakatū Marae (karakia to start an event, pēpeha, commands in Mau rakau learnt and common commands in the mahi), the fourth day we had was basketball and netball.

We have built the capacity of our rangatahi where they were part of the crew of supporting the kitchen at the Marae and in the whare. Kaiako have been there to lead them through moteatea and different processes on the marae. Proud is an understatement for our whānau, rangatahi and iwi here in Te Tauihu and our future is bright with our pu and coming Rangatahi.

Keys learnings are that our Rangatahi know more than we see and it is quite often through the fun times and the opportunity to be observers that we see what they are actually learning. They have created their own goals for Te Reo and as we connect with our rangatahi at other events we are able to kōrero with them and support where we can on their journey.

Look out for the up and coming wānanga being held in Te Tauihu in 2023.

Haerenga ki Wairau

Tērā te Atua ka pataitia, i pēwheatia ai ahau ki te taonga te reo i hoatungia e au ki a koutou?

Wiki tuatahi ko Te haerenga ki Wairau. I tū ki te whakamihi i a Ngati Rārua, i a Rangitāne, i a Ngāti Toa hoki ngā mea e noho ana ki Wairau e pupuri ana i Te Ahi Kaa. Ko te kaupapa ko te Whakamaharatanga i te Rā i Haina ai Te Tiriti o Waitangi e ō tātou tūpuna ki Te Tauihu.

Earlier this year we took a tira to Wairau to commemorate the day the Treaty of Waitangi was signed by our tūpuna in Te Tauihu.

Ka mutu i haere atu mātou te rōpu o Ngāti Toa ki ngā wāhi i Wairau i haina ai ratou i te tiriti, i reira karakia ai, kōrero hītori ai tae noa ki te wāhi i tū ai te riri i waenganuii a Ngāti Toa me ngā kai rūri i te whenua o Wairau tae noa ki ngā hoia i tae mai ki te mau herehere i a Te Rauparaha rāua ko Te Rangihaeata.

We then went to visit sites where our tūpuna signed the Treaty, where karakia and historical kōrero was given. We also visited the place where trouble arose between Ngāti Toa and the surveyors which lead to the Wairau Affray between Ngāti Toa and the Government appointed Soldiers.

He rawe tēnei kaupapa mō ngā taiohi, otirā ngā pakeke, kaumātua hoki.

This was an awesome kaupapa enjoyed by young and old.

Revitalising Mātauranga Māori

Ko tētahi mahi papai anō hoki, ko te haere ki te ngāhere ō Pureora hei reo mō Te Ahurea Taiao ō Ngāti Toa me te whakawhanaungatanga i a Ngāti Rereahu. I haere tahi mātou me te tohunga ō tenei putiputi ā Pua Te Reinga ki te kohikohi kākano hei whakatō ki Zoolandier. Ko te painga ō enei momo mahi ko te whanaungatanga i waenganui i a Ngāti Rereahu me Ngāti Toa. Nā tēnei whanaungatanga he māmā te whakaae a Ngāti Rereahu ki tā mātou tono mō te haere ki roto i o rātou ngāhere o Pureora ki te hopu manu kōkako hei hari ki te motu o Kapiti.

Ko ngā kokako kei Kapiti nō Ngati Tama ki Paraninihi. Nō te ngāhere ō Waipingao ēnei manu, ā, he ōrite te whakapapa nō konei hoki te take i hopukina ai ēnei manu kōkako ō Pureora hei whakarereke ngā ira o ēnei manu kia tupu kaha ai ki runga i te moutere o Kapiti.

We next travelled back to Ngati Rereahu ki Pureora to celebrate their Kōkako population reaching 2000 birds within the Pureora ngahere. Our Ngāti Toa representatives were well looked after by Ngāti Rereahu and we negotiated for a team of us to come back & catch more than 20 Kokako. Ngāti Rereahu then travelled with us and stayed on Kapiti Island as guests & helped us release these Kokako at Wharekohu on Kapiti Island. Our hope is they thrive and help strengthen the DNA of our Kokako population on Kapiti which predominately come from a few birds from the Ngāti Tama area of Paraninihi/ White Cliffs in North Taranaki.

Toa Rangatira 40th Anniversary

Whare Tūpuna 40th Anniversary

In May this year we celebrated the 40th anniversary of the rebuild of our Whare Tūpuna Toa Rangatira at Takapūwāhia. The new whare replaced the old building that was opened in 1901. It had deteriorated so badly that it simply had to be replaced.

To mark this occasion, a week long calendar of events was planned including a dawn karakia, an exhibition held in the old wharekai, a bingo night, a 40th anniversary special designed T-shirt and Hoodie, and lots of shared memories.

Reconnecting Ngāti Toa to Toi

Over the past year we have accomplished quite a few of our objectives to support and revitalise our mahi Toi for our Ngāti Toa people. Some of our accomplishments have been tangible, some intangible, but on the whole we have made really good progress in achieving our goals.

Here are some of our achievements to date;

We have run several mahi toi community events that have brought our artists together and engaged wider whānau and community, this has been very valuable in creating positive kōrero and connection to our traditional arts.

We have begun running classes for carving, weaving and clay, these have been running for the past 6 months and have expanded from one class in whakairo to 3 per week. We have uku classes running at Hongoeka marae which we hope to expand once we have facilities with more space.

We have begun the restoration of our taonga, this includes the stone carvings, kōwhaiwhai and carving for the gateway of Takapūwāhia. Our first wānanga have begun with our artists starting the restoration of the gateway to Takapuwahia.

- We have over 20 Ngāti Toa whanau training as carvers
- We have over 12 Ngāti Toa training as weavers with another class starting at Hongoeka this month with a maximum of 10 people
- We have 6 Ngāti Toa whānau training in Uku with another class planned for Whitireia
- We have secured an extra $200k to continue running our current workshops and adding new wānanga and classes over the next year
- We have over 50 Ngāti Toa registered on our artists database which includes Te Tauihu
- We have applied for 5 different funders and are awaiting their responses to our funding requests
- We have a dedicated whānau member working from Te Tauihu
- We have 6 Ngāti Toa training alongside Moana RD in a design to product course

Ngā Tini Whetū

Ngā Tini Whetū (NTW) draws inspiration from ancient Māori navigational traditions where stars and planets are used as guiding points to steer ancestral voyagers in the right direction. NTW – Pakihi, is a start-up incubation programme designed to support, nurture and guide our Ngāti Toa whānau through the early stages of business.

Our programme provided them the foundation through intensive educational workshops, business mentoring sessions, networking opportunities, group activities and discussions. Our commitment was to ensure a culturally safe and supportive environment for our whānau to participate and thrive in a kaupapa māori environment. It was a way to connect our Māori whānau to who they are as Ngāti Toa.

We had 10 Ngāti Toa start-up businesses complete the programme this year, and look forward to being able to run the programme again for aspiring business owners we have in the iwi!

\$200k
Additional funding for workshops

10
Start-up businesses

Puna Reo Highlights

Te Puna Reo o Ngāti Toa 2022

Tamariki enrolled

46

Ngā painga o te tau

Matariki
Maramataka
Maara Kai
Kidscan

Tamariki progressed to Te Kura Māori o Porirua

6

Ngāti Toa tamariki

82%

Matariki

I tēnei tau i whakanui mātou i te kaupapa here o te wā, o matariki. Koinei te tau tuaono, arā, i tau ki te marae o Hongoeka.

This year we celebrated Matariki along with the rest of Aotearoa. This was our 6th year we celebrated Matariki as a Puna at Hongoeka Marae. We performed our Hautapu and our tamariki sent their wishes to Hiwa-i-te-rangi for the year ahead.

Celebrating Matariki is always an exciting occasion for both the kaiako and tamariki, and it's an event we look forward to each year!

Maramataka

The Kaiako of Te Puna Reo o Ngāti Toa have been observing the maramataka, the seasons, the environment, and more importantly the varying behaviour and energies of ourselves and the tamariki over the last four years. We acknowledge the practices of our Tūpuna.

Our maunga, our awa, our moana and the whenua are the foundations of our curriculum because hapū and iwi would practice their maramataka depending on where they lived and their proximity to the whenua, moana, maunga, awa.

Kōrero whakapapa me ngā kōrero tuku iho o Ngāti Toa enables us to plan and prepare for up-coming days and events for the mokopuna and tamariki with the pre-existing knowledge of the Maramataka. We believe that by understanding the Maramataka better we will be able to form better relationships with the taiao and how to provide for our Kaiako, tamariki, whānau, iwi, and future generations.

The Maramataka is the traditional Māori calendar and is based on the cycles of the moon. The Maramataka was an important marker of time for our tūpuna as it provided information on the best times of the day, month, and year for certain activities. Each moon throughout the month has a different name which holds different meaning. This aids Puna Reo with our marau mātauranga, hotaka and arotake.

Maara Kai

We were fortunate to obtain one of many grants through PCC this year. With this grant Puna Reo purchased more resources for our 'ki waho' space. One of those resources were two brand new maara kai planter boxes.

Kidscan

We are fortunate enough to receive KidsCan, Isayah has put her hand up for this challenge to provided nourishing and delicious kai for our tamariki. KidsCan is a charity dedicated to helping kiwi kids. They have provided food, jackets, shoes and health products. We receive an 8week cycle of a menu ranging from Vegetarian Curry, Lasagne, Mac and Cheese and Cheese toasties with daily yoghurt and fruit. We have seen a change in tamariki behaviour as well as engagement due to the healthier, fuller meals.

Our Wellbeing

Oranga

Advancing the health and well-being of all Ngāti Toa Rangatira whānau.

Our whānau flourish through improved health, and vocational achievement. Our whānau enjoy optimum health and wellbeing through quality care services.

Te Wāhi Tiaki Tātou

Porirua Localities Prototype

Te Wāhi Tiaki Tātou means a supportive and caring place.

It describes how Te Rūnanga o Toa Rangatira (Ngāti Toa) see their role in leading the Porirua Locality Prototype health reforms together with its' partners Ora Toa PHO Ltd, Tū Ora Compass Health and Te Whatu Ora – Capital, Coast and Hutt Valley. The Te Wāhi Tiaki Tātou partnership group also work closely with the Atiawa-Toa Hauora Partnership Board, who have a role in the locality plan approvals process.

Ngāti Toa have extensive successful relationships, partnerships and collaborations in the health, education, and economic development sectors, and with local and central government which have been integral to the overall wellbeing and growth of the hapori.

Te Wāhi Tiaki Tātou is guided by MauriOra, a holistic wellbeing model developed by Te Rūnanga o Toa Rangatira.

The key priority groups that will be a focus for engagement through the Porirua Locality Prototype will include Māori, Pacific, Whaikaha community and LGBTQI+ community.

Te Wāhi Tiaki Tātou is committed to creating a more collaborative health system in Porirua, which focuses on meeting the needs and expectations of our entire community.

As mana whenua, Ngāti Toa see it as their responsiblity to lead and support positive health and wellbeing of all of those living in the Porirua community.

Te Tumu Kāinga

Housing Repairs Programme

In early 2021 Te Rūnanga o Toa Rangatira signed an agreement with Te Tumu Paeroa to create a programme called Te Tumu Kainga.

The aim of this partnership was to be able to support 20 Ngāti Toa whānau in need of housing repairs. This initiative forms part of our wider Ngāti Toa Housing Strategy ensuring our whānau are living in warm, dry and safe homes. Phase one of this project is underway with the phases two and three to be delivered over the 2022/23 period.

Te Whare Whakaruruhau o Raumānuka

Te Whare Whakaruruhau o Raumānuka was established in partnership between Te Rūnanga o Toa Rangatira and Te Rūnanganui o Te Āti Awa, and officially opened 14 June 2022. Te Whare Whakaruruhau provides transitional housing for Tāne Māori coming out of Remutaka Prison. Additional to transitional housing, residents will also receive 24/7 onsite wrap-around and navigational support from kaupapa Māori health, social, education, employment and cultural services. Te Whare Whakaruruhau is made up of a team of highly skilled and experienced professionals, qualified in social work, navigation work, rehabilitation and reintegration, and transitional housing support.

Where specialist and clinical support is needed, Te Whare Whakaruruhau o Raumānuka will call on support from specialist and clinical teams from within Te Rūnanganui o Te Āti Awa, Te Rūnanga o Toa Rangatira and local community providers.


Ora Toa Health Services

Ora Toa started out the 21/22 year continuing with our efforts to minimise the impact of COVID-19 on our iwi and hapori, by leading the COVID-19 response across the wider Porirua rohe.

Our testing and vaccination services in Cannons Creek and at Lydney Place in Porirua remained busy throughout the year.

- 27,712 COVID-19 vaccinations administered at our Lydney site and by our mobile teams
- 18,983 COVID-19 swabs taken at Cannons Creek Testing Centre
- 13,416 Rapid Antigen Tests distributed from Cannons Creek Testing Centre

In response to the Omicron outbreak and in partnership with Tū Ora Compass Health and Porirua City Council, Tiaki Porirua was established in early 2022 to provide manaaki and clinical support to people and their whānau with COVID-19. This enabled whānau to remain in isolation while recovering from COVID-19.

Staff from across Health Services and the wider Rūnanga provided significant support to our COVID-19 teams, and many were redeployed during lockdown and over the Omicron outbreak at our various sites.

Ora Toa Medical

18,102 enrolled patients across our practices in Porirua and Pōneke.

Over 36% of our enrolled patients are Māori, 34% are Pasifika. While our total enrolled patients are in line with our 2021 enrolments, we've had a 2% increase in Māori enrolments.

Ethnicity	Enrolled Patients
Māori	6,616
Pasifika	6,164
European	2,960
Asian	2,045
Other	317
Total	**18,102**

A total of 968 of our enrolled patients are Ngāti Toa, 81% are enrolled at our Takapūwāhia practice.

Our practices had over 111,000 patient contacts over the year, including COVID-19 Care in the Community clinical support. 9,720 of those contacts are Ngāti Toa iwi members.

Patient Contacts	
GP Consults	27,982
Nurse Consults	10,137
Nurse Triage Phone Calls	60,103
Covid Care in the Community Consults	13,412
Total	**111,634**

36%
Enrolled patients are Māori

968
Enrolled patients are Ngāti Toa

Ora Toa Waitangirua

Ora Toa Waitangirua celebrated the opening of their new premises in September 2021. The practice had been temporarily operating out of our Cannons Creek practice and Waitangirua patients were excited to have their practice open again.

In March 2022, work was completed at Ora Toa Takapūwāhia to add three new consult rooms to the practice. The rooms were blessed by our Pou Tikanga, Dr. Te Taku Parai.

On 1 October 2021 the 'Ngāti Toa Whiti Te Rā Primary and Community Services Agreement' with Capital and Coast DHB came into effect. This agreement stems from Te Rūnanga o Toa Rangatira 'Whiti Te Rā Mauri Ora Plan 2021-24' and integrates many work streams across our community and mental health services into one agreement. These work streams fit into one of our three key focus areas:

- Ensuring the Best Start to Life for tamariki and rangatahi.
- Empowered patients and whānau through self-management.
- Living well with long term conditions.

These three focus areas are supported by a fourth key focus area:

- Outstanding systems and services to improve accessibility.

566
Outreach Immunisation Service received 566 referrals

27
Whānau participated in wahakura wānanga

48
Whānau participants.

54
Tamariki in group activities

43
Tū Te Wehi Psychologists have an average caseload of 43 clients

28
Alcohol & Drug Counsellors have an average caseload: 28 clients

2,341
At June 30 2022, 2341 tamariki were on our Tamariki Ora register, an increase of 63 from 2021

134
Wahine were provided support from our Hapū Ora Smoking Cessation service. 46% of our participants were Māori

The 502 Rangatahi Ora

After two years of planning, The 502 Rangatahi Ora (The 502) finally opened in November 2021.

The 502 is the only youth one stop shop in Porirua and provides a full wrap-around, holistic health service for rangatahi aged between 10-24 years. The 502 is temporarily operating out of Whitireia Polytech while the new premises at Cobham Court are completed. This is due to be completed by 31 October 2022 and the staff and rangatahi are looking forward to moving to their new space in November.

937
Rangatahi appointments

122
Enrolled patients

Acknowledgements

Dr Ana Goonewardene

Ora Toa would like to acknowledge one of our longest serving GPs who retired from service in June 2022.

Dr Ana Goonewardene worked at Ora Toa Mungavin for many years and has provided GP care to our community for over 35 years. We wish Dr Ana a well-deserved retirement, our staff and his many patients will miss him very much.

Ngā mihi nui ki a koe e te rangatira.

Dr Sean Hanna

Ora Toa would also like to acknowledge Dr. Sean Hanna who has been awarded Distinguished Fellowship of the Royal New Zealand College of General Practitioners.

Distinguished Fellowship is awarded to GPs who have demonstrated sustained contributions to general practice, medicine, or the health and wellbeing of the community. Dr Sean is one of just six across Aotearoa to receive the award this year.

Ka mau te wehi!

Social Services

The last 12 months saw the official merge of Te Rūnanga o Toa Rangatira and Te Roopu Āwhina Ki Porirua.

The social services functions and operations of Te Rūnanga o Toa Rangatira and Te Roopu Āwhina is now known as TOA - Te Roopu Āwhina Social Services. The merge and transition of all Toa - TRA Social Services into a confirmed integrated structure and alignment has taken place over the last year.

TOA - TRA Social Services has allowed us to best support our people and communities to:

- Develop services that meet the needs and demands of whānau and hapori
- Designing our future through partnership - disparate investment with mainstream and historical underfunding
- Building whānau resilience to respond to the increasing demands and unmet needs
- Re-imagining a future grounded in Mātauranga Māori, built around our Mauriora framework
- Building capacity, capability, resilience, and future readiness

Poipoi Tangata

Highlights from the past year:

52
Placements via Poipoi Tangata.

We have established the Mauriora framework as the basis for operational outcomes.

1
Rangatahi has transitioned into fulltime employment.

4
Rangatahi have returned to whānau.

Renegotiation of Mana Motuhake with Oranga Tamariki in determining TROTR rangatiratanga and strategic direction.

2019
Last of our Long Term Rangatahi returned home.

Pātaka Kai

Providing Kai packs to whānau facing hardship across Porirua.

1417
Manaaki kai packs provided by Pātaka to whānau of the Porirua hapori.

Emergency and transitional housing.

Youth mentoring and resilience.

Whānau manaaki support.

ePakihi

ePakihi is a kaupapa Māori business program developed in response to the negative impact COVID-19 had on whānau well-being through job loss and reduced business income.

Delivered entirely online, ePakihi provides one-on-one business coaching, group workshops, and access to business tools and resources.

30
Whānau engaged.

80%
Of all business plans completed, supported by mentors.

Progression of business plans to enable sustainable future provision.

All whānau have achieved individual goals set out at coaching sessions.

Whānau Ora

*Whānau Direct is non-recoverable funding available for whānau for "moments that matter".

340
Kaiārahi Referrals

307
Whānau Direct Support (Whānau Engaged)

Growing capability and capacity to formulate effective, high-quality services

Improving operational outcomes by providing quality, quantifiable & ongoing training & development for all kaimahi ie: clinical supervision, development plans

900
Whānau Direct Support (Individuals Supported)

Mauriora framework has been implemented.

Better networking and support mechanisms with schools, churches, and Marae

Alignment of kaimahi and resources to establish best practice

Establishment of weekly kaumātua manaaki "check ins" for those kaumātua who are living alone or have no whānau living nearby

Whānau Whanake

Significant outcomes have been achieved by whānau across all of the Whānau Whanake Collective.
The Whānau Whanake Collective consists of Te Rūnanga O Toa Rangatira, Te Rūnanganui O Te Āti Awa and Kahungunu Whānau Services.

2 Year pilot program

Completion of Ngā Tini Whetū - A two year pilot program to support whānau to create intergenerational transformational change.

90 Whānau

We have supported 90 whānau across the collective to achieve their moemoeā. Some of these outcomes have included: multiple small business start-ups (and or investment in business capital, business plans and mentorship) airline pilot, further education and training, trade and apprenticeships, reconnection to whenua, whakapapa, whānau, hapū and Iwi.

eRangatahi

'Whakaae te Wero' is a leadership and development programme aimed at building confidence, skill development and opportunities for rangatahi.

The program aims at removing barriers for rangatahi to learn within their own minds, hearts and soul.

12 Rangatahi completed the program

8 Rangatahi are in employment

2 Rangatahi have passed their learners drivers license

All rangatahi have First Aid and Life Support certificates

Whānau Hononga

The Whānau Hononga team covers two main areas of Iwi led mahi.
Te Pae Oranga Iwi Community Panels and Kairangahau (whakapapa researchers).

Te Pae Oranga

- Te Pae Oranga (TPO) Iwi Community Panels are a way for Police and Iwi to deal with crime, prevent reoffending and an alternative to the court process
- TPO use tikanga, kaupapa Māori and restorative justice practices that hold offenders (participants) accountable
- Currently we have received 63 referrals
- We have worked with frontline police to better understand and refer participants to the panel
- We are working with participants to engage and commit to completing agreed outcome related plans

Kairangahau

- Co-designed processes with Oranga Tamariki (OT) to engage and support whānau who have come to the attention of OT around reports of concern
- Improved engagement and facilitation to enable better whānau outcomes
- Whānau are supported with hui-ā-whānau, to create Family Group Conference plans and monitor safety plans
- Whānau are supported to identify their whānau, hapū and iwi relationships to offer safe loving care to tamariki
- We have never had a tamariki/rangatahi removed from the care of their whānau
- We provide support for whānau that have family harm reported to the Police, and those involved with the Court process
- We have supported over 100 whānau in Iwi Led mahi throughout the year, with a current caseload of just over 50 whānau

90%

Māori double vaxed in Porirua by Jan 22

49%

Māori vaccinated by Oct 2021

COVID-19 has dominated the operations of the Rūnanga for the past 2.5 years.

It's been a frantic time for our frontline staff, whānau and our hapori.

Ora Toa and the Rūnanga has risen to the occasion over this period of time and can be extremely proud of the accomplishments achieved primarily through ensuring whānau had the best COVID-19 protection which was vaccination.

Our staff, management, board and iwi can all be very proud of the role and contribution made by Ora Toa and the Rūnanga for combatting and supporting whānau through COVID-19.

Hikina te manuka!

With strong connections across the community and the ability to mobilise quickly, Ora Toa were the perfect partner to accept the tono and lead the community testing and vaccination sites and latterly; stood up our Tiaki Hub which primarily provided manaaki support to whānau across Porirua who were impacted with COVID-19.

It's overwhelming to look back and to see the amount of mahi that was undertaken over a short period of time to stand-up teams ready to respond. In terms of the vaccination programme, no stone or rock was left unturned to ensure that our community were vaccinated. The team were able to mobilise and create community festival events, removing the fear from receiving the jab to a fun whānau day out. We took vaccinations to our Marae working alongside our Rongoā practitioners to provide a safe and comforting environment and also hit the streets and sports fields. We saw the result. In January 2022 our community was the first throughout the motu to achieve 90% double vaccinated for eligible Māori across the Capital and Coast rohe.

No small feat considering that in only October 2021 Māori were the lowest major ethnic group in the country to be fully vaccinated sitting at 49%. The impact drive and commitment made by our teams and partners to protect our community cannot be understated. It is a phenomenal achievement.

He rangatahi, he niwha

We can be extremely proud of our rangatahi that stepped up and filled the gaps to provide the much needed support to our teams delivering vaccinations, testing and manaaki during our response. The impact of our rangatahi was so great that the team knew that the only way to connect with our rangatahi population was to ensure that we could connect at the same level. With this, a rangatahi vaccination response team was established where they were supported to develop vaccination campaigns that would increase rangatahi vaccination rates across Porirua. The outcome of their dedication and commitment to this kaupapa was seen with an increase in our rangatahi vaccination rates, an area that had been of great concern and limited connect through traditional means. The team took vaccinations to the rangatahi via kura, sports clubs and community drop ins. This was rangatahi for rangatahi.

Strength in the collective

Te Hāpaiō ki muri

Working collaboratively

The COVID-19 response was for a large part a collaborative effort across Porirua. Partner agencies and providers unified to come together, share staff, share events and to plan responses together. We worked closely with our Pacific provider network taking our vaccination teams directly into the community to provide vaccinations in spaces and places that our communities were comfortable. There were a lot of churches, marae, homes and sports fields that our team were welcomed into.

The vaccination effort brought the city to a standstill with our drive through vaccination effort that was pulled together in a matter of days! It was a logistical effort that even the millitary would be proud of!

We'd like to acknowledge our community health providers, pacific colleagues, Tu Ora Compass PHO, Whanau Ora, Whatu Ora (formerly the DHB), Te Puni Kōkiri, Ministry of Social Development and the many others agency and partners that came and supported us and our hapori.

Manaaki ki nga tangata

Throughout COVID-19 our social services and wider Rūnanga services have been supporting the COVID-19 efforts for that have genuinely struggled through lockdowns, access to resources such as food and shelter and the stresses and strains associated with unknown situations. Our wider teams across the organisation mobilised and continued to work with whānau to ensure that they were safe, had a kai and access to resources to support them during a very scary time. We've been able to provide kai, devices (phone or tablets) to help whānau stay connected to one another and tamariki/rangatahi can stay connected to learning.

Across the Rūnanga we were able to redeploy our staff to help where ever a spare pair of hands were needed.

We thank and acknowledge our staff for stepping in to fill the gaps of which there were many during this time.

Whānau stepping in and up to fill the gap

Our Ngāti Toa whānau – ngā mihi ki a koutou. We would like to acknowledge and thank our iwi particularly many of our Whānau that provided support to assist our Ora Toa and Rūnanga teams to support the community. Whānau volunteered their time which quickly lead to them being employed to contribute to the response. This was a by Māori for Māori response and we certainly saw this across our communities and we thank all those that extended a hand to assist in the response. Many of them being our rangatahi!

Ngāti Toa efforts through to Te Tauihu

We'd like to thank and acknowledge the mahi undertaken by the health provider networks across Te Tauihu that worked to ensure that our ā were safe. A special acknowledgement to Dr Lorraine Eade and her team at Te Kōtahi o Te Tauihu Trust (Te Kōtahi) who lead a manaaki and outreach support for ā whānau across Te Tauihu. Te Kōtahi is a joint collaboration of the eight iwi of Te Tauihu established to respond to emergencies.

The kaupapa of Te Kōtahi is simply to feed and shelter the people. This was definitely done and Māori and the wider hapori were well cared for.

KARAWHIUA

Our Prosperity

Ohanga

Growing a sustainable economic base.

Our prosperity is supported by a culture of self-determination, resilience, and growth. We continue to realise the benefits of robust and ethical investments that are aligned to the aspirations of the iwi, working together collaboratively to grow the Ngāti Toa Rangatira economy.

Fundamental to our ongoing success is the protection and growth of our economic base providing ongoing opportunities for whānau wellbeing and success.

Acquisitions

During the last financial year, the Rūnanga has made significant progress reacquiring our whenua, as envisioned through our Treaty Settlement. Key acquisitions include:

2 Hagley Street, Porirua

Ex Porirua Police Station – A Deferred Selection Property (DSP) agreed within the Deed of Settlement. The site was acquired as at 30 June 2022 for a slight discount at $2.87m (Market Value $3.03m) and comprises a prime redevelopment site within the Porirua City Centre. We are in the process of executing a development partnership with an NZX Listed Property Company who will be the lead developer on the site for a potential office development.

76-82 Main Street, Upper Hutt

Ex Courthouse – A Right of First Refusal (RFR) property which comprises the former courthouse buildings which are earthquake prone. The property was purchased for redevelopment purposes due to its situation in a good location within Upper Hutt City. It was purchased based on land value only, at a discounted price 38% below the current market value.

Nelson College for Girls

DSP - A sale and leaseback property with identical terms to the other 40 School Sites acquired within the Porirua and Wellington area. Unfortunately, the Crown were unable to transfer the property at the agreed settlement date of 28 June due to competing land claims and ongoing litigation in Te Tauihu. In the interim we have reached an agreement with Crown which will see the commercial benefits flow through to Toa and also reserves all of our rights over the whenua.

Waitangirua Farm

A former 2-year DSP site which lapsed in 2016. In 2021 Toa were successful in negotiating with Crown another opportunity to acquire the farm blocks in an RFR type arrangement and have agreed a discounted purchase price approximately 28% below Market Value. The farm blocks are currently used for grazing cattle and have been acquired as land bank assets for future potential development. We are also in discussions with a Solar Energy company working towards a Heads of Agreement to explore the opportunity to use the blocks for a solar farm.

Waitangirua Regeneration

Connected to our Settlement Ngati Toa will be offered the opportunity to purchase up to 400 dwelling sites that are being redeveloped as part of the Kainga Ora led Waitangirua regeneration programme. We have recently signalled our interest in 50 Esk Place sites. Over the coming year we will conduct our due diligence on these sites which will inform whether they are purchased.

17 Camrose Grove, Kingston

A former DSP which lapsed in 2016. In 2021 Ngati Toa received ministerial approval to acquire the site in a preferential sale arrangement following a valuation and negotiation process. We are currently negotiating the purchase of this whenua. It comprises a residential development site in a desirable location in southern Wellington. We have engaged with the Ministry of Housing and Urban Development (MHUD) to utilise their Land for Housing Programme to acquire the site. This would mean that MHUD acquire the site on our behalf at the agreed price, we then develop the site for mixed housing (Social, Affordable and Market) and then we pay MHUD back the original purchase price at the end of the development.

MOE DSPs

Whenua that houses 40 schools – As outlined further within this report, 40 Deferred Selection Properties (operational school sites) were acquired from the Ministry of Education in a sale and leaseback arrangement.

View Road, Titahi Bay

Completion due: 2023

This project is the first opportunity for the Rūnanga to be able to offer a shared and progressive home ownership model to iwi members. The building programme began in April this year and is due to complete in late 2023. There are 24 townhouses, 7 two bedroom and 17 three-bedroom homes.

Ngāti Toa Rangatira will retain ownership of the whenua, with ownership of the townhouses being available to first time and second chance iwi member purchasers. These properties provide an important first step onto the property ladder, and by removing the cost of the land from the purchase price reduces the level of finance required to buy the townhouses.

The opportunity for 24 whānau to purchase a two or three bedroom home is our first important step in establishing the Community Land Trust. The Community Land Trust enables us to operationalise our Ngāti Toa Housing Strategy and respond to what iwi members have told us through the housing survey - that access to affordable housing and help for first time buyers is a priority.

We are exploring the range of shared and progressive ownership models in our new developments, like Kenepuru Landing, with more exciting opportunities for our iwi whānau to get on the property ladder and to increase their whānau prosperity.

As the iwi builds its economic base for all our prosperity, it's important that we also support iwi member businesses as we grow and develop. During the building works at View Rd we have been able to contract 7 iwi-member businesses involved across various trades to work on the site to deliver this significant project for the Rūnanga. We expect to spend around a quarter of the project's budget through these iwi member businesses and in turn support the iwi, whānau and kaimahi they employ.

In line with the Rūnanga's property vertical integration approach and procurement policy we are able to preferentially award contracts to Ngāti Toa iwi member businesses, our other confederated iwi, Māori and Pasifika businesses.

We are working with Amotai, an organisation that connects buyers of products and services to Māori and Pasifika businesses, to ensure we increase the range of suppliers and businesses and to make contracting opportunities known to the widest pool of potential Māori and Pasifika businesses.

We are now in both a growth and consolidation stage to ensure we are locking in and building on the gains we have made over recent years; and continuing to explore and push into opportunities to increase the Mauri Ora of Toa Rangatira.

Kenepuru Landing Development

The Kenepuru Landing Development involves six stages of development and building just over 700 homes.

Our original involvement in this development came about through our Treaty Settlement which saw us partner with the Carrus Corporation, an experienced property developer.

Our partnership with Carrus Corporation, involved the development of Stages 1 and 2. The opportunity arose for the Rūnanga to take over 100% of the partnership and buy out the Carrus Corporation. It was agreed that taking over the entire partnership would help us to better achieve our aspirations for our whenua and whānau.

On 31 March 2022, Ngāti Toa officially took over 100% of the Kenepuru Landing Development Partnership. Our mahi since this time has been to progress the Stage 3 civil construction work and develop the 150+ sections associated with this stage.

6
Stages of development

700+
New homes

Rāranga

In January 2022 Rāranga was created in partnership between LT McGuinness and Te Rūnanga o Toa Rangatira.

Rāranga's purpose is to grow and develop skilled and future leaders of Aotearoa's construction industry. Rāranga are here to enhance the wellbeing and prosperity of Ngāti Toa Rangatira iwi as well as the wider Wellington community.

Our Poutama Pathway is designed to help give people an introduction to construction work and build a foundation of knowledge, skills, and experience with learning etiquette of the construction site to help build a career and seek out further training. As part of the pathway, we have developed an in-house tool competency and health and safety training paired with mentoring. This is to create rounded kaimahi who gain skills and insights to help them to succeed in all areas of their life.

Building Careers
Rāranga

Repairs and Maintenance

The Property team has had a particular focus on achieving Healthy Homes compliance for all Rūnanga residential housing, and upgrading various residential and commercial properties across the portfolio.

These include completion of Healthy Home components of all 25 residential whare, and undertaking fit-out upgrades to Takapūwāhia Medical Centre, 17 Prosser Street, Whitireia Rūnanga Administration wing, and completion of full internal upgrade of Te Hiko Street flats.

This is to allow for some of our premises to be better fit for purpose for some of our Rūnanga services. Completing these projects has created opportunity for Ngāti Toa whānau owned businesses to undertake this work, and to support the Rūnanga to complete this work successfully. Some of the whānau owned businesses include:

- Progressive Scaffolding
- Juice Electrical
- Rakau Arborist Ltd
- Daniel McGill Plumbing & Drainage Limited
- Ka Pai Plumbing
- Total Home Inspection Services NZ
- Lopa Limited
- The Solomon Brothers
- Oranganui Flooring

Funding to support our development mahi

Te Rūnanga were recently successful in securing funding from Ministry of Housing and Urban Development (MHUD)

Funding from the 'He Taupae' and 'He Taupua' fund will support Te Rūnanga toward the ongoing development project costs. The funding will support Te Rūnanga property developments as follows:

— **Te Hiko Street (Papakāinga)**
$180,000 to support further investigations, consultation and consenting;

— **Kahika Grove**
$300,000 to contribute to investigations and consenting. Te Rūnanga interest in Kahika Grove extends to the head of the cul-de-sac. The balance of the property is held by Te Āhuru Mōwai. Te Rūnanga will work closely with Te Āhuru Mōwai to ensure alignment of the projects;

— **Kenepuru Landing**
$300,000 to support further ongoing work towards master planning, consenting and associated costs going forward; and

— **Operational Capability**
$168,000 for strengthening operational support and capability.

Economic Development

Our economic development approach has been underpinned by ensuring:

- Everything we do is for the benefit of our iwi whānau
- Securing and protecting our whenua for the future
- Protecting and caring for our community and environment
- Remembering who we are, where we've come from and who we represent.

Our Focus is;

- Setting-up our economic base for future generations: 40 schools (deferred settlement properties) Kenepuru Landing Development
- Significant growth & development
- Sustainable investments & Investments of significance
- Recycling capital & leveraging existing assets
- Maintaining ownership of our whenua – Community Land Trust.

We know both anecdotally and through more formal feedback that our whānau would return to our rohe if there was both housing and mahi opportunities. Through the development mahi we are doing, and our property vertical integration strategy there will be opportunities to return home to live on our whenua and support our developments through the business and employment opportunities we create.

Te Kete Hāpai

Te Kete Hāpai is underpinned by the principle of manaakitanga, restoring collectivism and reciprocity, strengthening whakapapa connections and relationships between iwi members, wherever they may live.

It has been a long journey for Ngāti Toa Rangatira through the settlement process to 2014, to now in 2022 where we have had a number of good years building our financial base.

Te Kete Hāpai will begin in 2022/23 and evolve over time to support and enhance the lives of Ngāti Toa whānau; and provide opportunities for whakawhanaungatanga and manaakitanga with other iwi members, wherever they may live.

Leadership Hub

Te Rūnanga o Toa Rangatira has established the Ngāti Toa Leadership Hub to accelerate the Iwi leadership capacity and capability, based on Ngāti Toa values, ideology, and leadership knowledge.

We want to see our people in Leadership roles across the board. Here within our own Iwi organisations, Public Sector, Private Sector, small or large businesses, and most importantly on our marae. Those currently in leadership, management and governance positions are acutely aware of the need to create a roadmap to identify, provide for, and train future leaders within the Iwi.

The Leadership Hub was initiated by Dr Selwyn Katene, Ngāti Toa, Ngā Ruahine, Ngāti Tama and Ngāti Tuwharetoa. Dr Katene was also the interim Director for the Hub and has been instrumental in the establishment of the Hub.

Te Hiko St Papakāinga Development

Te Rūnanga has progressed the initial stages towards a future papakāinga development for the Te Hiko Street site. These stages included site investigations, geotechnical testing, and the deconstruction of the old Wineera Whare. Our Pou Tikanga and Cultural Services team assisted in guiding the Property team through these stages to ensure the mana and history of the ancestral land is upheld. This included a monumental occasion of karakia to prepare for the deconstruction of the Whare. This was well attended by the Wineera whanau, kaumātua and iwi.

The focus for the next 12 months is to develop concept designs, detailed drawings, and to ensure adequate infrastructure is in place to support the Papakāinga development. Further iwi and whānau engagement will also take place.

Our Environment

Te Ao Tūroa

Nurturing a resilient environment to sustain future generations.

Our environment is sustained through reclaimed connections and mātauranga relevant to our natural resources. We have the benefit of empowered kaitiaki who are leaders and co-managers of our natural environment, and a deep commitment to environmental sustainability.

Our ability to adapt to the impacts of climate change will ensure we provide future generations with every opportunity.

He Kākano

Iwi Environmental Management Plan & The Poutiaki Plan.

During 2021-2022, the basic foundations for developing our Iwi Environmental Management Plan (IEMP) were established and the beginings of the Poutiaki Plan.

These documents will articulate our environmental principles and values of Ngāti Toa for the entire rohe: whenua, awa, maunga, significant sites, wāhi tapu and the marine environment. Our IEMP is a long term proactive strategy for the environment and avoids 'reactive' and short-term work. Critically, the IEMP includes a strategy for the restoration of Te Awarua o Porirua. The mahi during the year included the preparation of:

- IEMP Scoping Report (Annual Plan commitment)
- IEMP Project Plan
- IEMP/Poutiaki engagement document (He Kākano, November 2021)
- Draft IEMP Framework and report (June 2022)
- Poutiaki Project Plan (Annual Plan commitment)
- Draft Poutiaki Plan, Principles and Values
- Draft Poutiaki & Kaitiakitanga Plan for Te Awarua o Porirua (harbour strategy, Annual Plan commitment)

To support and complIement this research, the IEMP framework includes an approach for archives and documentary management, including reports, historical letters, videos and oral histories.

Enabled Kaitiakitanga

During 2021-2022 we established our first Manaaki Whenua Team as an Annual Plan commitment.

The team is funded by the Jobs 4 Nature programme and involves hands-on active environmental restoration works – tree planting, pest control, waterways, harbour restoration works, etc. Areas of work have included major pest control at Hongoeka, Pāuatahanui tree planting, harbour clean ups, riparian and stream rehabilitation. One of the highlights is a project called Ngāti Mango Wānanga on Rangitoto ki te Tonga. For this project the Manaaki Whenua Team travelled down south with our Cultural Pou, Ammon Katene, to connect and work with our Ngāti Koata and Ngāti Rārua whānau on Rangitoto ki te Tonga (D'Urville Island).

As part of the restoration strategy for Te Awarua o Porirua, we have worked closely with ESR to establish a framework to monitor the health of kaimoana. A baseline monitoring exercise was undertaken which sampled shellfish at five locations around Te Awarua in Porirua. This ongoing research will inform our kaitiaki monitoring work going forward and provide a baseline for future shellfish sampling.

Active response to Climate Change

Raukawa Moana, the Cook Strait, is of the highest cultural and spiritual significance to Ngāti Toa Rangatira.

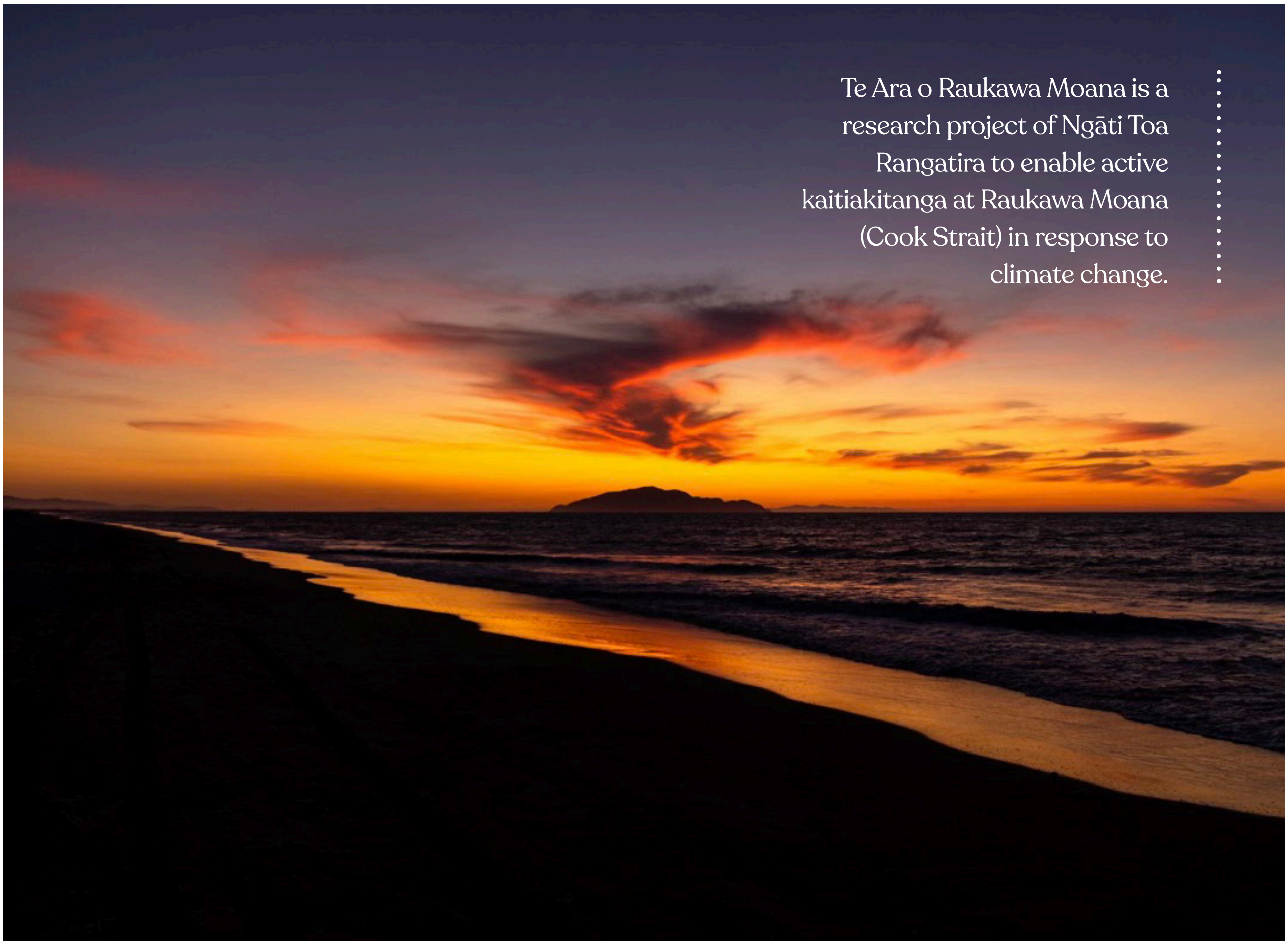
Te Ara o Raukawa Moana

Our seafaring and waka histories and traditions enabled travel across the sea highway for raupatu, trade, seasonal customary harvesting, events and whānau. Te Ara o Raukawa Moana is a research project of Ngāti Toa Rangatira to enable active kaitiakitanga at Raukawa Moana (Cook Strait) in response to climate change.

Our research project responds to climate change by drawing on our long history of ocean navigation, waka and our mātauranga which is based in and emerges from Raukawa Moana. Our responsibility towards the taiao is an ancestral inherited right and central to cultural identity and resilience of Ngāti Toa Rangatira.

Te Ara o Raukawa Moana was launched at Takapūwāhia Marae on 10 May 2022 and this was followed by our first wānanga at the marae on 19-21 May 2022. In addition to wānanga, the project involves substantial oral histories and documentary research. More wānanga and site visits across Raukawa Moana are planned during 2022-2023.

In addition to Te Ara o Raukawa Moana project, we engaged Toitu GHG to produce the first **Emissions Report for Te Rūnanga o Toa Rangatira**. This report will become a baseline year and over the next 5 years we aim to improve our practices within the Rūnanga and support our Marae to do the same. By measuring our emissions, we aim to encourage and support our people to create more sustainable ways of living that align with Ngāti Toa tikanga and kawa.



Talanoa (Porirua Leadership Forum)

Working alongside Te Reo o Ngā Tangata, we supported a Climate Assembly which has evolved into two spaces: A leadership forum for Porirua as an opportunity for leaders from across Porirua, and a place for the community to come together and discuss different kaupapa and come up with solutions.

Fostering the next generation

The TSR Summer Internship Programme was run over 6 weeks starting in late January to early March. We brought on 7 Ngāti Toa interns who worked with mentors from our team on specific projects dedicated to progressing our team's mahi and developing their own capacity and capability. Their projects included drafting a scoping document for our Fisheries Strategy, a draft Climate Change strategy, designing a placescape for Te Awarua-o-Porirua, and much more. The interns also completed a number of activities and projects including a noho marae at Takapūwāhia, a project on Te Awarua o Porirua and several Q&A and taiao sessions with some of our own Ngāti Toa experts.

The programme culminated in presentations from each intern to our Chair and CEO with wonderful feedback from both rangatira. We are happy to report that 4 of our 7 interns were hired back with the Rūnanga to work for their iwi.

Building a robust Council Engagement Framework

We established a framework for council engagement that allows us to proactively engage with 9 of our council partners. This framework includes bimonthly operational hui, a continuation and increase in capacity funding agreements and the rolling out of our cultural competency workshops through Ūpane for councils to increase their understanding of how to engage with mana whenua.

Active management of resource consents and cultural impact assessments

Te Tomokanga: Ngāti Toa Rangatira Resource Consent Portal. Our team took the lead developing Rūnanga Resource Consent Triage Process alongside our greater Taiao team.

We held wānanga and hui to determine what a Rūnanga managed Resource Consent Regime looks like. We have stood up a consents committee dedicated to processing consents received from various applicants and the 9 councils we have established working relationships with.

The consents committee have been directly involved in establishing and streamlining a process to ensure the workload is spread out across kaimahi and that we are meeting statutory timeframes relating to consent applications.

Our islands, our heritage

We have invested in our relationship with the Department of Conservation to work towards a partnership-based model of reserve management for our significant islands of Mana and Kapiti. This has involved a revision of concessions and active engagement to ensure we have continued access and presence on the islands. One of the challenges for 2021-2022 was a new tourism and boat access concession for Mana Island. The result was a new boating agreement with enhanced access for Ngāti Toa whānau. We hope to see you on Mana or Kapiti Island very soon!

Keeping watch over our taonga

We maintain a programme of monitoring of earthworks within the Porirua district to ensure the protection of significant sites and taonga. A significant project during 2021-2022 was Te Kukuwai o Toa.

The new wetland was opened during Matariki on 30 June as a partnership between Ngāti Toa, Porirua City Council and Wellington Water to reduce flooding and naturally filter stormwater before it runs into Te Awarua-o-Porirua Harbour. The wetland is located next to the hockey turf in Porirua along the main road and is the first of many steps towards increasing the health of our harbour and reclaiming our whenua.

RMA District Planning

We have been busy with all the Plan Change engagements this year.

A lot of our mahi is focused on District Plan reviews, District Plan Changes and Intensification Plan Change kaupapa with Porirua City, Wellington City, Hutt City, Upper Hutt, Kapiti Coast, Tasman, Nelson and Marlborough District. We have written five statement letters for each district council's plan review, plan change and any iwi issues that might impact us, our whenua and rauemi. We were successful in getting high and medium density up-zoning reviewed to protect our sites of significance after we made our statements to Councils. The two biggest milestones for our iwi in District Plan space were drafting the **Papakāinga Chapter** and creating a **Sites and Areas of Significance to Māori Chapter**.

Minimising waste and environmental education

Waste has a severe impact on the health and wellbeing of whānau.

To combat waste, we are undertaking waste audits and recycling will be implemented across the Rūnanga office sites by the end of the year, with a Waste Minimisation Strategy to support our aspirations to make better choices in how we move forward from here.

Education is critical if we want recycling to be successful. Each site will have a Para Kaitiaki who will be trained in waste minimisation, and they will be responsible for encouraging their work place to recycle properly and use the right bins.

We are also working with the different local authorities in the Wellington rohe to create better waste processes, looking at construction waste and organic waste as they are the two biggest contributors to landfill. Finally we will also be looking at how we can expand on the redistribution of resources (example trash palace).

Tamariki Taiao Wānanga

Funded by DIA and NIWA, a pilot programme is being launched for tamariki between 5-12years.

The focus will be on learning about our Taiao including Rongoā Māori, Mahinga kai, Climate Change, Sustainability, Mahi Toi and Ngāti Toatanga. These Wananga will be based around the seasons and the Māramataka learning with the Taiao.

Our Organisation

Whai Mana

Building a strong organisation founded on leadership and connection.

Our organisation is strengthened by sound governance and management structures that support our growth and prosperity. We recognise the need to provide development and leadership opportunities for our tamariki and rangatahi. We build communication platforms for efficient and effective connectivity of our people.

We nurture strategic partnerships that benefit our regional, national and international interests that align with our value set and strengthen our aspirations.

Strengthening our engagement with Ngāti Toa suppliers

Partnerships with Ngāti-Toa owned businesses

Since rolling out our Ngāti Toa-focused procurement policy last year we have taken a number of steps to engage with Ngāti Toa-owned businesses.

- The Rūnanga partners with Amotai, a supplier diversity organisation that works with government, corporate and Iwi organisations to unlock procurement opportunities and enable meaningful connections with Māori and Pasifika businesses. Whenever we go to market for a new contract we work with Amotai to identify potential Ngāti Toa and other Māori suppliers for the goods/services we need to source.
- We have launched Te Kuaha, a platform similar to Amotai but specifically for Ngāti Toa businesses and with a focus on supporting business capability. The Rūnanga uses this as our preferred supplier database.

We can report that over last 12 months to 30 June 2022 we have substantially increased the level of spend with Ngāti Toa suppliers. While we don't have an exact starting point, we know that within 2021-22 we spent $1.6m across 129 iwi member-owned businesses, which is 7.35% of our total supplier spend across the entire Group. We estimate this is up from last year by about 24% and is a result of increased spend across property portfolio, e.g. View Road. With our vision being to build a strong circular Ngāti Toa economy, our goal is to progressively increase the dollar spend on Ngāti Toa businesses.

Iwi Representative Wellington City Council

Liz Kelly

Former Porirua Deputy Mayor Liz Kelly has been appointed as the Ngāti Toa Rangatira representative to sit on Wellington City Council's committees and subcommittees. Liz Kelly said, "I'm humbled to be appointed to this role representing Ngāti Toa and look forward to building new relationships, mā pango, mā whero, ka tutuki pai ai ngā mahi, essentially working together to achieve our goals".

The proposal also gives effect to the provisions of the MOU with mana whenua which anticipates that the Council will have a strategic relationship with mana whenua, providing the opportunity for mana whenua to contribute to Council decision-making and to provide leadership with the Council for the city.

Our kaimahi

Continued growth across the Rūnanga

With the continued growth across most areas of the Rūnanga, we have employed more staff. As at 30 June 2022 we employed an additional new 169 staff over the preceding 12 months, of which 42 whakapapa to Ngāti Toa.

This is part of a deliberate strategy to provide employment opportunities within the Rūnanga for our people. Most of this growth in staff numbers came as a result of our merger with Te Roopu Awhina Trust on 1 February 2022.

Carbon emissions

Walking the talk

In order to establish ourselves as an environmentally responsible organisation and uphold our role as mana whenua, we undertook an exercise to calculate our current carbon footprint with the aim of reducing our emissions over time and achieving carbon neutrality.

Using data from 2020-21 we calculated our net CO2 emissions as 174 tonnes. Note that for this initial baselining exercise we focused solely on the Rūnanga and excluded other entities such as Kenepuru Development.

Our emissions predominately come from three areas – (i) travel, especially our vehicle usage, (ii) electricity usage across our Rūnanga occupied sites, with some of our high-energy use medical equipment being specifically called out, and (iii) and our waste output.

We intend to carry out this exercise annually to measure if we're making progress, and to extend it to other areas of the Rūnanga Group. To ensure we see results move in the right direction, we have launched the following initiatives:

- Our vehicle fleet optimisation project aims to transition us to leased electric vehicles over the next 5 years, with hybrids as an intermediate step. In addition, we've capped the number of vehicles as at 1 January 2022 and will be moving towards a pooled fleet model.
- We will consolidate our waste management under a single supplier agreement across our sites and ensure that supplier provides recycling and compost solutions, and that they use environmentally friendlier products.
- We will consolidate our power supply under a single supplier agreement across our sites with better utilisation reporting so we can clearly see and respond to consumption trends.


ORA TOA
ORA TOA

Ūpane

Ūpane is a Professional Training Programme developed under Te Rūnanga o Toa Rangatira.

Ūpane is inspired by our tūpuna Te Rauparaha who led his people to new horizons, Ūpane's vision is to lift the capability of our partners and our people.

Launched in May 2022 we have designed workshops and short-courses to help people ignite their cultural connection, capability and competency. Our future-focused frameworks enable individuals and organisations to be successful in engaging with iwi Māori.

In the New Year we plan to deliver four courses to our education, government and private sector partners. These courses will focus on our Ngati Toa History, Treaty Settlement, Re-indigenizing Local Curriculum and Council Cultural Competency Safety workshops.

To date we have;

20+
Courses plus run by Ūpane

450+
People attend these courses

TOA Tech-Hub

Our TECH Hub vision is to nurture the natural curiosity of our Ngāti Toa whānau to become TECH creators and innovators.

Our Technology HUB of excellence established in our very own backyard will unlock innovation potential and creativity of Māori in Technology.

This year Pātaka Toa - Education and Employment hosted a number of TECH events in partnership with Ko Māui Hangarau, Amazon Web Services and our very own IT Team here at the Rūnanga.

Ko Māui Hangarau

A high-powered summit featuring some of the best Māori Tech Innovators and Entrepreneurs from around the country. This included guest speakers, panel sessions, hands on activities and vocational pathways in an activation zone and much more!

Amazon Spark workshop

Pātaka Toa hosted Amazon Web Services to provide a wonderful opportunity for our rangatahi to get their hands on this (soon to be launched) Amazon program. The purpose of the workshop was to provide feedback to the Amazon team before the rest of the world see it! AWS Spark want to inspire future AWS builders, by bringing emerging cloud technology concepts to life through project-based learning. This inspiration aligns with our vision to ‘spark’ curiosity with our whānau, to explore a career in technology and cloud computing!

T-Sport

We know our kids are gamers and they love it, we also know the gaming industry is evolving - at pace. We want our rangatahi to maximize every opportunity available to them and realise what a future in tech could look like. We want to support them to be at the top of their game and armed with the skillsets required to be on the world stage. In May we held our very first E-sports tournament in our very own backyard. With over 30 participants from the Ages of 8 to 18 over 2 days. A great weekend with whānau and the wider community coming together in our backyard. A winner was crowned for the first T-sport tournament held.

Our vision in Pātaka Toa is to provide more opportunities in the future for our rangatahi Māori to accelerate their pathway to success in the technology & innovation space.

Iwi Grants

Kaiwhiwhi Pūtea Tautoko

Iwi Sports Grants

Baylee Whenuaroa	U18 National Hockey Tournament
Angus Lyver	Athletics NZ
Anna-Marie Kopa	Kapi Mana Darts
Blake Love	U18 Marlborough Touch Team
Brooklyn Te Kawa	U17 Hutt Valley Boys softball Tuatara, U17 Down Under Winter Classic
Cjay McMinn	U17 Taranaki Whanau Rugby League Team
Conner Chadwick	Titahi Bay Marlins U17
Evan Paenga	Porirua U19 Basketball team
Frances Mulvihill	U23 National Basketball Tournament
Hinerau Donna Meihana-Henare	Aratika Water Sports Club
Jahlia Laumua	U16 Girls Porirua City Tag Team
Jay-Lee Mansy	Cross Fit Games USA
Jazaius Kalolo	U15 Maori Rugby League Tournament
Kawharu Hippolite	Porirua U19 Basketball team
Keira Noble-Shedlock	Wellington Women U18 Hockey
Kiamaia Tyler Rei Snow	Hoop Nation Raukawa ki te Tonga U15 Girls
Klein Salmon	U23 National Basketball Tournament
Kwade Chadwick	U15 Maori Rugby League Tournament
Kwade Chadwick	Titahi Bay Marlins U15
Letisha Weston-Jacobson	U17 Taranaki Whanau Rugby League Team
Levi Ware	Porirua U19 Basketball team
Maaria Elkington	U16 Waikato Girls Touch Team
Mykie (Coen) Katene	Wellington Women U17 Basketball
Nasira Laumua	U12 Porirua City Tag team
Pikiteora Weston-Jacobson	Nga Hau e Wha o Wainuiomata - UN18 Kotiro
Randall Paenga	U17 National Basketball Tournament
Randall Paenga	Porirua U19 Basketball team
Salanoa Psalm Gray	
Te Kanawa Kingi	Titahi Bay Marlins
Te Rangihuia Henare	U19 Women's Otaki Waka Ama
Zion Anderson	U18 Basketball Invitational Camp

Education Grants

Akaesha Parai
Alana Smith
Alicia Daly
Amber Moriarty
Amiria Salzmann
Ammon Elkington
Angus Elkington
Ariki Osborne
Arndrea Toa-Temarama Wikitoa
Asher Katene
Briar Barnsley
Caitlin Huria
Christina Mcphee
Christopher Gibbs
Cody Ford
Corban Paewai
Courtney Hemi
Danae Abolins-Thompson
Daniel France
Darren Paewai
Elena Rei
Emily Bain
Emma Anderson-Hippolite
Eugene Dickie
Ezra Dunlop
Ezra Fermanis
Fiona Mcknight
Frances Watson
Hannah January
Hariata Moriarty
Hayley Pemberton
Helena Abolins-Thompson
Holly Wineera
Ian Ware
Jamie Love
Jamie-lee Tuuta
Jana Abolins-Thompson
Jaquan Nin
Jo-maitera Hall
Jodi Kohu
Jodi Rangitawa
Johnathan O'brien
Jolene Rangihaeata
Jonelle Modlik
Jordan Tupangaia
Jordanna Hermens
Jury Teni-teni Smeaton
Kakati Royal
Kaneihana Davey
Keenen Wood
Kelsea Elkington
Kevin Simpkins
Kharmen Kereama
Kohai Martin
Kyler Parai
Latoya Flutey
Leila Hemi
Lucinda Solomon
Maarie Wineera
Maia Black
Maia Cunningham
Maia Grace-Paul
Maia Millan
Maika Shortland
Maumahara Horsfall
Melissa Cooper
Mikayla Cooper
Miriama Harper
Misty Matenga
Monique Gemmell
Morgan Hemi
Ngawai Tia
Pere Pomare
Peter Brown
Peter Webber
Priscilla Temoana
Rachel Law
Reuben Katene
Ria Hodges
Riria Solomon
Roimata Sam
Roman Piwari
Samantha Brown
Samantha Gemmell
Samuel Metekingi
Sarah Warren
Shannon Clamp
Sharon Gemmell
Shemaiah Parai
Sophie Michl
Tania Korau
Tania Noble-Shedlock
Tazmyn Katene
Te Atahaia Wanoa-Sundgren
Te Oraiti Wharehinga
Tepehi Judson-Parata
Teresa Foster
Thompson Hokianga
Toni Weiser
Troy Hemi
Tyrone Foster
Unaiki Royal
Victoria Martin
Waimea tupaea
Wakatiwai Parai
Whatarangi Winiata
Zharnay Haverkamp
Zoe Pretty

Victoria University Grants

Rebecca Daniels
Bianca Elkington
Jana Abolins-Thompson
Jaquan Nin
Jordana Hermens
Jury Teni-teni Smeaton
Moana Solomon
Ramari Wineera
Te Rauparaha Horomona
Whatarangi Winiata

Toa Sports Teams

Toa Basketball
Toa Hockey Club
Toa Rugby League Club
Toa Softball Club

Our Iwi Globally

Ngāti Toa Ki Te Ao

6,141 Aotearoa
1,623 Not specified
618 Australia:

36 United States:
15 Canada
6 United Kingdom:

3 France
2 TBC

Age Group	Female	Male	Total
0-4	73	75	**149**
5-14	432	450	**882**
15-24	830	830	**1,660**
25-44	1,413	1,336	**2,749**
45-64	1,013	923	**1,936**
65+	388	375	**763**
Unknown	140	164	**304**
Grand Total	**4,290**	**4,153**	**8,444**

2021 Total: **8,208**

2022 Total: **8,444**

Our iwi locally

39% Live in the Wellington region including Porirua

4·5% Live in Nelson / Tasman

2·3% Live in Marlborough

Board

Te Poari

Not pictured below:

Hunia Williams
Hongoeka Marae

Callum Katene
Board Chair
Takapūwāhia Marae

Patariki Hippolite
Vice Chair
Whakatū Marae

Chas Taurima
Iwi Elected

Karewa Arthur
Iwi Elected

Judy Rene
Kaumātua

Te Puoho Katene
Iwi Elected

Caleb Ware
Iwi Elected

Mahu Wineera
Kaumātua

Lesley Udy
Wairau Marae

Te Rauparaha Horomona
Tamatāne Rangatahi

Leadership
Pou Whakahaere

Helmut Modlik
Tumu Whakarae
Chief Executive Officer

Jennie Smeaton
Pou Ratonga
Chief Operations Officer

Naomi Solomon
Pou Toa Matarau
GM – Treaty &
Strategic Relationships

Christian Katene
Pou Manaaki
Chief Corporate
Services Officer

Leon Grandy
Pou Pūtea
Treasurer

Carra Hamon
Pou Ōhanga
Chief Economic
Development Officer

Dr Te Taku Parai
Pou Tikanga
Engagement &
Cultural Practice

Financial Statements

Whakaputanga Ahumoni

Rārangi Ūpoko

Financial Statements

Whakaputanga Ahumoni Te Rūnanga O Toa Rangatira Incorporated Group

Rārangi Ūpoko

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Trading income	6	26,538	6,364
Direct trading expenses		(18,746)	(3,413)
Surplus from trading activities		**7,792**	**2,951**
Health, medical and other social services income	6	39,328	18,246
Direct service delivery costs		(10,561)	(2,821)
Surplus from delivery of social services		**28,767**	**15,425**
Other income	6	41,081	17,069
Gain on interest rate swaps	7	225	-
Fair value adjustment on investment property	17	101,763	12,170
Other fair value gain	8	35,030	-
Gain from discount on purchase price	8	11,713	-
Total revenue from operations		**226,372**	**47,615**
Share in profit of joint ventures/associates	20	8,494	7,223
Expenses			
Administration expenses		(2,023)	(1,390)
Depreciation, amortisation and impairment expenses	16,18	(1,566)	(1,173)
Education, sports and marae distributions		(312)	(200)
Motor vehicle expenses		(839)	(381)
Other expenses		(6,492)	(1,699)
Personnel expenses	9	(33,106)	(18,347)
Property expenses		(18,781)	(6,869)
Net (gain)/loss on sale of property, plant and equipment		3	(83)
Total operating expenses		**(63,116)**	(30,142)
Surplus before net income on financial investments		**171,750**	**24,696**
(Loss)/gain on revaluation of financial assets at fair value through surplus and deficit	12	(3,800)	8,316
Interest income - financial assets at amortised cost	10	190	486
Interest expense - financial liabilities at amortised cost		(2,838)	(42)
Net interest and revaluation income		**(6,448)**	**8,760**
Surplus for the year before tax		**165,302**	**33,456**

The above consolidated statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive revenue and expense (continued)

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Less tax expense	25	6,104	434
Surplus for the year		**159,198**	**33,022**
Surplus is attributable to:			
Equity holders of Te Rūnanga o Toa Rangatira (Group)		159,177	33,022
Non-controlling interest		21	-
		159,198	**33,022**
Other comprehensive revenue and expense			
Gains/(losses) recognised directly in equity			
Gain on revaluation of property, plant and equipment	16	2,805	6,449
Gain on revaluation of intangible assets	18	4,841	1,718
Total comprehensive revenue and expense for the year		**166,844**	**41,189**
Total comprehensive revenue and expense is attributable to:			
Equity holders of Te Rūnanga o Toa Rangatira (Group)		166,823	41,189
Non-controlling interest		21	-
		166,844	**41,189**

For and on behalf of the Board, who authorised the issue of these financial statements on 9 November 2022

Callum Kātene
Board Chairman
9 November 2022

Caleb Ware
Board Member
9 November 2022

The above consolidated statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2022

	Note	2022	2021
Assets		**$000's**	$000's
Current assets			
Cash and cash equivalents	11	26,903	46,133
Short-term deposits	12	3,736	3,694
Managed funds at fair value through surplus and deficit	12	20,753	54,552
Trade and other receivables	13	15,908	6,078
Income tax receivable	25	6,106	-
Inventories	14	82,467	15,292
Prepayments and other assets	15	657	32
		156,530	**125,781**
Non-current assets			
Other receivables	13	1,229	543
Derivative financial instruments	7	225	-
Property, plant and equipment	16	40,548	33,548
Investment property	17	551,085	92,513
Intangible assets	18	16,668	11,952
Share investments	19	2,446	2,398
Investment in joint ventures and associates	20	41,559	26,923
Other investments	21	470	470
		654,230	**168,347**
Total assets		**810,760**	**294,128**
Liabilities			
Current liabilities			
Trade and other payables	22	12,927	12,139
Income in advance	23	11,245	4,549
Employee benefit liabilities	24	2,296	1,203
Income tax payable	25	1,432	312
Loans and borrowings	26	1,314	-
		29,214	**18,203**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of financial position (continued)

As at 30 June 2022

	Note	2022	2021
Liabilities		**$000's**	$000's
Non-current liabilities			
Loans and borrowings	26	332,525	-
Deferred tax liability	25	6,130	-
		338,655	**-**
Total liabilities		**367,869**	**18,203**
Net assets		**442,889**	**275,925**
Equity			
Reserves	30	170,752	163,105
Accumulated comprehensive revenue and expense		271,996	112,820
Non-controlling interest		141	-
Total equity		**442,889**	**275,925**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Treaty and fisheries settlement reserve (note 30) $000's	Asset revaluation reserves (note 30) $000's	Special purpose reserve (note 30) $000's	Accumulated comprehensive revenue and expense $000's	Total attributable to owners of controlling entity $000's	Non-controlling interest $000's	Total Equity $000's
At 1 July 2021	**137,848**	**24,071**	**1,186**	**112,820**	**275,925**	**-**	**275,925**
Comprehensive revenue and expense							
Surplus for the year	-	-	-	159,176	159,176	21	159,197
Other comprehensive revenue and expense for the year	-	7,647	-	-	7,647	-	7,647
	-	7,647	-	159,176	166,823	21	166,844
Transactions with owners							
Investment of capital by non-controlling interests	-	-	-	-	-	120	120
	-	-	-	-	-	120	120
Total equity at 30 June 2022	**137,848**	**31,718**	**1,186**	**271,996**	**442,748**	**141**	**442,889**
At 1 July 2020	**136,765**	**15,904**	**1,186**	**80,881**	**234,736**	**-**	**234,736**
Comprehensive revenue and expenses							
Surplus for the year	-	-	-	33,022	33,022	-	33,022
Other comprehensive revenue and expense for the year	-	8,167	-	-	8,167	-	8,167
	-	8,167	-	33,022	41,189	-	41,189
Transfer between reserves	1,083	-	-	(1,083)	-	-	-
Total equity at 30 June 2021	**137,848**	**24,071**	**1,186**	**112,820**	**275,925**	**-**	**275,925**

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2022

	Note	2022 $000's	2021 $000's
Cash flows from operating activities			
Proceeds from contract income and other income		73,146	30,891
Proceeds from trading income		10,897	2,116
Proceeds from rental income		14,291	7,188
Interest received		217	983
Interest paid		(2,838)	(42)
Net GST paid		(272)	(216)
Taxation received		1,147	-
Taxation paid		-	(575)
Payments made to suppliers and others		(79,212)	(18,176)
Payments made to employees		(32,014)	(17,977)
Net cash (outflow)/inflow from operating activities	33	**(14,638)**	**4,192**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		3	6
Purchase of property, plant and equipment		(5,635)	(2,626)
Acquisition of intangible assets		-	(450)
Purchase of investment properties		(356,809)	(1,961)
Proceeds from the sale of redeemable preference shares		725	-
Purchase of shares and other investments		(48)	(101)
Transfer (to)/from short-term deposits		(42)	49,893
Proceeds from managed funds		30,000	683
Investment in joint venture or associate		(8,082)	(20,000)
Dividends received		122	-
Dividends received from joint venture		1,216	300
Net cash (outflow)/inflow from investing activities		**(338,551)**	**25,744**
Cash flows from financing activities			
Proceeds from loans and borrowings		333,839	-
Investment of capital by non-controlling interests		120	-
Net cash inflows from financing activities	34	**333,959**	**-**
Net (decrease)/increase in cash and cash equivalents		**(19,230)**	**29,936**
Cash and cash equivalents at 1 July		46,133	16,197
Cash and cash equivalents at 30 June	11	**26,903**	**46,133**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2022

1. Reporting entity

Te Rūnanga o Toa Rangatira Incorporated (the Rūnanga) is an incorporated society and a registered charity under the Charities Act 2005, registration number CC42382. The Rūnanga is domiciled in New Zealand and the registered office and principal place of business is 26 Ngatitoa Street, Takapuwahia, Porirua.

The primary activity of the Rūnanga is the provision of assistance by way of relief of poverty, promotion of health, and wellbeing and advancement of education for all members of Ngāti Toa Rangatira and the community.

The Rūnanga is the mandated iwi organisation and corporate trustee over the Ngati Toa Rangatira settlement assets. The subsidiary entities of the Group are primarily involved in managing the preservation of the settlement assets and to build capability of the investment assets.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements comprise the Rūnanga and its controlled entities, associates, and joint arrangements (together referred to as the "Group" and individually as "Group Entities").

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Group is a public benefit entity and these consolidated financial statements comply with the PBE Accounting Standards as appropriate for Tier 1 not-for-profit public benefit entities. As a registered charity, the Rūnanga is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Group is a Tier 1 reporting entity as it has total expenditure greater than $30 million in the current and preceding reporting periods.

These consolidated financial statements are for the year ended 30 June 2022 and were authorised for issue by the Board on 9 November 2022.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Group has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of the government in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of the Group. The scale and continuing duration of these developments remains uncertain at the date of this report. During the year, the Group has been affected by periods under COVID-19 restrictions during August 2021 and March 2022.

Although the Group has been impacted by COVID-19, the Board has concluded the Group will be able to continue operating for the foreseeable future.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

b) Measurement basis

The consolidated financial statements have been prepared on an historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through surplus or deficit	Fair value
Financial assets at fair value through other comprehensive revenue and expense	Fair value
Contingent consideration assumed in a business combination	Fair value
Investment property	Fair value
Land and buildings	Fair value
NZ Forestry Emission Units (NZUs)	Fair value
Initial measurement of assets received from non-exchange transactions	Fair value

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Group's functional currency.

d) Use of judgements and estimates

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 6b — revenue recognition - non-exchange revenue
- Note 16/17 — reclassification of property, plant and equipment to/(from) investment property
- Note 18 — intangible assets having finite or indefinite useful lives
- Note 4d/20 — classification of the joint arrangement
- Note 4 — consolidation
- Note 29 — lease classification

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2022 are included in the following notes:

- Note 13 — recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 27 — fair value measurement of assets and liabilities carried at fair value
- Note 28 — impairment of non-financial assets

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

d) Use of judgements and estimates (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Pou Maanaki (Chief Corporate Services Officer).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of PBE Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible, or for non-cash-generating assets, depreciated replacement cost.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 17 investment property
- Note 20 acquisition of joint venture
- Note 27 financial instruments

e) Changes in accounting policies

There have been no changes in accounting policies. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements. The following accounting standards came into effect during the year and have been adopted by the Group.

PBE IPSAS 2 Statement of Cash Flows

The amendments required entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2021. There is no requirement to provide comparative information for preceding periods. Application of amendments will result in additional disclosures provided by the Group.

PBE IPSAS 40 PBE Combinations

The standard establishes requirements for accounting for both acquisitions and amalgamations, using the modified pooling of interests method. In general, the standard is to be applied prospectively to PBE combinations for which the amalgamation date or acquisition date is on or after 1 January 2021. The standard impacts business combinations taking place after the effective date of the standard, and it has no material impact to the Group's consolidated financial statements.

3. Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

- Note 4 — basis of consolidation and equity accounting
- Note 5 — business combinations and goodwill

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

4. Basis of consolidation and equity accounting

a) Controlled entities

The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of these controlled entities are included in the financial statements from the date that control commences until the date control ceases.

b) Non-controlling interests

Non-controlling interests (associates, joint ventures or operations, and minority interests) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's ownership interest in a controlled entity that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

c) Loss of control

When the Group loses control over a controlled entity, it derecognises the assets and liabilities of the controlled entity, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former controlled entity is measured at fair value when control is lost.

d) Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of equity-accounted investees, until the date on which significant influence or joint control ceases.

e) Joint operations

The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 20a.

f) Transactions eliminated on consolidation and equity accounting

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Group's financial statements include the following subsidiaries, associates, and joint ventures or operations. All subsidiaries and other interests are incorporated or established in New Zealand.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

4. Basis of consolidation and equity accounting (continued)

e) Transactions eliminated on consolidation (continued)

Name	Balance Date	Nature of business	Ownership Interest Held 30 June 2022	Ownership Interest Held 30 June 2021
Controlled entities				
Arijit Residential Limited	30 June	Residential property	100%	100%
Ika Toa Limited	30 June	Fish quota leasing	100%	100%
Kapiti Tours Limited	30 June	Non-trading	100%	100%
Kenepuru Limited Partnership (Note 8)	30 June	Property development	100%	50%
Kimihia Number 1 Limited	30 June	Investment property leasing	100%	-
Ngāti Toa Limited	30 June	Holiday park operations	100%	100%
Ora Toa PHO Limited	30 June	Primary health care	100%	100%
Rangituhi Number 1 Limited	30 June	Non-trading	100%	-
Sheltered Haven Limited	30 June	Partner to Te Āhuru Mōwai	100%	100%
Te Āhuru Mōwai Limited Partnership	30 June	Social housing provider	100%	100%
Te Tumu Whakatupu Limited	30 June	Holding company	100%	-
Toa Building Supplies Limited	30 June	Building materials supplier	90%	100%
Toa Developments Limited	30 June	Property development	100%	-
Toa Homes Limited	30 June	Non-trading	100%	100%
Toa Kenepuru Transition Limited	30 June	Property development	100%	-
Toa Rangatira Developments Limited	30 June	Investment land holdings	-	100%
Toa Rangatira Group Holdings Limited	30 June	Holding company	-	100%
Toa Rangatira Investment Properties Limited	30 June	Investment property leasing	100%	100%
Toa Rangatira Retirement Villages Limited	30 June	Holding company	100%	100%
Toa Rangatira Trust	30 June	Post settlement governance	100%	100%
Toa Residential Limited Partnership	30 June	Property development	100%	100%
Toa Residential SP Limited	30 June	Non-trading	100%	-
Whenua Toa Trust	30 June	Property development	100%	100%
Associates				
Armillary Limited	31 March	Investment banking services	30%	-
Joint arrangements				
Aegis Group	31 March	Retirement village operations	67%	67%
Kenepuru Limited Partnership (Note 8)	31 March	Property development	-	50%
Rāranga Limited	31 March	Labour hire operations	50%	-
Switched On Group	30 June	Property management	50%	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

4. Basis of consolidation and equity accounting (continued)

e) Transactions eliminated on consolidation (continued)

The following companies were incorporated during the year:

· Kimihia Number 1 Limited	13 October 2021
· Rangituhi Number 1 Limited	9 November 2021
· Rāranga Limited	28 January 2022
· Te Tumu Whakatupu Limited	18 March 2022
· Toa Developments Limited	4 November 2021
· Toa Residential SP Limited	11 March 2022

5. Business combinations

a) Acquisitions

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition method involves recognising at acquisition date the identifiable assets acquired, the liabilities assumed and any non-controlling interest, separate from goodwill. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in surplus or deficit immediately (see Note 8). Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in surplus or deficit.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in surplus or deficit.

b) Amalgamations

The Group accounts for business combinations achieved through an amalgamation using the modified pooling of interests method when control is transferred to the Group. The modified pooling of interests method involves recognising at amalgamation date the aggregate of operations acquired and any non-controlling interest. The operations acquired in an amalgamation are generally measured at carrying value, where appropriate values are adjusted to conform to the Group's overall accounting policies. Specific exceptions for income taxes and employee benefits are recognised where they are applicable. Amalgamation related costs are expensed as incurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Group. Revenue is measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

a) Revenue from exchange transactions

Exchange transactions are transactions in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the value of the consideration received or receivable, net of returns and any discounts. Sale of goods revenue included in trading revenue in the consolidated statement of comprehensive revenue and expense:

- sale of annual catch entitlements from quota share
- sale of building material supplies
- sale of developed property

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement:

- for sale of annual catch entitlement, it is when the payment has been received from the customer
- for sales of building material supplies, it is when the goods have been delivered to the customer
- for sale of developed property, it is when the contract for the sale has settled in full

(ii) Rendering of services

Services rendered revenue is recognised in surplus or deficit in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to:

- a survey of the work completed for services under contract at balance date
- proportion of time remaining under the original service agreement at balance date for contracts spanning more than 12 months for health services, which are recognised on a straight line basis over the period of the contract
- the proportion of costs incurred to date relative to the total estimated costs of the transaction

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Income from services rendered (exchange revenue) included in trading income in the consolidated statement of comprehensive revenue and expense:

- holiday park revenue
- patient consultation and Puna Reo parent fees

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

Trading revenue from exchange transactions	2022 $000's	2021 $000's
Services rendered		
Holiday park revenue	537	568
Patient consultation and Puna Reo parent fees	1,250	1,452
Other exchange revenue	1	-
	1,788	2,020
Sale of goods		
Annual catch entitlement sale	869	589
Building material supplies revenue	5,730	1,186
Sale of developed properties	18,151	2,569
	24,750	4,344
Total trading revenue from exchange transactions	**26,538**	**6,364**

(iii) Other income

Rental and licence fee income

Rental income on licenced forestry land, residential rental, commercial and other investment property lease fees are recognised in surplus or deficit on a straight line basis over the term of the lease (note 29).

Dividends

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

Sale of NZ Forestry Emission Units

Income from the sale of NZ Forestry Emission Units is recognised when the significant risks and rewards of ownership have been transferred. There were no sales of NZ Forestry Emission Units this year (2021: nil).

Income-related Rent Subsidy

The income-related rent subsidy relates to management, ongoing maintenance and repairs and upgrade work for community housing through Te Āhuru Mōwai Limited Partnership (TAM). Revenue for these services is recognised by reference to the stage of completion of the services, measured by reference to labour hours incurred as a percentage of total estimated labour hours.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

(iii) Other income (continued)

Income-related Rent Subsidy (continued)

TAM has entered into a concession arrangement with the Ministry of Housing and Urban Development which includes the management of the properties owned by Kāinga Ora in Western Porirua, and the upgrade and redevelopment of those properties. During the period of the agreement, TAM will also undertake ongoing repairs and maintenance of the properties to ensure their compliance with relevant legislation. The concession arrangement sets out rights and obligations relative to the properties and the services to be provided. For fulfilling those obligations, TAM is entitled to receive cash from Kāinga Ora (the grantor), as well as collect payments from tenants on behalf of the grantor.

	2022	2021
Other income from exchange transactions	**$000's**	$000's
Dividends received	122	79
Income-related rent subsidy	15,913	5,507
Local and regional council grants	-	30
Māori Authority tax credits refund	6,106	-
Rental and licence fee income	14,291	8,548
Sundry income	3,440	973
Total other income from exchange transactions	**39,872**	**15,137**

b) Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash or other tangible or non-tangible items) but provides no (or nominal) direct consideration in return for the inflow. With the exception of services in kind, inflow of resources from non-exchange transactions are only recognised as assets where both:

- it is probable that the associated future economic benefit or service potential will flow to the entity; and
- fair value can be reliably measured.

(i) Government contracts, grants and koha

The recognition of non-exchange revenue from government contracts, grants, donations, and koha depends on the nature and any stipulations attached to the inflow of economic resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not used as stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue (continued)

b) Revenue from non-exchange transactions (continued)

(i) Government contracts, grants and koha (continued)

Government contracts

Funding is received to provide a range of health and wellbeing services to the community that are delivered by the Group. The primary source of funding is derived by contracts with the following providers

- Capital Coast District Health Board
- Ministry of Education
- Ministry of Health
- other local and regional agencies

Contracts with the Ministry of Education and local and regional agencies are subject to restrictions, and revenue is recognised immediately. Contracts with the Ministry of Health and Capital Coast District Health Board are subject to a mixture of conditions and restrictions, and any funds unspent at reporting date are recognised as a liability (note 23).

(ii) Historical and fisheries settlement

Revenue from historical and fisheries settlements received as non-exchange transactions are recognised when the entitlement (control) passes to the Group and the Group is able to enforce the claim. Revenue is recognised in the consolidated statement of comprehensive revenue and expense, and the related asset received recognised in the consolidated statement of financial position, at fair value estimated at the date of the exchange.

Settlement income included in the consolidated statement of comprehensive revenue and expense is subsequently moved to the treaty and fisheries settlement reserve account to preserve the total accumulated settlement quantum.

	2022	2021
Revenue from non-exchange transactions	**$000's**	$000's
Health, medical and other social services income	39,328	18,246
Total revenue from non-exchange transactions	**39,328**	**18,246**

Revenue from non-exchange transactions included in other income in the consolidated comprehensive revenue and expense includes:

	2022	2021
Other income from non-exchange transactions	**$000's**	$000's
Local and regional council grants	740	424
Rates reimbursement	460	411
COVID-19 wage subsidy	9	14
Coastline settlement of quota shares	-	1,083
Total other income from non-exchange transactions	**1,209**	**1,932**
Total other income from exchange and non-exchange transactions	**41,081**	**17,069**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

7. Derivative financial assets at fair value through surplus/deficit-held for trading

See accounting policies in Note 27 Financial instruments.

	2022	2021
	$000's	$000's
Interest rate swaps	225	-
Total derivative financial assets at fair value through surplus/deficit-held for trading	**225**	**-**

8. Other fair value gain and gain on business acquisition

Whenua Toa Trust (WTT), which is a controlled entity, and Carrus Kenepuru Ltd (CKL) were limited partners in the Kenepuru Limited Partnership (KLP). On 31 March 2022, WTT acquired all the shares of CKL. The management contract between Carrus Properties Ltd (CPL) and KLP was novated to Toa Developments Limited to gain full control of KLP. As a result, the Group's interest in KLP changed from an interest in a joint operation to an interest in a controlled entity.

The Group acquired all the shares of CKL so it can further develop Kenepuru to meet the needs of the iwi community and provide more options to its iwi members. CKL was renamed to Toa Kenepuru Transition Limited after the shares purchase transaction was completed.

Acquisition achieved in stages

KLP was a joint operation and, therefore, the Group has been recognising its share of KLP's assets and liabilities. Acquiring all of the shares in CKL resulted in WTT (and the Group) gaining control of KLP. This is referred to as an acquisition achieved in stages or a step acquisition. As a result, WTT is required to account for the notional disposal of its previous interest in the joint operation at fair value prior to recognising its new interest in a controlled entity. WTT therefore remeasured its previous interest in KLP to its fair value at the date of acquisition and recognised the resulting gain (or loss) in surplus or deficit.

The carrying value of the assets and liabilities in KLP and their fair values at the date of acquisition are as follows:

	$000's
Carrying value of assets and liabilities in KLP prior to acquisition	12,126
Fair value of KLP*	82,187
Fair value gain on interest in KLP	70,061
Fair value gain on interest in KLP recognised by the group (50%)	**35,030**

* The fair value of KLP is mainly the market value of the land at purchase date as valued by CBRE, an independent valuer, plus fair value of other assets and liabilities. The fair value of the land was determined using sales comparison method whereby recent sales of block land, average lot realisation values and development costs were compared.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

8. Other fair value gain and gain on business acquisition (continued)

Special assumptions were used to derive the fair value:

- Land area: Stage 3 valuation is "As Is", noting that it currently forms part of a much larger parent title.
- Development cost: Stage 3 development cost were based on the most recent development cost estimates provided by Calibre Consulting.
- Fault zone: Stages 4 and 5 are traversed by a Fault Avoidance Zone (FAZ) as identified by GNS. CBRE adopted FAZ area identified within masterplan.
- Residual methodology: forecast lot prices, development costs and timing of sell down (delivery time and market absorption) are the variables incorporated in the residual valuation assessment.

The gain has been recognised in other fair value gain in the consolidated statement of comprehensive revenue and expense.

Gain on acquisition

Details of the purchase consideration, the net assets acquired and gain made on discounted purchase price are as follows. Goodwill has been measured as the excess of:

a) the consideration transferred measured at fair value and the fair value of Group's previously held interest in KLP
b) the net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

Purchase consideration		$000's
Purchase of shares of CKL	A	21,887
Management contract novation	B	7,000
Fair value of Group's previously held interest in KLP		
Interest at 31 March 2022		4,771
Fair value gain on interest in KLP		35,030
Interest at 31 March 2022 plus 50% of fair value gain	C	39,801
Total purchase consideration	A + B + C	**68,688**

Payment for the novation of the management contract is considered part of the acquisition, and therefore part of the consideration paid to acquire KLP. The management contract is not considered to meet the definition of an intangible asset, because from a Group perspective the management contract is a contract within the Group itself, and was novated only to obtain full control of KLP. Therefore the management contract is not a resource controlled by the Group from which future economic benefit or service potential are expected. The amount paid for the management contract is not separately recognised as an intangible asset, but instead contributes to goodwill recognised in the acquisition.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

8. Other fair value gain and gain on business acquisition (continued)

Gain on acquisition (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	$000's
Cash and cash equivalents	1,018
Property under development	81,995
Lodge	3,481
Property, plant and equipment	40
GST receivable	355
Loan from WTT	(2,611)
Loan from the Rūnanga	(658)
Accounts payable	(296)
Income tax payable	(1,780)
Provision for soil stockpile removal	(1,143)
Fair value of net assets acquired	**80,401**
Less purchase consideration	68,688
Gain from discounted purchase price	**11,713**

The gain from discounted purchase price has been recognised as a gain on business acquisition in the consolidated statement of comprehensive revenue and expense.

The amounts of revenue and expense, and the deficit of the acquired operation since the acquisition date are included in the consolidated statement of comprehensive revenue and expense for the reporting period as follows:

	$000's
Revenue	62
Expense	449
Deficit	**(387)**

The revenue and expense, and the surplus of the combined entity for the current reporting period as though the acquisition date for all acquisitions that occurred during the year had been as of the beginning of the annual reporting period are as follows:

	$000's
Revenue	36,631
Expense	21,802
Surplus	**14,829**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

9. Personnel costs

Personnel expenses include all personnel, management, Board and payments for members for various committee duties. See note 24 for employee benefit liabilities at reporting date.

(a) Employer contribution to KiwiSaver

The Group contributes to the New Zealand KiwiSaver scheme for employees who are enrolled in the scheme. Personnel costs include:

	2022	2021
	$000's	$000's
ACC levies	77	35
Staff payroll expenses	31,995	17,536
Board and committee expenses	357	320
Kiwisaver deductions	677	456
Total payroll expense	**33,106**	**18,347**

10. Interest income

Interest is recognised as it accrues in surplus or deficit, using the effective interest rate method. Interest income shown in other income in the consolidated statement of comprehensive revenue and expense includes interest earned on 'at call' funds and short-term deposits from the various banking organisations.

	2022	2021
Interest income	**$000's**	$000's
Interest from trading, at call, and term investments	187	456
Interest accrued but not yet received	3	30
Total interest income - financial assets at amortised cost	**190**	**486**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

11. Cash and cash equivalents

Cash and cash equivalents are deposits held in trading accounts or deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Due to their short-term nature, the carrying value of cash and cash equivalents approximates their fair value.

	2022	2021
	$000's	$000's
Cash at bank and on hand	26,903	46,133
Cash and cash equivalents in the consolidated statement of cash flows	**26,903**	**46,133**

Per annum annual interest rate ranges to components of cash and cash equivalents:

	2022	2021
Bank deposits	0.05-0.55%	0.01-0.05%
Call deposits	0.09-2.00%	0.05%-0.09%

The Group has no control over Kimihia Number 1 Limited's bank accounts which are managed by the security trustee, NZ Guardian Trust.

There are no other restrictions over any of the cash and cash equivalent balances held by the Group. There is no overdraft facility.

12. Short-term deposits and managed funds

Short-term deposits are deposits that are held with maturities of more than 90 days but less than 12 months after reporting date. Short-term deposits are classified as current assets in the consolidated statement of financial position. The carrying value of short-term deposits approximates their fair value due to their short-term nature and market interest rates.

There are no restrictions over the short-term deposits held by the Group.

Interest rates vary on the deposits between 0.05-0.55% and 0.09-2.0% (2021: 0.01% and 0.09%).

Managed funds are funds held with Milford Asset Management and Harbour Asset Management in a balanced investment portfolio measured at fair value. The gain/loss on revaluations of these financial assets to fair value are recognised through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

13. Trade and other receivables

Trade and other receivables are non-interest bearing and receipts are normally on 30 day terms. Therefore, carrying value of accounts and other receivables (excluding GST) approximates its fair value.

As at 30 June 2022, all overdue receivables have been assessed for impairment and appropriate allowances made.

Current	2022 $000's	2021 $000's
Trade and other receivables		
Trade receivables from exchange transactions	16,234	6,240
Allowances for doubtful debts	(394)	(349)
	15,840	**5,891**
Other receivables		
Accrued interest receivable	3	29
GST receivable	65	158
	68	**187**
Total current trade and other receivables	**15,908**	**6,078**
Non-current		
Other receivables		
Other receivables	1,229	543
Total non-current trade and other receivables	**1,229**	**543**

The Board have considered whether an allowance for doubtful debts is appropriate based on historical evidence and have estimated on a percentage basis a doubtful debt allowance on the 90 day and over balances. All receivables are subject to credit risk exposure.

The Board have reviewed the allowance as at 30 June and a further impairment allowance of $48,000 has been recorded for the 2022 year (2021: $90,000).

	2022 $000's	2021 $000's
Balance at 1 July	349	214
Bad debts written off	(48)	(8)
Impairment losses	93	143
Balance at 30 June	**394**	**349**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

13. Trade and other receivables (continued)

As at 30 June, the ageing analysis of trade and other receivables is as follows:

			Past due but not impaired			
	Total	**Neither past due nor impaired**	**< 30 days**	**30-60 days**	**61-90 days**	**> 90 days**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
2022	14,871	4,658	6,668	1,973	503	1,069
2021	6,240	2,710	1,659	418	548	905

14. Inventories

Inventory is measured at cost upon initial recognition to the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing each product to its present location and condition. $16m of inventories were recognised as an expense during the reporting period. Costs of inventories are accounted for as follows:

(i) Finished goods and work in progress:

Finished goods and work in progress are initially recorded at cost, where cost is direct materials and labour. Costs are assigned on the basis of weighted average costs. The Group's finished goods inventory includes items held for resale, such as building material supplies. The Group's work in progress consists of land purchased for development and sale, including development in progress.

After initial recognition, inventories are valued at the lower of cost and net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

	2022	2021
(ii) Inventory held for sale or provision of services at commercial terms	**$000's**	$000's
Work in progress - land development	81,058	14,690
Finished goods (at lower of cost or net realisable value)	1,409	602
	82,467	**15,292**

During the year ended 30 June 2022, $nil (2021: $nil) was recognised as an expense in relation to an inventory write-down to net realisable value (NRV). This write-down to NRV would be recognised in general expenses in the consolidated statement of comprehensive revenue and expense.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

15. Prepayments and other assets

Prepayments include payments that have been made prior to reporting date, for goods or services that have not yet been delivered. Prepayments also include payments toward the construction of an asset where the asset has not yet been completed or commissioned but for where there is a construction contract in place.

	2022	2021
	$000's	$000's
Prepayments for goods and services not yet consumed	579	27
Other assets	78	5
	657	**32**

16. Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through nonexchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

The Group holds certain land that is classified as heritage as the land comprises sites that are either held as reserves, memorial sites or Urupa. Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the consolidated statement of financial position.

Items of property, plant and equipment are subsequently measured either under the:

(i) Cost model

Cost less accumulated depreciation and impairment.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of the credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

All of the Group's items of property, plant and equipment are subsequently measured in accordance with the cost model, except for land and buildings and marine farms which are subsequently measured in accordance with the revaluation model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

16. Property, plant and equipment (continued)

a) Recognition and measurement (continued)

(ii) Revaluation model (continued)

When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

c) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

The estimated useful lives are shown below:

	2022	2021
Buildings and marine farm	10 to 60 years	10 to 60 years
Plant, office equipment, and computers	3 to 30 years	3 to 30 years
Motor vehicles, watercraft, tractors, and trailers	5 to 75 years	5 to 75 years
Fixtures and fittings	5 to 13 years	5 to 13 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed. Depreciation methods, useful lives and residual value are reviewed are each reporting date and adjusted if appropriate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

16. Property, plant and equipment (continued)

c) Depreciation (continued)

Cost or valuation	Land, buildings and marine farm $000's	Plant, office equipment, and computers $000's	Fixtures and Fittings $000's	Motor vehicles, watercraft, tractors and trailers $000's	Work in Progress $000's	Total $000's
Balance at 1 July 2021	30,905	3,844	455	1,719	499	37,422
Additions (exchange)	1,899	1,134	50	826	489	4,398
Transfer from investment Property	800					800
Revaluation	2,805	-	-	-	-	2,805
Capitalisation of WIP	359	-	92	-	(451)	-
Disposals	(10)	(2)	-	(152)	-	(164)
Balance at 30 June 2022	**36,758**	**4,976**	**597**	**2,393**	**537**	**45,261**
Accumulated depreciation and impairment						
Balance at 1 July 2021	-	2,502	268	1,104	-	3,874
Depreciation expense	602	780	(53)	179	-	1,508
Depreciation written back on disposal	-	(1)	-	(66)	-	(67)
Revaluation	(602)	-	-	-	-	(602)
Impairment	-	-	-	-	-	-
Balance at 30 June 2022	**-**	**3,281**	**215**	**1,217**	**-**	**4,713**
Net book value at 30 June 2022	**36,758**	**1,695**	**382**	**1,176**	**537**	**40,548**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

16. Property, plant and equipment (continued)

c) Depreciation (continued)

Cost or valuation	Land, buildings and marine farm $000's	Plant, office equipment, and computers $000's	Fixtures and Fittings $000's	Motor vehicles, watercraft, tractors and trailers $000's	Work in Progress $000's	Total $000's
Balance at 1 July 2020	23,783	2,823	601	1,445	898	29,550
Additions (exchange)	569	1,154	40	364	499	2,626
Revaluation	6,012	-	-	-	-	6,012
Capitalisation of WIP	629	269	-	-	(898)	-
Disposals	(88)	(402)	(186)	(90)	-	(766)
Balance at 30 June 2021	**30,905**	**3,844**	**455**	**1,719**	**499**	**37,422**
Accumulated depreciation and impairment						
Balance at 1 July 2020	-	2,430	443	1,029	-	3,902
Depreciation expense	414	473	11	165	-	1,063
Depreciation written back on disposal	-	(401)	(186)	(90)	-	(677)
Revaluation	(437)	-	-	-	-	(437)
Impairment	23	-	-	-	-	23
Balance at 30 June 2021	**-**	**2,502**	**268**	**1,104**	**-**	**3,874**
Net book value at 30 June 2021	**30,905**	**1,342**	**187**	**615**	**499**	**33,548**

Revaluation of land and buildings

Land and buildings are measured using the revaluation model. Full revaluations are done at least every three years (on the basis of significant market changes and if there is not then it will be done again on a desktop basis). Every other year, land and building are revalued on a desktop basis. These assets were revalued on 30 June 2022. Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

As at the date of revaluation 30 June 2022, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer with the NZ Institute of Valuers.

Significant assumptions included in the valuations were that:

- there are no side agreements that would have an adverse effect on the market value of the property
- all buildings have a seismic strength at a "market acceptable level" for their class
- no significant capital expenditure is required in respect of any buildings or facilities contained therein

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

17. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods, or services or for administrative purposes.

a) Recognition and measurement

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Investment properties are subsequently measured at fair value by an independent professional. Investment property valuations are reviewed annually.

Market source data has been used to determine the market value of the properties assessed by CBRE Limited and Darroch Limited. The valuer used a comparison approach using recent market transactions that had occurred on an arm's length basis. Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Darroch Limited used lessor's interest valuation to determine the fair value of 40 schools held by Kimihia Number 1 Limited. The main assumption used to determine fair value of the schools include rental amounts equivalent to 6.25% of the transfer value and annual growth rate of 4%.

The forestry land valuation was updated 30 June 2022 by Arotahi Agribusiness Limited on a discounted cash flow basis which uses forest licence fee income as an input. Key assumptions used include discount rate of 6% and annual rental index of 1%. There are three levels of growth applied in determining forestry land valuation. These are log inflation rate of 2% per annum, harvesting and replanting expenses at 6%, and annual growth of 1% for land values.

Other land valuations were updated 30 June 2022 by CBRE Limited and Darroch Limited. The valuations included land that is currently subject to long-term lease back arrangements with the relevant New Zealand Government (the "Crown") agencies. See note 29 for further detail on the terms of the leases. The methods of valuation used to determine fair value were the income capitalisation or discounted cashflow approach with a check by the direct comparison approach.

All valuers used by the Group are independent and are accredited valuers with the NZ Institute of Valuers.

Other land (from non-exchange transactions) is held as investment land where there has been no clear indication on a particular use for the land.

	2022	2021
Investment Property	**$000's**	$000's
Balance at 1 July	92,513	70,997
Additions - from subsequent expenditure	1,270	-
Additions - from acquisitions	356,339	9,346
Revaluation	101,763	12,170
Transfer to fixed assets	(800)	-
Total fair value of investment property at 30 June	**551,085**	**92,513**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

17. Investment properties (continued)

a) Recognition and measurement (continued)

The amount recognised in surplus or deficit in relation to investment property:

Investment Property	2022 $000's	2021 $000's
Rental income derived from investment property	7,882	4,156
Direct operating expenses generating rental income*	918	594
Direct operating expenses that did not generate rental income*	44	54

*including repairs and maintenance

Investment property includes:

- forestry land in Nelson and Marlborough currently planted in pine and operated as a forestry operation. The forestry operation is owned and controlled by unrelated parties, and the land is leased to the forester under the terms of the present Crown Forestry Licence.
- police stations in Richmond and central Wellington, that are subject to lease back arrangements with New Zealand Police. The lease back arrangements have initial terms to 2025 (Richmond) and 2036 (Wellington) with further perpetual terms of renewal.
- property at Benmore Crescent, for which the Group has entered into a 125 year renewable ground lease and development agreement with Building-Solutions Limited. The lease term commences once the property has been rezoned by Hutt City Council to Special Business or its equivalent.
- school grounds in Wellington and Porirua, that are subject to lease back arrangements with the Ministry of Education. The lease back arrangements have initial terms to 21 years with further perpetual terms of renewal.

Minimum future rental payments receivable are disclosed in note 29.

b) Reclassifications

When the use of the investment property changes to owner occupied, such that it results in a reclassification of investment property to property, plant and equipment, the property's fair value at the date of reclassification becomes its cost for subsequent accounting.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

18. Intangible assets

a) Recognition and measurement

Intangible assets are initially measured at cost. The cost of intangible assets acquired through non-exchange transactions is their fair value at the date of the exchange.

Following initial recognition, intangible assets are measured as follows:

- NZ Forestry Emission Units are carried at fair value. NZ Forestry Emission Units have an indefinite life and therefore are not amortised, and fair valued annually. Gains/losses on revaluation of NZ Forestry Emission Units are recognised in other comprehensive revenue and expense and accumulated in the intangible revaluation reserve within net assets/equity. Losses on revaluation in excess of the balance of the intangible revaluation reserve for that asset are recognised in surplus or deficit. Gains on revaluation are recognised in surplus or deficit to the extent they reverse losses on the same asset previously recognised in surplus or deficit
- non-compete agreements are carried at cost less accumulated amortisation and accumulated impairment losses
- quota shares are carried at cost less accumulated impairment losses
- websites are carried at cost less accumulated amortisation and accumulated impairment losses
- other intangible assets are measured at cost less any accumulated impairment losses

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

18. Intangible assets (continued)

c) Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful life of each amortisable intangible asset. The estimated useful lives of each amortisable intangible asset are:

Website	5 years
Non-compete agreement	2 years
NZ Forestry Emissions Units (NZU)	Indefinite life
Quota shares	Indefinite life
Other intangibles	Indefinite life

	NZU	Non-compete agreements	Quota shares	Website	Other intangibles	Total
Cost or valuation	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Balance at 1 July 2021	6,463	250	5,122	52	680	12,567
Additions (exchange)	-	-	-	-	-	-
Additions (non-exchange)	-	-	-	-	-	-
Revaluation	4,841	-	-	-	-	4,841
Balance at 30 June 2022	**11,304**	**250**	**5,122**	**52**	**680**	**17,408**
Accumulated amortisation and impairment						
Balance at 1 July 2021	-	83	-	52	480	615
Amortisation or impairment	-	125	-	-	-	125
Balance at 30 June 2022	**-**	**208**	**-**	**52**	**480**	**740**
Net book value at 30 June 2022	**11,304**	**42**	**5,122**	**-**	**200**	**16,668**
Cost or valuation						
Balance at 1 July 2020	4,745	-	4,039	52	480	9,316
Additions (exchange)	-	250	-	-	200	450
Additions (non-exchange)	-	-	1,083	-	-	1,083
Fair value gain	1,718	-	-	-	-	1,718
Balance at 30 June 2021	**6,463**	**250**	**5,122**	**52**	**680**	**12,567**
Accumulated amortisation and impairment						
Balance at 1 July 2020	-	-	-	48	480	528
Amortisation or impairment	-	83	-	4	-	87
Balance at 30 June 2021	**-**	**83**	**-**	**52**	**480**	**615**
Net book value at 30 June 2021	**6,463**	**167**	**5,122**	**-**	**200**	**11,952**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

18. Intangible assets (continued)

c) Amortisation (continued)

The non-compete agreement represents a restraint of trade clause which was included as part of the building supplies company business acquisition sale and purchase agreement where the previous owners are not able to run or establish another business with the same, or similar, business activities as Toa Building Supplies Limited for two years. The intangible asset is amortised over two years. Other intangibles includes the acquisition of a right-of-way at 9 Chapel Street during the 2021 year.

In October 2017, the Rūnanga purchased the systems and processes of Waitangirua Medical Centre for $480,000. This included access to the patient database, and continuing with essentially the same doctors and staff. No shares were acquired.

The New Zealand Emissions Trading Scheme (ETS) is the system in which New Zealand Forestry Emission Units (NZUs) are traded. Under the ETS, certain sectors are required to acquire and surrender NZUs or other eligible emission units to account for their direct greenhouse gas emissions or emissions associated with their products.

The Board did not resolve to sell units in 2022 (2021: nil). A balance of 148,747 carbon credits remain. These carbon units are accounted for at revalued amounts using the daily NZU price from Carbon Forest Services. As at 30 June 2022, NZU price is $76.

The Group expects that the current licensors will continue to replant and keep these areas forested for the term of the licences (31+ years). The land is not considered suitable for a purpose other than forestry. In the event that areas of land are handed back in accordance with the Crown licence term during or at the end of the term, the expectation is that the land would either be replanted or that native bush would be allowed to regenerate. In the event that the land is handed back, is not replanted, and that native bush has not regenerated to the correct density within ten years of the land hand back, then a liability may be incurred. This potential liability is not recognised in the financial statements.

Quota shares have been assessed for impairment against a recoverable amount based upon fair value less costs to sell, with the fair value based upon market prices for fishing quota shares at 30 June 2021, with an assessment by management that the value has not decreased in the past year, reflected by steady cash flows receivable for annual catch entitlements.

19. Share investments

The Group owns 1,532 shares in Aotearoa Fisheries Limited (AFL). The shares were received as part of the Fisheries settlement in March 2010. The Group has no controlling or significant interest in AFL.

The shares are stated at cost less their impairment value as they are not publicly traded and therefore there is no active market to determine the quoted price and the shares cannot be measured reliably. The Board consider that the carrying amount of the shares approximates their fair value. The shares are classified as available for sale.

The Group owns 12,000 (2021: 12,000) ordinary shares and 66,818 (2021: 19,181) redeemable preference shares in Independent Timber Merchants Co-operative Limited (ITM). Fair value is considered to be equal to the issue price of $1 per share. The ordinary shares must be surrendered on exit from the ITM co-operative, and are paid out at their face value. The redeemable preference shares are non-voting, are only redeemable on exit from the co-operative, and are paid out over five years from exit date at the discretion of the ITM board. Additional redeemable preference shares are issued in April for compulsory acquisition based on annual company purchases from ITM. On 5 August 2021, the Group sold 10% non-controlling interest in Toa Building Supplies Limited to the General Manager.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

19. Share investments (continued)

	$000's	$000's
Aotearoa Fisheries Limited	2,367	2,367
Independent Timber Merchants Co-operative Limited - ordinary shares	12	12
Independent Timber Merchants Co-operative Limited - redeemable preference shares	67	19
Deemed cost at 30 June	**2,446**	**2,398**

20. Joint arrangements and associates

a) Joint operation

The Group held a 50% share in a limited partnership, Kenepuru LP, and its general partner, Kenepuru Developments Limited until 31 March 2022. Kenepuru Developments Limited has control over Kenepuru LP. The Group obtained 100% control of Kenepuru Developments Limited and of Kenepuru LP in 31 March 2022 (note 8). Until 31 March 2022, Kenepuru LP and Kenepuru Developments Limited were recognised as a joint operation, and the Group's 50% share is included in the consolidated financial statements on a line by line basis and now are recognised as controlled entities.

Prior to the Group obtaining 100% control of Kenepuru Developments Limited and Kenepuru LP, a loan over and above the original capital committed was agreed to fund stage 1 and 2 of the developments in the joint operation. This loan was interest-bearing at a rate of 6% per annum. After 100% control was obtained, the loan was no longer existing from a Group perspective.

b) Joint venture

During the 2022 year, the Group acquired 50% of the share capital of Switched On Group Ltd (SOG) for $6.6m. SOG is a building solutions company. The transaction includes both put and call options, which have fair value of nil as at 30 June 2022 as the exercise price is deemed to be the market price. During the same year, the Group acquired 50% of the share capital of Rāranga Limited, which is a labour hire company. Both SOG and Rāranga Limited are classified as joint ventures.

The Group has existing 66.7% ownership of the share capital of Aegis Retirement Living Limited, which owns 100% of Whitby Village (2009) Limited and Aegis Projects Limited (together, the "Aegis Group"). The Aegis Group owns and operates a retirement village in Whitby, Porirua. While the Group has 66.7% ownership of Aegis and has the right to 66.7% of Aegis equity and profits, it is still classified as a joint venture because the Group's existing rights do not allow to direct the relevant activities of Aegis. Aegis has 3 directors, and every decision requires unanimous approval of its Board. These include issuance of shares, approval of annual business plan and budget, entry into contracts, and incurrence of or agreement to incur any expense of an amount exceeding a certain threshold.

Joint ventures are accounted for using the equity method. The share of the net surplus of joint ventures is recognised as a component of operating revenue in surplus or deficit, after adjusting for any differences between the accounting policies of the Group and joint ventures. Dividends received from joint ventures are credited to the carrying amount of the investment in joint ventures. The balance of goodwill arising on acquisition is included in the carrying amount of the joint venture. When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued.

Aegis Group and Rāranga Limited both have a reporting date of 31 March. The consolidated financial statements include Aegis Group and Rāranga Limited's management figures for the year ended 30 June. SOG's reporting date is 30 June. Summarised financial information for the Group's joint ventures is as follows:

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

20. Joint arrangements and associates (continued)

b) Joint venture (continued)

Summarised financial information for the Group's joint ventures is as follows:

	Rāranga Limited	Switched On Group	Aegis Retirement Living Limited	Whitby Village (2009) Limited	Aegis Projects Limited
2022	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Percentage of ownership interest	50%	50%	66.67%	66.67%	66.67%
Cash and cash equivalents	411	2,633	10	8	52
Other current assets	27	7,020	41	1,527	73
Non-current assets	8	15,112	24,477	131,599	2
Current liabilities	(29)	(10,005)	(587)	(65,604)	117
Non-current liabilities	-	(723)	-	(29,024)	261
Revenue	50	96,585	-	14,750	567
Depreciation expense	-	-	-	(4)	-
Interest expense	-	(116)	-	(1,065)	-
Tax expense	-	(1,055)	-	47	-
Other expenses	(133)	(93,491)	(409)	(2,469)	(274)
Dividends paid to the Group	-	618	586	-	-
2021					
Cash and cash equivalents			1,277	1,179	(252)
Other current assets			41	352	64
Non-current assets			23,960	119,386	2
Current liabilities			(316)	(5,048)	264
Non-current liabilities			-	(88,618)	-
Revenue			-	10,716	199
Depreciation expense			-	(2)	-
Interest expense			-	(585)	-
Tax expense			-	1,382	-
Other expenses			(739)	(1,454)	(65)
Dividends paid to the Group			300	-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

20. Joint arrangements and associates (continued)

b) Joint venture (continued)

Summary of movements in investment in joint venture balance is as follows:

	Rāranga Limited	Switched On Group	Aegis Group	Total
2022	**$000's**	**$000's**	**$000's**	**$000's**
Investment in joint venture movements				
Balance at 1 July 2021	-	-	26,923	26,923
New Investments	250	6,647	-	6,897
Transfer of redeemable preference shares	-	-	(725)	(725)
Share in profit/loss of joint venture	(42)	969	7,428	8,355
Dividends received	-	(618)	(586)	(1,204)
Balance at 30 June 2022	**208**	**6,998**	**33,040**	**40,247**
2021				
Balance at 1 July 2020			-	
New Investments			20,000	20,000
Share in profit/loss of joint venture			7,223	7,223
Dividends received			(300)	(300)
Balance at 30 June 2021			**26,923**	**26,923**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

20. Joint arrangements and associates (continued)

c) Associates

The Group acquired a 30% shareholding in an associate, Armillary Limited on 5 April 2022 for $1.2m. This company provides investment banking services and has a reporting date of 31 March. The consolidated financial statements includes Armiliary Limited's management figures for the year ended 30 June.

Summarised financial information for the Group's associates is as follows:

	2022 $000's	2021 $000's
Percentage of ownership interest	30%	-
Current assets	1,678	-
Non-current assets	183	-
Current liabilities	(773)	-
Non-current liabilities	-	-
Revenue	1,677	-
Depreciation expense	(2)	-
Interest expense	(1)	-
Tax expense	-	-
Other expenses	(1,050)	-
Dividends paid to the Group	12	-

Summary of movements in investment in associate balance is as follows:

2022	**2022 $000's**
Investment in Associate Movements	
Balance at 1 July 2021	-
New Investments	1,186
Share in profit/loss of associate	139
Dividends received	(12)
Balance at 30 June 2022	**1,312**

There were no contingent liabilities or assets relating to the Group's interest in the associate. There were no capital commitments relating to the Group's interest in the associate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

21. Other investments

Maara Moana GP Limited and Maara Moana Limited

The Group holds a 1/8 share in Maara Moana GP Limited, and a 1/7 share in Maara Moana Limited (incorporated November 2020). These companies, through Maara Moana Limited Partnership, provide services relating to the use and development of aquaculture assets in Golden Bay and Tasman Bay.

The Group has committed to contributing capital of $1,250,000 to the setup and development of Maara Moana's Limited's Partnership aquaculture assets. Of this, $470,000 had been advanced as of 30 June 2022 (2021: $470,000).

22. Trade and other payables

	2022	2021
	$000's	$000's
Trade payables from exchange transactions	3,007	2,392
Other payables	416	661
Sundry accruals	8,273	8,772
GST payable	1,232	314
Total trade and other payables	**12,927**	**12,139**

Trade and other payables (exlcuding GST) are non-interest bearing and are normally settled within 30 days and are therefore reflected at their fair value. See note 27d for the accounting policy for trade and other payables.

23. Income in advance

Service contract income where the obligations attached to the receipt of the funds have not been fully met at reporting date are transferred to income in advance account. This includes government contract income for medical and health services, and for community housing management and upgrade services (note 6). These conditions and/or obligations are all expected to be met within three months of reporting date and are considered current liabilities.

Forestry Licence fees, residential rent and rent from lease back investment properties received in advance is rent received for future periods, where the service has not yet been delivered to the customer and the revenue is deferred to another period.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

24. Employee benefit liabilities

a) Short-term employee benefits

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided wholly within 12 months of reporting date, and are measured on an undiscounted basis and expensed in the period in which employment services are provided.

These mainly consist of accrued holiday entitlements at reporting date.

	2022	2021
	$000's	$000's
Short-term employee entitlements	2,296	1,203
Total employee entitlements	**2,296**	**1,203**

b) Long-term employee benefits

No long-term obligations exist at 30 June 2022 and 2021.

25. Income tax

The Rūnanga, Ika Toa Limited, Kimihia Number 1 Limited, Ora Toa PHO Limited, Toa Kenepuru Transition Limited, Toa Developments Limited and Te Tumu Whakatupu Limited are registered charitable organisations and are therefore exempt from income tax under section CW 41 of the Income Tax Act 2007. Ngati Toa Limited became a registered charity on 27 September 2021 and from that date forth is exempt from income tax.

Various other entities within the Group have taxable earnings and pay tax at the following rates:

- Toa Rangatira Trust is taxed at the Māori Authority tax rate of 17.5%
- Whenua Toa Trust is taxed at the trust tax rate of 33%
- All other Group subsidiaries, not named above, are taxed at 28%

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in surplus or deficit except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive revenue and expense. Tax relating to items recognised directly in equity or in other comprehensive revenue and expense is also recognised in equity or other comprehensive revenue and expense, respectively.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

25. Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at balance date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

	2022	2021
	$000's	$000's
Opening tax payable	312	453
Māori Authority tax credits available	(6,106)	(11)
Resident withholding tax paid	(13)	(135)
Tax payments made to Inland Revenue	(621)	(500)
Refunds received	-	71
Tax expense	6,104	-
Deferred tax adjustment	(6,130)	
Current tax payable	1,780	434
Closing balance - (refund)/liability	**(4,674)**	**312**

The major components of income tax expense for the yearsended 30 June 2022 and 2021 are:

	2022	2021
	$000's	$000's
Current income tax expense	(26)	409
Adjustments in respect of current income tax of previous year	-	25
Deferred tax expense	6,130	-
Income tax expense reported in surplus or deficit	**6,104**	**434**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

25. Income tax (continued)

The deferred tax liabilities balance comprises temporary differences attributable to:

	2022	2021
	$000's	$000's
Other fair value gain (at 17.5%)	**6,130**	**-**

	2022	2021
Movements of deferred tax liabilities:	$000's	$000's
Opening balance	-	-
Credited/charged to the profit and loss	6,130	-
Closing deferred tax liability balance	**6,130**	**-**

Reconciliation of tax expense and the accounting profit, multiplied by New Zealand's domestic tax rate for 2022 and 2021:

	2022	2021
	$000's	$000's
Surplus for the year before tax	165,302	33,456
Share of profit from joint venture	(8,494)	(7,223)
	156,808	26,233
At statutory income tax rate of 28% (2021: 28%)	43,906	7,345
Effect of different tax rates	1,394	(1,682)
Effect of non-taxable charitable activities	(35,218)	(5,770)
Effect of non-taxable activities	(6,080)	-
Utilisation of previously unrecognised tax losses	-	-
Other non-deductible expenses	321	516
Adjustment in respect of previous years	-	25
Purchased tax liability	1,780	-
Income tax expense in surplus or deficit	**6,104**	**434**

	2022	2021
	$000's	$000's
Imputation credits available for use in subsequent reporting periods		
Balance at 30 June	84	191

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

26. Loans and borrowings

See accounting policies in Note 27 Financial instruments.

	2022	2021
Current	**$000's**	$000's
Current portion of bank loan fees prepayments	1,314	-
Total current loans and borrowings	**1,314**	**-**
Non-current		
Secured bank loans	302,525	-
Other borrowings	30,000	-
	332,525	-
Total non-current loans and borrowings	**332,525**	**-**
Total current and non-current loans and borrowings	**333,389**	**-**

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

		2022		2021	
	Year of maturity	**Face Value $000's**	**Carrying Amount $000's**	**Face Value $000's**	**Carrying Amount $000's**
Secured bank loan	2037	95,895	94,696	-	-
Secured bank loan	2037	95,895	94,696	-	-
Secured bank loan	2037	95,895	94,696	-	-
Secured bank loan	2037	20,000	19,750	-	-
Other borrowings	2032	30,000	30,000	-	-
		337,685	**333,839**	**-**	**-**

All loans and other borrowings are in New Zealand dollars. The secured bank loans are secured over land with a fair value carrying amount of $448.2m.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights lo 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 Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group 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 consolidated statement of financial position when, and only when the Group 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.

The Group classifies the financial assets into the following categories: fair value through surplus or deficit, loans and receivables and available-for-sale.

The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and at amortised cost.

a) Cash and cash equivalents

Cash and cash equivalents 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.

b) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise short-term deposits, trade and other receivables, and other investments.

c) 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 includes share investments which are measured at cost less any impairment charges, as they do not have a quoted market price and their value cannot be reliably measured.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expense and are reported within the "available-for-sale reserve" within equity.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in the available-for-sale reserve is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expense. Any associated interest income or dividends are recognised in surplus or deficit within "investment income".

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

c) Available-for-sale financial assets (continued)

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

d) Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through surplus or deficit (FVTSD).

- amortised cost financial liabilities are non-derivative financial liabilities and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities at amortised cost includes trade and other payables.
- FVTSD financial liabilities are those financial liabilities classified as held for trading, derivatives, or designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

e) Loans and borrowings

Loans and borrowings are financial liabilities with fixed or determinable payments that are not quoted in an active market. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

f) 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.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group 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 Group, 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 Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

f) Impairment of non-derivative financial assets (continued)

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

g) Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is: held-for-trading; derivatives where hedge accounting is not applied; or designated at initial recognition, when the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Those fair value through surplus or deficit instruments sub-classified as held-for-trading comprise investment in managed funds that include Milford Asset Management Limited and Harbour Asset Management.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

The table below shows the carrying amount and classification of the Group's financial assets and liabilities:

	Financial assets			Financial liabilities		
2022	**Loans and receivables $000's**	**Fair value through surplus or deficit $000's**	**Available-for-sale $000's**	**Liabilities at amortised cost $000's**	**Fair value through surplus or deficit $000's**	**Total $000's**
Cash and cash equivalents	26,903	-	-	-	-	26,903
Short-term deposits	3,736	-	-	-	-	3,736
Managed funds	-	20,753	-	-	-	20,753
Trade and other receivables	17,137	-	-	-	-	17,137
Share investments	-	-	2,446	-	-	2,446
Other investments	470	-	-	-	-	470
Trade and other payables	-	-	-	(12,927)	-	(12,927)
Loans and borrowings	-	-	-	(333,839)	-	(333,839)
Interest rate swaps	-	225	-	-	-	225
	48,246	**20,978**	**2,446**	**(346,766)**	**-**	**(275,096)**
2021						
Cash and cash equivalents	46,133	-	-	-	-	46,133
Short-term deposits	3,694	-	-	-	-	3,694
Managed funds	-	54,552	-	-	-	54,552
Other investments	470	-	-	-		470
Trade and other receivables	6,621	-	-	-	-	6,621
Share investments	-	-	2,398	-	-	2,398
Trade and other payables	-	-	-	(12,139)	-	(12,139)
	56,918	**54,552**	**2,398**	**(12,139)**	**-**	**101,729**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

h) Fair value of financial instruments

For those financial instruments recognised at fair value in the consolidated statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable

The following table shows financial instruments recorded at fair value, analysed between whose fair value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2) and those where the valuation technique involves the use of non-market observable inputs (Level 3).

	Valued at quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non-market observable inputs (Level 3)	Total
2022	**$000's**	**$000's**	**$000's**	**$000's**
Financial assets at value through surplus or deficit				
Managed funds	-	20,753	-	20,753
Available-for-sale financial assets				
Share investments	-	-	2,446	2,446
	-	**20,753**	**2,446**	**23,199**
2021				
Financial assets at value through surplus or deficit				
Managed funds	-	54,552	-	54,552
Available-for-sale financial assets				
Share investments	-	-	2,398	2,398
	-	**54,552**	**2,398**	**56,950**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

i) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk (interest rate risk, unit price risk and equity price risk), liquidity risk and credit risk. The Rūnanga's senior management oversees the management of these risks. The Rūnanga's senior management is supported by an Audit Risk and Investment Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Rūnanga also utilises, when necessary, other external parties to provide advice on financial investments and financial risk. The Audit Risk and Investment Committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Rūnanga's Board Members review and agree policies for managing each of these risks, which are summarised below.

(i) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short deposits with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate deposits. The Group's policy is to keep the majority of deposits at fixed rates of interest, other than funds required for operating activities. At 30 June 2022, approximately 14% of the Group's deposits are at a fixed rate of interest (2021: 51%).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of deposits or loans and borrowings affected. With all other variables held constant, the Group's surplus before tax is affected through the impact on floating interest rate deposits or loans and borrowings, as follows:

	Increase / decrease in interest rate	Effect on surplus before tax	Effect on net assets / equity
2022		**$000's**	**$000's**
Short-term deposits	+3%	112	112
Loans and borrowings	+3%	10,131	10,131
Short-term deposits	-3%	(112)	(112)
Loans and borrowings	-3%	(10,131)	(10,131)
2021			
Short-term deposits	+1%	37	37
Loans and borrowings	+1%	-	-
Short-term deposits	-1%	(37)	(37)
Loans and borrowings	-1%	-	-

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

(i) Market risk (continued)

Foreign currency risk

The Group is not exposed to foreign currency risk because there are no transactions undertaken in foreign currencies.

Equity price risk

The Group's unlisted equity securities are susceptible to market risk arising from uncertainties about its future value. These investment securities are held for strategic reasons and therefore the equity price risk associated with these securities are not managed. However, reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity to a reasonably possible change in the share prices of equity investments. With all other variables held constant, the Group's surplus before tax is affected through the impact on investment in shares, as follows:

	Increase / decrease in share price	Effect on surplus before tax	Effect on net assets / equity
2022		**$000's**	**$000's**
Share investments	+10%	245	245
Share investments	-10%	(245)	(245)
2021			
Share investments	+5%	120	120
Share investments	-5%	(120)	(120)

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

i) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

Unit price risk

The Group is exposed to unit price risk through its investments in unlisted unit funds. Unit price risk is moderated by diversification and by ensuring that all investment activities are transacted in accordance with the mandates, overall investment strategy and within approved limits.

The following table demonstrates the sensitivity to a reasonably possible change in the unit prices of the Group's investments in unlisted unit funds. With all other variables held constant, the Group's surplus before tax is affected through the impact on investment in the funds, as follows:

2022	Increase / decrease in share price	Effect on surplus before tax $000's	Effect on net assets / equity $000's
Managed funds	+10%	2,075	2,075
Managed funds	-10%	(2,075)	(2,075)

2021	Increase / decrease in share price	Effect on surplus before tax $000's	Effect on net assets / equity $000's
Managed funds	+5%	2,728	2,728
Managed funds	-5%	(2,728)	(2,728)

(ii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including short-term deposits.

Trade receivables from exchange transactions

Customer credit risk in relation to trade receivables from exchange transactions is managed by the Parent and each controlled entity subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group is not subject to material credit concentration in relation to trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at reporting date is the carrying value of trade receivables disclosed in note 13. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

i) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

Cash and cash equivalents, and short-term deposits

The Group held cash and cash equivalents of $26.9m at 30 June 2022 (2021: $46.1m) and short-term deposits of $3.7m at 30 June 2022 (2021:$3.7m). The cash and cash equivalents, and short-term deposits are held with bank and financial institution counterparties, which are rated AA-, based on Standard and Poor's ratings.

Impairment on cash and cash equivalents, and short-term deposits has been measured on a 12-month expected loss basis and reflects the short maturities and exposures. The Group considers that its cash and a cash equivalent and short term deposits have low credit risk based on external credit ratings of the counterparties. The impairment allowance as at 30 June 2022 is $nil (2021: $nil).

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Audit Risk and Investment Committee on an annual basis, and may be updated throughout the year subject to approval of the Group's Audit Risk and Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

Derivatives

The derivatives are entered into with the bank and financial institution counterparties, which are rated AA-, based on Standard and Poor's ratings.

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 30 June 2022, the Group had issued no guarantees to any banks in respect of credit facilities granted to subsidiaries.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Financial instruments (continued)

i) Financial risk management objectives and policies (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group's liquidity management policy is designed to ensure that the Group has the ability to generate sufficient cash in a timely manner to meet its financial commitments.

The Group is exposed to liquidity risk through its trade payables, loans and borrowings.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On Demand	Less than 3 months	3 to 12 months	1 and 5 years	Over 5 years	Total
2022	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Non-derivative financial liabilities						
Loans and borrowings	-	326	1,005	6,024	330,330	337,685
Trade and other payables (excluding accruals)	164	3,259	-	-	-	3,423
	164	**3,585**	**1,005**	**6,024**	**330,330**	**341,108**
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
2021						
Non-derivative financial liabilities						
Loans and borrowings	-	-	-	-	-	-
Trade and other payables (excluding accruals)	362	2,691	-	-	-	3,053
	362	**2,691**	**-**	**-**	**-**	**3,053**
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

28. Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, are reviewed at reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets and intangible assets not yet available for use are tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of the asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated cash flows (for CGU) or future remaining service potential (for non-cash generating units) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash generating assets and non-cash generating assets are distinguished by the smallest identifiable unit that is used to generate a cash inflow from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

29. Leases (as lessor and lessee)

Leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

a) Lease payments as lessee

Payments made under an operating lease are recognised in surplus or deficit on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease and are expensed over the lease term. Associated costs such as maintenance and insurances are expensed as incurred.

	2022	2021
	$000's	$000's
Within one year	954	487
Between one and five years	1,986	786
Total operating lease rentals payable	**2,940**	**1,273**

The Group leases various properties, equipment and vehicles. Property rental contracts are typically made for fixed periods of up to five years with renewal rights of two months to four years. Other lease contracts are typically made for fixed periods of six to 48 months. Lease terms are negotiated on an individual basis.

b) Rental lease revenue as lessor

Rental lease revenue received under operating leases is recognised on a straight line basis over the term of the lease. This excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service.

Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

29. Leases (as lessor and lessee) (continued)

c) Current rental revenue as lessor

The Rūnanga purchased the building in Rugby Street, Wellington in 2009 and is utilising the property for its Wellington based medical and health services. The property currently has multiple tenancies who lease remaining units under operating leases. The leases terms vary between two to three years.

The Rugby Street property is included in 'Land, buildings and marine farm' and is depreciated over the estimated useful life of the asset as determined by the Board for that class of asset. Any expense that relates to the revenue is expensed in the period it is incurred and is included in administrative costs as shown in the consolidated statement of comprehensive revenue and expense. The rental income is recognised on a straight line basis over the term of the lease.

Toa Rangatira Investment Properties Limited manages the rental income of the Forestry lands that were purchased from the Crown on 1 August 2014. The current Crown Forestry Licence has a termination date of 30 years. The licence fees are reviewed every 3 years (periodic review) and can be reviewed every 9 years (general review). Toa Rangatira Investment Properties Limited also manages the rental income from the land leased to NZ Police.

Kimihia Number 1 Limited purchased the land of 40 schools during the year which are leased to the Ministry of Education on perpetual leases.

Minimum future lease payments receivable under non-cancellable operating leases are as follows:

	2022	2021
	$000's	$000's
Within one year	23,204	3,126
Between one and five years	91,897	12,202
More than five years	356,760	61,383
Total minimum future lease receivable	**471,861**	**76,711**

30. Capital management and reserves

The Group's capital is comprised of all the Group's equity (which includes accumulated comprehensive revenue and expense).

	2022	2021
	$000's	$000's
Total equity	442,889	275,925
Total capital	**442,889**	**275,925**

The objective of managing the Group's capital is to ensure the Group effectively achieves its objectives and purpose for the benefit of the Group's beneficiaries whilst remaining a going concern and maintaining an optimal capital structure to reduce the cost of capital. In carrying out the objectives of the capital programme, the Group is subject to its Society Rules, Deed of Trust, the Charities Act 2005, and the Ngati Toa Rangatira Claims Settlement Act 2014.

The Board provides strategic direction and oversight of the Group's capital programme, and an Audit, Risk and Investments Sub-Committee of the Board and a management-run Investment Committee actively controls and monitors progress of plans and activities of the capital programme.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

30. Capital management and reserves (continued)

a) Treaty and fisheries settlement reserve

Cash funds and other assets (land, buildings, quota share etc.) received from the Treaty of Waitangi Claims are initially recorded through the consolidated statement of comprehensive revenue and expense and are then transferred to the treaty and fisheries settlement reserve. The funds are separately distinguished reserves so as to retain the core amounts received under settlement.

	2022	2021
	$000's	$000's
Balance as at 1 July	137,848	136,765
Treaty settlement of quota shares	-	1,083
Balance at 30 June	**137,848**	**137,848**

b) Special purpose reserve

The special purpose reserve represents the funds from an historical disagreement within Iwi that has now been settled, which was transferred across from Ika Toa Limited to Te Rūnanga o Toa Rangatira Incorporated. The funds have been held separately to retain the identity.

	2022	2021
	$000's	$000's
Balance as at 1 July	1,186	1,186
Other comprehensive revenue and expense	-	-
Balance at 30 June	**1,186**	**1,186**

c) Asset revaluation reserves

(i) Asset revaluation reserve - land and buildings

The asset revaluation reserve - land and buildings is used to record the increases and decreases in the fair value of land and buildings. Land and buildings are revalued at least every three years or where there is an indication that the carrying amount may be materially different.

(ii) Asset revaluation reserve - intangible assets

The asset revaluation reserve - intangible assets is used to record the increases or decreases in the fair value of the NZ Forestry Emissions Units. The reserve cannot fall into deficit. If it falls into deficit, the difference over and above is recognised in surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

30. Capital management and reserves (continued)

c) Asset revaluation reserves (continued)

	2022	2021
Asset revaluation reserve - land and buildings	**$000's**	$000's
Balance as at 1 July	17,706	11,257
Other comprehensive revenue and expense	2,805	6,449
Balance at 30 June	**20,511**	**17,706**
Asset revaluation reserve - intangible assets		
Balance as at 1 July	6,365	4,647
Other comprehensive revenue and expense	4,841	1,718
Balance at 30 June	**11,206**	**6,365**
Total asset revaluation reserves	**31,718**	**24,071**

31. Audit fees

	2022	2021
	$000's	$000's
Audit of the Group's financial statements	210	180
Other services provided - review of management report	-	1
	210	**181**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

32. Related parties

The financial statements include the financial statements of the ultimate controlling entity, its subsidiaries and other controlled entities, as listed in note 4.

Key management personnel

The Group classifies its key management personnel into one of two classes:

- Members of the governing body (Board members and Company Directors). Members of the governing body are paid $11,500 per annum, the Chairperson of the Board is paid $46,441 per annum.
- Senior Executive Officer and senior management, responsible for reporting to the governing board.

A number of family members of key management personnel are employed by the Group on normal employment terms. Remuneration to close family members of key personnel is included below:

	2022	2021	2022	2021
	FTE	FTE	$000's	$000's
Members of the governing body	30	31	398	525
Senior management and committees	21	27	2,635	2,896
Close family members	28	18	1,374	679
Key personnel remuneration	**79**	**76**	**4,407**	**4,100**

The manager of the holiday park is the spouse of the groundsman and housing accommodation is provided as part of the contract of service. A taxable allowance is paid for accommodation on a weekly basis (2022: $5,200, 2021: $5,200).

In March 2020, Mr Leon Grandy, a director of Armillary Limited, was contracted to serve as Group Treasurer and Acting General Manager Investments and Innovation for the Group. At that time, Armillary Limited had been engaged by the previous shareholders of Aegis Retirement Living Limited to sell down their equity and refinance their debt. Mr Grandy's interest in the engagement was disclosed to the Group Audit Risk and Investment Committee and resulted in the appointment of Deloitte to conduct due diligence on Aegis Group acquisition. At the completion of the transaction, a fee of $618,000 was paid by Aegis Retirement Living Limited to Armillary Limited as part of both the debt restructure and sale and purchase of shares in Whitby Village (2009) Limited. In December 2020 the Group appointed Mr Grandy as a director of Aegis post its acquisition of the shares.

On 5 August 2021, 10% shares of Toa Building Supplies (Toa ITM) were sold to Theo Modlik. A total consideration of $120,000 was received by the Group. Theo is the General Manager of Toa ITM and son of the ultimate controlling entity's Chief Executive Officer.

On 5 April 2022, the Group acquired 65,000 shares of Armillary for $1.2m and was also allotted 13,804 subscription shares, giving the Group a total holding of 78,804 shares or 30% ownership interest.

On 29 March 2022, the Group transferred 724,656 Aegis' redeemable preference shares to Armillary Corporate Trustee No.2 Limited. A total consideration of $750,000 was received by the Group.

On 6 May 2022, the Crown sold land related to 40 schools to the Group as part of deferred selection property (DSP) under the 2012 Deed of Settlement of Historical Claims between the Crown and Ngati Toa Rangatira. At the completion of the settlement, a total fee of $1.02m was paid by the Group to Armillary Limited for the latter's provision of debt and financing advisory services.

During the reporting period, a total of $275K was paid to Juice Contracting Limited. Jennie Smeaton, a member of the senior management, is a director of Juice Contracting Limited and owns 50% shares.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

33. Reconciliation of net cash flows from operating activities to surplus for the year

	2022 $000's	2021 $000's
Surplus for the year	**159,198**	**33,022**
Adjustments for:		
Depreciation of property, plant, and equipment	1,441	1,086
Amortisation of intangible assets	125	87
(Gain)/loss on disposal of property, plant, and equipment	(3)	83
Fair value gains on investment property	(101,763)	(12,170)
Fair value gains on managed funds	3,800	(8,316)
Share of profits of joint ventures	(8,494)	(7,223)
Accrual for purchase of investment property	-	(7,385)
Coastline settlement of quota shares	-	(1,083)
Dividends received classified as investing activities	(122)	-
Changes in assets and liabilities:		
Increase in trade and other receivables	(10,516)	(4,141)
Increase in tax receivable	(6,106)	-
Increase in inventories	(67,175)	(3,311)
(Increase)/decrease in prepayments and other assets	(625)	2
Increase in other assets, including derivatives	(225)	-
Increase in trade and other payables	783	8,928
Increase in income received in advance	6,696	1,750
(Decrease)/increase in deferred income	-	2,634
Increase in employee benefit liability	1,093	370
Increase/(decrease) in income tax payable	1,120	(141)
Increase/(decrease) in deferred tax liability	6,130	-
Net cash flows from operating activities	**(14,638)**	**4,192**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

34. Reconciliation of liabilities arising from financing activities

2022	Long term loans and borrowings $000's	Investment of capital by non-controlling interests $000's	Total liabilities from financing activities $000's
Balance at 1 July	-	-	-
Cash flows	333,839	120	333,959
Balance at 30 June	**333,839**	**120**	**333,959**

35. Contingencies and commitments

a) Contingent liabilities

The Group has no contingent liabilities as at reporting date (2021: nil).

b) Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the Annual Catch Entitlement for Crayfish, and to Takitimu Seafoods Limited Partnership to supply the Annual Catch Entitlement for several species, both supplies are at the applicable market value.

The Group has committed expenditure for maintenance and capital work on major housing remediation and development projects at 30 June 2022 of $7.5m (2021: $765,000).

The Group has committed to provide $1,250,000 of capital funding to Maara Moana Limited Partnership (see note 21), of which $780,000 (2021: $780,000) remained outstanding at reporting date.

The Residential Tenancies (Healthy Homes Standards) Regulations 2019 has come into effect, requiring the housing stock managed by Te Āhuru Mowai Limited Partnership to met Healthy Home standards. As at the 30th June 2022, 450 properties had been completed, the balance of our portfolio requiring attention is 472 properties, these are on track to be completed by the required deadline of 31 July 2023. The estimated cost of the remaining work is $2.1m.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

36. Events subsequent to balance date

After reporting date, the below non-adjusting subsequent events occurred:

On 20 July 2022, the Group received a prepayment of $23.5m from OneFortyOne NZ Limited. This amount represents prepayment of forestry license fees from August 2022 to September 2036. The payment received by the Group is net of nominal discount rate of 8.99%. Additional payments are to be made April of every year as actual CPI/PPI/market review data is updated.

On 24 August 2022, the Group entered into a partnership agreement with How We Live Investments Limited (HWLI) to form Toa Homes Limited Partnership. The Rūnanga and HWLI will be the limited partners and Toa Homes Limited will act as the general partner. The partnership will introduce modular home technology aimed to address housing supply shortage.

On 1 September 2022, the Group formally submitted a notice of interest (NOI) to the Ministry of Education (MOE) to purchase tranche 3 deferred selection properties. These include 27 schools located throughout the wider Lower and Upper Hutt areas identified in the Deed of Settlement. The submission of NOI formally commence the purchase process.

The Group owns 66.67% shares of Aegis Group (see note 20). On 3 September 2022, the sale and purchase agreement for Silverstream Village was declared unconditional. Aegis Retirement Living Limited will acquire Silverstream Lifestyle Retirement Village for $13m. An offer of funding has been provided by Kiwibank for $8m, and the balance of the settlement ($5m) will be through issuance of redeemable preference shares by Aegis to the Group.

Effective 30 September 2022, the Group purchased additional building supplies companies, Parapine Timber Limited, Paraparaumu Prenail Limited, and Harmo Investments Limited. The Group paid a cash consideration of $6.5m and issued fully paid subscription shares worth $6.5m.

On 30 September 2022, an agreement was signed between the Group and the Crown in respect of deferred selection property, Nelson College for Girls. The agreed settlement amount is $4.5m. The Crown has been unable to settle the transfer of title because of other claims on the title. The Crown, on the other hand, has agreed to pay the Group $280,000 per annum, which is equivalent to the rent that the Crown should have been paying if the title has settled. It is expected that the claims on the title will be cleared after 5 to 7 years, in which time the final settlement will happen and the Group will pay the agreed settlement amount.

37. Standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

PBE FRS 48 – Service performance reporting

This standard was issued in November 2017 and establishes requirements PBEs to select and present service performance information. The impact of this standard has not been fully assessed by the Group as management is still working through the disclosure implications. PBEs within the scope of this Standard will need to provide users with:

- Sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long-term, and how it goes about this; and
- Information about what the entity has done during the reporting period in working towards its broader aims and objectives.

The standard is effective for annual periods beginning on or after 1 January 2022. Early application of the standard is permitted. The new standard will require additional disclosures to be provided by the Group.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

37. Standards and interpretations issued but not yet effective (continued)

PBE FRS 41 – Financial instruments

In March 2019, the NZASB issued PBE IPSAS 41 Financial Instruments. When applied, this standard supersedes parts of PBE IPSAS 29 Financial Instruments.· Recognition and Measurement. Compared with PBE IPSAS 29, PBE IPSAS 41 introduces a number of changes to the recognition and measurement of financial instruments.

PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Except for hedge accounting, retrospective application is required in accordance with PBE IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. The Group is currently undertaking a detailed impact assessment of the impact of PBE IPSAS 41. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2022 when the Group will adopt PBE IPSAS 41.

The initial consideration of the impacts the implementation of PBE IPSAS 41 is expected to have in the Group's financial statements is described below.

a) Classification and measurement

The Group is currently assessing the impact on its consolidated statement of financial position and net assets/equity on applying the classification and measurement requirements of PBE IPSAS 41.

Currently, the Group classifies its investment in non-listed equity shares as available-for-sale (AFS) financial assets and will need to reclassify these financial instruments. For the equity shares currently classified as AFS assets, the Group expects to continue measuring them at fair value, but has not yet determined whether to apply the option to present fair value gains/losses in other comprehensive revenue and expense rather than in surplus or deficit.

Short-term deposits and account receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under PBE IPSAS 41. Therefore, reclassification for these instruments is not required.

Investment in managed funds is currently classified as financial assets at fair value through surplus or deficit. The Group expects to continue classifying them at fair value through surplus or deficit.

(b) Impairment

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or fair value through other comprehensive revenue and expense. For all of such assets except receivables, the Group expects to apply the general approach and record impairment losses initially on a 12-months basis, moving to a lifetime basis if there is a significant deterioration in credit risk. The Group expects to apply the simplified approach and record lifetime expected losses on all receivables. The Group is assessing the expected impact of this change.

(c) Hedge accounting

The Group does not apply hedge accounting.

Independent auditor's report

To the members of Te Rūnanga O Toa Rangatira Incorporated Group

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TE RŪNANGA O TOA RANGATIRA INCORPORATED GROUP

Opinion

We have audited the consolidated financial statements of Te Rūnanga o Toa Rangatira Incorporated ("the Parent") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards ("PBE Standards") 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

While insuring we comply with relevant independence requirements, our firm has carried out some assignments for one of the subsidiaries in the area of business advisory assistance. Our firm has no other relationship with, or interests in, the Parent or any of its subsidiaries.

Other Information

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

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

In connection with our audit of the consolidated financial statements, 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 or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report

To the members of Te Rūnanga O Toa Rangatira Incorporated Group

BDO Wellington Audit Limited

Board's Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group 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 either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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-7/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Parent's members, 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 Parent and the Parent's members, 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
9 November 2022

Financial Statements

Whakaputanga Ahumoni Toa Rangatira Trust Group

Rārangi Ūpoko

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Trading income	6	18,151	2,569
Direct trading expenses		(13,858)	(5,467)
Surplus from trading activities		**4,293**	**(2,898)**
Other income	6	4,965	4,382
Fair value adjustment on investment property	15	5,726	11,955
Other fair value gain	7	35,030	-
Gain from discounted purchase price	7	11,713	-
Total revenue from operations		**61,727**	**13,439**
Share in profit of joint ventures/associates	17	8,536	7,223
Expenses			
Administration expenses		5	(1,076)
Depreciation, amortisation and impairment expenses	14, 16	(7)	(6)
Motor vehicle expenses		(4)	-
Other expenses		(1,596)	(188)
Personnel expenses		(8)	-
Property expenses		(962)	-
Total operating expenses		**(2,572)**	**(1,270)**
Surplus before net income on financial investments		**67,691**	**19,392**
(Loss)/gain on revaluation of financial asssets at fair value through surplus	10	(3,515)	7,447
Interest income - financial assets at amortised cost	8	335	305
Interest expense - financial liabilities at amortised cost		(1)	-
Net interest and revaluation income		**(3,181)**	**7,752**
Surplus for the year before tax		**64,510**	**27,144**
Less tax expense	21	(6,278)	(411)
Surplus for the year		**58,232**	**26,733**

The above consolidated statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive revenue and expense (continued)

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Other comprehensive revenue and expense			
Gains/(losses) recognised directly in equity			
Gain on revaluation of property, plant and equipment	14	427	565
Gain on revaluation of intangible assets	16	4,842	1,718
Total comprehensive revenue and expense for the year		**63,500**	**29,016**

The above consolidated statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2022

	Note	2022	2021
Assets		**$000's**	$000's
Current assets			
Cash and cash equivalents	9	2,492	34,992
Managed funds at fair value through surplus and deficit	10	16,457	49,972
Trade and other receivables	11	671	1,322
Related party receivables	26	30,414	-
Inventories	12	81,058	14,691
Prepayments and other assets	13	156	-
		131,248	**100,977**
Non-current assets			
Other receivables	11	1,229	543
Property, plant and equipment	14	3,555	1,369
Investment property	15	102,870	91,713
Intangible assets	16	11,305	6,463
Investment in joint ventures and associates	17	41,351	26,923
		160,310	**127,011**
Total assets		**291,558**	**227,988**
Liabilities			
Current liabilities			
Trade and other payables	18	530	8,019
Related party payables	26	37,615	8,494
Deferred income	19	-	74
Income received in advance	20	212	798
Income tax payable	21	1,586	291
		39,943	**17,676**
Non-current liabilities			
Deferred tax liability	21	6,130	-
		6,130	**-**
Total liabilities		**46,073**	**17,676**
Net assets		**245,484**	**210,312**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of financial position (continued)

As at 30 June 2022

Equity	Note	2022 $000's	2021 $000's
Reserves	25	123,270	118,002
Accumulated comprehensive revenue and expense		122,213	92,310
Total equity		**245,484**	**210,312**

For and on behalf of the Board, who authorised the issue of these financial statements on 9 November 2022:

Callum Kātene
Trustee
9 November 2022

Caleb Ware
Trustee
9 November 2022

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Treaty settlement reserve (note 25) $000's	Asset revaluation reserves (note 25) $000's	Accumulated comprehensive revenue and expense $000's	Total Equity $000's
At 1 July 2021	**111,591**	**6,411**	**92,310**	**210,311**
Comprehensive revenue and expense				
Surplus for the year	-	-	58,231	58,231
Other comprehensive revenue and expense for the year	-	5,269	-	5,269
	-	5,269	58,231	63,500
Transactions with owners				
Distribution	-	-	(28,682)	(28,682)
	-	-	(28,682)	(28,682)
Prior period adjustment	-	-	355	355
Total equity at 30 June 2022	**111,591**	**11,680**	**122,213**	**245,484**
At 1 July 2020	111,591	4,128	65,577	181,296
Comprehensive revenue and expenses				
Surplus for the year	-	-	26,733	26,733
Other comprehensive revenue and expense for the year	-	2,283	-	2,283
	-	2,283	26,733	29,016
Total equity at 30 June 2021	**111,591**	**6,411**	**92,310**	**210,312**

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Cash flows from operating activities			
Proceeds from trading income		17,764	2,645
Proceeds from rental income		4,454	3,906
Interest received		95	305
Net GST paid		(38)	(204)
Taxation received		1,146	-
Taxation paid		-	(552)
Payments made to suppliers and others		(43,843)	(9,844)
Payments made to employees		(8)	-
Net cash outflow from operating activities		**(20,430)**	**(3,744)**
Cash flows from investing activities			
Purchase of property, plant, and equipment		(1,766)	(42)
Purchase of investment properties		(5,431)	(1,961)
Proceeds from the sale of redeemable preference shares		725	-
Transfer from short-term deposits		-	43,022
Proceeds from managed funds		30,000	684
Investment in joint venture or associate		(7,832)	(20,000)
Dividends received from joint venture or associate		1,216	300
Net cash inflow from investing activities		**16,912**	**22,003**
Cash flows from financing activities			
Advances from related parties		1,019	7,747
Loaned to related parties		(30,000)	-
Net cash (outflow)/inflow from financing activities		**(28,981)**	**7,747**
Net (decrease)/increase in cash and cash equivalents		**(32,499)**	**26,006**
Cash and cash equivalents at 1 July		34,992	8,986
Cash and cash equivalents at 30 June	9	**2,492**	**34,992**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2022

1. Reporting entity

Toa Rangatira Trust (the Trust) is the post governance settlement entity established by Trust Deed to receive the settlement assets on behalf of Ngāti Toa Rangatira. The Trust is domiciled in New Zealand and the registered office and principal place of business is 26 Ngatitoa Street, Takapuwahia, Porirua.

The primary activity of the Trust is to hold, manage and administer the assets received as part of the Ngāti Toa Rangatira historical settlement, for any object or purpose that is beneficial to Ngāti Toa Rangatira.

Te Rūnanga o Toa Rangatira Incorporated is the mandated iwi organisation and corporate trustee of Toa Rangatira Trust. The controlled entities of the Group are primarily involved in managing the preservation of the settlement assets and to build capability of the investment assets.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements comprise the Trust and its controlled entities, associates, and joint arrangements (together referred to as the "Group" and individually as "Group Entities").

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Group is a public benefit entity and these consolidated financial statements comply with the PBE Accounting Standards as appropriate for Tier 2 not-for-profit public benefit entities. The Group qualifies for Tier 2 reporting as it does not have public accountability and for the past two reporting periods it has had between $2m and $30m operating expenditure. The Group reports as a Tier 2 entity and has used accounting policies consistent with its corporate trustee, Te Rūnanga o Toa Rangatira Incorporated.

The Group has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities. The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities.

These consolidated financial statements are for the year ended 30 June 2022 and were authorised for issue by the Trustees on 9 November 2022.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Group has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of the government in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of the Group. The scale and continuing duration of these developments remains uncertain at the date of this report. During the year, the Group has been affected by periods under COVID-19 restrictions during August 2021 and March 2022.

Although the Group has been impacted by COVID-19, the Board has concluded the Group will be able to continue operating for the foreseeable future.

b) Measurement basis

The consolidated financial statements have been prepared on an historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

b) Measurement basis (continued)

Items	Measurement bases
Financial assets at fair value through other comprehensive revenue and expense	Fair value
Contingent consideration assumed in a business combination	Fair value
Investment property	Fair value
Land and buildings	Fair value
NZ Forestry Emission Units (NZUs)	Fair value
Initial measurement of assets received from non-exchange transactions	Fair value

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Group's functional currency.

d) Use of judgements and estimates

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 6b — revenue recognition - non-exchange revenue
- Note 14/15 — reclassification of property, plant and equipment to/(from) investment property
- Note 16 — intangible assets having finite or indefinite useful lives
- Note 4b/17 — classification of joint arrangements
- Note 4 — consolidation
- Note 24 — lease classification

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2022 are included in the following notes:

- Note 11 — recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 22 — fair value measurement of assets and liabilities carried at fair value
- Note 23 — impairment of non-financial assets

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Pou Maanaki (Chief Financial Officer).

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of PBE Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible, or for non-cash-generating assets, depreciated replacement cost.

Further information about the assumptions made in measuring fair values is included in the following notes:

· Note 5	non-cash generating assets
· Note 15	investment property
· Note 17	acquisition of joint arrangements
· Note 22	financial instruments

e) 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.

f) Changes in accounting policies

There have been no changes in accounting policies. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements. The following accounting standards came into effect during the year and have been adopted by the Group.

PBE IPSAS 2 Statement of Cash Flows

The amendments required entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2021. There is no requirement to provide comparative information for preceding periods. Application of amendments will result in additional disclosures provided by the Group.

g) Comparatives

Where necessary, comparative figures have been reclassified to conform with presentation in the current year.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

- Note 4 — basis of consolidation and equity accounting
- Note 5 — business combinations and goodwill

4. Basis of consolidation and equity accounting

a) Controlled entities

The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of controlled entities are included in the financial statements from the date that control commences until the date control ceases.

b) Non-controlling interests

Non-controlling interests (associates, joint ventures or operations, and minority interests) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's ownership interest in a controlled entity that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

c) Loss of control

When the Group loses control over a controlled entity, it derecognises the assets and liabilities of the controlled entity, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former controlled entity is measured at fair value when control is lost.

d) Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of equity-accounted investees, until the date on which significant influence or joint control ceases.

e) Joint operations

The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 17a.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

4. Basis of consolidation and equity accounting (continued)

f) Transactions eliminated on consolidation and equity accounting

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Group's financial statements include the following controlled entities, associates, and joint ventures or operations. All controlled entities and other interests are incorporated or established in New Zealand.

			Ownership Interest Held	
Name	**Balance Date**	**Nature of business**	**30 June 2022**	**30 June 2021**
Controlled entities				
Arijit Residential Limited	30 June	Residential property	100%	100%
Kenepuru Limited Partnership (Note 7)	30 June	Property development	100%	50%
Rangituhi Number 1 Limited	30 June	Non-trading	100%	-
Toa Kenepuru Transition Limited	30 June	Property development	100%	-
Toa Rangatira Developments Limited	30 June	Investment land holdings	-	100%
Toa Rangatira Group Holdings Limited	30 June	Holding company	-	100%
Toa Rangatira Properties Limited	30 June	Investment property leasing	100%	100%
Toa Rangatira Retirement Villages Limited	30 June	Holding company	100%	100%
Toa Rangatira Trust	30 June	Post settlement governance	100%	100%
Whenua Toa Trust	30 June	Property development	100%	100%
Associates				
Armilliary Limited	31 March	Investment banking services	30%	-
Joint arrangements				
Aegis Group	31 March	Retirement village operations	67%	67%
Kenepuru Limited Partnership (Note 7)	31 March	Property development	-	50%
Switched On Group	30 June	Property management	50%	-

The following companies were incorporated during the year:

Rangituhi Number 1 Limited	9 November 2021

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

5. Business combinations and goodwill

a) Acquisitions

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition method involves recognising at acquisition date the identifiable assets acquired, the liabilities assumed and any non-controlling interest, separate from goodwill. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in surplus or deficit immediately (see Note 7). Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in surplus or deficit.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in surplus or deficit.

b) Amalgamations

The Group accounts for business combinations achieved through an amalgamation using the modified pooling of interests method when control is transferred to the Group. The modified pooling of interests method involves recognising at amalgamation date the aggregate of operations acquired and any non-controlling interest. The operations acquired in an amalgamation are generally measured at carrying value, where appropriate values are adjusted to conform to the Group's overall accounting policies. Specific exceptions for income taxes and employee benefits are recognised where they are applicable. Amalgamation related costs are expensed as incurred.

6. Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Group. Revenue is measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

a) Revenue from exchange transactions

Exchange transactions are transactions in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue (continued)

a) Revenue from exchange transactions (continued)

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the value of the consideration received or receivable, net of returns and any discounts. Sale of goods revenue included in trading revenue in the consolidated statement of comprehensive revenue and expense:

· sale of developed property

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

· for sale of developed property, it is when the contract for the sale has settled in full

	2022	2021
Trading revenue from exchange transactions	**$000's**	$000's
Sale of developed properties	18,151	2,569
Total trading revenue from exchange transitions	**18,151**	**2,569**

(ii) Other income

Rental and licence fee income

Rental income on licenced forestry land, residential rental, commercial and other investment property lease fees are recognised in surplus or deficit on a straight line basis over the term of the lease (note 24).

Dividends

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

Sale of NZ Forestry Emission Units

Income from the sale of NZ Forestry Emission Units is recognised when the significant risks and rewards of ownership have been transferred. There were no sales of NZ Forestry Emission Units this year (2021: nil).

	2022	2021
Other income from exchange transactions	**$000's**	$000's
Rental and licence fee income	4,424	3,906
Sundry income	541	476
Total other income from exchange transactions	**4,965**	**4,382**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

6. Revenue (continued)

b) Revenue and other income from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash or other tangible or non-tangible items) but provides no (or nominal) direct consideration in return for the inflow. With the exception of services in kind, inflow of resources from non-exchange transactions are only recognised as assets where both:

- it is probable that the associated future economic benefit or service potential will flow to the entity, and
- fair value can be reliably measured.

(i) Historical settlement income

Revenue from historical settlements received as non-exchange transactions are recognised when the entitlement (control) passes to the Group and the Group is able to enforce the claim. Revenue is recognised in the consolidated statement of comprehensive revenue and expense, and the related asset received recognised in the consolidated statement of financial position, at fair value estimated at the date of the exchange.

Settlement income (if any) included in the consolidated statement of comprehensive revenue and expense is subsequently moved to the treaty settlement reserve account to preserve the total accumulated settlement quantum.

7. Other fair value gain and gain on business acquisition

Whenua Toa Trust (WTT), which is a controlled entity, and Carrus Kenepuru Ltd (CKL) were limited partners in the Kenepuru Limited Partnership (KLP). On 31 March 2022, WTT acquired all the shares of CKL. The management contract between Carrus Properties Ltd (CPL) and KLP was novated to Toa Developments Limited to gain full control of KLP. As a result, the Group's interest in KLP changed from an interest in a joint operation to an interest in a controlled entity.

The Group acquired all the shares of CKL so it can further develop Kenepuru to meet the needs of the iwi community and provide more options to its iwi members. CKL was renamed to Toa Kenepuru Transition Limited after the shares purchase transaction was completed.

Acquisition achieved in stages

KLP was a joint operation and, therefore, the Group has been recognising its share of KLP's assets and liabilities. Acquiring all of the shares in CKL resulted in WTT (and the Group) gaining control of KLP. This is referred to as an acquisition achieved in stages or a step acquisition. As a result, WTT is required to account for the notional disposal of its previous interest in the joint operation at fair value prior to recognising its new interest in a controlled entity. WTT therefore remeasured its previous interest in KLP to its fair value at the date of acquisition and recognised the resulting gain (or loss) in surplus or deficit.

The carrying value of the assets and liabilities in KLP and their fair values at the date of acquisition are as follows:

	$000's
Carrying value of assets and liabilities in KLP prior to acquisition	12,126
Fair value of KLP*	82,187
Fair value gain on interest in KLP	70,061
Fair value gain on interest in KLP recognised by the group (50%)	**35,030**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

7. Other fair value gain and gain on business acquisition (continued)

Acquisition achieved in stages (continued)

The fair value of KLP is mainly the market value of the land at purchase date as valued by CBRE, an independent valuer, plus fair value of other assets and liabilities. The fair value of the land was determined using sales comparison method whereby recent sales of block land, average lot realisation values and development costs were compared. Special assumptions were used to derive the fair value:

- Land area: Stage 3 valuation is "As Is", noting that it currently forms part of a much larger parent title.
- Development cost: Stage 3 development cost were based on the most recent development cost estimates provided by Calibre Consulting.
- Fault zone: Stages 4 and 5 are traversed by a Fault Avoidance Zone (FAZ) as identified by GNS. CBRE adopted FAZ area identified within masterplan.
- Residual methodology: forecast lot prices, development costs and timing of sell down (delivery time and market absorption) are the variables incorporated in the residual valuation assessment.

The gain has been recognised in other fair value gain in the consolidated statement of comprehensive revenue and expense.

Gain on acquisition

Details of the purchase consideration, the net assets acquired and gain on discounted purchase price are as follows. Goodwill has been measured as the excess of:

a) the consideration transferred measured at fair value and the fair value of Group's previously held interest in KLP

b) the net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

		$000's
Purchase consideration		
Purchase of shares of CKL	A	21,887
Management contract novation	B	7,000
Fair value of Group's previously held interest in KLP		
Interest at 31 Mar 2022		4,771
Fair value gain on interest in KLP (50%)		35,030
Interest at 31 Mar 2022 plus 50% of fair value gain	C	39,801
Total purchase consideration	A + B + C	**68,688**

Payment for the novation of the management contract is considered part of the acquisition, and therefore part of the consideration paid to acquire KLP. The management contract is not considered to meet the definition of an intangible asset, because from a Group perspective the management contract is a contract within the Group itself, and was novated only to obtain full control of KLP. Therefore the management contract is not a resource controlled by the Group from which future economic benefit or service potential are expected. The amount paid for the management contract is not separately recognised as an intangible asset, but instead contributes to goodwill recognised in the acquisition.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

7. Other fair value gain and gain on business acquisition (continued)

Gain on acquisition (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	$000's
Cash and cash equivalents	1,018
Property under development	81,995
Lodge	3,481
Property, plant and equipment	40
GST receivable	355
Loan from WTT	(2,611)
Loan from the Rūnanga	(658)
Accounts payable	(296)
Income tax payable	(1,780)
Provision for soil stockpile removal	(1,143)
Fair value of net assets acquired	**80,401**
Less purchase consideration	68,688
Gain from discounted purchase price	**11,713**

The gain from discounted purchase price has been recognised as a gain on business acquisition in the consolidated statement of comprehensive revenue and expense. The gain from discounted purchase price is attributable to the fact that the purchase price was agreed in April 2021. Property prices increased substantially between 1 April 2021 and 31 March 2022, giving rise to a gain from discounted purchase price.

The amounts of revenue and expense, and the deficit of the acquired operation since the acquisition date are included in the consolidated statement of comprehensive revenue and expense for the reporting period as follows:

	$000's
Revenue	62
Expense	449
Deficit	**(387)**

The revenue and expense, and the surplus of the combined entity for the current reporting period as though the acquisition date for all acquisitions that occurred during the year had been as of the beginning of the annual reporting period are as follows:

	$000's
Revenue	36,631
Expense	21,802
Surplus	**14,829**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

8. Interest Income - financial asset at amortised cost

Interest is recognised as it accrues in surplus or deficit, using the effective interest rate method. Interest income shown in other income in the consolidated statement of comprehensive revenue and expense includes interest earned on 'at call' funds and short-term deposits from the various banking organisations.

9. Cash and cash equivalents

Cash and cash equivalents are deposits held in trading accounts or deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2022	2021
	$000's	$000's
Cash at bank and on hand	2,492	34,992
Cash and cash equivalents in the consolidated statement of cash flows	**2,492**	**34,992**

Per annum annual interest rate ranges to components of cash and cash equivalents:

	2022	2021
Bank deposits	0.05-0.50%	0.01-0.05%
Call deposits	0.09-1.5%	0.05%-0.09%

There are no restrictions over any of the cash and cash equivalent balances held by the Group.
There is no overdraft facility.

10. Short-term deposits and managed funds

Short-term deposits are deposits that are held with maturities of more than 90 days but less than 12 months after reporting date. Short-term deposits are classified as current assets in the consolidated statement of financial position. The carrying value of short-term deposits approximates their fair value due to their short-term nature and market interest rates.

There are no restrictions over the short-term deposits held by the Group.

Interest rates vary on the deposits between 0.09% and 1.5% (2021: 0.05% and 0.09%).

Managed funds are funds held with Milford Asset Management and Harbour Asset Management in a balanced investment portfolio measured at fair value. The gain/loss on revaluations of these financial assets to fair value are recognised through surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

11. Trade and other receivables

Trade and other receivables are non-interest bearing and receipts are normally on 30 day terms. Therefore, carrying value of accounts and other receivables approximates its fair value.

As at 30 June 2022, all overdue receivables have been assessed for impairment and appropriate allowances made.

Current	2022 $000's	2021 $000's
Trade and other receivables		
Trade receivables from exchange transactions	606	1,146
Allowances for doubtful debts	-	-
	606	1,146
Other receivables		
Accrued interest receivable	-	18
GST receivable	65	158
	65	176
Total current trade and other receivables	**671**	**1,322**
Non-current		
Other receivables		
Other receivables	1,229	543
Total non-current trade and other receivables	**1,229**	**543**

The Board have considered whether an allowance for doubtful debts is appropriate based on historical evidence and have estimated on a percentage basis a doubtful debt allowance on the 90 day and over balances. All receivables are subject to credit risk exposure.

The Board have reviewed the allowance as at 30 June and no further impairment allowance has been recorded for the 2022 year (2021: $nil).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

12. Inventories

Inventory is measured at cost upon initial recognition to the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing each product to its present location and condition. $11.4m of inventories were recognised as an expense during the reporting period. Costs of inventories are accounted for as follows:

(i) Finished goods and work in progress:

Finished goods and work in progress are initially recorded at cost, where cost is direct materials and labour. Costs are assigned on the basis of weighted average costs.

The Group's work in progress consists of land purchased for development and sale, including development in progress.

After initial recognition, inventories are valued at the lower of cost and net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

(ii) Inventory held for sale or provision of services at commercial terms

	2022	2021
	$000's	$000's
Work in progress - land development	81,058	14,691
	81,058	**14,691**

During the year ended 30 June 2022, $nil (2021: $nil) was recognised as an expense in relation to an inventory write-down to net realisable value (NRV). This write-down to NRV would be recognised in general expenses in the consolidated statement of comprehensive revenue and expense.

13. Prepayments and other assets

Prepayments include payments that have been made prior to reporting date, for goods or services that have not yet been delivered. Prepayments also include payments toward the construction of an asset where the asset has not yet been completed or commissioned but for where there is a construction contract in place.

	2022	2021
	$000's	$000's
Prepayments for goods and services not yet consumed	92	-
Other assets	64	-
	156	**-**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

14. Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through nonexchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

The Group holds certain land that is classified as heritage as the land comprises sites that are either held as reserves, memorial sites, or Urupa. Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the consolidated statement of financial position.

Items of property, plant and equipment are subsequently measured either under the:

(i) Cost model

Cost less accumulated depreciation and impairment.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of the credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

All of the Group's items of property, plant and equipment are subsequently measured in accordance with the cost model, except for land and buildings which are subsequently measured in accordance with the revaluation model. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

14. Property, plant and equipment (continued)

c) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

The estimated useful lives are shown below:

	2022	2021
Buildings	10 to 60 years	10 to 60 years
Plant, office equipment, and computers	3 to 30 years	3 to 30 years
Motor vehicles, watercraft, tractors, and trailers	5 to 75 years	5 to 75 years
Fixtures and fittings	5 to 13 years	5 to 13 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed.

Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted if appropriate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

14. Property, plant and equipment (continued)

c) Depreciation (continued)

	Land and buildings	Plant, office equipment, and computers	Motor vehicles, watercraft, tractors and trailers	Work in Progress	Total
Cost or valuation	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Balance at 1 July 2021	1,332	1	36	-	1,369
Additions (exchange)	1,759	1	11	-	1,771
Revaluation	427	-	-	-	427
Balance at 30 June 2022	**3,518**	**2**	**47**	**-**	**3,567**
Accumulated depreciation and impairment					
Balance at 1 July 2021	-	-	6	-	6
Depreciation expense	-	-	7	-	7
Balance at 30 June 2022	**-**	**-**	**13**	**-**	**13**
Net book value at 30 June 2022	**3,518**	**2**	**35**	**-**	**3,555**
Cost or valuation					
Balance at 1 July 2020	767	1	-	-	768
Additions (exchange)	-	-	42	-	42
Revaluation	565	-	-	-	565
Balance at 30 June 2021	**1,332**	**1**	**42**	**-**	**1,375**
Accumulated depreciation and impairment					
Balance at 1 July 2020	-	-	-	-	-
Depreciation expense	-	-	6	-	6
Balance at 30 June 2021	**-**	**-**	**6**	**-**	**6**
Net book value at 30 June 2021	**1,332**	**1**	**36**	**-**	**1,369**

Revaluation of land and buildings

Land and buildings are measured using the revaluation model. Full revaluations are done at least every three years (on the basis of significant market changes and if there is not then it will be done again on a desktop basis). Every other year, land and building are revalued on a desktop basis. These assets were revalued on 30 June 2022. Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

14. Property, plant and equipment (continued)

c) Depreciation (continued)

Revaluation of land and buildings (continued)

As at the date of revaluation, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer with NZ Institute of Valuers.

Significant assumptions included in the valuations were that:

- there are no side agreements that would have an adverse effect on the market value of the property
- all buildings have a seismic strength at a "market acceptable level" for their class
- no significant capital expenditure is required in respect of any buildings or facilities contained therein

15. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

a) Recognition and measurement

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are subsequently measured at fair value by an independent professional. Investment property valuations are reviewed annually.

Market source data has been used to determine the market value of the properties assessed by CBRE Limited. The valuer used a comparison approach using recent market transactions that had occurred on an arm's length basis. Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The forestry land valuation was updated 30 June 2022 by Arotahi Agribusiness Limited on a discounted cash flow basis which uses forest licence fee income as an input. Key assumptions used include discount rate of 6% and annual rental index of 1%. There are three levels of growth applied in determining forestry land valuation. These are log inflation rate of 2% per annum, harvesting and replanting expenses at 6%, and annual growth of 1% for land values.

Other land valuations were updated 30 June 2022 by CBRE. The valuations included land that is currently subject to long-term lease back arrangements with the relevant New Zealand Government (the "Crown") agencies. See note 24 for further detail on the terms of the leases. The methods of valuation used to determine fair value were the income capitalisation or discounted cashflow approach with a check by the direct comparison approach.

All valuers used by the Group are independent and are accredited valuers with NZ Institute of Valuers.

Other land (from non-exchange transactions) is held as investment land where there has been no clear indication on a particular use for the land.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

15. Investment properties (continued)

a) Recognition and measurement (continued)

Investment Property	2022 $000's	2021 $000's
Balance at 1 July	91,713	70,412
Additions - from subsequent expenditure	1,270	-
Additions - from acquisitions	4,161	9,346
Fair value adjustment through surplus and deficit	5,726	11,955
Total fair value of investment property at 30 June	**102,870**	**91,713**

Investment property includes:

- forestry land in Nelson and Marlborough currently planted in pine and operated as a forestry operation. The forestry operation is owned and controlled by unrelated parties, and the land is leased to the forester under the terms of the present Crown Forestry Licence.
- police stations in Richmond and central Wellington, that are subject to lease back arrangements with New Zealand Police. The lease back arrangements have initial terms to 2025 (Richmond) and 2036 (Wellington) with further perpetual terms of renewal.
- property at Benmore Crescent, for which the Group has entered into a 125 year renewable ground lease and development agreement with Building-Solutions Limited. The lease term commences once the property has been rezoned by Hutt City Council to Special Business or its equivalent.

Minimum future rental payments receivable are disclosed in note 24.

b) Reclassifications

When the use of the investment property changes to owner occupied, such that it results in a reclassification of investment property to property, plant and equipment, the property's fair value at the date of reclassification becomes its cost for subsequent accounting.

16. Intangible assets

a) Recognition and measurement

Intangible assets are initially measured at cost. The cost of intangible assets acquired through non-exchange transactions is their fair value at the date of the exchange.

Following initial recognition, intangible assets are measured as follows:

- NZ Forestry Emission Units are carried at fair value. NZ Forestry Emission Units have an indefinite life and therefore are not amortised. NZ Forestry Emmission Units are fair valued annually. Gains/losses on revaluation of NZ Forestry Emission Units are recognised in other comprehensive revenue and expense and accumulated in the intangible revaluation reserve within net assets/equity. Losses on revaluation in excess of the balance of the intangible revaluation reserve for that asset are recognised in surplus or deficit. Gains on revaluation are recognised in surplus or deficit to the extent they reverse losses on the same asset previously recognised in surplus or deficit

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

16. Intangible assets (continued)

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit.

c) Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful life of each amortisable intangible asset.

The estimated useful lives of each amortisable intangible asset are:

NZ Forestry Emissions Units (NZU) Indefinite life

NZ Forestry Emissions Units	2022 $000's	2021 $000's
Cost or valuation		
Balance at 1 July 2021	6,463	4,745
Revaluation	4,842	1,718
Balance at 30 June 2022	**11,305**	**6,463**
Accumulated amortisation and impairment		
Balance at 1 July 2021	-	-
Amortisation or impairment	-	-
Balance at 30 June 2022	**-**	**-**
Net book value at 30 June 2022	**11,305**	**6,463**

The New Zealand Emissions Trading Scheme (ETS) is the system in which New Zealand Units (NZUs) are traded. Under the ETS, certain sectors are required to acquire and surrender NZUs or other eligible emission units to account for their direct greenhouse gas emissions or emissions associated with their products.

The Board did not resolve to sell units in 2022 (2021: nil). A balance of 148,747 carbon credits remain. These carbon units are accounted for at revalued amounts using the daily NZU price from Carbon Forest Services. As at 30 June 2022, NZU price is $76.

The Group expects that the current licensors will continue to replant and keep these areas forested for the term of the licences (31+ years). The land is not considered suitable for a purpose other than forestry. In the event that areas of land are handed back in accordance with the Crown licence term during or at the end of the term, the expectation is that the land would either be replanted or that native bush would be allowed to regenerate. In the event that the land is handed back, is not replanted, and that native bush has not regenerated to the correct density within ten years of the land hand back, then a liability may be incurred. This potential liability is not recognised in the financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

17. Joint arrangements and associates

a) Joint operation

The Group held 50% share in a limited partnership, Kenepuru LP, and its general partner, Kenepuru Developments Limited until 31 March 2022. Kenepuru Developments Limited has control over Kenepuru LP. The Group obtained 100% control of Kenepuru Developments Limited and of Kenepuru LP in 31 March 2022 (see note 7). Until 31 March 2022, Kenepuru LP and Kenepuru Developments Limited were recognised as a joint operation, and the Group's 50% share is included in the consolidated financial statements on a line by line basis and now are recognised as controlled entities.

Prior to the Group obtaining 100% control of Kenepuru Developments Limited and Kenepuru LP, a loan over and above the original capital committed was agreed to fund stage 1 and 2 of the developments in the joint operation. This loan was interest-bearing at a rate of 6% per annum. After 100% control was obtained, the loan was no longer existing from a Group perspective.

b) Joint venture

On 4 October 2021, the Group acquired 50% of the share capital of Switched On Group Ltd (SOG) for $6.6m. SOG is a building solutions company. SOG is classified as a joint venture.

The Group has existing 66.7% ownership of the share capital of Aegis Retirement Living Limited, which owns 100% of Whitby Village (2009) Limited and Aegis Projects Limited (together, the "Aegis Group"). The Aegis Group owns and operates a retirement village in Whitby, Porirua. While the Group has 66.7% ownership of Aegis and has the right to 66.7% of Aegis equity and profits, it is still classified as a joint venture because the Group's existing rights do not allow to direct the relevant activities of Aegis. Aegis has 3 directors, and every decision requires unanimous approval of its Board.

These include issuance of shares, approval of annual business plan and budget, entry into contracts, and incurrence of or agreement to incur any expense of an amount exceeding a certain threshold.

Joint ventures are accounted for using the equity method. The share of the net surplus of joint ventures is recognised as a component of operating revenue in surplus or deficit, after adjusting for any differences between the accounting policies of the Group and joint ventures. Dividends received from joint ventures are credited to the carrying amount of the investment in joint ventures. The balance of goodwill arising on acquisition is included in the carrying amount of the joint venture. When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued.

Aegis Group has a reporting date of 31 March. The consolidated financial statements includes Aegis Group management figures for the year ended 30 June. SOG's reporting date is 30 June.

c) Associates

On 5 April 2022, the Group acquired a 30% shareholding in Armillary Limited for $1.2m. This company provides investment banking services and has a reporting date of 31 March. The consolidated financial statements includes Armiliary Limited's management figures for the year ended 30 June.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

18. Trade and other payables

	2022	2021
	$000's	$000's
Trade payables from exchange transactions	56	554
Other payables		
Sundry accruals	468	7,458
GST payable	5	7
Total trade and other payables	**530**	**8,019**

Trade payables are non-interest bearing and are normally settled within 30 days and are therefore reflected at their fair value. See note 22d for the accounting policy for trade and other payables.

19. Deferred income

Deferred income relates to income in the Group's joint operation where obligations attached to the receipt of the funds have not fully been met at reporting date. These conditions or obligations are expected to be met within 30 to 60 days of reporting date and are considered current liabilities.

20. Income in advance

Forestry Licence fees, residential rent and rent from lease back investment properties received in advance is rent received for future periods, where the service has not yet been delivered to the customer and the revenue is deferred to another period.

21. Income tax

The Trust has Māori Authority tax status and current tax is calculated at 17.5%. Whenua Toa Trust is taxed at 33%. Other Trust controlled entities are currently taxed at 28%.

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in surplus or deficit except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive revenue and expense. Tax relating to items recognised directly in equity or in other comprehensive revenue and expense is also recognised in equity or other comprehensive revenue and expense, respectively.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

21. Income tax (continued)

	2022	2021
	$000's	$000's
Opening tax payable	291	432
Resident withholding tax paid	(13)	(135)
Tax payments made to Inland Revenue	(620)	(484)
Refunds received	-	67
Tax expense	6,278	-
Deferred tax adjustment	(6,130)	-
Current tax payable	1,780	411
Closing balance liability	**1,586**	**291**

The major components of income tax expense for the years ended 30 June 2022 and 2021 are:

	2022	2021
	$000's	$000's
Current income tax expense	148	304
Adjustments in respect of current income tax of previous year	-	107
Deferred tax expense	6,130	-
Income tax expense in surplus or deficit	**6,278**	**411**

The deferred tax liabilities balance comprises temporary differences attributable to:

	2022	2021
	$000's	$000's
Other fair value gain (at 17.5%)	**6,130**	**-**

	2022	2021
Movements of deferred tax liabilities:	**$000's**	$000's
Opening balance	-	-
Credited/charged to the profit and loss	6,130	-
Closing deferred tax liability balance	**6,130**	**-**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

21. Income tax (continued)

Reconciliation of tax expense and the accounting profit, multiplied by New Zealand's domestic tax rate for 2022 and 2021:

	2022	2021
	$000's	$000's
Surplus for the year before tax	64,510	27,144
Share of profit from joint venture	(8,536)	(7,223)
	55,974	19,921
At statutory income tax rate of 28% (2021: 28%)	15,673	5,578
Effect of different tax rates	(5,379)	(1,622)
Effect of non-taxable activities	(6,080)	(3,799)
Utilisation of previously unrecognised tax losses	-	-
Other non-deductible expenses	284	148
Adjustment in respect of previous years	-	107
Purchased tax liability	1,780	-
Income tax expense in surplus or deficit	**6,278**	**411**

22. Financial instruments

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights lo 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 Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group 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 consolidated statement of financial position when, and only when the Group 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.

The Group classifies the financial assets into the following categories: fair value through surplus or deficit, loans and receivables and available-for-sale.

The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and at amortised cost.

a) Cash and cash equivalents

Cash and cash equivalents 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

22. Financial instruments (continued)

b) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise short-term deposits, trade and other receivables, and other investments.

c) 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 includes share investments which are measured at cost less any impairment charges, as they do not have a quoted market price and their value cannot be reliably measured.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expense and are reported within the "available-for-sale reserve" within equity.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in the available-for-sale reserve is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expense. Any associated interest income or dividends are recognised in surplus or deficit within "investment income".

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

d) Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through surplus or deficit (FVTSD).

- amortised cost financial liabilities are non-derivative financial liabilities and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities at amortised cost includes trade and other payables.
- FVTSD financial liabilities are those financial liabilities classified as held for trading, derivatives, or designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

22. Financial instruments (continued)

f) 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.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group 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 Group, 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 Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original EIR. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

g) Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is: held-for-trading; derivatives where hedge accounting is not applied; or designated at initial recognition, when the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Those fair value through surplus or deficit instruments sub-classified as held-for-trading comprise investment in managed funds that include Milford Asset Management Limited and Harbour Asset Management. Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

22. Financial instruments (continued)

g) Fair value through surplus or deficit (continued)

The table below shows the carrying amount and classification of the Group's financial assets and liabilities:

	Financial assets			Financial liabilities		
	Loans and receivables	Fair value through surplus or deficit	Available-for-sale	Liabilities at amortised cost	Fair value through surplus or deficit	Total
2022	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Cash and cash equivalents	2,492	-	-	-	-	2,492
Managed funds	-	16,457	-	-	-	16,457
Trade and other receivables	1,900	-	-	-	-	1,900
Related party receivables	30,414	-	-	-	-	30,414
Trade and other payables	-	-	-	(530)	-	(530)
Related party payables	-	-	-	(37,615)	-	(37,615)
	34,806	**16,457**	**-**	**(38,145)**	**-**	**13,118**
2021						
Cash and cash equivalents	34,992	-	-	-	-	34,992
Managed funds	-	49,972	-	-	-	49,972
Trade and other receivables	1,865	-	-	-	-	1,865
Trade and other payables	-	-	-	(8,019)	-	(8,019)
Related party payables	-	-	-	(8,494)	-	(8,494)
	36,857	**49,972**	**-**	**(16,513)**	**-**	**70,316**

23. Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets and intangible assets not yet available for use are tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of the asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated cash flows (for CGU) or future remaining service potential (for non-cash generating units) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash generating assets and non-cash generating assets are distinguished by the smallest identifiable unit that is used to generate a cash inflow from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

24. Leases (as lessor and lessee)

Leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

a) Rental lease revenue as lessor

Rental lease revenue received under operating leases is recognised on a straight line basis over the term of the lease. This excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service.

Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

b) Current rental revenue as lessor

Toa Rangatira Investment Properties Limited manages the rental income of the Forestry lands that were purchased from the Crown on 1 August 2014. The current Crown Forestry Licence has a termination date of 35 years. The licence fees are reviewed every 3 years (periodic review) and can be reviewed every 9 years (general review). Toa Rangatira Investment Properties Limited also manages the rental income from the land leased to NZ Police.

Minimum future lease payments receivable under non-cancellable operating leases are as follows:

	2022	2021
	$	$000's
Within one year	314,087	3,637
Between one and five years	727,549	14,147
More than five years	827,179	67,603
Total minimum future lease receivable	**1,868,815**	**85,387**

25. Reserves

a) Treaty settlement reserve

Cash funds and other assets (land, buildings, quota share etc.) received from the Treaty of Waitangi Claims are initially recorded through the consolidated statement of comprehensive revenue and expense and are then transferred to the treaty and fisheries settlement reserve. The funds are separately distinguished reserves so as to retain the core amounts received under settlement.

	2022	2021
	$000's	$000's
Balance as at 1 July	111,591	111,591
Movement this year	-	-
Balance at 30 June	**111,591**	**111,591**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

25. Reserves (continued)

b) Asset revaluation reserves

(i) Asset revaluation reserve - land and buildings

The asset revaluation reserve - land and buildings is used to record the increases and decreases in the fair value of land and buildings. Land and buildings are revalued at least every three years or where there is an indication that the carrying amount may be materially different.

(ii) Asset revaluation reserve - intangible assets

The asset revaluation reserve - intangible assets is used to record the increases or decreases in the fair value of the NZ Forestry Emissions Units. The reserve cannot fall into deficit. If it falls into deficit, the difference over and above is recognised in surplus or deficit.

	2022	2021
Asset revaluation reserve - land and buildings	**$000's**	$000's
Balance as at 1 July	565	-
Other comprehensive revenue and expense	427	565
Balance at 30 June	**992**	**565**
Asset revaluation reserve - intangible assets		
Balance as at 1 July	5,846	4,128
Other comprehensive revenue and expense	4,841	1,718
Balance at 30 June	**10,687**	**5,846**
Total asset revaluation reserves	**11,679**	**6,411**

26. Related parties

a) Ultimate parent

Te Rūnanga o Toa Rangatira Incorporated is the ultimate controlling entity of the Group.

The financial statements include the financial statements of the Trust, its subsidiaries and other controlled entities, as listed in note 4. Other related parties are the Group's joint arrangements.

b) Related party transactions

Related parties are the controlling entity and its controlled entitities. Transactions with the controlling entity include administration services and funding. Transactions with other contolled entities of the controlling entity include expense recharges.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

26. Related parties (continued)

b) Related party transactions (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharges	Related party advances	Related party payables
		$000's	$000's	$000's
Ultimate controlling entity	2022	2,001	82	37,602
	2021	2,969	-	8,494
Other subsidiaries of controlling entities	2022	40	30,332	13
	2021	6	-	-
Total related party transactions	**2022**	**2,041**	**30,414**	**37,615**
	2021	**2,975**	**-**	**8,494**

Terms and conditions of transactions with related parties

Transactions with related parties are recorded on terms agreed between the parties. Outstanding balances are unsecured and interest free and settlement occurs in cash or by netting.

c) Key management personnel

In March 2020, Mr Leon Grandy, a director of Armillary Limited, was contracted to serve as Group Treasurer and Acting General Manager Investments and Innovation for the Group. At that time, Armillary Limited had been engaged by the previous shareholders of Aegis Retirement Living Limited to sell down their equity and refinance their debt. Mr Grandy's interest in the engagement was disclosed to the Group Audit Risk and Investment Committee and resulted in the appointment of Deloitte to conduct due diligence on Aegis Group acquisition. At the completion of the transaction, a fee of $618,000 was paid by Aegis Retirement Living Limited to Armillary Limited as part of both the debt restructure and sale and purchase of shares in Whitby Village (2009) Limited. In December 2020 the Group appointed Mr Grandy as a director of Aegis post its acquisition of the shares.

On 5 April 2022, the Group acquired 65,000 shares of Armillary for $1.2m and was also allotted 13,804 subscription shares, giving the Group a total holding of 78,804 shares or 30% ownership interest.

On 29 March 2022, the Group transferred 724,656 Aegis' redeemable preference shares to Armillary Corporate Trustee No.2 Limited. A total consideration of $750,000 was received by the Group.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

27. Contingencies and commitments

a) Contingent liabilities

The Group has no contingent liabilities as at reporting date (2021: nil).

b) Commitments

The Group has committed expenditure for maintenance and capital work on major housing remediation and development projects at 30 June 2022 of $7.5m (2021: $765,000). The Group has no other commitments as at reporting date.

28. Events subsequent to balance date

On 20 July 2022, the Group received a prepayment of $23.5m from OneFortyOne NZ Limited. This amount represents prepayment of forestry license fees from August 2022 to September 2036. The payment received by the Group is net of effective discount rate of 9.40%. Additional payments are to be made April of every year as actual CPI/PPI/market review data is updated.

On 1 September 2022, the Group formally submitted a notice of interest (NOI) to the Ministry of Education (MOE) to purchase tranche 3 deferred selection properties. These include 27 schools located throughout the wider Lower and Upper Hutt areas identified in the Deed of Settlement. The submission of NOI formally commence the purchase process.

The Group owns 66.67% shares of Aegis Group (see note 17). On 3 September 2022, the sale and purchase agreement for Silverstream Village was declared unconditional. Aegis Retirement Living Limited will acquire Silverstream Lifestyle Retirement Village for $13m. An offer of funding has been provided by Kiwibank for $8m, and the balance of the settlement ($5m) will be through issuance of redeemable preference shares by Aegis to the Group.

Effective 30 September 2022, the Group purchased building supplies companies, Parapine Timber Limited, Paraparaumu Prenail Limited, and Harmo Investments Limited. The Group paid a cash consideration of $6.5m and issued fully paid subscription shares worth $6.5m.

Independent auditor's report

To the trustees of Toa Rangatira Trust Group

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF TOA RANGATIRA TRUST GROUP

Opinion

We have audited the consolidated financial statements of Toa Rangatira Trust ("the Parent") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Parent or any of its subsidiaries.

Board's Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group 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 either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

To the trustees of Toa Rangatira Trust Group

BDO Wellington Audit Limited

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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-7/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Parent's Trustees, 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 Parent and the Parent's Trustees, 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
9 November 2022

Financial Statements

Whakaputanga Ahumoni Kimihia Number 1 Limited

Rārangi Ūpoko

Corporate Information

Nature of business
Investment property leasing

Date of Incorporation
13 October 2021

Company number
8243989

Charities registration
CC59506

Registered office
26 Ngatitoa Street
Porirua
New Zealand

Shareholder	Ordinary share
Te Tumu Whakatupu Limited	60,000,000

Auditors
BDO Wellington Audit Limited

Bankers
ANZ Bank New Zealand Limited

Solicitors
Dentons Kensington Swan
Wellington

Directors' report

The directors present their annual report including financial statements of Kimihia Number 1 Limited ("the Company") for the period ended 30 June 2022.

Reporting entity

The business of the Company is investment property leasing. The nature of the Company's business has not changed during the nine month period.

Auditors

The Company's auditors were BDO Wellington Audit Limited. BDO Wellington Audit Limited is willing to continue as the Company auditors.

Directors' disclosures

The following held office as directors during the nine month period:

Christian Aaron Katene	Appointed: 13 October 2021
Helmut Karewa Modlik	Appointed: 13 October 2021
Leon Daniel Grandy	Appointed: 13 October 2021

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the Company.

Directors received $nil remuneration for the nine month period.

The board of directors received no notice during the year from any director wishing to use company information received in their capacity as a director 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 Rūnanga o Toa Rangatira Incorporated to cover the officers of the Company.

Donations

No donations were made by the Company during the period.

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.

For and on behalf of the Board of Directors:

Helmut Karewa Modlik
Board Chairman

25 October 2022

Leon Daniel Grandy
Director

25 October 2022

Statement of comprehensive revenue and expense
For the period ended 30 June 2022

	Note	2022
		$000's
Revenue from exchange transactions	4	3,337
Gain on interest rate swaps	7	225
Gain on revaluation of investment property	8	96,037
Total operating revenue		**99,599**
Expenses		
Accounting fees		(90)
Audit fees		(26)
Consultants fees		(587)
Debt origination fees		(2,797)
Funding arrangement and establishment fees		(1,056)
Legal Fees		(202)
Other expenses		(61)
Valuation fees		(144)
Total operating expenses		**(4,963)**
Surplus before net income on financial investments		**94,411**
Interest income		32
Interest expense		(2,583)
Net interest expense		**(2,551)**
Surplus for the year		**92,084**
Total comprehensive revenue and expense for the year		**92,084**

The above statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

	Note	2022
Assets		**$000's**
Current assets		
Cash and cash equivalents	5	9,331
Trade and other receivables	6	1,267
		10,598
Non-current assets		
Derivative financial instruments	7	225
Investment property	8	448,215
		448,440
Total assets		**459,038**
Liabilities		
Current liabilities		
Trade and other payables	9	3,114
Loans and borrowings	10	1,314
		4,428
Non-current liabilities		
Loans and borrowings	10	302,525
		302,525
Total liabilities		**306,953**
Net assets		**152,084**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of financial position (continued)

As at 30 June 2022

Equity	Note	2022 $000's
Share capital	11	60,000
Accumulated comprehensive revenue and expense		92,084
Total equity		**152,084**

For and on behalf of the Board, who authorised the issue of these financial statements on 25 October 2022:

Helmut Karewa Modlik
Board Chairman
25 October 2022

Leon Daniel Grandy
Director
25 October 2022

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the period ended 30 June 2022

	Share Capital (note 11) $000's	Accumulated comprehensive revenue and expense $000's	Total Equity $000's
Balance at 13 October 2021	**-**	**-**	**-**
Comprehensive revenue and expense for the year			
Surplus for the year	-	92,084	92,084
	-	**92,084**	**92,084**
Transactions with owners			
Share capital issued	60,000	-	60,000
Balance at 30 June 2022	**60,000**	**92,084**	**152,084**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the period ended 30 June 2022

	Note	2022
		$000's
Cash flows from operating activities		
Proceeds from rental income		3,337
Interest received		32
Payments made to suppliers and others		(4,836)
Net GST received		274
Net cash outflow from operating activities		**(1,193)**
Cash flows from investing activities		
Acquisition of investment property		(352,178)
Advances to related parties		(1,265)
Net cash outflow from investing activities		**(353,443)**
Cash flows from financing activities		
Proceeds from loans and borrowings		303,839
Advances from related parties		128
Share capital issued		60,000
Net cash inflow from financing activities		**363,967**
Net increase in cash and cash equivalents		**9,331**
Cash and cash equivalents at 13 October		-
Cash and cash equivalents at 30 June	5	**9,331**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the period ended 30 June 2022

1. Reporting entity

The financial statements of Kimihia Number 1 Limited ("the Company") for the period ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors.

The Company is a public benefit entity incorporated in New Zealand under the Companies Act 1993 and registered on the Charities Register on 13 October 2021.

The principal business operation of the Company is the management of investment property. These financial statements are for a 8.5 month period from incorporation to 30 June 2022, consequently there are no comparatives for the prior financial year.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Companies Act 1993, the Financial Reporting Act 2013, and the Charities Act 2005.

The Company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 2 reporting as it does not have public accountability and for the current reporting period it has had between $2m and $30m operating expenditure. The Company reports as a Tier 2 entity and has used accounting policies consistent with its shareholder Te Tumu Whakatupu Limited, and the ultimate parent entity, Te Rūnanga o Toa Rangatira Incorporated.

The Company has taken advantage of all reduced reporting disclosure requirements available and the financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities.

These financial statements are for the period ended 30 June 2022 and were authorised for issue by the Board on 25 October 2022.

b) Measurement basis

The financial statements have been prepared on an historical cost basis except for the following items, which are measured at fair value on each reporting date.

Items	Note	Measurement bases
Derivative financial instruments (financial liabilities at fair value through surplus/deficit-held for trading)	7	Fair value
Investment property	8	Fair value

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Company's functional currency.

d) 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.

Notes to the financial statements (continued)

For the period ended 30 June 2022

3. Significant accounting policies

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

a) 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 with original maturities of three months or less.

b) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Bad debts are written off in the year in which they are identified.

c) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not held for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment properties are subsequently measured at fair value by an independent professional. Investment property valuations are reviewed annually, with fair value gains and losses being recognised in surplus or deficit.

d) Trade and other payables from exchange transactions

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

e) Loans and borrowings

Loans and borrowings are financial liabilities with fixed or determinable payments that are not quoted in an active market. Loans and borrowings are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

f) Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Company's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

Exchange transactions are transactions in which the Company receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to the other party in exchange.

(i) Rental income

Rental income on investment property leases is recognised in surplus or deficit on a straight line basis over the term of the lease (note 12).

Notes to the financial statements (continued)

For the period ended 30 June 2022

3. Significant accounting policies (continued)

f) Revenue (continued)

Revenue from non-exchange transactions

Non-exchange transactions are those where the Company receives an inflow of resources but provides nominal, or no direct consideration in return for the inflow. Inflows of resources from non-exchange transactions are only recognised as assets where it is probable that the associated future economic benefit or service will flow to the entity and fair value can be reliably measured.

g) Operating leases - lessor

Rental lease revenue excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service. Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

h) Income tax

The Company is registered with the Charities Commission and has charitable status for income tax purposes and is therefore not liable for income tax.

i) Financial instruments

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

The Company 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 Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company 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 of the risks and rewards of ownership of the financial asset transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

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

The Company's financial assets are classified as loans and receivables. The Company's financial liabilities are classified as held at amortised cost.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents 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.

Notes to the financial statements (continued)

For the period ended 30 June 2022

3. Significant accounting policies (continued)

i) Financial instruments (continued)

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables, (excluding GST payable) and loans and borrowings.

Impairment of non-derivative financial assets

A financial asset 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.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due on terms that would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers.

4. Revenue from exchange transactions

	2022
	$000's
Rental income	3,337
Total trading revenue from exchange transactions	**3,337**

5. Cash and cash equivalents

	2022
	$000's
Cash at bank and on hand	9,331
Cash and cash equivalents in the statement of cash flows	**9,331**

Per annum annual interest rate ranges to components of cash and cash equivalents:

	2022
Bank deposits	0.05-0.50%
Call deposits	0.09-1.5%

Notes to the financial statements (continued)

For the period ended 30 June 2022

5. Cash and cash equivalents (continued)

The Company has no control over the bank accounts which are managed by the security trustee, NZ Guardian Trust.

There is no overdraft facility.

6. Trade and other receivables

Current	Note	2022 $000's
Trade and other receivables		
Related party advances	13b	1,267
Total current trade and other receivables		**1,267**

7. Derivative financial assets at fair value through surplus/deficit-held for trading

	2022 $000's
Interest rate swaps	225
Total derivative financial assets at fair value through surplus/deficit-held for trading	**225**

8. Investment property

	2022 $000's
Reconciliation of carrying amount	
Balance at 13 October 2021	-
Additions - from acquisitions	352,178
Fair value adjustment	96,037
Balance at 30 June 2022	**448,215**

Investment property consists of school grounds in Wellington and Porirua, that are subject to leaseback arrangements with the Ministry of Education. The leaseback arrangements have initial terms to 21 years with further perpetual terms of renewal.

Market source data has been used to determine the market value of the properties assessed by Darroch Property Advisors and Valuers. The valuer used a comparison approach using recent market transactions that had occurred on an arm's length basis. Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Land valuations were updated on 30 June 2022 by Darroch Property Advisors and Valuers. The method of valuation used to determine fair value is the income capitalisation or discounted cashflow approach with a check by the direct comparison approach.

The valuer used by the Company is independent and a member of the NZ Institute of Valuers.

Notes to the financial statements (continued)

For the period ended 30 June 2022

9. Trade and other payables

	Note	2022
		$000's
Sundry accruals		2,711
GST payable		275
Related party payables	13	128
Total trade and other payables		**3,114**

10. Loans and borrowings

Current	**2022 $000's**
Secured bank loans	**1,314**
Non-current	
Secured bank loans	302,525
Total current and non-current loans and borrowings	**303,839**

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

		2022	
	Year of maturity	**Face value**	**Carrying amount**
		$000's	**$000's**
Secured bank loan	2037	95,895	94,696
Secured bank loan	2037	95,895	94,696
Secured bank loan	2037	95,895	94,696
Secured bank loan	2037	20,000	19,750
Total interest-bearing liabilities		**307,685**	**303,839**

All loans and other borrowings are in New Zealand dollars. The bank loans are secured over land with a fair value of $448.2m.

Notes to the financial statements (continued)

For the period ended 30 June 2022

11. Share capital

	2022	2022
	Number of shares	$000's
Balance at 13 October 2021	-	-
60,000,000 ordinary shares - issued and fully paid at $1.00	60,000	60,000
Balance at 30 June 2022	**60,000**	**60,000**

Ordinary shares have no par value. Each share carries the right to vote at a meeting of shareholders, receive dividends as duly declared by directors and receive a share of any surplus on dissolution of the Company.

Ordinary shares may be held only by an entity that is established exclusively for charitable purposes that is consistent with the objectives of the Company.

12. Leases (as lessor)

Minimum future lease payments receivable under non-cancellable operating leases are as follows:

	2022
	$000's
Within one year	21,978
Between one and five years	87,910
More than five years	347,977
Total minimum future lease receivable	**457,865**

Notes to the financial statements (continued)

For the period ended 30 June 2022

13. Related party disclosures

a) Ultimate parent

Te Rūnanga o Toa Rangatira Incorporated is the ultimate controlling entity and owns 100% of the shares in Te Tumu Whakatupu Limited, the 100% shareholder of the Company. Te Tumu owns $60m worth of Kimihia's share capital (see note 11).

b) Transactions with related parties

The Company pays $350,000 p.a. of administration fees commencing 5 May 2022 to Te Rūnanga o Toa Rangatira Incorporated. The administration fees incorporates all management and related staff expenses for services provided to the Company to manage day to day operations.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		Related party receivables	Related party payables
		$000's	$000's
Ultimate controlling entity	2022	-	128
Te Tumu Whakatupu Limited	2022	1,267	-

The receivable relates to $1.3m of financing and arrangement fees that the entity settled on behalf of Te Tumu Whakatupu Limited.

During the reporting period, the Company paid a total fee of $675,400 to Armillary Limited for the latter's provision of debt and financing advisory services. Mr. Leon Grandy is a director of both Armillary Limited and Kimihia Number 1 Limited.

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 Rūnanga o Toa Rangatira Incorporated to cover the officers of the Company.

14. Key management personnel

Key management personnel of the Company includes the directors of the Company and senior management.
The directors and senior management are employed by other group companies, with no recharge to the Company for their services.

15. Contingencies and commitments

a) Contingent liabilities

At reporting date there are no known contingent liabilities (2021: $nil).

b) Commitments

There were no commitments other than those in the ordinary course of business (2021: $nil).

16. Significant events after balance date

There were no significant events occurring after reporting date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Independent auditor's report

To the shareholders of Kimihia Number 1 Limited

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF KIMIHIA NUMBER 1 LIMITED

Opinion

We have audited the financial statements of Kimihia Number 1 Limited ("the Company"), which comprise the statement of financial position as at 30 June 2022 and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period 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 2022 and its financial performance and its cash flows for the period 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 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 directors determine/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.

Independent auditor's report (continued)

To the shareholders of Kimihia Number 1 Limited

BDO Wellington Audit Limited

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.

Report on Other Legal and Regulatory Requirements

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
25 October 2022

Financial Statements

Whakaputanga Ahumoni Ora Toa PHO Limited

Rārangi Ūpoko

Corporate Information

Nature of business
Primary Health Organisation

Date of incorporation
23 May 2007

Company number
1942404

Charities registration
CC42277

Registered office
3 Wi Neera Drive
Porirua
New Zealand

Shareholder	Ordinary share
Te Rūnanga o Toa Rangatira Incorporated	1

Auditors
BDO Wellington Audit Limited

Bankers
Westpac Banking Corporation

Solicitors
Dentons Kensington Swan
Wellington

Directors' report

The directors present their annual report including financial statements of Ora Toa PHO Limited ("the Company") for the year ended 30 June 2022.

Reporting entity

The business of the Company is as a Primary Health Organisation. 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.

Directors' disclosures

The following held office as directors during the year:

Cassius Poe Kuresa	Appointed: 17 May 2018
Janet Mei Collier-Taniela	Appointed: 8 July 2021
Patariki Bern Hippolite	Appointed: 8 July 2021
Renei Tara Wineera-Parai	Appointed: 8 July 2021
Stephen Arana Kenny	Appointed: 8 July 2021
Trini Te Uru Whakawaia Moana Ropata-Tawhiri	Appointed: 8 July 2021
Faith Louise Woodcock	Resigned: 18 February 2022
Teiringa Heather Davies	Resigned: 18 February 2022

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the Company.

Directors received $10,750 in total during the year for attendance of nine board meetings held in 2022. Directors received $1,750 in total during the year for attendance at the five board meetings held in 2021.

The board of directors received no notice during the year from any director wishing to use company information received in their capacity as a director 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 Rūnanga o Toa Rangatira Incorporated to cover the officers of the Company.

Donations

No donations were made by the company during the year (2021: $nil).

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.

For and on behalf of the Board of Directors,

Ranei Wineera-Parai

Ranei Wineera Parai
Board Chairman

1 November 2022

Jennie Smeaton
Director

1 November 2022

Statement of comprehensive revenue and expenses

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Contract income	4	11,729	11,875
Cost of sales	5	(11,505)	(11,446)
Surplus from contract services		**224**	**429**
Grants received		14	97
Total revenue from operations		**238**	**526**
Less operating expenses			
Administration expenses		130	24
Accounting fees		10	21
Audit fees		15	31
Computer expenses		67	53
Other expenses		2	-
Motor vehicle expenses		2	20
Rent and rates		30	18
Personnel expenses		47	234
Total operating expenses		**303**	**401**
(Deficit)/surplus before depreciation		(65)	125
Depreciation expense		-	-
Total comprehensive revenue and expense for the year		**(65)**	**125**

The above consolidated statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

	Note	2022 $000's's	2021 $000's's
Assets			
Current assets			
Cash and cash equivalents	6	392	944
Trade and other receivables	7	1,742	2,277
Prepayments		1,915	512
		4,049	**3,733**
Non-current assets			
Property, plant, and equipment	8	-	-
		-	-
Total assets		**4,049**	**3,733**
Liabilities			
Current liabilities			
Trade and other payables	9	1,229	2,628
Income received in advance		2,144	365
		3,373	**2,993**
Total liabilities		**3,373**	**2,993**
Net assets		**675**	**740**
Equity			
Share capital	10	-	-
Accumulated comprehensive revenue and expense		675	740
Total equity		**675**	**740**

For and on behalf of the Board, who authorised the issue of these financial statements on:

Ranei Wineera-Parai

Name
Board Chairman
1 November 2022

Name
Director
1 November 2022

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Share Capital (note 10) $000's	Accumulated comprehensive revenue and expense $000's	Total Equity $000's
Balance at 1 July 2021	**-**	**740**	**740**
Comprehensive revenue and expense			
Deficit for the year	-	(65)	(65)
Other comprehensive revenue and expense	-	-	-
	-	**(65)**	**(65)**
Balance at 30 June 2022	-	**675**	**675**
Balance at 1 July 2020	**-**	**615**	**615**
Comprehensive revenue and expense			
Surplus for the year	-	125	125
Other comprehensive revenue and expense	-	-	-
	-	**125**	**125**
Balance at 30 June 2021	**-**	**740**	**740**

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Cash flows from operating activities			
Proceeds from contract income		13,317	11,248
Proceeds from grants received		14	97
Payments made to suppliers and others		(14,524)	(10,673)
Net GST (paid)/received		141	(194)
Net cash (outflow)/inflow from operating activities		**(1,052)**	**478**
Cash flows from investing activities			
Repayments from/(advances to) related parties		500	(500)
Net cash inflow/(outflow) from investing activities		**500**	**(500)**
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		-	-
Net decrease in cash and cash equivalents		**(552)**	**(22)**
Cash and cash equivalents at 1 July		944	966
Cash and cash equivalents at 30 June	6	**392**	**944**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

1. Reporting entity

The financial statements of Ora Toa PHO Limited (the Company) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors.

The Company is a public benefit entity incorporated in New Zealand under the Companies Act 1993 and registered on the Charities Register on 15 September 2009.

The charitable objectives of the Company are:

- improve community health outcomes in Porirua and surrounding districts in accordance with Ministry of Health service specifications;
- consolidate and integrate the delivery of services to more effectively meet the needs of the population; and
- pursue any other objectives the directors consider are consistent with the above objectives.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Companies Act 1993 and the Charities Act 2005.

The Company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 2 reporting as it does not have public accountability and for the past two reporting periods it has had between $2m and $30m operating expenditure. The Company reports as a Tier 2 entity and has used accounting policies consistent with its shareholder, Te Rūnanga o Toa Rangatira Incorporated.

The Company has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities. The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit public benefit entities.

These consolidated financial statements are for the year ended 30 June 2022 and were authorised for issue by the Board on 1 November 2022.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Company has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of the government in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of the Company. The scale and continuing duration of these developments remains uncertain at the date of this report. During the year, the Company has been affected by periods under COVID-19 restrictions during August 2021 and March 2022.

Although the Company has been impacted by COVID-19, the Board has concluded the Company will be able to continue operating for the foreseeable future.

b) Measurement basis

The financial statements have been prepared on an historical cost basis.

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Company's functional currency.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

d) 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.

e) Changes in accounting policies

There have been no changes in accounting policies. The accounting policies have been applied consistently to all periods presented in these financial statements.

f) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. Significant accounting policies

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

a) 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 statement of financial position as current liabilities within short term borrowings.

There are no restrictions over any of the cash and cash equivalent balances held by the Company.

b) Trade and other receivables

Trade and other receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

c) Trade and other payables

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

d) Revenue

Revenue arises from non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Company's revenue streams must also be met before revenue is recognised.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Company receives an inflow of resources but provides nominal, or no direct consideration in return for the inflow. Inflow of resources from non-exchange transactions are only recognised as assets where it is probable that the associated future economic benefit or service will flow to the entity and fair value can be reliably measured.

(i) Funding for Health Services

Health service contract funding is recognised when all obligations and restrictions surrounding the receipt of funding have been met and have been accepted as met, by the funding organisation.

Notes to the financial statements (continued)
For the year ended 30 June 2022

3. Significant accounting policies (continued)

d) Revenue (continued)

Revenue from non-exchange transactions (continued)

(ii) Management contract

Income for management of contracts is recognised when the service has been delivered, the invoice is accepted by the customer, revenue can be measured reliably and the economic rewards will flow to the Company.

(iii) Government grants and other assistance

The recognition of non-exchange revenue from government contracts, grants, donations, and koha depends on the nature and any stipulations attached to the inflow of economic resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are 'conditions' specifically require the company to return the inflow of resources received if they are not used as stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a nonexchange liability, which results in the immediate recognition of non-exchange revenue. Government grants that have restrictive conditions are recognised as income in the period it is received.

e) Operating leases

Payments made under operating leases where the lessor retains substantially the risk and rewards of ownership of an asset are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

f) Income tax

The Company is registered with the Charities Commission and has charitable status for income tax purposes and is therefore not liable for income tax.

g) Financial instruments

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

The Company 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 Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company 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.

The Company's financial assets are classified as loans and receivables. The Company's financial liabilities are classified as held at amortised cost.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies (continued)

g) Financial instruments (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents 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.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables.

Impairment of non-derivative financial assets

A financial asset is assessed at each balance 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.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due on terms that would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers.

4. Revenue from non-exchange transactions

	2022	2021
	$000's	$000's
Health services contract income	11,729	11,875
Total trading revenue from non-exchange transactions	**11,729**	**11,875**

5. Cost of sales

	2022	2021
	$000's	$000's
Programme expenses	(11,423)	(11,400)
Other cost of sales	(82)	(46)
Total cost of sales	**(11,505)**	**(11,446)**

Notes to the financial statements (continued)
For the year ended 30 June 2022

6. Cash and cash equivalents

	2022	2021
	$000's	$000's
Cash at bank and on hand	392	944
Cash and cash equivalents in the statement of cash flows	**392**	**944**

7. Trade and other receivables

Current	Note	**2022 $000's**	2021 $000's
Trade and other receivables			
Trade receivables from non-exchange transactions		1,742	1,652
GST Receivable		-	125
Related party advances	11	-	500
Total current trade and other receivables		**1,742**	**2,277**

Notes to the financial statements (continued)
For the year ended 30 June 2022

8. Property, plant and equipment

	Motor vehicles	Office equipment	Plant and furniture	Total
	$000's	$000's	$000's	$000's
Cost				
Balance at 1 July 2021	23	11	12	46
Disposals	(23)	-	-	(23)
Balance at 30 June 2022	**-**	**11**	**12**	**23**
Accumulated depreciation				
Balance at 1 July 2021	23	11	12	46
Disposals	(23)	-	-	(23)
Balance at 30 June 2022	**-**	**11**	**12**	**23**
Net book value at 30 June 2022	**-**	**-**	**-**	**-**
Cost				
Balance at 1 July 2020	23	11	12	46
Balance at 30 June 2021	**23**	**11**	**12**	**46**
Accumulated depreciation				
Balance at 1 July 2020	23	11	12	46
Balance at 30 June 2021	**23**	**11**	**12**	**46**
Net book value at 30 June 2021	**-**	**-**	**-**	**-**

9. Trade and other payables

	Note	**2022**	2021
		$000's	$000's
Trade payables from exchange transactions		9	7
Sundry accruals		37	49
GST payable		-	-
Related party payables	11	1,183	2,572
Total trade and other payables		**1,229**	**2,628**

Notes to the financial statements (continued)

For the year ended 30 June 2022

10. Share capital

	2022	2021
	$000's	$000's
1 ordinary share - issued and fully paid at $1.00	-	-

Ordinary shares have no par value and carry the right to vote at meetings of shareholders. Shares do not hold the right to receive a dividend, or distribution, as profits are required to be applied consistent with the objectives of the Company, and will receive an equal share of residual assets on dissolution of the Company where these have not been distributed by the liquidator for charitable purposes.

Ordinary shares may be held only by an entity that is established exclusively for charitable purposes that is consistent with the objectives of the Company.

11. Related party disclosures

a) Ultimate parent

Te Rūnanga o Toa Rangatira Incorporated is the ultimate controlling entity and owns 100% of the shares in the Company.

b) Transactions with related parties

The Company provides funding to the parent entity as a service provider. Ora Toa Health and Ora Toa Medical units are services provided by Te Rūnanga o Toa Rangatira Incorporated and these units are recipients of contract income from the company.

The Company pays administration fees, and reimburses staff wages and rent to Te Rūnanga o Toa Rangatira Incorporated.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharges	Related party advances	Related party payables
		$000's	$000's	$000's
Ultimate controling entity	2022	234	-	1,183
	2021	315	500	2,572

The Company provides funding to the Health Units and Medical Centres amounting to $13,658,000 by way of funding to Te Rūnanga o Toa Rangatira Incorporated (2021: $11,951,000). 2022 funding to Te Rūnanga o Toa Rangatira Incorporated includes a prepayment of $1,915,000. During the year, the Company received repayment of the advance to Te Rūnanga o Toa Rangatira Incorporated (2021: advanced $500,000).

Notes to the financial statements (continued)

For the year ended 30 June 2022

11. Related party disclosures

b) Transactions with related parties (continued)

Ika Toa Limited, Kapiti Tours Limited, Kenepuru Limited Partnership, Kimihia Number 1 Limited, Ngati Toa Limited, Rangatuhi Number 1 Limited, Rāranga Limited, Sheltered Haven Limited, Te Tumu Whatupu Limited, Toa Building Supplies Limited, Toa Developments Limited, Toa Homes Limited, Toa Kenepuru Transition Limited, and Te Ahuru Mowai Limited Partnership are 100% owned by Te Rūnanga o Toa Rangatira Incorporated. There were no transactions between the Company and other related companies during the year.

Toa Rangatira Trust, a trust formed in December 2012 to hold the Ngati Toa Rangatira historical settlement assets, is a related party. Toa Rangatira Trust and its subsidiaries are related to the Company as they are all 100% controlled by Te Runanga o Toa Rangatira Incorporated. There were no transactions between the Company and Toa Rangatira Trust and its subsidiaries this year.

12. Key management personnel

Key management personnel of the Company includes the parent entity board members, the directors of the Company, and senior management. During the year $10,750 in total was paid to board members for attendance at nine board meetings (2021: $1,750). Senior management are employed by other group companies, with no recharge to the Company for their services.

13. Contingencies and commitments

a) Contingent liabilities

At balance date there are no known contingent liabilities (2021: $nil). The Company has not granted any securities in respect of liabilities payable by any other party whatsoever.

b) Commitments

There were no commitments other than those in the ordinary course of business (2021: $nil) and no securities or guarantees had been provided by the Company (2021: $nil).

14. Significant events after balance date

There were no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Independent auditor's report

To the shareholders of Ora Toa PHO Limited

BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ORA TOA PHO LIMITED

Opinion

We have audited the financial statements of Ora Toa PHO Limited ("the Company"), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expenses, 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 2022, 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 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 abbreviation 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.

Independent auditor's report

To the shareholders of Ora Toa PHO Limited

BDO Wellington Audit Limited

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
1 November 2022

Financial Statements

Whakaputanga Ahumoni Ika Toa Limited

Rārangi Ūpoko

Corporate Information

Nature of business
Fishing Quota Management

Date of incorporation
21 October 1991

Company number
521364

Charities registration
CC47807

Registered office
26 Ngatitoa street
Takapuwahia
Porirua
New Zealand

Shareholder	**Ordinary share**
Te Rūnanga O Toa Rangatira Inc.	20,100

Auditors
BDO Wellington Audit Limited

Bankers
Westpac Banking Corporation

Solicitors
Dentons Kensington Swan
Wellington

Directors' report

The directors present their annual report including financial statements of Ika Toa Limited ("the Company") for the year ended 30 June 2022.

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 are BDO Wellington Audit Limited. BDO Wellington Audit Limited is willing to continue as the company auditors.

Directors' disclosures

The following held office as directors during the year:

Atanatiu Te Kaira Hammond	Appointed: 16 May 2001
Margaret Hippolite	Appointed: 26 July 2010
Tahua Stuart Solomon	Appointed: 7 October 1992
Mark Styles	Appointed: 7 October 1992
Evan Morrison Kawharu Hippolite	Resigned: 22 June 2022
Rangihoungariri Solomon	Resigned: 16 February 2022

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the Company.

The directors receive directors fees of $250 per meeting. There was one meeting held during the year (2021: nil). No directors fees were paid for 2022 (2021: $nil).

The board of directors received no notice during the year from any director wishing to use company information received in their capacity as a director 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 Rūnanga o Toa Rangatira Incorporated to cover the officers of the Company.

Donations

No donations were made by the Company during the year (2021: $nil).

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.

For and on behalf of the Board of Directors,

Tui Hammond
Board Chairman

25 October 2022

Mark Styles
Director

25 October 2022

Statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Annual catch entitlement sales	4	744	410
Cost of sales	5	(73)	(84)
Surplus from trading activities		**671**	**326**
Other income	6	276	1,386
Total revenue from operations		**947**	**1,712**
Less operating expenses			
Administration expenses		63	49
Accounting fees		14	6
Audit fees		5	2
Consultant fees		34	27
Customary fishing vehicle and boat expenses		3	5
Other expenses		7	-
Rates		1	1
Travel and accommodation		14	1
Valuation fees		5	6
Total operating expenses		**146**	**97**
Surplus before depreciation		801	1,615
Depreciation expense	10	3	2
Surplus for the year		**798**	**1,613**
Other comprehensive revenue and expense			
Gains/(losses) recognised directly in equity			
Gain on revaluation of property, plant and equipment	10	14	92
Total comprehensive revenue and expense for the year		**812**	**1,705**

The above statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

	Note	2022	2021
Assets		**$000's**	$000's
Current assets			
Cash and cash equivalents	7	670	1,021
Short term investments		3,736	3,692
Trade and other receivables	8	128	33
Income tax receivable	9	14	22
		4,548	**4,768**
Non-current assets			
Other receivables	8	1,519	500
Property, plant and equipment	10	320	309
Intangible assets	11	5,122	5,122
Share investments	12	2,367	2,367
		9,328	**8,298**
Total assets		**13,876**	**13,066**
Liabilities			
Current liabilities			
Trade and other payables	13	42	44
		42	**44**
Total liabilities		**42**	**44**
Net assets		**13,834**	**13,022**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of financial position (continued)

As at 30 June 2022

Equity	Note	2022 $000's	2021 $000's
Share capital	14	20	20
Reserves	15	8,846	8,832
Accumulated comprehensive revenue and expense		4,968	4,170
Total equity		**13,834**	**13,022**

For and on behalf of the Board, who authorised the issue of these financial statements on 25 October 2022:

Tui Hammond
Board Chairman
25 October 2022

Mark Styles
Director
25 October 2022

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Share Capital (note 14) $000's	Fisheries Settlement Reserve (note 15) $000's	Asset Revaluation Reserve (note 15) $000's	Accumulated comprehensive revenue and expense $000's	Total Equity $000's
Balance at 1 July 2021	**20**	**8,603**	**229**	**4,170**	**13,022**
Comprehensive revenue and expense					
Surplus for the year	-	-	-	798	798
Other comprehensive revenue and expense	-	-	14	-	14
	-	-	14	798	812
Balance at 30 June 2022	**20**	**8,603**	**243**	**4,968**	**13,834**
Balance at 1 July 2020	20	7,520	137	4,640	12,317
Comprehensive revenue and expense					
Surplus for the year	-	-	-	1,613	1,613
Other comprehensive revenue and expense	-	-	92	-	92
	-	-	92	1,613	1,705
Transactions with owners					
Dividends paid	-	-	-	(1,000)	(1,000)
	-	-	-	(1,000)	(1,000)
Transfer between reserves	-	1,083	-	(1,083)	-
Balance at 30 June 2021	**20**	**8,603**	**229**	**4,170**	**13,022**

The above statement of equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	2022	2021
		$000's	$000's
Cash flows from operating activities			
Proceeds from trading income		773	703
Interest received		44	50
Net GST (paid)/received		4	15
Income tax credits received		9	(8)
Payments made to suppliers and others		(235)	(185)
Net cash inflow from operating activities		**595**	**575**
Cash flows from investing activities			
Funds received from sales of investment activities		-	426
Funds advanced to investment activities		(43)	-
Advances to related parties		(1,000)	(1,500)
Dividends received		97	66
Net cash outflow from investing activities		**(946)**	**(1,008)**
Cash flows from financing activities		-	-
Net cash inflow/(outflow) from financing activities		**-**	**-**
Net decrease in cash and cash equivalents		**(351)**	**(433)**
Cash and cash equivalents at 1 July		1,022	1,455
Cash and cash equivalents at 30 June	7	**671**	**1,022**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

1. Reporting entity

The financial statements of Ika Toa Limited (the Company) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors.

The Company is a public benefit entity incorporated in New Zealand under the Companies Act 1993 and registered on the Charities Register on 31 December 2011.

The principal business of operation of the Company is the management of fishing quota assets and the sale of annual catch entitlements (ACE) of owned and leased quota on behalf of Te Rūnanga o Toa Rangatira Incorporated. There has been no change in the principal activities of the Company during the year.

The Company received fishing quota shares and cash assets to be held in trust, in accordance with the Māori Fisheries Act 2004 in 2010. The Company, as asset holding company for Ngāti Toa fisheries assets, received coast line derived settlement quota shares under section 135 of the Māori Fisheries Act 2004 on 29 October 2014, 19 December 2014, and February 2020.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Companies Act 1993 and the Charities Act 2005.

The Company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 3 reporting as it does not have public accountability and for the past two reporting periods it has had less than or equal to $2m operating expenditure. The Company has elected to report as a Tier 2 entity and has used accounting policies consistent with its shareholder, Te Rūnanga o Toa Rangatira Incorporated.

The Company has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities. The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities.

These financial statements are for the year ended 30 June 2022 and were authorised for issue by the Board on 25 October 2022.

Impact of the Coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The Company has remained operational since this declaration and continues to provide services to its customers.

The outbreak and the response of the government in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of the Company. The scale and continuing duration of these developments remains uncertain at the date of this report. During the year, the Company has been affected by periods under COVID-19 restrictions during August 2021 and March 2022.

Although the Company has been impacted by COVID-19, the Board has concluded the Company will be able to continue operating for the foreseeable future.

b) Measurement basis

The financial statements have been prepared on an historical cost basis, except for land stated at fair value.

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Company's functional currency.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2. Basis of preparation (continued)

d) 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.

e) Changes in accounting policies

There have been no changes in accounting policies. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

f) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. Significant accounting policies

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

a) Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash, have a maturity of less than three months, and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown on the statement of financial position as current liabilities within short term borrowings.

There are no restrictions over any of the cash and cash equivalent balances held by the Company.

b) Trade and other receivables

Trade and other receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

c) Property, plant and equipment

Items of property, plant and equipment are initially measured at cost, except those acquired through nonexchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the company.

Items of property, plant, and equipment are subsequently measured either under the:

(i) Cost model

Cost less accumulated depreciation and impairment.

Coastal permit (Marine farm resource consent)

The marine farm resource consent has a lifespan of 20 years. The marine farm is not operational without the resource consent and it is therefore considered part of that asset.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses is recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies (continued)

c) Property, plant and equipment (continued)

(ii) Revaluation model (continued)

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of the credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

(iii) Disposal

Any gain or loss on disposal of an item of property, plant, and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(v) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

The estimated useful lives are shown below:

	2022	2021
Buildings and marine farm	10 to 33 years	10 to 33 years
Motor vehicles, tractors and trailers	3 to 7 years	3 to 7 years
Marine farm resource consent	20 years	20 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed.

Depreciation methods, useful lives, and residential value are reviewed are each balance date and adjusted if appropriate.

d) 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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies (continued)

d) Intangible assets (continued)

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 the Company because there is only one core business activity and that is trading of ACE from the quota shares.

e) Impairment of non-financial assets

At each balance 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.

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.

f) Trade and other payables

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

g) Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Company's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

(i) Sale of goods

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

The Company leases ACE for trading purposes. The lease is for the twelve-month period and is aligned with the applicable fishing year for the species. Income is recognised when the ACE are transferred to the customer. Any ACE 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 the balance date is known.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies (continued)

g) Revenue (continued)

Revenue from exchange transactions (continued)

(ii) Interest and dividend income

Interest and dividend income is recognised in the statement of revenue and expense as it is earned. Interest income is accrued using the effective interest rate method. Dividends are recognised as revenue when the right to receive payment is established.

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. This method applies this rate to the principal outstanding to determine interest revenue each period.

(iii) Port Nicholson Partnership (profit share) income

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

Revenue from non-exchange transactions

Non-exchange transactions are those where the Company receives an inflow of resources but provides nominal, or no direct consideration in return for the inflow. Inflow of resources from non-exchange transactions are only recognised as assets where it is probable that the associated future economic benefit or service will flow to the entity and fair value can be reliably measured.

(i) Fisheries settlement income

Revenue from fisheries settlement income received as non-exchange transactions are recognised when the entitlement (control) passes to the Company and the Company is able to enforce the claim. Revenue is recognised at fair value estimated at the date of the exchange and is subsequently moved to a special fisheries settlement reserve account to preserve the total accumulated settlement quantum.

h) Operating leases

Payments made under operating leases where the lessor retains substantially the risk and rewards of ownership of an asset are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i) Income tax

The Company is registered with the Charities Commission and has charitable status for income tax purposes and is therefore not liable for income tax.

j) Financial instruments

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

The Company 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 Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company 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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3. Significant accounting policies (continued)

j) Financial instruments (continued)

The Company's financial assets are classified as loans and receivables and available-for-sale financial assets. The Company's financial liabilities are classified as held at amortised cost.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise: cash and cash equivalents, short term investments, and trade and other receivables.

Cash and cash equivalents 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.

Short term investments represent deposits with maturities due over 90 days, and less than 12 months, from balance date.

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 comprise: Aotearoa Fisheries Limited (AFL) shares.

Share investments are shares in 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. Any associated interest income or dividends are recognised in surplus or deficit within "other income". Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost include bank overdrafts, trade and other payables.

Impairment of non-derivative financial assets

A financial asset is assessed at each balance 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.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due on terms that would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers.

Notes to the financial statements (continued)

For the year ended 30 June 2022

4. Revenue from exchange transactions

	2022	2021
	$000's	$000's
Annual catch entitlement sales	744	410
Total trading revenue from exchange transactions	**744**	**410**

5. Cost of sales

	2022	2021
	$000's	$000's
ACE operating lease fees	18	19
Fishserve and MAF fees	55	65
Total cost of sales	**73**	**84**

6. Other income

	2022	2021
Other income from exchange transactions	$000's	$000's
Interest received	54	58
Dividends received	97	66
Port Nicholson Partnership (profit share) income	125	179
	276	**303**
Other income from non-exchange transactions		
Coastline settlement of quota shares	-	1,083
Total other income from exchange and non-exchange transactions	**276**	**1,386**

7. Cash and cash equivalents

	2022	2021
	$000's	$000's
Cash at bank and on hand	670	1,021
Cash and cash equivalents in the statement of cash flows	**670**	**1,021**

Notes to the financial statements (continued)
For the year ended 30 June 2022

8. Trade and other receivables

Current	Note	2022 $000's	2021 $000's
Trade and other receivables			
Trade receivables from exchange transactions		125	15
Accrued interest		3	11
GST receivable		-	7
Total current trade and other receivables		**128**	**33**
Non-current			
Related party advances	16	1,519	500
Total current and non-current trade and other receivables		**1,647**	**533**

9. Income tax receivable

	2022 $000's	2021 $000's
Māori Authority tax credits available previous years	22	15
Māori Authority tax credits available this year	14	11
Tax refunds received	(22)	(4)
Total income tax receivable	**14**	**22**

The Company holds on trust the fisheries settlement assets for the members of Te Rūnanga o Toa Rangatira Incorporated. Charitable status was granted in December 2011 and the Company is exempt from income tax on its net surplus earned during the year.

Notes to the financial statements (continued)

For the year ended 30 June 2022

10. Property, plant and equipment

	Land	Buildings	Marine farm	Motor vehicles	Total
	$000's	$000's	$000's	$000's	$000's
Cost					
Balance at 1 July 2021	288	9	158	43	498
Revaluation	14	-	-	-	14
Balance at 30 June 2022	**302**	**9**	**158**	**43**	**512**
Accumulated depreciation					
Balance at 1 July 2021	-	9	139	41	189
Depreciation	-	-	2	1	3
Balance at 30 June 2022	**-**	**9**	**141**	**42**	**192**
Net book value at 30 June 2022	**302**	**-**	**17**	**1**	**320**
Cost					
Balance at 1 July 2020	196	9	158	43	406
Revaluation	92	-	-	-	92
Balance at 30 June 2021	**288**	**9**	**158**	**43**	**498**
Accumulated depreciation					
Balance at 1 July 2020	-	9	137	41	187
Depreciation	-	-	2	-	2
Balance at 30 June 2021	**-**	**9**	**139**	**41**	**189**
Net book value at 30 June 2021	**288**	**-**	**19**	**2**	**309**

Revaluation of land and buildings

Land and buildings are measured using the revaluation model and are revalued every year. Full revaluation are completed every three years on the basis of significant market changes. If there is no evidence of significant market movements, then a desktop valuation will replace full valuation. Every other year, land and buildings are revalued on a desktop basis. These assets were revalued on 30 June 2022. Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

As at the date of revaluation 30 June 2022, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer.

Notes to the financial statements (continued)

For the year ended 30 June 2022

10. Property, plant and equipment (continued)

Revaluation of land and buildings (continued)

Significant assumptions included in the valuations were that:

- there are no side agreements that would have an adverse effect on the market value of the property
- all buildings have a seismic strength at a "market acceptable level" for their class
- no significant capital expenditure is required in respect of any buildings or facilities contained therein

11. Intangible assets

Quota Shares	2022 $000's	2021 $000's
Cost		
Balance at 1 July	5,122	4,039
Treaty settlement	-	1,083
Balance at 30 June	**5,122**	**5,122**
Accumulated depreciation		
Balance at 1 July	-	-
Amortisation	-	-
Balance at 30 June	-	-
Net book value at 30 June	**5,122**	**5,122**

Historically, quota shares were initially recognised at deemed cost and revalued each year. In 2020, it was determined that as there is no active market for quota shares that the accounting policy should be changed for the measurement of quota shares at each reporting period. From 2020 onwards, quota share is measured at deemed cost based on documentation provided with each settlement unless the quota share is purchased. The cost of the fish quota at 30 June 2022 was $5,122,000 (2021: $5,122,000).

Quota shares have an indefinite useful life and are tested annually for impairment.

12. Share investments

The Company holds 1,532 shares in Aotearoa Fisheries Limited (AFL) (2021: 1,532 shares). Management has reviewed the shares for impairment by reviewing the net assets of AFL. AFL is not currently listed on the New Zealand Stock Exchange and there are legislative restrictions on the sale of shares in AFL. Management has assessed the value of the shares by comparing the company's net value against the value held. As the net value of the Company's share is greater than the original transfer value the management has determined that no indication of impairment exists.

The Company has no controlling or significant interest in AFL.

Notes to the financial statements (continued)

For the year ended 30 June 2022

13. Trade and other payables

Current	Notes	2022 $000's	2021 $000's
Trade and other payables			
Trade payables from exchange transactions		2	8
Sundry accruals		-	10
GST payable		12	-
Related party payables	16	28	26
Total trade and other payables		**42**	**44**

14. Share capital

	2022 $000's	2021 $000's
20,100 ordinary shares - issued and fully paid at $1.00	20	20

Ordinary shares have no par value. Each share carries the right to vote at a meeting of shareholders, receive dividends as duly declared by directors, and receive a share of any surplus on dissolution of the Company.

Ordinary shares may be held only by an entity that is established exclusively for charitable purposes that is consistent with the objectives of the Company.

15. Other equity reserves

Asset revaluation reserve

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.

Fisheries settlement reserve

The fisheries settlement reserve records the fisheries settlement the Company received under Treaty of Waitangi claims in March 2010. Further quota shares were received under section 135 of the Māori Fisheries Act 2004 in October 2014, December 2014, and February 2020.

16. Related party disclosures

a) Ultimate parent

Te Rūnanga o Toa Rangatira Incorporated is the ultimate controlling entity and owns 100% of the shares in the Company.

b) Transactions with related parties

The Company holds the quota and income shares received from the fisheries settlement. On behalf of Te Rūnanga o Toa Rangatira Incorporated, the Company manages the trading of ACE from quota held and leased. The Company receives a management fee from trading the leased fishing quota.

Notes to the financial statements (continued)

For the year ended 30 June 2022

16. Related party disclosures (continued)

b) Transactions with related parties (continued)

The Company pays administration fees to Te Rūnanga o Toa Rangatira Incorporated.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharges	Related party advances	Related party payables
		$000's	$000's	$000's
Ultimate controlling entity	2022	69	1,519	28
	2021	71	500	26

During the year, the Company advanced $1,018,569 (2021: $500,000) to Te Rūnanga o Toa Rangatira Incorporated.

Kapiti Tours Limited, Kenepuru Limited Partnership, Kimihia Number 1 Limited, Ngāti Toa Limited, Ora Toa PHO Limited, Rangatuhi Number 1 Limited, Rāranga Limited, Sheltered Haven Limited, Te Tumu Whatupu Limited, Toa Building Supplies Limited, Toa Developments Limited, Toa Homes Limited, Toa Kenepuru Transition Limited, and Te Ahuru Mowai Limited Partnership are 100% owned by Te Rūnanga o Toa Rangatira Incorporated. There were no transactions between the Company and other related companies during the year.

Toa Rangatira Trust, a trust formed in December 2012 to hold the Ngāti Toa Rangatira historical settlement assets, is a related party. Toa Rangatira Trust and its subsidiaries are related to the Company as they are all 100% controlled by Te Rūnanga o Toa Rangatira Incorporated. There were no transactions between the Company and Toa Rangatira Trust and its subsidiaries this year.

17. Key management personnel

Key management personnel of the Company includes the parent entity board members, the directors of the Company, and senior management. During the year, $nil in total was paid to board members for attendance at one board meeting (2021: $nil). Senior management are employed by other group companies, with no recharge to the Company for their services.

The Company 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 the Company. OBAL manages the conditioning of immature oysters on the Company's marine farm structures and the Company is paid a commission based on the volume of mature oysters prepared for sale. OBAL made payments to the Company amounting to $nil for the 2022 financial year (2021: $nil).

Notes to the financial statements (continued)

For the year ended 30 June 2022

18. Contingencies and commitments

a) Contingent liabilities

At balance date there are no known contingent liabilities (2021: $nil). The Company has not granted any securities in respect of liabilities payable by any other party whatsoever.

b) Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the ACE for crayfish, and to Takitimu Seafoods Limited Partnership to supply the ACE for several species, where both supplies are at the applicable market value.

There were no further commitments other than those in the ordinary course of business (2021: $nil) and no securities or guarantees had been provided by the Company (2021: $nil).

19. Significant events after balance date

There were no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Independent auditor's report

To the shareholders of Ika Toa Limited

BDO Wellington Audit Limited

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 2022, and the statement of comprehensive revenue and expenses, 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 2022, 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 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.

Independent auditor's report

To the shareholders of Ika Toa Limited

BDO Wellington Audit Limited

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
25 October 2022

TE RŪNANGA O
TOA RANGATIRA