



NGATI WHARE HOLDINGS LIMITED

Annual Report 2020

KO TUWATAWATA TE MAUNGA

KO WHIRINAKI TE AWA

KO WHAREPAKAU TE TANGATA

KO NGĀTI WHARE TE IWI

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AGENDA OF AGM 2020

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Ngāti Whare Holdings Ltd will be held at the office of GHA, Rotorua on Friday 29 January 2021 at 10.30am.

- 1 Karakia and Mihi
- 2 Apologies
- 3 Minutes of the Previous AGM & Matters Arising
- 29 November 2019
- 4 Chairman's Report
- 5 CEO Report
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For the year ended 30 June 2020
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DIRECTORS



Rick Braddock



David (Bronco) Carson



Ian Hulton



2019 AGM MINUTES

**MINUTES OF THE MEETING OF THE NGĀTI WHARE HOLDINGS LTD
ANNUAL GENERAL MEETING HELD AT GHA CENTRE, ROTORUA
29 NOVEMBER 2019 AT 3.00PM.**

PRESENT

Rick Braddock, Ian Hulton, Bronco Carson, Bert Messent, Daryl Christie, Morgan Matekaure, Lance Taurua and Cathryn Eden.

IN ATTENDANCE

Mere George (CEO), Te Waiti Rangiwai (Pou Whakahaere) and Melissa Katting (Business Co-Ordinator).

1. OPENING

1.1 The karakia from the meeting earlier was carried forward.

2. APOLOGIES

2.1 Lena Brew and Earl Rewi (NWHL Operations Manager) were noted as apologies.

3. CHAIRMANS' OPENING REMARKS

3.1 Rick welcomed everyone to the meeting. He acknowledged the passing of Eddie Nikora and noted that the boards thoughts are with Sharon today. Rick wished the trustees who are re-standing the best of luck in the upcoming election.

4. MINUTES OF THE PREVIOUS AGM

4.1 **Resolution 1:**
"That the minutes of the previous AGM held on 14 December 2018 are a true and correct record"
Move: Daryl Christie Second: Bert Messent
CARRIED

5. CHAIRMAN'S REPORT

5.1 Rick presented his 2019 Chairman's Report.

5.2 Rick discussed performance and noted the Kakano restructure. The board has moved away from managed funds and taken advantage of low interest rates to invest in direct investments. Rick discussed the acquisition of Goldland Orchard and NZ Wool Dumping. Discussion ensued regarding the honey industry and the Minginui Nursery.

5.3 **Resolution 2:**
"To receive the 2018/2019 Chairman's Report"
Move: Daryl Christie Second: Bert Messent
CARRIED

6. FINANCIAL REPORTS

6.1 Rick presented the Draft Annual Financial Statements for the year ended 30 June 2019.

He noted that the Holdings board are uncomfortable that the accounts are still with the Auditors.

6.2 Mere noted that 100% of the Goldland loss and debt is being consolidated into our accounts due to the accounting rules and investment structure.

6.3 It was acknowledged that the SCI and LOE require updating due to the change in the nature of the business.

7. CEO REPORT

7.1 Mere presented her inaugural CEO Report.

7.2 **Resolution 3:**
"To receive the 2018/2019 CEO Report"
Move: Bert Messent Second: Cathryn Eden
CARRIED

7.3 Lance Taurua left the hui at 4.25pm.

8. STRATEGIC PLAN

8.1 Mere presented the Ngāti Whare Holdings Ltd Strategic Plan for 2019-2024. The document is consistent with the Rūnanga Strategic Plan but has been revised to be commercially focused.

8.2 **Resolution 4:**
"To endorse the 2019-2024 Ngāti Whare Holdings Ltd Strategic Plan"
Move: Daryl Christie Second: Cathryn Eden
CARRIED

9. GENERAL BUSINESS

9.1 Mere presented the Quarterly Report to 30 September 2019.

9.2 Mere advised that during the review of the Ngāti Whare Holdings Group policies, Kahui legal has provided a definition of quorum which is "the majority of the directors that are appointed to the board".

9.3 Rick provided an update on Whakatika. He would like to work with the Rūnanga on this project.

10. CLOSURE

10.1 There being no further business, the meeting was closed with karakia at 4.41pm.

These minutes are confirmed as true and correct:

Sign:
Date:



NWHL 2020 HIGHLIGHTS

\$ **3.2m**

Operating Profit
(before tax and deductions)

\$ **4.3m**

Total Comprehensive income
(before tax and deductions)

\$ **363,363**

**of dividends paid for the
2020 Financial Year**

**Total balance
sheet assets of**

\$ **55.7m**

(up from \$44.3m last year)



CHAIRMAN'S REPORT

Ngāti Whare Holdings Limited is pleased to present the Company's Performance for the twelve-month period ending 30th June 2020.

Purpose of this Report

The purpose of this report is to provide Ngāti Whare whānau, hapū and iwi members with an overview of the performance of the Company over the year.

It has been a particularly challenging year with the disruption and impact of Covid-19. Despite this challenge the Ngāti Whare Holdings Group has achieved good results.

Covid -19

Aotearoa and the Ngāti Whare Holdings Group was not immune to the impacts of Covid-19, as we saw the effects this deadly virus had on the health and wellbeing of whānau, hapū, and Iwi, we also witnessed the negative impact on business, on the global economy and the way we experience this new way of life, work and business.

Over the weeks of lockdown our team of managers and directors worked tirelessly to mitigate as much exposure to the economic pressures caused by Covid-19 as possible whilst still ensuring the wider team had their needs met, were operating safely and that most importantly retained their jobs during such an uncertain period.

While we were all confined to working from our respective homes, we continued to investigate strategies to diminish as much negative exposure as possible. This included discussions with strategic partners such as Te Uru Rakau, Westpac bank, Ministry of Social Development, local Government, and Central Government and actively managing relationships with our equity partners.

Financial Performance

Ngāti Whare Holdings Group continued to achieve excellent results notwithstanding the economic pressure of Covid-19 and market uncertainty. For the financial year ending 30 June 2020 the Group achieved:

- Total other comprehensive income (before tax and after minority interests) of \$4.3m compared to \$2.5m last year.
- Total return (before tax and after minority interests) on opening equity of 15%.
- Total Assets of \$55,716,942 compared to \$44,369,216 last year.

The company has been able to deliver good results this financial year due to our diversified portfolio of primary sector investments and the companies desire to have direct investment into assets where we hold a controlling interest.

Dividend

The profitability of the Company resulted in a corresponding dividend payable to the Rūnanga of \$363,636.

Minginui Nursery

Operations at the nursery remained on track and despite the impacts of Covid-19 and an enforced lockdown the nursery achieved all the milestones under the 1 Billion Trees funding agreement with Te Uru Rakau.

One of the key focus areas for the nursery this year was to increase market presence and sales, our annual report shows only a glimpse of the outcomes of the hard work put in by the management team. A particular highlight is our Minginui Nursery promotional video. My thanks to Melissa Katting who led the marketing program and website development this year.

Whare Honey Limited Partnership

This season has continued to be difficult for many honey businesses nationwide. Honey prices have remained low and sales demand on average remained low although we saw a spike in demand with the impact of Covid-19.

We are pleased that our second honey season produced slightly improved results on last year with 92 drums of honey on hand with approximately 53% of these being high value Mānuka.

As with the nursery a key focus was establishing the Whare Honey brand and completing the Whare Honey website.

Goldland:

As I reported last year in November 2018 the company entered a Limited Partnership with Darling Family Investment Trust and Franklin Investment Trust to purchase Goldland Avocado Orchard. The total investment by the company was \$2,450,000 for 82% ownership, whilst the Darling Family Investment Trust holds 10% ownership and the Franklin Investment Trust holds 8% ownership.

The Goldland Avocado Orchard is a well-established, high producing orchard situated in Ngataki in the far north and is a 24.9 hectare parcel of land comprising of approximately 14 planted (canopy) hectares.

This season the orchard has had exceptionally strong production, producing 29 tonne per hectare which is well above the industry average of 8 tonne per hectare and I am proud to share that our orchard won the NZ Avocado Grower award for the highest 4-year average yield in the Far North. Whilst the financial results for the orchard are disappointing with a loss for the year of \$136,721, it should be emphasised that the industry recorded one of its more challenging seasons in the market.

I have renewed confidence in the next financial year which looks to have good production, improved sales margins, improved management of costs and improved orchard management protocols.

Ngāti Whare Holdings continues to strengthen our relationships with fellow partners and directors Tom Franklin, of the Franklin Investment Trust and Andrew Darling, of the Darling Group and Darling Family investment and we are proud to showcase Goldland Avocado Orchards Ltd Partnership as a premium example of a scale horticultural orchard investment.

New Zealand Wool Dumping Group:

As I reported last year in April 2019 the company entered into a Limited Partnership with Steve Harrison and David Ferrier to purchase New Zealand Wool Dumping Group (NZWDG). The total investment by the company was \$4,860,000 for 81% ownership, whilst the Steve Harrison holds 9.5% ownership and David Ferrier holds 9.5% ownership.

This business is the sole New Zealand provider of wool dumping (compaction) services which processes approximately 220,000 wool bales a year. The business is also the sole manufacturer and supplier of the metal bands used in both the scouring and dumping of all New Zealand produced wool and owns and recycles used wool bales. Both David Ferrier and Steve Harrison are recognised leaders in the wool processing industry and Ngāti Whare is very pleased to be in business with them.

The year of operations was challenged and impacted by Covid-19 however against this backdrop NZWDG nonetheless produced a good financial result with net profit before tax of \$991,330 which equates to a return on investment of 17% for the year ended 30 June 2020.

Kakano Investment Limited Partnership

Kakano continues to be a high performing investment now valued at \$19,570,392 compared \$18,256,356 last year. This year did see a reduction in profit distributions from Kakano because of Covid-19 however the overall performance remained above average.

CNI Iwi Holdings

Rick Braddock and Bronco Carson continue to represent Ngāti Whare on the CNI Iwi Holdings Limited board of directors.

Rick Braddock continues as one of the two CNI directors appointed to the wholly owned CNI subsidiary CNI Land Management Ltd.

CNI income was dependable and resilient. Discussions commenced during the year towards the general rent review and were ongoing into FY21. These have now been concluded and will result in substantially greater revenue flowing into FY22. As noted in previous years, the interest in the CNI asset is recognised at cost of nil due to being an intangible asset. An independent valuation of fair value is covered in the notes to the accounts which will also increase as a result of the uplift in rental.

CNI is Ngāti Whare's largest asset and the resolution of the Mana Whenua process remains critically important in significantly enhancing the position of Ngāti Whare.

Management

I wish to acknowledge our CEO Mere George and our Executive Leadership Team for the incredible speed and passion in which they moved to identify how we were best placed to support our people and those in need through the lockdown and the economic disruption this caused. They worked tirelessly to identify those who were most impacted, and who we were best to partner with to work collaboratively to help our people and communities.

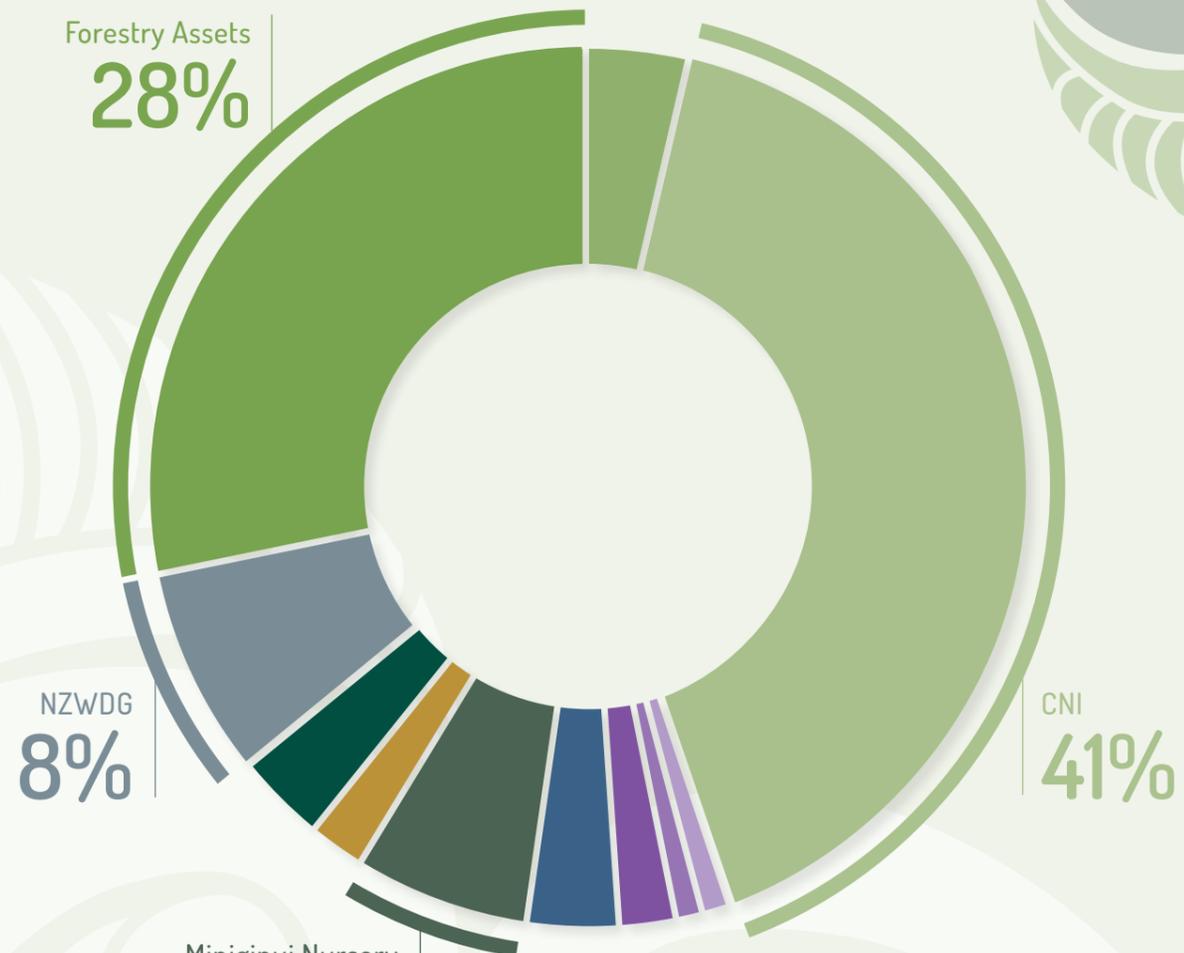
I would also like to thank my fellow directors Ian Hulton and Bronco Carson for their diligence, leadership and insight and the Rūnanga Trustees and management for their ongoing support particularly as we navigated the disruption and impact of Covid-19 this year.

Nāku noa,



Rick Braddock | Chairman
Ngāti Whare Holdings Limited

NGĀTI WHARE HOLDINGS LTD PORTFOLIO



Miniginui Nursery
7%

Australasian Equities	▲	4%
Goldlands Avocado	▲	3%
Whare Honey	▲	2%
Fisheries	▲	3%
International Equities	▲	2%
Other	▲	1%
Cash	▲	1%



CHIEF EXECUTIVE'S REPORT



Purpose of this Report

The purpose of this report is to provide Ngāti Whare whānau, hapū, and Iwi members with an overview of operational matters for Ngāti Whare Holdings Group for the past year.

2020 has been a tumultuous year with Covid-19 hitting Aotearoa, significantly impacting the health and wellbeing of our whānau, hapū, and Iwi as well as having a considerable impact on the business community.

Our People

A key priority for Ngāti Whare Holdings Group is training and development of our team. I would like to acknowledge:

Te Ngahere Akuhata	Adam Matekuare
Raewyn Araroa	Edna Matekuare
Cassidy August	Toby Matekuare
Hinekohu Iraia	Doreen Roberts
Michelle Karepe	Jason Whitu
Stephen Karepe	

Who have all completed the NZ Certificate in primary industry skills level 2 – Nursery Production this year.

COVID-19

This year was another busy year for the company not only encompassing a full operating year with the Goldland Avocado Orchard and New Zealand Wool Dumping Group companies but also managing the volatility of Covid-19 on our team and our operations.

The mandatory lock down this year saw Minginui Nursery and New Zealand Wool Dumping Group close its doors, as they were not considered essential services. Conversely Whare Honey and Goldland Avocado Orchard were granted essential service status and were able to continue working.

Both scenarios presented operational challenges of keeping the business's agile enough to bounce back post lock down, keeping our team safe and healthy whilst still being able to support their whānau and personal priorities and ensuring our communications channels were effective when we were all dispersed throughout the country working from our homes.

I want to acknowledge the leadership and support of our Ngāti Whare Holdings Chairperson Rick Braddock and fellow directors Bronco Carson and Ian Hulton during this time. During such a time of great uncertainty the board and I worked closely together to investigate and implement strategies to mitigate as much exposure to the economic pressures caused by Covid-19 as possible.

Some of those strategies included meeting weekly during lockdown, actively managing relationships with our equity partners to offset the early downward pressure on the equities market and strengthening our relationships with strategic partners such as Te Uru Rakau, Westpac bank, Ministry of Social Development, local Government, and Central Government.

I am also extremely grateful to my talented management team, Earl Rewi, Melissa Katting, Matt Jackman, and Mario Bernasconi, who together with the directors and I, worked tirelessly during the lockdown not only so that the wider team had their needs met, were operating safely and that most importantly retained their jobs during such an uncertain period, but also in the implementation of strategies to ensure our businesses were agile enough to bounce back post lockdown such as:

1. Meeting daily to problem solve impacts on all business and our wider team and whānau.
2. Working to bolster our marketing campaigns and online presence for both Whare Honey and Minginui Nursery with the confidence this will drive sales opportunities positively.
3. Applying for local government and central government funding.
4. Preparing and implementing a Covid-19 response plan that accommodated the varying situations faced by the Group.
5. Preparing the Minginui Nursery Marketing plan and Strategic plan.
6. Preparing the "Te Kotuku Mātauranga o Ngāti Whare" initiative to support the establishment of nursery production apprenticeships.

Strategy

Whilst last year was a year of growth, investment, and acquisition, that saw the company grow from having several managed funds, forestry, fisheries investments and one single subsidiary the "Minginui Nursery LP" to also having several complementary primary industry subsidiaries, 2020 was set to be a year for consolidation and uniting all our subsidiaries to achieve the company's vision of economic advancement for Ngāti Whare. In the most part this was achieved with considerable operational effort continuing to be made to ensure the group operates cohesively, that the values that underpin the organisation are applied consistently and appropriate policies and procedures are in place.

Financial Performance

Against the backdrop of Covid-19 and market uncertainty Ngāti Whare Holdings Group continued to achieve good results. For the financial year ending 30 June 2020 the group achieved:

- Total other comprehensive income (before tax and after minority interests) of \$4.3m compared to \$2.5m last year.
- Total return (before tax and after minority interests) on opening equity of 15%.
- Total Assets of \$55,716,942 compared to \$44,369,216 last year.

Our investment approach has been underpinned by our strategy to:

1. Invest in high performing high-quality direct assets that we have a controlling interest in or operate ourselves.
2. Manage cash flow, treasury, and the balance sheet to ensure distributions to the Rūnanga are optimized.
3. Set and monitor performance expectations for companies in which NWHL has a shareholding.
4. Ensure diversification of the company's investment portfolio into priority sectors such as:
 - a. Treasury
 - b. Forestry
 - c. Horticulture
 - d. Agribusiness
 - e. Tourism
 - f. Seafood
 - g. Land

Our overall result is good and was insulated in the most part, from the economic impacts of Covid-19, by the way we have invested and the diversification of our investment portfolio in primary industry businesses.

Minginui Nursery

Minginui Nursery operations remained on track during the financial year albeit having to manage the direct impacts of lockdown and the subsequent return to work under the various Covid-19 health and safety protocols.

The nursery has continued to fulfill the requirements of the One Billion Trees funding from Te Uru Rākau.

In addition, further development of the horse paddock has not only improved the aesthetic outlook but has grown the capacity of the nursery significantly to now hold more than 1 million native seedlings. This year it was also pleasing to increase our employee numbers from 17 to 42 FTE employees.

Additional key achievements for the Minginui Nursery this year included:

1. Completing the rebranding of Minginui Nursery.
2. Completing the Minginui Nursery website refresh.
3. Commissioning and completing the Minginui Nursery promotional video.
4. Preparing the Minginui Nursery Strategic Plan.
5. Preparing the Minginui Nursery Marketing and Sales plan.
6. Improving our brand presence in the horticulture industry.
7. Participated in the inaugural online Fieldays after the mystery creek Fieldays were cancelled this year.
8. Achieving record sales, high quality native seedlings and production quantities.

Whare Honey Limited Partnership

Our second season in the honey industry was once again one of mixed results. It is extremely pleasing to achieve a harvest of 92 drums of honey with approximately 53% of these being high quality Mānuka. It is also extremely reassuring that we continue to not be impacted by the change in the Mānuka definition by MPI, unlike many other beekeepers. However, the industry continues to be amidst a major reset, and this season has continued to be difficult for many honey businesses nationwide.

Against the backdrop of an industry reset it was pleasing the company sold all the 2018/19 season Mānuka honey at a reasonable price, made possible due to increased demand for natural medicinal products as the impact of Covid-19's health consequences hit an all-time high in April this year.

Additional key achievements for Whare Honey this year included:

1. Completing the branding of Whare Honey.
2. Completing the Whare Honey website refresh.
3. Increasing our landowner relationships.
4. Supporting several fundraising initiatives in the Minginui, Te Whaiti and Murupara area.
5. Transitioning operational management of Whare honey from the previous owners.





Goldland:

As reported last year, in the Ngāti Whare Holdings Chairman’s report, in November 2018 the company acquired Goldland Avocado Orchard in partnership with the Darling Family Investment Trust and the Franklin Investment Trust.

The total investment by the company was \$2,450,000 for 82% ownership. The Goldland Avocado Orchard is a 14-canopy hectare, well-established, high producing orchard situated in the far north. I am pleased with the management and performance of the orchard to date noting that this seasons performance will be reported in our next financial year.

Our second season in the avocado industry produced exceptionally strong production, with our orchard achieving an average of 29 tonne per hectare versus the industry average of 8 tonne per hectare. However, the overall financial result was disappointing with a negative return this financial year of 5%, as the industry recorded one of its more challenging seasons in the market.

I have confidence in an improved outlook, and it is encouraging that the current season is looking to be a reversal of last year with a slight reduction in production, but a strong dollar per tray. It is also extremely pleasing to report that our orchard won the NZ Avocado Grower award for the highest 4-year average yield in the Far North for orchards larger than 1.52ha.

We have continued to strengthen our working relationships with Andrew Darling and his team, of the Darling Group and Darling Family Investment Trust. The experience and knowledge they have as recognised leaders in orchard management, processing, and sale of Avocados and other fresh fruit provides certainty of an encouraging outlook.

New Zealand Wool Dumping Group:

As reported last year, in the Ngāti Whare Holdings Chairman’s report, in April 2019 the company purchased New Zealand Wool Dumping Group (NZWDG) in partnership with David Ferrier and Steve Harrison.

The total investment by the company was \$4,860,000 for 81% ownership. This is an interesting business that has combined the sole New Zealand provider of wool dumping (compaction) services with the sole manufacturer and supplier of the metal bands used in both the scouring and dumping of all New Zealand produced wool and owns and recycles used wool packs.

The first year of operations for NZWDG as part of Ngāti Whare Holdings Group was challenging as we focused on the consolidation of the dumping services, metal bands and recycled wool packs into one operating business amidst the economic impact of COVID-19. Although challenging against this backdrop NZWDG nonetheless produced a good financial result with a return on investment of 17% for the year ended 30 June 2020.

As with Goldland it has been wonderful to work together with Steve Harrison and David Ferrier as recognised leaders in the wool processing industry.

Final Remarks

It has been another busy year for the Ngāti Whare Holdings Group, challenged by COVID-19 but strengthened by the valuable lessons learned during this volatile and uncertain time. As an organisation we will continue to develop and expand these learning opportunities to ensure we strive towards our mission to create long term wealth and opportunities for Ngāti Whare.

I would like to thank the directors for their diligence and confidence in my leadership this year as well as the Rūnanga Trustees and management for their ongoing support.

Nāku noa,

Mere George | Chief Executive
Ngāti Whare Holdings Limited



SPECIAL PURPOSE ANNUAL FINANCIAL STATEMENT

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

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BDO ROTORUA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NGATI WHARE HOLDINGS LIMITED AND SUBSIDIARIES

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Ngati Whare Holdings Limited and Subsidiaries ("the Company and Group"), which comprise the special purpose statement of financial position as at 30 June 2020, the special purpose statement of changes in equity and the special purpose statement of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements of the Company and Group for the year ended 30 June 2020 are prepared, in all material respects, in accordance with the accounting policies specified in Note 2 to the financial statements.

Basis for Qualified Opinion

The Company and Group's opening inventories is are carried in the statement of financial position at \$766,848. We did not attend the stock take of opening inventory as at 1 July 2019 and there was no other means by which the quantity of opening inventory held within the Group as at 1 July 2019 was able to be independently verified. Accordingly, we are unable to form an opinion on the value of opening inventory.

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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company and Group.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Company and Group's shareholders, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Group and the Company and Group's shareholders, as a body, and should not be distributed to or used by parties other than the Company and the Group or the Company and Group's shareholders. Our opinion is not modified in respect of this matter.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 2 to the financial statements and for such internal control as the directors determine 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 directors are responsible for assessing the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and Group or to cease operations, or have 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.

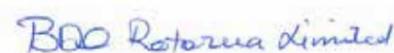
As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Company and Group'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 Group and the Company and Group's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Rotorua Limited
Rotorua
New Zealand
22 December 2020

Entity Information**Ngāti Whare Holdings Limited and Subsidiaries**

As at 30 June 2020

Nature of business

Commercial Iwi Entity

Postal address

PO Box 1712, Rotorua

Registered office

GHA Ltd

Chartered Accountants

1108 Fenton Street, Rotorua

Directors

David Carson

Ian Hulton

Richard Braddock

Shareholders

David Carson (trustee of Te Runanga o Ngati Whare Trust)

Pene Olsen (trustee of Te Runanga o Ngati Whare Trust)

Accountants

GHA Ltd

Chartered Accountants

1108 Fenton Street, Rotorua

Auditors

BDO Rotorua Limited

Chartered Accountants

1130 Pukaki Street, Rotorua

Solicitors

Kahui Legal

15 Murphy Street

Wellington

Special Purpose Statement of Financial Performance

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Other revenue	6	345,396	882,078
Investment revenue	7	53,940	109,146
Nursery revenue	8	2,859,067	1,854,081
Honey revenue	9	481,169	74,951
Goldlands revenue		818,954	10,600
Wool revenue		7,645,871	-
Share of equity accounted investee profit	19	656,747	2,573,380
CNI Distribution		717,951	1,539,834
Total Revenue		13,579,094	7,044,069
<i>Less</i> Cost of sales - Nursery		(579,420)	(469,346)
<i>Less</i> Cost of sales - Honey		(325,491)	(6,114)
<i>Less</i> Cost of sales - Avocado		(485,415)	(67,292)
<i>Less</i> Cost of sales - Wool Dumping		(4,831,266)	-
Gross profit		7,357,502	6,501,317
Expenses			
Administration expenses	10	1,030,547	1,294,985
Interest		1,024,291	329,780
Operating expenses - Nursery		255,535	152,132
Operating expenses - Honey		122,546	107,565
Operating expenses - Avocado		6,371	1,426
Operating expenses - Wool Dumping		1,134,879	-
Other expenses		12,794	11,895
Depreciation of property, plant and equipment	16	602,934	337,783
Total Expenses		4,189,897	2,235,567
Profit before tax		3,167,605	4,265,750
Income tax expense	11	550,239	594,332
Profit for the year		2,617,366	3,671,418
Other income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of equity accounted investee other comprehensive income	19	1,314,084	(1,734,309)
Income tax related to the above	12	(229,965)	303,504
Total Other income, net of income tax		1,084,119	(1,430,805)
Total other income for the year		3,701,485	2,240,613
Profit for the year attributable to:			
Owners of the Company		2,453,623	3,768,141
Non-controlling interest	21	163,742	(96,723)
		2,617,366	3,671,418
Total income for the year attributable to:			
Owners of the Company		3,537,743	2,337,336
Non-controlling interest	21	163,742	(96,723)
		3,701,485	2,240,613

This Statement is to be read in conjunction with the Notes to the Special Purpose Financial Statements, and the accompanying Audit Report.

Special Purpose Statement of Financial Position

Ngāti Whare Holdings Limited and Subsidiaries

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	14	2,419,521	2,228,355
Trade and other receivables	15	1,956,960	1,162,560
Stock on hand		2,819,554	766,848
Goods and services tax		-	30,533
Other current assets		68,750	-
Total Current assets		7,264,785	4,188,295
Non-current assets			
Biological assets		127,150	33,457
Property, plant and equipment	16	11,503,512	9,817,100
Other financial assets	17	297,424	297,423
Managed portfolio funds	18	4,690,133	4,563,851
Investments in associates	19	19,570,392	18,256,356
Intangible assets	22	12,196,961	2,286,149
Other non-current assets	24	66,585	4,926,585
Total Non-current assets		48,452,157	40,180,921
Total Assets		55,716,942	44,369,216
Liabilities			
Current liabilities			
Trade and other payables	25	1,359,230	361,778
Related party advances	28	124,957	124,957
Employee entitlements payable		161,757	32,102
Bank overdraft	26	2,779,723	2,922,570
Loans & borrowings	26	6,535,580	-
Goods and services tax		184,392	-
Income tax due	11	245,095	115,051
Total Current liabilities		11,390,734	3,556,459
Non-current liabilities			
Loans & borrowings	26	9,600,000	10,733,000
Deferred tax liability	12	1,807,417	1,577,452
Total Non-current liabilities		11,407,417	12,310,452
Total Liabilities		22,798,151	15,866,911
Net assets		32,918,792	28,502,305

This Statement is to be read in conjunction with the Notes to the Special Purpose Financial Statements, and the accompanying Audit Report.

Special Purpose Statement of Financial Position

Ngāti Whare Holdings Limited and Subsidiaries

As at 30 June 2020

Equity			
Capital		11,500,000	11,500,000
Reserves	27	8,940,799	7,856,679
Retained earnings		10,720,974	8,567,349
Non-controlling interest	21	1,757,019	578,277
Total Equity		32,918,792	28,502,305

For and on behalf of the Committee of Board:

Chairman:



Date: 22 December 2020

Director:



Date: 22 December 2020

Special Purpose Statement of Changes in Equity

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

	Note	Contributed share capital	Reserves	Retained earnings	Non- controlling interest	Total equity
		\$	\$	\$		\$
Opening balance 1 July 2019		11,500,000	7,856,679	8,567,350	578,277	28,502,305
Net Profit for the year	21	-	-	2,453,623	163,742	2,617,366
Other comprehensive income		-	1,084,119	-	-	1,084,119
Payment of dividends	28	-	-	(300,000)	-	(300,000)
Capital contribution	21	-	-	-	1,015,000	1,015,000
Closing equity 30 June 2020		11,500,000	8,940,799	10,720,974	1,757,019	32,918,792
Opening balance 1 July 2018		11,500,000	9,287,484	5,299,209	-	26,086,693
Net Profit for the year	21	-	-	3,768,141	(96,723)	3,671,418
Other comprehensive income		-	(1,430,805)	-	-	(1,430,805)
Payment of dividends	28	-	-	(500,000)	-	(500,000)
Capital contribution	21	-	-	-	675,000	675,000
Closing equity 30 June 2019		11,500,000	7,856,679	8,567,350	578,277	28,502,305

This Statement is to be read in conjunction with the Notes to the Special Purpose Financial Statements, and the accompanying Audit Report.

This Statement is to be read in conjunction with the Notes to the Special Purpose Financial Statements, and the accompanying Audit Report.

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries
For the year ended 30 June 2020

1. General information

The financial report includes the financial statements and notes of Ngati Whare Holdings Limited ("NWHL", "the Parent") and its subsidiaries. Ngati Whare Holdings Limited is a profit-orientated entity incorporated in New Zealand and registered under Companies Act 1993.

The Parent is a wholly-owned subsidiary of Te Runanga o Ngati Whare Trust.

The consolidated financial statements comprise Ngati Whare Holdings Limited, Minginui Nursery Limited Partnership ("MNLPL"), Whare Honey Limited Partnership ("WHLP"), New Zealand Wool Dumping Group (2019) Limited Partnership ("NZWD") and Goldland Avocado Orchards Limited Partnership ("Goldland") ("the Group").

The primary operations of the Group are investments, apiculture and horticulture.

These financial statements were approved and authorised for issue by the Board of Directors on December 2020.

2. Statement of compliance and reporting framework

These financial statements are special purpose financial statements that have been prepared in accordance with the policies detailed on pages 9 to 13. The consolidated financial statements are prepared the historical cost basis, except for the following that have been measured at fair value:

- Managed Portfolio Funds (see note 19)

3. Changes in accounting policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

4. Summary of accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries
For the year ended 30 June 2020

Non-controlling interest

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the Parent and to the non-controlling interests in proportion to their relative ownership interests.

4.2 Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$). All numbers presented have been rounded to the nearest dollar.

4.3 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable. The Group recognises revenue when it can be reliably measured, it is probable that future economic benefits will flow to the Group.

4.3.1 Interest and dividend income

Interest income is recognised when it is received, with an adjustment at year end to recognise interest due but not received (accrual basis) using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

4.3.2 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.3.3 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

4.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries
For the year ended 30 June 2020

whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

4.7 Goodwill

Goodwill is an intangible asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is assessed for impairment when indicators of impairment are identified.

4.8 Stock on hand

Stock on hand is stated at the lower of cost and net realisable value. Costs of stock on hand determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for stock on hand less all estimated costs of completion and costs necessary to make the sale.

4.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

4.10 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

4.10.1 Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

4.10.2 Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries
For the year ended 30 June 2020

liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.11 Financial instruments

4.11.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.11.2 Financial liabilities

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for credit losses. Discounting is omitted where the effect of discounting is immaterial. The Group's receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Investments

Investments in entities that are not publically traded are stated at cost. Where there is evidence of impairment, the investments are written down to the value of the Groups share of the investment. This includes investments in Moana NZ, Wool Dumping and Farmlands.

Investments in publically traded entities are recognised at fair value with movements recognised in profit and loss and includes portfolio investments.

The Group's financial liabilities include trade and other payables. Trade and other payables are recognised when the Group is obliged to make future payments resulting from the purchases of goods or services.

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

4.13 Goods and services tax (GST)

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

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries
For the year ended 30 June 2020

4.14 Property, plant and equipment

Buildings, motor vehicles, office equipment and plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Board of Directors. These assets are subsequently measured using the cost model (cost less subsequent depreciation and impairment losses).

Depreciation is recognised on a diminishing value basis to write down the cost of the assets over their estimated useful lives. The following rates are applied:

- Buildings: 20yrs Straight Line
- Motor vehicles: 10% - 36% Diminishing Value
- Plant and equipment: 8% - 67% Diminishing Value
- Office equipment: 10% - 100% Diminishing Value

Material residual value estimates and estimates of useful lives are updated as required, or at least annually.

Gains or losses arising on the disposal of building fit out, furniture and fittings, office equipment and plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.15 Investment in associates

Investments in associates are those where the Group has significant influence but not control over an investee. Significant influence arises when the Group holds 20%-50% of the equity and voting interests in an investee and has representation on its governing body.

The Group's investment in Kakano Investment Limited Partnership has been designated as an investment in associates.

Investments in associates are accounted for using the equity method whereby they are recognised initially at cost, and adjusted for share of profit (or loss) and share of changes in Other Comprehensive Income.

5. Critical judgements in applying accounting policies

When preparing the financial statements, the Board of Directors undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

5.1 Estimation uncertainty

Impairment

In assessing impairment, the Board of Directors estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to the determination of suitable discount rate. The Group recognised no impairment of assets in 2020 (2019: \$Nil).

Useful lives of depreciable assets

The Board of Directors reviews its estimates of useful lives of depreciable assets at each reporting date, based on the expected utility of assets.

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
6 Other revenue			
Moana New Zealand		11,256	8,553
Crayfish Quota		54,104	170,246
Movements in fair value through P&L assets		209,844	275,430
Paua Ace income		41,861	44,931
Settlement quota		14,272	3,520
Sundry income		14,059	-
Compensation towards tax		-	365,558
Total Other revenue		345,396	868,238
Compensation towards tax liability represents a one-off amount Sooke Investments Inc agreed to pay each tax paying limited partner in Kakano Investments Limited Partnership to compensate them for income tax liability incurred as a result of unimputed dividend income derived during the year.			
7 Investment revenue			
Interest income		2,887	6,854
Dividends from equity investments		51,053	111,429
PIE income		-	4,702
Total Investment revenue		53,940	122,986
8 Nursery revenue			
Te Uru Rakau		2,040,000	1,720,000
Sales		349,192	57,799
Other revenue		469,875	76,281
Total Nursery revenue		2,859,067	1,854,081
9 Honey revenue			
Honey sales		470,326	68,284
Other revenue		10,843	6,666
Total Honey revenue		481,169	74,951
10 Administration expenses			
Accountancy fees		160,944	78,477
Administration expenses		31,568	20,544
Audit fees		9,438	7,950
Branding		-	200
Conference expenses		1,061	7,173
Consultancy		31,146	95,055
Directors' fees	28	227,860	157,410
Directors' professional development		-	457
Due diligence		-	140,801
Insurance		138,020	34,885
Investment management fees		7,028	52,425
Overhead contribution - Te Runanga o Ngati Whare	28	-	5,202
Management services		186,500	293,584
Travel expenses		28,446	59,367
Other administration expenses		208,538	341,456
Total Administration expenses		1,030,547	1,294,985

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
11 Income tax			
Profit before income tax		3,167,605	4,265,750
<i>Plus/(less) adjustments</i>			
Non-taxable income		(209,844)	(1,127,751)
Other adjustments		222,195	329,794
Taxable income		3,179,956	3,467,794
Income tax using Maori Authority tax rate of 17.5%		556,492	606,864
Less Imputation credits		(6,253)	(8,360)
Less Overseas tax credits		-	(4,172)
Income tax expense		550,239	594,332
Plus opening balance		115,051	(171,708)
Less withholding tax paid		(6,524)	(12,242)
Plus terminal tax refunded		-	67,864
Less Overseas tax credits		(3,874)	-
Less provisional tax paid		(282,186)	(225,612)
Less other tax credits		(127,611)	(137,583)
Total tax to be paid/(refunded)		245,095	115,051

12 Deferred tax

Deferred tax assets/(liabilities)	01 July 2019	Recognised in Profit	Recognised in Equity	30 June 2020
Investment in associate	(1,577,452)	-	(229,965)	(1,807,417)
	(1,577,452)	-	(229,965)	(1,807,417)
	01 July 2018	Recognised in Profit	Recognised in Equity	30 June 2019
Investment in associate	(1,880,956)	-	303,504	(1,577,452)
	(1,880,956)	-	303,504	(1,577,452)

13 Maori Authority Credit Account

Opening balance	277,599	67,865
Tax paid/(refunded)	282,325	157,748
RWT credits	6,327	12,103
Imputation Credits	6,253	8,360
Maori authority credits attached to distributions	(63,636)	(106,061)
Maori authority credits received	127,611	137,583
Closing balance	636,477	277,599

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
14 Cash and cash equivalents			
Cash at bank - NZD		2,088,661	1,986,126
Cash in managed portfolio funds		330,860	242,229
		2,419,521	2,228,355

15 Trade and other receivables

Trade receivables	1,440,871	214,155
Bond	640	640
Other receivables	191,398	578,705
Prepayments	324,051	369,059
Total Trade and other receivables	1,956,960	1,162,560

Trade and other receivables more than 90 days overdue are \$15,565 (2019: \$35,962). There is no doubtful debt provision (2019: none) and the company is not exposed to any other significant credit risk (2019: none).

16 Property, plant and equipment

	Land Improvements	Buildings	Motor vehicles	Plant & equipment	Office equipment	Total
Cost	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2018	25,791	807,590	41,272	207,565	5,958	1,088,176
Additions	6,882,866	575,869	295,855	1,463,921	12,632	9,231,143
Balance at 30 Jun 2019	6,908,657	1,383,459	337,127	1,671,486	18,590	10,319,320
Balance at 1 Jul 2019	6,908,657	1,383,459	337,127	1,671,486	18,590	10,319,320
Additions	-	456,877	-	1,787,757	44,712	2,289,346
Balance at 30 Jun 2020	6,908,657	1,840,336	337,127	3,459,243	63,302	12,608,666
Accumulated depreciation	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2018	2,717	74,628	22,034	62,278	2,779	164,436
Depreciation expense	28,001	67,994	55,528	182,366	3,895	337,784
Balance at 30 Jun 2019	30,718	142,622	77,562	244,644	6,674	502,220
Balance at 1 Jul 2019	30,718	142,622	77,562	244,644	6,674	502,220
Depreciation expense	26,398	91,978	58,950	414,686	10,922	602,934
Balance at 30 Jun 2020	57,116	234,600	136,512	659,330	17,596	1,105,154
Net book value at 30 June 2019	6,877,939	1,240,837	259,565	1,426,843	11,916	9,817,100
Net book value at 30 June 2020	6,851,541	1,605,736	200,615	2,799,914	45,706	11,503,512

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2019

	2020	2019
	\$	\$
17 Other investments		
Moana New Zealand shares	296,423	296,423
Farmlands	1,000	1,000
Deepwater Group	1	-
Total Other investments	297,424	297,423

The above shares are not traded in an active market and stated at cost at the end of each reporting period.

During the 2013 year, Moana New Zealand (formerly Aotearoa Fisheries Limited) declared a bonus share issue of \$141,257 to release excess Maori Authority Credits to shareholders. As the bonus shares were issued to existing shareholders on a pro-rata basis for tax purposes, the bonus issue had no impact on the share capital. An additional 103 bonus shares were allocated to the company, resulting in a total shareholding of 206 shares held at 31 March 2014.

18 Managed portfolio funds

Craigs Investment Partners	1,903,675	2,045,696
Milford Asset Management	2,786,458	2,518,155
Total Managed portfolio funds	4,690,133	4,563,851

19 Investments in associates

Kakano Investments Limited Partnership		
Opening carrying value	18,256,355	18,660,765
Share of partnership profit	656,747	2,573,380
Share of partnership other comprehensive income	1,314,084	(1,734,309)
Distributions received	(511,316)	(484,315)
Capital distributions received	(145,477)	(759,166)
Closing carrying value	19,570,392	18,256,355

Ngati Whare Holdings Ltd holds 15.9% of the shares in Kakano Investments Limited Partnership (2019: 15.9%). Kakano is a forestry investment fund that has a 2.5% shareholding in Kaingaroa Timberlands. The cost of the investment is \$9,653,716 (2019: \$9,653,716).

20 Significant subsidiaries

	Ownership Interest	
	2020	2019
The Parent has the following significant subsidiaries:		
Goldlands Avocado Orchards Limited Partnership	82%	77.5%
Minginui Nursery Limited Partnership	100%	100%
Whare Honey Limited Partnership	100%	100%
NZ Wool Dumping Group (2019) Limited Partnership	82%	82%

Goldlands Avocado

On 19 December 2018, NWHL acquired 77.5% of Goldland Avocado Orchard Limited Partnership. The purchase price of \$7,451,400 was financed through external debt of \$2,000,000 and cash reserves. Minority interest in Goldlands Avocado Limited Partnership are recognised as non-controlling interest in the Statement of Movements in Equity. On 17 October 2019, Darling Family Investment Trust transferred 225,000 units to Ngati Whare Holdings Limited & Ngati Whare Holdings Limited sold 100,000 units to Franklin Investments Trust. The transfers of units has resulted in Ngati Whare Holdings increasing their shareholding to 82%.

The Limited Partnership has a balance date of 31 March and the results up to this date have been consolidated into the group financial statements.

The trading activities of Goldlands Avocado Limited Partnership for the three months subsequent to 31 March 2020 have not been included in these Group financial statements but will form part of the Group's financial statements for the reporting period ending 30 June 2021.

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2019

20 Significant subsidiaries - continued

Whare Honey

On 31 August 2018 NWHL acquired a 100% interest in Whare Honey Limited. The assets of \$1,200,000 were purchased for a discounted price of \$1,000,000 and financed from cash reserves within the Group.

Whare Honey's balance date is 30 June and all transactions have been captured in the Groups financial statements for the reporting period ending 30 June 2020.

Minginui Nursery

On 30 June 2016 NWHL acquired a 100% interest in Minginui Nursery Limited. The assets of \$1,212,125 were financed from cash reserves within the Group.

Minginui Nursery's balance date is 30 June and all transactions have been captured in the Groups financial statements for the reporting period ending 30 June 2020.

Wool Dumping

On 29 April 2019, NWHL acquired 82% of NZ Wool Dumping Group (2019) Limited Partnership. The purchase of \$4,860,000 was funded through \$1,600,000 of debt and cash reserves.

The trading activities of NZ Wool Dumping Group (2019) Limited Partnership for the three months subsequent to 31 March 2020 have not been included in these Group financial statements but will form part of the Group's financial statements for the reporting period ending 30 June 2021.

21 Non-controlling interests

Goldlands Avocado Orchard Limited Partnership: Darling Family Investment Trust 10% (2019: 17.5%)

Opening Balance	449,771	-
Share of loss for the year	(13,672)	(75,229)
Capital contribution	(225,000)	525,000
Balance at end of year	211,099	449,771

Franklin Investment Trust 8% (2019: 5%)

Opening Balance	128,506	-
Share of loss for the year	(10,938)	(21,494)
Capital contribution	100,000	150,000
Balance at end of year	217,568	128,506

NZ Wool Dumping (2019) Limited Partnership:

David Ferrier 9%		
Opening Balance	-	-
Share of profit for the year	94,176	-
Capital contribution	570,000	-
Balance at end of year	664,176	-

Steve Harrison 9%

Opening Balance	-	-
Share of profit for the year	94,176	-
Capital contribution	570,000	-
Balance at end of year	664,176	-
Total Non-controlling interest	1,757,019	578,277

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2019

	2020	2019
	\$	\$
22 Intangible assets		
Crayfish quota	1,526,500	1,526,500
Paua quota	635,950	635,950
Fisheries settlement quota	123,699	123,699
Websites	5,820	-
Wool intangibles	9,904,992	-
Total Intangible assets	12,196,961	2,286,149

Iwi Collective Partnership

In 2017 the Group joined as a partner of Iwi Collective Partnership (ICP). The ICP is a partnership of 19 iwi who joined together to facilitate improved returns on Maori fishing assets. All of the Groups quota is traded through the Iwi Collective Partnership.

Fisheries settlement quota

On 30 March 2009, a deed of transfer and warranty was signed between Te Runanga o Ngati Whare, as the

Total cash settlement	617,419	617,419
Fisheries settlement quota valued at	123,699	123,699
Moana New Zealand shares valued at	296,423	296,423

In accordance with section 16 1 c of the Maori Fisheries Act 2004, Ngati Whare Holdings has received and hold, on behalf of Te Runanga o Ngati Whare as the MIO, all settlement quota and income shares allocated by Te Ohu Kaimoana. The total cash settlement transferred by Te Ohu Kaimoana has been retained by Te Runanga o Ngati Whare.

23 Contingent asset - CNI Iwi Holdings Limited

Ngati Whare Holdings Limited holds 225 unpaid shares in CNI Iwi Holdings Limited. CNI Iwi Holdings Limited was established by the CNI Iwi Collective (comprising eight Iwi within the Central North Island area) for the purpose of settling the historical CNI Forest Land Claims. This is contingent of the settlement of the mana whenua negotiations.

CNI Iwi Holdings Limited currently hold the CNI Forests Land on Trust for the CNI Iwi Collective and will facilitate the transfer of future CNI Forest rental income to the Iwi within the collective by way of distribution.

In 2013 Ngati Whare Holdings Limited engaged Esperance Capital Limited to provide a valuation of the CNI Iwi Holdings Limited asset by determining the present value of Ngati Whare Holdings Limited's future Crown forest licence income. Based on the findings of the valuation Esperance considers that the arm's length, current market valuation of this asset was \$28,299,000 as at April 2017. No further valuations have been obtained since this date.

24 Other non-current assets

Investment in Wool Dumping	-	4,860,000
Whirinaki Forest Project	26,085	26,085
Whakatika Solutions	40,500	40,500
Total Other non-current assets	66,585	4,926,585

Wool Dumping

In April 2019, NWHL entered into a Limited Partnership with NZ Wool Dumping Group to purchase a wool dumping business. The investment is stated at cost as at 30 June 2019. As at 30 June 2020 this investment has been consolidated into the financial statements of the group.

25 Trade and other payables

Trade payables	1,199,169	255,068
PAYE payable	29,207	17,095
RWT payable	2,277	4,833
Income received in advance	96,090	59,500
Accrued expenses	32,487	25,282
Total Trade and other payables	1,359,230	361,778

Trade payables are unsecured and are usually paid within 30 days of recognition.

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2019

	Note	2020	2019
		\$	\$
26 Loans & borrowings			
Non-current			
Te Runanga o Ngati Whare loan - unsecured		1,600,000	1,600,000
Craigmore Permanent Crop Services loan - unsecured (Goldlands)		2,000,000	2,000,000
New Zealand Wool Dumping (BNZ Secured Loan)		6,000,000	-
Total Non-current		9,600,000	3,600,000
Current			
Overdraft (Goldlands)		2,779,723	2,922,570
David Ferrier (Wool Dumping)		56,000	-
Bank loans - secured		6,479,580	7,133,000
Total Current		9,315,303	10,055,570
Total Loans & borrowings		18,915,303	13,655,570

Summary of borrowing arrangements

Ngati Whare Holdings Limited

At balance date, the Parent had a \$6,479,580 debt facility with Westpac (2019: \$7,133,000). Debt facility is interest only and is repayable at maturity in May and June 2021. Average interest rate is 3.40% (2019: 4.68%).

The facility is secured by way of a General Security Agreement over all present and after acquired property and supported interlocking Guarantee between Ngati Whare Holdings Limited, Minginui Nursery Limited Partnership and Whare Honey Limited Partnership.

At Balance date, NZ Wool Dumping (2019) LP has a \$6,000,000 loan with BNZ. The loan is interest only with principal repayments commencing August 2021. At balance date the floating interest rate was 4.71%.

The Parent also received a loan from Te Runanga o Ngati Whare. The loan is interest only and is repayable at maturity in April 2022. Interest rate at balance date was 10% (2019: 10%).

Goldland Avocado Orchards Limited Partnership

At balance date, Goldland has a \$3m overdraft facility with Rabobank. Debt facility is repayable on a yearly basis of \$300,000 in March commencing from 2020 until further notice. Overdraft facility expires in October 2028.

The facility is secured by way of a General Security Agreement over all present and after acquired property.

At balance date, Goldland also had a loan from Craigmore Permanent Crop Services Limited. The loan is interest only and is repayable in December 2023. Interest at balance date was 8% (2019: 8%).

27 Reserves

Share of equity accounted investee other income

Balance at beginning of the year		7,436,556	8,867,361
Share of equity accounted investee other income	19	1,314,084	(1,734,309)
Deferred tax	12	(229,965)	303,504
Balance at end of the year		8,520,675	7,436,556

MNZ Shares

Balance at beginning of the year		296,423	296,423
Balance at end of the year		296,423	296,423

Fisheries Settlement Quota

Balance at beginning of the year		123,699	123,699
Balance at end of the year		123,699	123,699

Total Reserves at beginning of the year		7,856,679	9,287,484
Total Reserves at end of the year		8,940,797	7,856,678

Notes to the Special Purpose Financial Statements

Ngāti Whare Holdings Limited and Subsidiaries

For the year ended 30 June 2019

28 Related party transactions

	2020		2019	
	Revenue/ (Expense)	Receivables/ (Payables)	Revenue/ (Expense)	Receivables/ (Payables)
(a) Parent				
Te Runanga o Ngati Whare				
Dividend	(300,000)	-	(500,000)	-
Costs on-charged	-	-	-	-
Recovery of overhead contributions	-	-	5,202	-
Related party advance	-	124,957	-	124,957
Loan	-	1,600,000	-	1,600,000

The advance from Te Runanga o Ngati Whare is interest free and repayable on demand.

(b) Other related parties

Governance - director fees

Richard Braddock	(75,756)	-	(75,756)	-
David Carson	(42,169)	-	(50,552)	-
Ian Hulton	(33,102)	-	(31,102)	-
	(151,027)	-	(157,410)	-

Directors fees also include fees associated with Directorships on CNI Iwi Holdings Limited, CNI Iwi Land Management Limited and Te Kakano Whakatipu Limited, Minginui Limited Partnership, Whare Honey Limited Partnership and the Scion relationship governance group.

David Carson and Richard Braddock hold Directors positions in CNI Iwi Holdings Limited, a company which Ngati Whare Holdings Limited currently holds 4.7125% shares. Richard Braddock also holds Directors positions in CNI Iwi Land Management Limited and Te Kakano Whakatipu Limited.

29 Contingent liabilities

At balance date there were no known contingent liabilities (2019: \$Nil).

30 Commitments

At balance date there were no known capital commitments (2019: \$Nil).

31 Events after the balance date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

32 Going Concern

The Directors have assessed the ability of the Group to continue to operate as a going concern and as part of this assessment have considered the potential impact that disruptions from Covid-19 could have on the Group.

The Directors have formed the view that the Group's budget for the 2021 year which shows a net operating surplus of \$2,580,724, combined with cash and investments on hand, appropriately address potential impacts from Covid-19, which has taken into account the information available to Directors and management at the date of signing these financial statements.

Te Huapae | Vision Statement

Economic advancement for Ngāti Whare

Te Kaupapa | Mission Statement

To create long term wealth and opportunities for Ngāti Whare

Ngā Mātāpono | Values

- **Wharepākautanga**
Preserving our Ngāti Whare identity;
- **Kotahitanga**
To maintain and promote unity of purpose;
- **Kaitiakitanga**
Sustainable development of the Ngāti Whare people, environment and economy;
- **Rangatiratanga**
Demonstrating positive leadership;
- **Manaakitanga**
Caring for each other and our visitors;
- **Pono**
Honesty in ones words;
- **Tika**
Integrity in ones actions;
- **Whanaungatanga**
Enhancing relationships that enrich the prosperity of Ngāti Whare;



Phone:
07 348 3599

Registered Address:
Level 1, 1108 Fenton Street, Rotorua

Postal Address:
PO Box 1712, Rotorua

<https://ngatiwhareholdings.co.nz/>