

Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust
For the year ended 31 March 2024

Contents

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

3	Directory
4	Consolidated Statement of Financial Performance
5	Consolidated Statement of Changes in Equity
6	Consolidated Statement of Financial Position
8	Notes to the Consolidated Financial Statements
24	Audit Report

Directory

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

Nature of Business	Treaty Settlement Claim and Management of Trust Assets
Address	5 Rere Place Parakai Auckland 0830
New Zealand Business Number	9429030861824
IRD Number	108-517-148
Trustee	Ngā Maunga Whakahii o Kaipara Custodian Trustee Limited
Directors of Corporate Trustee	R N Glavish (Chair) M Tukerangi D Brewer T Davis T Hemana
Bankers	ANZ Bank Westpac Bank BNZ Bank
Chartered Accountants	VGA Chartered Accountants Limited Unit G12, 23 Edwin Street Mt Eden, Auckland 1024
Auditors	Moore Markhams Auckland 103 Carlton Gore Road Auckland
Primary Solicitors	MinterEllisonRuddWatts PwC Tower, Level 22 15 Customs Street Auckland CBD

Consolidated Statement of Financial Performance

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

	NOTE	2024	2023
Revenue			
Equity Earnings - Forest JV		(5,532,812)	6,013,288
Partnership / JV Income	5	(625,845)	4,017,631
Forestry Income		1,547,659	751,884
Governance Income		4,746	23,928
Rental Income		1,280,837	1,550,159
Managed Funds Income		678,867	871,106
Interest Income		97,579	66,178
Grants Income		38,042	590,230
Other Income		122,605	22,450
Total Revenue		(2,388,323)	13,906,854
Gross Profit		(2,388,323)	13,906,854
Expenses			
Depreciation of Property, Plant and Equipment		60,749	63,724
Auditing and Taxation Fee		250,403	265,026
Directors Fees	12	183,965	206,431
Employee & Contractor Expenses		2,385,201	2,926,347
External Governance Expenses	12	6,470	17,641
Finance Costs		2,228,862	1,345,890
Grants Paid		31,780	185,092
Iwi Management Programme Projects		5,634	-
Legal & Professional Fees	17	446,696	675,751
Occupancy Expenses		64,982	71,637
Office Expenses		222,856	202,497
Other Expenses		168,586	226,125
Partnership / JV Expenses	5	280,743	328,711
Property Expenses		96,942	142,593
Trustees Fees	12	-	66,882
Total Expenses		6,433,867	6,724,347
Surplus/(Deficit) Before Income Tax		(8,822,190)	7,182,507
Less Income Tax Expense			
Income Tax Expense	18	37,500	271,889
Total Comprehensive Income		(8,859,690)	6,910,618

These financial statements have been prepared after conducting the Audit and should be read in conjunction with the attached notes to the financial statements and Auditor's report.

Consolidated Statement of Changes in Equity

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

	2024	2023
Retained Earnings/Accumulated Losses		
Total Comprehensive Income	(8,859,690)	6,910,618
Total Net Surplus / (Deficit) For the Year	(8,859,690)	6,910,618
	2024	2023
Asset Revaluation Reserve		
Asset Revaluation Reserve		
Opening Balance	21,947,040	20,619,218
Revaluation Reserve	1,108,707	1,225,758
Unrealised Gains	-	102,064
Unrealised gain / (loss) on Carbon Credits	775,321	-
Total Asset Revaluation Reserve	23,831,067	21,947,040
	2024	2023
Trust Capital		
Trust Capital		
Opening Balance	81,893,533	75,611,593
Current Year Earnings	(8,859,690)	6,910,618
Retained Earnings Movements	-	(628,679)
Total Trust Capital	73,033,843	81,893,533

These financial statements have been prepared after conducting the Audit and should be read in conjunction with the attached notes to the financial statements and Auditor's report.

Consolidated Statement of Financial Position

Ngā Maunga Whakahii o Kaipara Development Trust

As at 31 March 2024

	NOTE	2024	2023
Assets			
Current Assets			
Cash and Cash Equivalents	2	5,269,600	6,821,812
Term Deposits	2	309,533	299,399
Accounts Receivable	6	430,964	402,124
Total Current Assets		6,010,097	7,523,336
Non-Current Assets			
Investments	3	65,831,577	66,751,364
Property, Plant and Equipment	4	47,860,936	37,913,924
Carbon Credits	7	11,750,640	10,975,319
Bonds		4,000	4,000
Total Non-Current Assets		125,447,153	115,644,607
Total Assets		131,457,250	123,167,943
Liabilities			
Current Liabilities			
Trade Payables	8	550,221	644,394
Income Tax	18	663,255	680,206
Other Payables	9	816,495	515,429
Employee Entitlements	10	164,030	97,706
Income In Advance	11	25,206	535,266
Total Current Liabilities		2,219,207	2,473,002
Non-Current Liabilities			
Loans		32,066,779	16,585,066
Deferred Income Tax	18	315,646	278,146
Total Non-Current Liabilities		32,382,425	16,863,212
Total Liabilities		34,601,631	19,336,213
Net Assets		96,855,619	103,831,729

These financial statements have been prepared after conducting the Audit and should be read in conjunction with the attached notes to the financial statements and Auditor's report.

Consolidated Statement of Financial Position

Ngā Maunga Whakahii o Kaipara Development Trust

As at 31 March 2024

	NOTE	2024	2023
Equity			
Accumulated Funds		73,033,843	81,893,533
Revaluation Reserve		23,831,067	21,947,040
Intercompany Timing Differences		(9,291)	(8,843)
Total Equity		96,855,619	103,831,729

For and on behalf of the Trust:

Trustee: _____ Date _____

Trustee: _____ Date _____

These financial statements have been prepared after conducting the Audit and should be read in conjunction with the attached notes to the financial statements and Auditor's report.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for the entity Ngā Maunga Whakahii o Kaipara Development Trust ("Trust") and its subsidiaries ("Group") including Whiti Ora O Kaipara Charitable Trust and companies incorporated under the Companies Act 1993:

- Ngā Maunga Whakahii o Kaipara Commercial Development Limited
- Ngā Maunga Whakahii o Kaipara Ngahere Limited
- Ngā Maunga Whakahii o Kaipara Whenua Hoko Holdings Limited
- Te Rau Manga Limited
- Te Uru Limited
- Pitoitoi Limited (non trading)

Business Activity

Ngā Maunga Whakahii o Kaipara Development Trust (the Development Trust) is the Post Settlement Governance Entity (PSGE) of Ngāti Whātua o Kaipara.

The Development Trust is tasked with leading the group of entities (the Group) and its two main subsidiaries that provide social services and commercial activities.

Whiti Ora o Kaipara Charitable Trust (Whiti Ora)

Whiti Ora is currently not operational.

Kaipara Commercial Development Limited (KCDL)

KCDL currently oversees the commercial activities and is also tasked with managing the investments on behalf of the Development Trust. These activities include financial investments, property & land development, rental property, forestry, and licensing use of iwi-owned land and forests to third parties for their commercial activities.

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPF for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the Trust's members.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance and financial position on a historical cost basis are followed by the Group, with the exception that certain property, plant, equipment and investments are subject to revaluation. Financial statements are presented in New Zealand Dollars (NZD) and rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of the financial performance and financial position have been applied:

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

a) Basis of Consolidation

Consolidated financial statements are not within the scope of SPFR for FPEs. The group step up to NZ IFRS 10 Consolidated Financial Statements and NZ IFRS 12 Disclosure of Interest in other Entities.

The financial statements comprise those of the Company and its subsidiaries, which are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Group controls another entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate. The consolidated financial statements are based on the financial statements of the individual companies prepared using the standard Group accounting policies.

Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with Group policies.

All intra-group transactions and balances between Group entities are eliminated on consolidation except for foreign currency transaction gains and losses.

Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests are initially measured at their proportionate share of the net assets at the date of acquisition.

Profit or loss and each component of other comprehensive income are attributed to either the owners of the parent or any non-controlling interests, even if this allocation results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary along with any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any investment retained in the entity is measured at fair value at that date.

b) Revenue Recognition

Income is recognised on an accruals basis. Income in advance represents monies received where the services are yet to be provided and there is a contractual obligation. Details of each revenue stream is described below;

1. Equity Earnings

Equity earnings are derived from the revaluation of the assessed future value of cutting trees & stumps in the forestry joint venture. It is the movement in future value for the year as assessed by the independent valuer in December each year.

2. Partnership JV Income

The Development JV is a partnership so net income derived from the sale of property and finished houses by the JV is allocated to each partner in the proportions under the JV agreements.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

3. Forestry Income

This is income received from use of the forest resource, including sand extraction, cleanfill, events held in the forest, filming that takes place in the forest, licences issued to the forestry JV to conduct forestry, and hunting permits. Income is recognised when billed.

4. Rental Income

Rental income derives from the leasing of Trust land or licenses to access trust land to external parties for commercial purposes including licensees operating ventures within the forest, school properties on trust land leased to the Ministry of Education, and residential rent. Income is recognised when invoiced, except for annual rental billed in advance & allocated to the period it covers.

5. Managed Funds

Income derived from the portfolio fund managers, recognised when earned as determined from monthly reports received from FundRock NZ Ltd the issuer of the Trust Management PIE Funds Scheme.

6. Governance Income

Recognised when billed to external parties such as local councils for attendance at council or related meetings.

7. Other Income

Comprises income not elsewhere categorised, recognised when billed or received.

c) Government Grants

Government grants are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant. The only grants received were in the 2023 year for the Covid-19 wages subsidy that was applied to paying staff wages in accordance with the subsidy rules. There is no unfulfilled obligation in respect to this.

Whiti Ora o Kaipara Charitable Trust did not receive any government grants. However, they did receive government grants in the 2023 year which have not been able to be identified and therefore the unfulfilled obligation cannot be determined.

d) Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

The Group assesses expected credit losses arising from its trade receivables at the end of each reporting period. The level of provision recognised is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

There has been no provision for doubtful debts.

e) Goods & Services Tax

The financial statements have been prepared on a GST exclusive basis other than Accounts Receivable and Accounts Payable. The Trust and subsidiaries are individually registered for Goods & Services Tax on either a payments basis or invoices basis.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

f) Cash and Cash Equivalents

Comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

g) Payables, Accruals and Employee Entitlements

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

h) Investment in Listed Equities and Carbon Credits

Investments are measured at fair value with gains or losses recognised in the Changes of Equity. The fair value of investments is determined by reference to active market transactions where the information is readily obtainable and reliable.

Investments in forestry assets under joint venture arrangements are recorded at the Group's share of the forest valuation as at year end as per the forest manager's annual report. Forest assets are independently valued for Matariki Forests (the forest manager) by specialist forest-sector appraisers Margules Groome Ltd as at 31 December each year. Changes in value are recorded as income entitled Equity Earnings.

Whenua Hoko Holdings joint ventures are accounted for using the equity method. Under the equity method, on initial recognition the investment in the joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Te Rau Manga's joint venture investments are carried at expected future value as determined by a specialist independent valuer.

Put Option Receivable

Put option receivables are recognised when the entity enters into a contractual arrangement that gives it the right to sell a specified asset at a predetermined price within a defined period. The receivable is initially measured at cost, which represents the premium paid or the fair value of the option at inception. Subsequent to initial recognition, the put option receivable is measured at fair value if reliable valuation techniques are available. Changes in fair value are recognised in the statement of profit or loss. If fair value cannot be reliably measured, the receivable is carried at cost less any impairment losses. Where the option is exercised, the receivable is derecognised and the proceeds from the sale of the underlying asset are recognized. If the option expires unexercised, the carrying amount of the receivable is written off to profit or loss. The entity assesses the put option receivable for impairment at each reporting date and recognises a loss if the carrying amount exceeds the recoverable amount.

i) Financial Instruments

At initial recognition the Group determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised cost

Includes assets where the society intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair value

Financial assets not held at amortised cost or cost are held at fair value and include financial derivatives such as forward contracts and interest rate swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the instrument shall be measured at a prior year's fair value less any accumulated impairment loss. Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

j) Asset Revaluations

Forest assets were independently valued for Matariki Forests (the forest manager) by specialist forest-sector appraisers Margules Groome Ltd as at 31 December 2022. These valuations are carried out annually in December each year. Changes in value are recorded as income entitled Equity Earnings.

Any revaluation surplus arising upon appraisal of land and buildings is credited to the Asset Revaluation Reserve in Equity. Devaluations of land are recognised upon appraisal or impairment testing with the decrease being charged to the statement of financial performance. Any revaluation surplus remaining in equity on disposal of the asset is transferred to Retained Earnings.

There were no revaluations of land & buildings during the financial year.

k) Property, Plant & Equipment, Depreciation

All fixed assets are recorded at cost less accumulated depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007.

Asset Classification	Rate	Method
Land	0%	-
Buildings	2%	Straight Line
Building Improvements	3% - 7%	Straight Line
Fixtures & Fittings	7% - 30%	Straight Line & Diminishing Value
Computers & Software	40% - 67%	Straight Line & Diminishing Value
Office Equipment	40% - 67%	Diminishing Value
Roads	4%	Diminishing Value
Motor Vehicles	13% - 30%	Straight Line & Diminishing Value

Ngahere Limited had an agreement to purchase the Oneonenui Farm property for \$10m, funded by a withdrawal of funds from the managed portfolio investments, which settled in November 2023.

There were no further commitments to purchase fixed assets at balance date.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

l) Impairment of Non-Financial Assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the company intends to use to the end of their useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets the company intends to use to the end of their useful life are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist, the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount, then the resulting difference is recognised as an impairment loss in equity for that period.

As at balance date, no assets have any indications of impairment.

m) Income Tax

The Group is registered as a Maori Authority and the income tax rate is 17.50%. The Group has adopted deferred tax accounting in the year to 31 March 2024.

Deferred tax is accounted for in accordance with IAS 12, Income Taxes. IAS 12 defines a deferred tax liability as being the amount of income tax payable in future periods in respect of taxable temporary differences.

Temporary differences may be either taxable temporary differences or deductible temporary differences. Taxable temporary differences are those on which tax will be charged in the future when the asset or liability is recovered or settled. Deductible temporary differences are those which will result in tax deductions or savings in the future when the asset or liability is recovered or settled.

n) Development Property

Development Property assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

The development manager (Fletcher Residential Ltd) has given no indication of any impairment to the carrying or fair value at balance date.

o) Loan Policy

All loans are to be stated at their face value less impairment (if any).

p) Prior Period Errors

An entity shall correct a material prior period error prospectively in the first set of financial statements prepared in accordance with SPFR for FPEs after the error has been discovered.

The prospective correction of a prior period error requires:

- (a) restatement of the opening assets, liability or equity balances at the commencement of the current period; and
- (b) recognition of the corresponding movements as an adjustment to opening equity in the reconciliation of movements in equity.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

SPFR for FPEs prohibits the amendments of previously reported balances (ie comparatives) as a result of accounting for prior period errors. The impact of accounting for prior period errors on previously reported balances is accounted for as a current year movement in the reconciliation of movements in equity.

The management and directors are aware that the independent valuation of the TRM forest JVs as at 31 December 2022 was significantly overstated by approximately \$6M due to an error by the independent valuer. A market value correction is incorporated into the next valuation after balance date in December 2023.

There were no other prior period errors.

Changes in Accounting Policies

All accounting policies have been applied on basis consistent with the previous year.

Changes in Accounting Estimates

As a result of the uncertainties inherent in business activities, many items in the financial statements cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information. An estimate may need revision due to changes in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error.

Accounting for changes in accounting estimates.

An entity shall recognise the effect of a change in accounting estimates prospectively by recognising the impact in profit or loss in:

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

Prospective recognition in this context means that the effect of the change in the accounting estimate is recognised in the current and future periods affected by the change.

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

	2024	2023
2. Cash and Cash Equivalents		
Bank Current Accounts	5,269,600	6,821,812
Bank Term Deposits	309,533	299,399
Total Cash and Cash Equivalents	5,579,133	7,121,211
	2024	2023
3. Investments		
Forest Joint Venture	7,220,000	12,310,000
Managed Funds	18,816,164	28,375,670
Okahukura JV	39,795,413	26,065,694
Total Investments	65,831,577	66,751,364

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

In 2015, Te Rau Manga Limited invested in a joint venture to plant forest at Woodhill. Te Rau Manga Limited will receive a share of stumping in lieu of rental for land, based on its percentage contribution to the joint venture.

Whenua Hoko holds a put option with Fletcher Residential Limited for the Okahukura JV development that may be exercised by Whenua Hoko Holdings to exit the JV. When exercised the put option would result in net capital contributions plus commitment fees and interest being paid by FRL to Whenua Hoko.

4. Property Plant and Equipment

	Cost/Valuation	Depreciation	Accumulated Depreciation	Carrying Value
31 March 2024	\$	\$	\$	\$
Land	46,725,123	-	-	46,725,123
Buildings	927,788	5,807	56,107	871,681
Fixtures and Fittings	141,920	11,149	89,396	52,524
Computers and Software	216,503	10,021	203,047	13,456
Office Equipment	78,219	7,045	44,077	34,141
Roads	38,263	1,227	8,812	29,452
Motor Vehicles	202,282	25,500	67,722	134,559
	\$48,330,097	\$60,749	\$469,161	\$47,860,936

	Cost/Valuation	Depreciation	Accumulated Depreciation	Carrying Value
31 March 2023	\$	\$	\$	\$
Land	36,725,123	-	-	36,725,123
Buildings	927,788	5,807	50,299	877,488
Fixtures and Fittings	141,920	12,418	78,247	63,673
Computers and Software	215,242	16,155	193,026	22,216
Office Equipment	78,219	8,139	37,033	41,186
Roads	38,263	1,278	7,584	30,679
Motor Vehicles	195,782	18,974	42,223	153,559
	\$38,322,336	\$62,772	\$408,412	\$37,913,924

Land

The carrying value of Lands has been determined through Auckland Council rate valuations as at 31 March 2020.

Buildings

The carrying value of Buildings has been determined through Auckland Council rate valuations as at 31 March 2020.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

	2024	2023
5. Joint Venture Partnership Income and Expenses		
JV Income		
Okahukura (Albany)	(625,845)	4,017,631
Total JV Income	(625,845)	4,017,631

	2024	2023
JV Expenses		
Okahukura (Albany)	(30,424)	(90,029)
Manu Whakatau (Harrier Point)	(47,557)	(33,374)
Te Tau Waka (Launch Road)	(202,762)	(205,308)
Total JV Expenses	(280,743)	(328,711)
Total Joint Venture Partnership Income and Expenses	(906,588)	3,688,920

	2024	2023
6. Accounts Receivable		
Trade Receivables		
Trade Receivables	251,980	206,949
Total Trade Receivables	251,980	206,949
Other Receivables		
Financial Investment Income Receivable	178,985	195,175
Bonds	4,000	4,000
Total Other Receivables	182,985	199,175
Total Accounts Receivable	434,964	406,124

7. Carbon Credits

Under the Carbon Emissions Trading Scheme, Ngā Maunga Whakahii o Kaipara Development Trust acquired pre-1990 New Zealand Units as part of its treaty settlement with the Crown. These were made available to compensate for the impact of rules relating to changing pre-1990 forest land use.

Transferred 19 September 2017

	Units	Spot Rate 2024	Value 2024	Spot Rate 2023	Value 2023
Woodhill Forest	191,952	58.35	11,200,399	54.50	10,461,384
Riverhead Forest	9,430	58.35	550,241	54.50	513,935
Total	201,382		11,750,640		10,975,319

Unrealised gains / (losses) are calculated using the Carbon Forest Services Limited spot rate at balance date, and are recorded in the Asset Revaluation Reserve in the Statement of Changes in Equity.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

	2024	2023
8. Trade Payables		
Trade Payables	544,357	622,530
Credit Cards	5,864	7,898
PAYE Payable	-	13,966
Total Trade Payables	550,221	644,394
	2024	2023
9. Other Payables		
Accrued Loan Fees and Interest	483,010	324,164
Other Accrued Expenses	137,512	116,988
GST Payable	205,296	66,828
Sundry Creditors	(9,322)	7,450
Total Other Payables	816,495	515,429
	2024	2023
10. Employee Entitlements		
Holiday Pay Payable	144,624	97,706
Wages Payable - Payroll	19,406	-
Total Employee Entitlements	164,030	97,706
11. Income in Advance		
A transfer of \$25,206 was made to Income in Advance to reflect forestry licenses, Kake Hoiho Memberships, event funds, and grants received not yet utilised. (2023: \$535,266).		
12. Related Party Transactions		
Nga Maunga Whakahii O Kaipara Custodian Trustee Limited is the corporate trustee of Nga Maunga Whakahii O Kaipara Development Trust. Named trustees are directors of the Custodian Trustee company.		
During the year there have been transactions between the entities making up the Group as follows:		
The Trust provided funding of \$ nil to Whiti Ora o Kaipara Charitable Trust during the year (2023: \$300,000).		
At balance date there was a loan of \$590,418 owing by the Trust to Ngā Maunga Whakahii O Kaipara Commercial Development Limited. This is an interest free loan which is repayable on demand (2023: \$413,684).		
At balance date there was a loan of \$24,123 owing by the Trust to Ngā Maunga Whakahii O Kaipara Ngahere Limited. This is an interest free loan which is repayable on demand (2023: \$16,867) owing to the Trust by Ngā Maunga Whakahii O Kaipara Ngahere Limited).		

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

At balance date there was a loan of \$636,642 owing by the Trust to Whiti Ora O Kaipara Charitable Trust. This is an interest free loan which is repayable on demand (2023: \$610,876).

At balance date the following was owing by Nga Maunga Whakahii O Kaipara Development Trust:

	2024	2023
Whiti Ora O Kaipara Charitable Trust	\$ 636,642	\$ 610,876
Nga Maunga Whakahii Ngahere Ltd	\$ 24,123	\$ 16,867
Nga Maunga Whakahii Whenua Hoko Holdings Limited	\$ -	\$ -
Nga Maunga Whakahii O Kaipara Commercial Development Ltd	\$ 590,418	\$ 413,684
	\$ 1,251,183	\$ 1,041,427

Subsidiary Entities

The Trust has the following subsidiary entities:

Whiti Ora o Kaipara Charitable Trust, Ngā Maunga Whakahii o Kaipara Commercial Development Limited, Ngā Maunga Whakahii o Kaipara Ngahere Limited, Ngā Maunga Whakahii o Kaipara, Whenua Hoko Holdings Limited, Te Uru Limited, Te Rau Manga Limited. Pitoitoi Limited (non-trading).

Directors' Fee

	2024	2023
	\$	\$
Directors' Fees by Entity		
Ngā Maunga Whakahii o Kaipara Ngahere Limited	-	-
Ngā Maunga Whakahii o Kaipara Whenua Hoko Holdings	-	-
Ngā Maunga Whakahii o Kaipara Commercial Development	183,965	206,431
	\$183,965	\$206,431
Directors' Fees by Director		
Kristy Hill	23,832	39,284
Margaret Kawharu	60,133	55,000
Chris Cardwell	40,000	52,147
Rhys Freeman	60,000	60,000
	\$183,965	\$206,431

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

Trustees Fees

	2024	2023
Trustees' Fees by Entity	\$	\$
Ngā Maunga Whakahii o Kaipara Development Trust	-	18,350
Whiti Ora o Kaipara Charitable Trust	-	48,375
Kaipara Ngāhere Limited	-	157
	\$ -	\$66,882
Trustees' Fees by Trustee		
Suzanne Clarke	-	-
Tracy Davis	-	1,000
Naida Glavish	-	1,500
Trisya Hemana	-	3,000
Richard Nahi	-	-
Tamaki Mercer	-	1,000
Cherie Povey	-	2,250
Jane Sherard	-	9,600
Margie Tukerangi	-	-
Ngawai Beazley	-	11,625
Puawai Kopu	-	7,875
Brenda Steele	-	16,500
Pauline Kingi	-	12,375
Reweti Trust Board		157
	\$ -	\$66,882

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

External Governance Fees

	2024	2023
	\$	\$
External Governance Fees by Entity		
Ngā Maunga Whakahii o Kaipara Development Trust	6,470	17,641
Whiti Ora o Kaipara Charitable Trust	-	-
	\$6,470	\$17,641
External Governance Fee by Trustee		
Jane Sherard	4,555	12,891
Cherie Povey	1,915	4,750
	\$6,470	\$17,641

After balance date, Mihi Blair, Te Kurataiaho Kapea, Joseph Phma were all appointed as Trustees on 18 January 2025.

13. Commitments

Non-Cancellable Operating Leases	2024	2023
	\$	\$
Less than 1 year		
Less than 1 year	-	43,798
Between 1-5 years	117,253	117,253
	\$117,253	\$161,051

Whenua Hoko Holdings has a joint venture development underway with Fletcher Residential to build housing (Okahukura development), and as at balance date has committed to providing \$2.450m (last year \$10.437m) of further capital to the general partner for the development to be funded by drawing on the ANZ Development Loan Facility. Whenua Hoko Holdings has another joint venture development in progress with Fletcher Residential to build housing (Te Tau Waka development), and has committed to providing a total of \$11.907m of capital to the general partner for the development to be funded from cash and by a new BNZ Bank facility, with \$7.497m due in the 2025 financial year and the balance due in 2026.

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

14. Term Liabilities

ANZ Development Loan		2024	2023
Loan balance Suffix-86		28,146,779	24,059
Loan balance Suffix-88		2,205,000	15,581,007
Loan balance Suffix-89		1,715,000	980,000
Total Facility balance:		32,066,779	16,585,066
Accruals:		483,010	324,164
Gross amount payable:		32,549,789	16,909,230
Repayment terms:	Accrued interest and bank fees are capitalised quarterly. Repayments commence upon sale of developed houses.		
Finance rate:	8.97% weighted average (8.90% - 8.99%)		
Security:	49% share of Okahukura JV		

The ANZ Bank Development Loan Facility has a limit of \$41,000,000. Interest rate pricing is re-fixed at the end of each quarterly period. Gross amount payable includes principal plus accrued uncapitalised interest and fees at balance date.

A BNZ Bank Loan Facility with a limit of \$17,000,000 has been established to finance the Te Tau Waka development. Interest rate pricing is re-fixed at the end of each quarterly period. Gross amount payable includes principal plus accrued uncapitalised interest and fees at balance date. No drawdowns on this loan were made until November 2024.

Security is 49% share in Te Tau Waka Development.

15. Contingent Liabilities

At balance date there are no known contingent liabilities. The Group has not granted any securities in respect of liabilities payable by any other party whatsoever (2023: Nil).

16. Subsequent Events

The following events and transactions occurred subsequent to 31 March 2024:

The Okahukura JV general partner made the final capital call on Whenua Hoko Holdings of \$2.450m in April 2024 (last year \$14.357m) funded by a drawdown against the ANZ Development Loan facility.

Whenua Hoko Holdings has commenced a new development joint venture (Te Tau Waka) with Fletcher Residential. The Te Tau Waka general partner is due to make capital calls totalling \$7.497m in the 2025 financial year to be funded from cash and the BNZ Bank loan facility.

During the 2025 financial year Whenua Hoko Holdings commenced due diligence work towards a proposed new development joint venture (Manu Whakatau) with Avant Group Limited.

(2023: The Okahukura JV general partner made capital calls on Whenua Hoko Holdings totalling \$14.357m in the 2024 financial year primarily funded by drawdowns against the ANZ Development Loan facility, plus a further \$1m of funds provided by Whenua Hoko Holdings. During the 2024 financial year the company commenced due diligence work towards a proposed new development joint venture (Te Tau Waka) with Fletcher Residential).

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

17. Legal & Professional Fees

	2024	2023
	\$	\$
Administration	111,817	49,799
HR & Employment	202,549	172,630
Inter-Entity Conflict Legal Fees	102,022	266,076
Governance	-	29,918
Business Opportunities Due Diligence	30,308	85,408
Consultants	-	71,920
	\$446,696	\$675,751

18. Income Tax

Income Tax Expense

	2024	2023
	\$	\$
Surplus / (Deficit) Before Income Tax	(8,822,190)	7,182,507
Adjust for Permanent Differences		
Non-Assessable Items	(1,242,892)	(7,141,825)
Non-Deductible Items	7,656,663	1,475,584
Taxable Surplus / (Deficit)	(2,408,419)	1,516,266
Statutory tax at 17.5% thereon	-	265,346
Temporary Timing Differences	37,500	6,543
Tax Expense as Per Statement of Comprehensive Income	\$ 37,500	\$271,889

Notes to the Consolidated Financial Statements

Ngā Maunga Whakahii o Kaipara Development Trust For the year ended 31 March 2024

Income Tax Liability

	2024	2023
	\$	\$
Opening Income Tax Balance	680,206	426,499
Tax Expense as per Statement of Comprehensive Income	37,500	271,889
Less Temporary Timing Differences	(37,500)	(6,543)
Less Tax Credits Received	(16,951)	(11,639)
Income Tax Liability / (Asset) Closing Balance	\$663,255	\$680,206

Deferred Tax Liability

	2024	2023
	\$	\$
Opening Deferred Tax Balance	278,146	271,603
Deferred Tax for the period	37,500	6,543
Deferred Tax Liability / (Asset) Closing Balance	\$315,646	\$278,146

19. Financial Instruments

Financial assets	2024	2023
- measured at amortised cost	6,014,097	7,527,336
- measured at fair value	-	-
- measured at cost	-	-
- measured at fair value based on quoted price (Investments in Listed Equities)	18,816,164	28,375,670

Audit Report

Ngā Maunga Whakahii o Kaipara Development Trust
For the year ended 31 March 2024

