

FINLAY+DYKZEUL

CHARTERED ACCOUNTANTS

2017 Financial Statements

PIRIHIMA WHANAU TRUST

FINLAY DYKZEUL LIMITED

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PIRIHIMA WHANAU TRUST

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For the Year Ended 31 March 2017

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PIRIHIMA WHANAU TRUST

Directory

As at 31 March 2017

Nature of Business	Farm, Kiwifruit Orchard, Pine Block, Rental
Place of Business	718 Welcome Bay Road Tauranga
Trustees	Marita Ranclaud Nelhana Jacob (resigned 18.02.2017) Wayne Hudson Colin Reeder Titihuia Pakeho
Accountants	Finlay Dykzeul Limited Chartered Accountants 314 Maunganui Road Mount Maunganui 3116
Auditor	BDO Tauranga Chartered Accountants Level 1, The Hub, 525 Cameron Road Tauranga 3140
Bankers	ANZ
Solicitors	Koning Webster Lawyers Papamoa
IRD Number	43-815-806

PIRIHIMA WHANAU TRUST

Statement of Financial Performance Farm

For the Year Ended 31 March 2017

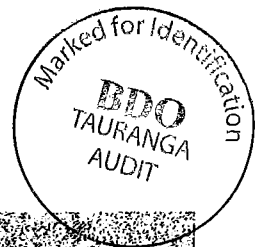
Note	2017	2016
	\$	\$
Operating Revenue		
Hay & Silage Sales	423	
Less Expenses		
Working Expenses		
Contracting - Tree Felling	600	
Repairs and Maintenance		
Buildings	-	101
Fences & Yards	1,924	-
General	66	353
Plant & Equipment	184	703
Water Supply	-	345
	2,174	1,502
Total Expenses	2,774	1,502
Net Deficit	(2,351)	(1,502)



These financial statements are to be read in conjunction with the accompanying notes. These financial statements have been audited. Please refer to the Independent Auditors Report.

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PIRIHIMA WHANAU TRUST

Statement of Financial Performance Kiwifruit - Green

For the Year Ended 31 March 2017

Note	2017	2016
	\$	\$
Operating Revenue		
Kiwifruit Sales	237,244	261,397
Other Income		
Rebates	-	20
Net Revenue	237,244	261,417
Less Expenses		
Working Expenses		
Electricity	1,216	2,814
Fertiliser	6,230	7,491
Grafting	2,109	
Hi Cane Expenses	2,096	1,165
Monitoring	-	268
Mowing & Mulching	3,733	2,892
Orchard Expenses	722	1,672
Packing & Picking Expenses	106,765	286
Planting	123	
Pollination	12,660	7,275
Plant & Trunk Girdling	2,267	2,422
Pruning, Thinning & Tying	68,636	61,265
Rootstock	345	190
Shelter	2,838	2,736
Soil Testing	516	866
Sprays	7,611	9,262
Vine Training & Removal	1,415	
Wages	-	19,671
Weed & Pest Control	956	1,474
	220,238	121,668
Repairs and Maintenance		
Plant & Equipment	5,453	
Water Supply	435	1,664
	5,888	1,664
Vehicle Expenses		
Truck Expenses	671	1,569
Tractor Expenses	-	464
	671	2,033
Administration Expenses		
Compensation - Employee	-	15,000
Consultancy	5,662	
Courses & Seminars	217	
Management Fees	7,015	4,183
	12,894	19,183
Standing Charges		
Rates	12,197	7,213

These financial statements are to be read in conjunction with the accompanying notes. These financial statements have been audited. Please refer to the Independent Auditors Report.

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PIRIHIMA WHANAU TRUST

Statement of Financial Performance - Kiwifruit - Green (continued)

For the Year Ended 31 March 2017

	Note	2017	2016
		\$	\$
Non Cash Expenses			
Licence Amortisation		303	303
Total Expenses		252,191	152,044
Net (Deficit) Surplus		(14,947)	109,373



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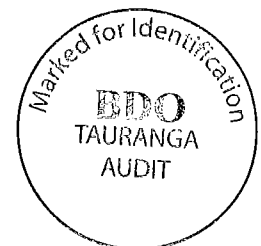
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PIRIHIMA WHANAU TRUST

Statement of Financial Performance Kiwifruit - Gold

For the Year Ended 31 March 2017

Note	2017	2016
	\$	\$
Operating Revenue		
Kiwifruit Sales	156,873	95,408
Less Expenses		
Working Expenses		
Fertiliser	1,467	1,837
Hi Cane Expenses	486	
Monitoring	-	136
Mowing & Mulching	1,060	783
Orchard Expenses	-	438
Packing & Picking Expenses	45,508	
Poles & Stringing	3,004	2,112
Pollination	1,158	1,068
Plant & Trunk Girdling	1,144	
Pruning, Thinning & Tying	13,964	10,983
Shelter	218	244
Soil Testing	146	93
Sprays	491	4,063
Vine Training & Removal	1,929	1,161
Weed & Pest Control	389	428
	70,964	23,326
Repairs and Maintenance		
General	-	64
Plant & Equipment	-	93
Water Supply	96	22
	96	179
Vehicle Expenses		
Truck Expenses	-	1,193
Administration Expenses		
Consultancy	1,342	
Management Fees	2,596	923
	3,938	923
Total Expenses	74,998	25,621
Net Surplus	81,875	69,787



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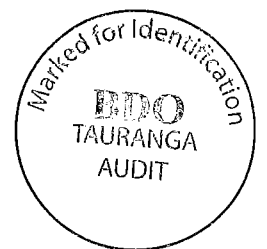
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PIRIHIMA WHANAU TRUST

Statement of Financial Performance Avocados

For the Year Ended 31 March 2017

	Note	2017	2016
		\$	\$
Operating Revenue			
Avocado Income		22,424	2,432
Less Expenses			
Working Expenses			
Avocado Expenses		12,685	7,203
Net Surplus (Deficit)		9,739	(4,771)



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PIRIHIMA WHANAU TRUST

Statement of Financial Performance - Kopukairoa Pinelands

For the Year Ended 31 March 2017

	Note	2017	2016
		\$	\$
Expenses			
Standing Charges			
Insurance		1,613	1,540
Rates		2,103	2,046
Net Deficit		(3,716)	(3,586)



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PIRIHIMA WHANAU TRUST

Rental Income Schedule

For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Rental Income Schedule for Kairua Road		
Income		
Rental Income	12,000	11,660
Less Expenses		
Insurance	1,044	1,210
Repairs & Maintenance	-	248
Rates	1,772	1,737
	2,816	3,195
Net Rental Income	9,184	8,465



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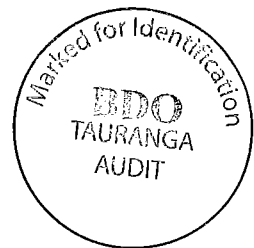
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PIRIHIMA WHANAU TRUST

Rental Income Schedule (continued)

For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Rental Income Schedule for Papakainga		
Income		
Papakainga Rental Income	33,872	18,200
Less Expenses		
Insurance	4,809	3,818
Repairs & Maintenance	3,103	1,142
Electricity	1,221	2,534
Wages	5,552	
	14,685	7,294
Net Rental Income	19,187	10,906



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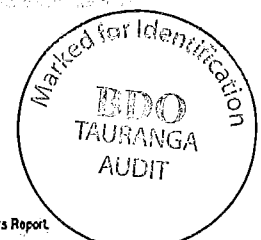
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PIRIHIMA WHANAU TRUST

Combined Statement of Financial Performance

For the Year Ended 31 March 2017

Note	2017	2016
	\$	\$
Divisional Farm Income		
Net Surplus from Farm	(2,351)	(1,502)
Net Surplus from Kiwifruit - Green	(14,947)	109,373
Net Surplus from Kiwifruit - Gold	81,875	69,787
Net Surplus from Avocados	9,739	(4,774)
Net Surplus from Kopukairoa Pinelands	(3,716)	(3,586)
Total Divisional Income	70,600	169,301
Operating Revenue		
Right of Way	11,500	7,000
Total Gross Surplus	82,100	176,301
Other Income		
Dividends Received	22,205	16,524
Interest Received	6,612	12,577
Sundry Income	-	700
Profit on Sale of Fixed Assets	-	6,503
Rental Income	28,371	19,371
Total Other Income	57,188	55,675
Gross Surplus after Other Income	139,288	231,976
Less Expenses		
Administration Expenses		
Accountancy Fees	10,709	6,805
Advertising	-	682
Audit Fees	7,850	3,330
Bad Debts - Loans	3,115	3,154
Bank Fees & Charges	353	515
General Expenses	15	269
Koha	-	2,000
Legal Expenses	4,561	16,682
Loan Fees	-	1,000
Meeting Expenses	2,525	5,067
Meeting Fees	3,808	-
Printing, Postage & Stationery	584	720
Secretarial & Administration Fees	6,906	7,525
Subscriptions, Levies & Web Hosting	385	568
Telephone & Internet	-	462
Travel Allowance - Trustees	322	2,197
Travel Allowance - TAHP	43	43
	41,176	51,019



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PIRIHIMA WHANAU TRUST

Combined Statement of Financial Performance (continued)

For the Year Ended 31 March 2017

Note	2017 \$	2016 \$
Standing Charges		
ACC Premiums	(352)	1,088
Insurance	2,614	2,899
Interest - ANZ & Farmlands	14,561	12,864
Interest - IRD Use of Money	37	
Interest	-	284
	16,860	17,135
Non Cash Expenses		
Depreciation	8,227	8,555
Share of Loss - Pukenga Holdings Joint Venture	2,184	42,521
	10,411	51,076
Total Expenses	68,447	119,230
Net Surplus	70,841	112,746

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PIRIHIMA WHANAU TRUST

Statement of Movements in Equity

For the Year Ended 31 March 2017

	2017	2016
	\$	\$
Revenues and Expenses		
Net Surplus	70,841	112,745
Movement in Asset Revaluation Reserve	18,200	464,512
Movement in Investment Fluctuation Reserve	177,379	(443)
Movement in TECT Grant Received	-	118,884
Total Recognised Revenues and Expenses	266,420	695,698
Distributions		
Non Deductible Expenses	(966)	
TECT Capital Distributions Received	1,389	1,421
	423	1,421
Equity at the Beginning of the Year	4,316,533	3,619,414
Equity at the End of the Year	4,583,376	4,316,533



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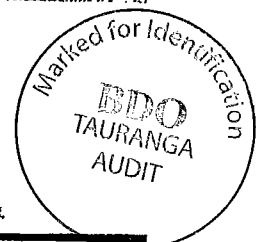
PIRIHIMA WHANAU TRUST

Statement of Financial Position

As at 31 March 2017

	Note	2017	2016
		\$	\$
Current Assets			
ANZ Freeplan Account		704,420	174,892
ANZ Call Account		134,012	68,435
Bond Paid		3,120	2,896
Accounts Receivable		100,871	80,400
Income Tax Receivable	3	32,677	14,141
GST Receivable		3,686	
ANZ Term Deposits	5	63,464	61,759
Loans - Related Parties	6	45,802	49,702
Total Current Assets		1,088,052	447,225
Non Current Assets			
Property, Plant & Equipment	7	3,205,279	2,774,307
Pukenga Holdings Joint Venture	8	-	563,418
Shares	8	683,658	508,279
Zespri Gold3 License	9	4,539	6,930
Papakainga Costs to Date		-	418,176
Website Costs to Date		1,328	
Total Non Current Assets		3,894,804	4,269,110
Total Assets		4,982,856	4,716,335
Current Liabilities			
Accounts Payable		33,566	35,806
ANZ Loan Account - current portion	10	7,771	3,821
Bond Received		2,306	2,307
Employee Entitlements		463	38
Dividends Payable - 2002		2,229	2,229
Current Account - Patetu Trust		93,687	84,206
GST Payable		-	2,150
Total Current Liabilities		140,022	130,357
Non Current Liabilities			
ANZ Loan Account - non-current portion	10	259,458	267,357
Zespri Deferred Payment Agreement		-	2,088
Total Non Current Liabilities		259,458	269,445
Total Liabilities		399,480	399,802
Net Assets		4,583,376	4,316,533

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PIRIHIMA WHANAU TRUST

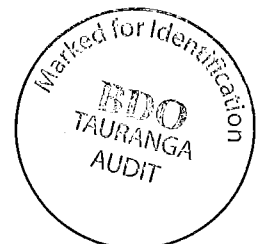
Statement of Financial Position (continued)

As at 31 March 2017

	Note	2017 \$	2016 \$
Equity			
Paid up Share Capital			
Trust Capital		996,450	996,450
Total Paid up Share Capital		996,450	996,450
Retained Earnings		134,953	63,689
Asset Revaluation Reserve	11	2,521,811	2,503,611
Capital Reserve	11	347,258	347,268
Investment Fluctuation Reserve	11	645,628	468,250
Trust Distribution 2002	11	(160,000)	(160,000)
Debt Forgiven	11	(21,608)	(21,609)
TECT Grant Received	11	118,884	118,884
Total Equity		4,583,376	4,316,533

*Y Pakete 20/2/18
Tihirua Pakete 20/2/18 - Trustee

M. Ranclaud 20/02/18
Marita Ranclaud - Chairperson*



These financial statements are to be read in conjunction with the accompanying notes. These financial statements have been audited. Please refer to the Independent Auditors Report.

PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements

For the Year Ended 31 March 2017

1 Statement of Accounting Policies

Reporting Entity

Pirihima Whanau Trust is a Whanau Trust registered under the Te Ture Whenua Maori Act 1993.

The Trust conducts business of farm, orchard, pine block and rental. The special purpose report was authorised for issue at a board meeting dated December 2017.

Historical Cost

The financial statements have been prepared on a historical cost basis except for certain assets which have been revalued as identified in the specific accounting policies below. The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Basis of Preparation

The financial statements have been prepared in accordance with the special purpose framework for use by For-profit (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand. The financial statements have been prepared for the use of the beneficiaries.

Papakainga

The Papakainga Costs to Date have been transferred to property, plant and equipment as the Papakainga was completed in the 2017 year.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue measured at the fair value of the consideration received or receivable for the sale of produce and services, to the extent it is probable that the economic benefits will flow on the trust and revenue can be reliably measured.

Revenue from the harvest of product is recognised at the point of the harvest when the risks and rewards of ownership pass to the buyer and the trust has no continuing managerial involvement in the produce.

Revenue from rent received from Papakainga and Kairua Road is recognised when it is received.

Revenue from interest received is recognised interest accrues, gross of refundable tax credits received.

Revenue from dividends received from investments are recorded inclusive of imputation credits. Imputation credits are credits for tax paid by Trust and are attached to dividends. If the trust does not have enough taxable income to use the imputation credits they are converted to a loss carried forward. The loss will offset any taxable income that is not covered by available tax credits.



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PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

(b) Property, Plant & Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment is disposed of, the gain and loss recognised in the Statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset. Land and building are periodically revalued to the most recent Western Bay of Plenty District Council rating valuation permitted under SPFR for FPEs. The date of the most recent valuation used is 1 July 2016.

Land	0% Cost
Buildings	0% Cost
Improvements	0% Cost - 14.4% DV
Kairua Road - Land	0% Cost
Kairua Road - Buildings	0% DV
Kairua Road - Improvements	4 - 14.4% DV
Plant	0 - 60% DV
Vehicles	20 - 26% DV
Trees & Vines	9 - 10% DV

(c) Income Tax

The Income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(d) Investments

Investments having a readily available market value are stated at fair value. All other investments are stated at cost.

(e) Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

(f) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

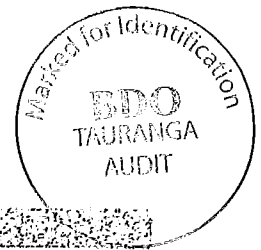
(g) Interests in Joint Ventures

Joint Ventures are joint arrangements with other parties in which the Trust has several liability in respect of costs and liabilities, and shares in any resulting output. The Trust recognises its interest in the jointly controlled entity using the equity method.

(h) Securities

Security Type	Description	Priority Amount
First Charge Registered Mortgage Land Only Freehold	6527136.2 4.3654 HA SA 68C/964 Kairua Road, Welcome Bay Tauranga	\$500,000.00





PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

(i) Capital Grants

The TECT grant was received in connection with the Papakainga construction project. It has therefore been credited to equity and not recognised as income.

(j) Website Development Costs

Costs incurred in connection with the construction of the Website are capitalised. Upon completion of the Website the assets will be transferred to property, plant and equipment.

(k) 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.

2 Tax Reconciliation

	2017	2016
Surplus before Income Tax	\$ 70,841	\$ 112,746
Taxable Income	70,841	112,746

The loss brought forward was \$482,409.10 with a loss carried forward to 31 March 2017 of \$292,258.44.
The losses carried forward to 31 March 2018 will be \$250,443.63

3 Income Tax

	2017	2016
Opening Balance	\$ (14,141)	\$ (10,936)
Less:		
Provisional Tax Paid	14,000	
Resident Withholding Tax Paid	4,536	3,205
	<u>18,536</u>	<u>3,205</u>
Income Tax (Receivable)	(32,677)	(14,141)

4 Imputation Credits

	2017	2016
Maori Authority Credit Account	\$	\$
Opening Balance	64,696	53,931
Plus:		
RWT on Interest Received	611	2,231
RWT on Dividends Received	3,924	1,679
Imputation Credits Received	5,081	6,855
	<u>9,616</u>	<u>10,765</u>
Total Imputation Credits	74,312	64,696

PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

5 Current Investments	2017	2016
	\$	\$
ANZ Term Deposits		
ANZ Term Deposit - 1001	63,464	61,759
Total Current Investments	63,464	61,759

6 Related Parties	2017	2016
	\$	\$
Loans - Related Parties		
Opening Balance	-	-
Plus:		
Loan - R Morehu	3,057	2,908
Loan - P Ohia	7,783	7,403
Loan - T Woodhouse	51,041	52,355
Loan - Te Roha Whanau Trust	71,577	71,577
	133,458	134,243
Less:		
Less Provision for Doubtful Debts	87,656	84,541
Closing Balance	45,802	49,702
Total Receivables from Related Parties	45,802	49,702

The Trust has advanced a loan to R Morehu. The loan is unsecured, the interest rate is 5% and the loan is repayable on demand.

P Ohia (Pikowai Ohia) is a trustee of Patetu Whanau Trust and Te Roha Whanau Trust. The Trust has advanced a loan to this trustee. The loan is unsecured, the interest rate is 5% and the loan is repayable on demand.

The Trust has advanced a loan to T Woodhouse. The loan is unsecured, the interest rate is 5% and the loan is repayable on demand.

The Trust has advanced a loan to Te Roha Whanau Trust, whom at that time P Ohia was also a Trustee. The loan is unsecured, interest free and repayable on demand.

Patetu Whanau Trust have advanced funds to Pirihima Whanau Trust. The advance is unsecured, interest free and repayable on demand. The Current Account Advance relates to amounts owing to Patetu Trust that had not been paid at balance date.

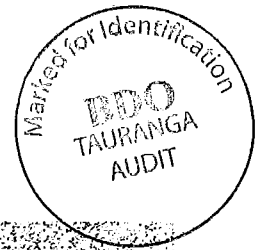
Pirihima Whanau Trust has resigned from the Pukenga Holdings Joint Venture in May 2016. Pukenga Holdings Joint Venture assets were realised and liabilities were discharged which resulted in the JV paying out the shareholders in August 2016.

Nga Potiki a Tamapahore Trust act as an agent for Pirihima Whanau Trust and are to carry out Tenancy Management in respect of the Papakainga rental homes on behalf of Pirihima Whanau Trust until such time as Pirihima Whanau Trust has capacity to manage the tenancies as agreed by the Social Housing Unit or its replacement body and Nga Potiki Trust.

There were no other related party transactions during the year.

No related party debts were written off during the year.





PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

7 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2017	\$	\$	\$	\$
Waitao & Welcome Bay Road - Land	1,772,198	-	-	1,772,198
Waitao & Welcome Bay Road - Buildings	16,501	455	9,376	7,125
Waitao & Welcome Bay Road - Improvements	637,230	4,129	140,689	496,541
Kairua Road - Land	883,182	-	-	883,182
Kairua Road - Buildings	27,176	-	5,873	21,303
Kairua Road - Improvements	60,123	1,533	50,710	9,412
Plant	42,260	1,749	29,786	12,474
Vehicles	38,962	34	38,825	137
Waitao & Welcome Bay Road - Trees & Vines	12,010	298	9,103	2,907
Total Property, Plant & Equipment	3,489,641	8,198	284,362	3,205,279

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2016	\$	\$	\$	\$
Waitao & Welcome Bay Road - Land	1,753,998	-	-	1,753,998
Waitao & Welcome Bay Road - Buildings	16,501	274	8,921	7,580
Waitao & Welcome Bay Road - Improvements	216,260	4,744	136,560	79,700
Kairua Road - Land	883,182	-	-	883,182
Kairua Road - Buildings	27,176	-	5,873	21,303
Kairua Road - Improvements	60,123	1,789	49,177	10,945
Plant	42,260	1,375	28,037	14,223
Vehicles	38,962	43	38,791	171
Waitao & Welcome Bay Road - Trees & Vines	12,010	330	8,805	3,205
Total Property, Plant & Equipment	3,050,471	8,555	276,164	2,774,307

8 Term Investments

	Qty	2017	2016
		\$	\$
Pukenga Holdings Joint Venture			
Pukenga Holdings Joint Venture - Capital Account			563,418
Shares			
Shares - Ballance Agri-Nutrients Ltd	177	1,433	1,433
Shares - Farmlands	1,608	1,608	1,608
Shares - Te Awanui Huka Pak Ltd	51,516	466,220	389,461
Shares - TrustPower Ltd	6,000	27,600	31,440
Shares - Zespri Group Ltd	45,240	180,960	82,337
Shares - Seeka Ltd	1,091	5,837	
Total		683,658	506,279
Total Term Investments		683,658	1,069,697

PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

9 Intangibles

Zespri Deferred Payment Agreement - Current Portion
Less Amortisation

	2017	2016
	\$	\$
	6,052	8,140
	(1,513)	(1,210)
	4,539	6,930
Total Intangibles	4,539	6,930

The Zespri license has been classified as an intangible asset. The licence does not have a fixed term, but for accounting purposes amortisation is being recognised on a straight line basis through the Statement of Financial Performance over a period of 23 years.

10 Term Loans - Secured

ANZ Loan Account - 1002
ANZ Loan Account - 1002 current portion
ANZ Loan Account - 1002 non-current portion
Total
ANZ Loan Account - 1005
ANZ Loan Account - 1005 current portion
ANZ Loan Account - 1005 non-current portion
Total
Total Term Loans - Secured

	2017	2016
	\$	\$
	4,927	2,413
	165,146	170,173
	170,073	172,586
	2,844	1,408
	94,312	97,184
	97,156	98,592
	267,229	271,178



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PIRIHIMA WHANAU TRUST

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2017

11 Reserves

	2017	2016
Asset Revaluation Reserve	\$	\$
Opening Balance		
Movements for the period	2,503,611	2,039,099
Closing Balance	18,200	464,512
Capital Reserve	2,521,811	2,503,611
Opening Balance		
Closing Balance	347,258	347,258
Investment Fluctuation Reserve	347,258	347,258
Opening Balance		
Movements for the period	468,249	468,693
Closing Balance	177,379	(443)
Trust Distribution 2002	645,628	468,250
Opening Balance		
Closing Balance	(160,000)	(160,000)
Debt Forgiven	(160,000)	(160,000)
Opening Balance		
Closing Balance	(21,608)	(21,609)
TECT Grant Received	(21,608)	(21,609)
Opening Balance		
Movements for the period	118,884	
Closing Balance	-	118,884
Total Reserves	118,884	118,884
	3,451,973	3,256,394

12 Capital Commitments

The Trust has committed to building Papakainga units. As at 31 March 2017 the project is completed.

The Trust spent \$418,175.92 on Papakainga Development costs as at 31 March 2016 with a further \$2,794.50 during the 2017 year. This resulted in the total cost of the Papakainga Housing (6 units) of \$450,970.42.

13 Contingent Liabilities

The Trust did not have any contingent liabilities at year end. (2016: Nil)

14 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a material impact on the financial statements (2016: nil)



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INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF PIRIHIMA WHANAU TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pirihima Whanau Trust ("the Trust"), which comprise the statement of financial position as at 31 March 2017, and the 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, the accompanying financial statements of the Trust for the year ended 31 March 2017 are prepared, in all material respects, in accordance with a Special Purpose Reporting Framework for use by For-Profit Entities ("SPFR for FPEs") published by Chartered Accountants Australia and New Zealand.

Basis for Opinion

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

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

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

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Trust's beneficiaries, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and the Trust's beneficiaries, as a body, and should not be distributed to or used by parties other than the Trust and the Trust's beneficiaries. Our opinion is not modified in respect of this matter.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the SPFR for FPEs financial framework and for such internal control as the trustees 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 trustees are responsible for assessing the Trust'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 trustees intend to cease operations, or have no realistic alternative but to do so.

PARTNERS: Fraser Lellman CA Kenneth Brown CA Janine Hellyer CA Jenny Lee CA
Donna Kemp CA Paul Manning CA

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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust to cease to continue as a going concern.

We communicate with the trustees 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 beneficiaries of the Trust, 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 Trust and the beneficiaries of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Tauranga.

BDO Tauranga
Tauranga
New Zealand
20 February 2018