

FINLAY + DYKZEUL

CHARTERED ACCOUNTANTS

2018 Financial Statements

PIRIHIMA WHANAU TRUST

FINLAY DYKZEUL LIMITED

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PIRIHIMA WHANAU TRUST

Contents of Financial Statements

For the Year Ended 31 March 2018

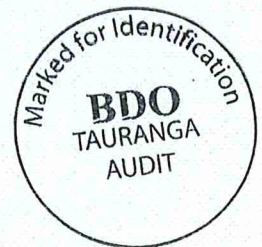
Contents of Financial Statements	1
Directory	2
Statement of Financial Performance - Farm	3
Statement of Financial Performance - Kiwifruit - Green	4 - 5
Statement of Financial Performance - Kiwifruit - Gold	6
Statement of Financial Performance - Avocados	7
Statement of Financial Performance - Kopukairoa Pinelands	8
Rental Income Schedule	9 - 10
Combined Statement of Financial Performance	11 - 12
Statement of Movements in Equity	13
Statement of Financial Position	14 - 15
Notes to and forming part of the Financial Statements	16 - 23

PIRIHIMA WHANAU TRUST

Statement of Movements in Equity

For the Year Ended 31 March 2018

	2018	2017
	\$	\$
Revenues and Expenses		
Net Profit	349,611	70,841
Movement in Asset Revaluation Reserve	-	18,200
Movement in Investment Fluctuation Reserve	294,339	177,379
Total Recognised Revenues and Expenses	643,950	266,420
Distributions		
Non Deductible Expenses	(1,305)	(967)
TECT Capital Distributions Received	1,329	1,389
Koha	(2,000)	-
	(1,976)	422
Equity at the Beginning of the Year	4,583,375	4,316,533
Equity at the End of the Year	5,225,349	4,583,375



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

Combined Statement of Financial Performance (continued)

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Non Cash Expenses			
Depreciation		12,116	8,227
Share of Loss - Pukenga Holdings Joint Venture		-	2,184
		12,116	10,411
Total Expenses		88,804	68,447
Profit before Income Tax		352,179	70,841
Income Tax Expense	2	2,568	-
Net Profit		349,611	70,841



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

Combined Statement of Financial Performance

For the Year Ended 31 March 2018

Note	2018 \$	2017 \$
Divisional Farm Revenue		
Net Loss from Farm	(500)	(2,351)
Net Profit (Loss) from Kiwifruit - Green	226,694	(14,947)
Net Profit from Kiwifruit - Gold	100,334	81,875
Net (Loss) Profit from Avocados	(5,583)	9,739
Net Loss from Kopukairoa Pinelands	(3,780)	(3,716)
Total Divisional Profit	317,165	70,600
Operating Revenue		
Right of Way	2,500	11,500
Total Gross Profit	319,665	82,100
Other Income		
Dividends Received	48,412	22,205
Interest Received	11,972	6,612
Rental Income	60,934	28,371
Total Other Income	121,318	57,188
Gross Profit after Other Income	440,983	139,288
Less Expenses		
Administration Expenses		
Accountancy Fees	19,222	10,709
Audit Fees	20,342	7,850
Bad Debts - Loans	3,074	3,115
Bank Fees & Charges	403	353
General Expenses	145	15
Legal Expenses	4,271	4,581
Meeting Expenses	2,445	2,525
Meeting Fees	6,607	3,808
Printing, Postage & Stationery	1,396	584
Secretarial & Administration Fees	13,367	6,906
Subscriptions, Levies & Web Hosting	210	385
Travel Allowance - Trustees	516	322
Travel Allowance - TAHF	-	43
	71,998	41,176
Standing Charges		
ACC Premiums	(42)	(352)
Insurance	2,724	2,614
Interest - ANZ & Farmlands	1,662	14,561
Interest - IRD Use of Money	346	37
	4,690	16,860



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

Rental Income Schedule (continued)

For the Year Ended 31 March 2018

	2018	2017
	\$	\$
Rental Income Schedule for Papakainga		
Income		
Papakainga Rental Income	40,876	33,872
Grant Income	87,750	-
	128,626	33,872
Less Expenses		
Bank Fees & Charges	119	-
Insurance	5,872	4,809
Management Fees	4,843	-
Repairs & Maintenance	11,413	3,103
Electricity	1,503	1,221
Wages	3,079	5,562
Development Costs	36,247	-
	63,077	14,685
Net Rental Income	65,549	19,187



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

Rental Income Schedule

For the Year Ended 31 March 2018

	2018 \$	2017 \$
Rental Income Schedule for Kairua Road		
Income		
Rental Income	960	12,000
Less Expenses		
Repairs & Maintenance	2,557	-
Insurance	1,174	1,044
Rates	1,845	1,772
	5,575	2,816
Net Rental (Loss) Income	(4,615)	9,184



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

Statement of Financial Performance Kopukairoa Pinelands

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Expenses			
Standing Charges			
Insurance		1,627	1,613
Rates		2,153	2,103
Net Loss		(3,780)	(3,716)



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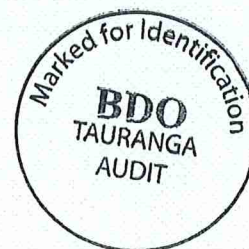
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PIRIHIMA WHANAU TRUST

Statement of Financial Performance Avocados

For the Year Ended 31 March 2018

	Note	2018	2017
		\$	\$
Operating Revenue			
Avocado Income		7,588	22,424
Less Expenses			
Working Expenses			
Avocado Expenses		13,171	12,685
Net (Loss) Profit		(5,583)	9,739



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

Statement of Financial Performance Kiwifruit - Gold

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Operating Revenue			
Kiwifruit Sales		189,472	156,873
Less Expenses			
Working Expenses			
Fertiliser		2,328	1,467
Hi Cane Expenses		-	486
Mowing & Mulching		1,288	1,060
Orchard Expenses		2,861	-
Packing & Picking Expenses		46,685	45,508
Poles & Stringing		4,420	3,004
Pollination		1,584	1,158
Plant & Trunk Girdling		1,024	1,144
Pruning, Thinning & Tying		8,441	13,964
Shelter		517	218
Soil & Leaf Testing		339	146
Sprays		2,499	491
Vine Training & Removal		-	1,929
Weed & Pest Control		1,959	389
		73,945	70,964
Repairs and Maintenance			
Structures & Supports		11,643	-
Water Supply		-	96
		11,643	96
Administration Expenses			
Consultancy		523	1,342
Management Fees		3,027	2,596
		3,550	3,938
Total Expenses		89,138	74,998
Net Profit		100,334	81,875

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PIRIHIMA WHANAU TRUST

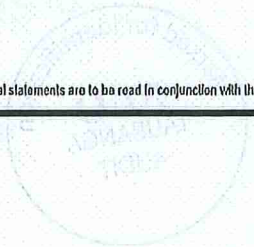
Statement of Financial Performance Kiwifruit - Green (continued)

For the Year Ended 31 March 2018

	Note	2018	2017
		\$	\$
Total Expenses		261,777	252,191
Net Profit (Loss)		226,694	(14,947)



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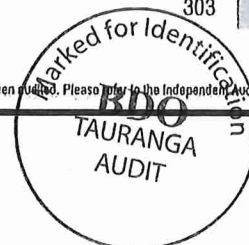
PIRIHIMA WHANAU TRUST

Statement of Financial Performance - Kiwifruit - Green

For the Year Ended 31 March 2018

Note	2018	2017
	\$	\$
Operating Revenue		
Kiwifruit Sales	487,827	237,244
Pollen Flower Payment	644	-
Gross Profit	488,471	237,244
Net Revenue	488,471	237,244
Less Expenses		
Working Expenses		
Electricity	1,201	1,216
Fertiliser	5,233	6,230
Frost Protection	184	-
Grafting	-	2,109
Hi Cane Expenses	-	2,096
Monitoring	61	-
Mowing & Mulching	3,619	3,733
Orchard Expenses	1,812	722
Packing & Picking Expenses	137,573	108,765
Planting	-	123
Pollination	5,940	12,660
Plant & Trunk Girdling	2,509	2,267
Pruning, Thinning & Tying	55,321	68,636
Rootstock	500	345
Shelter	2,126	2,838
Soil & Leaf Testing	339	516
Sprays	12,616	7,611
Vine Training & Removal	818	1,415
Wages	1,584	-
Weed & Pest Control	2,440	956
	233,876	220,238
Repairs and Maintenance		
Plant & Equipment	89	5,453
Water Supply	456	435
	545	5,888
Vehicle Expenses		
Truck Expenses	-	671
Administration Expenses		
Consultancy	1,963	5,662
Courses & Seminars	250	217
Management Fees	12,534	7,015
	14,747	12,894
Standing Charges		
Rates	12,306	12,197
Non Cash Expenses		
Licence Amortisation	303	303

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

Statement of Financial Performance Farm

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Operating Revenue			
Hay & Silage Sales		-	423
Less Expenses			
Working Expenses			
Contracting - Tree Felling		500	600
Repairs and Maintenance			
Fences & Yards		-	1,924
General		-	66
Plant & Equipment		-	184
		-	2,174
Total Expenses		500	2,774
Net Loss		(500)	(2,351)



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

Directory

As at 31 March 2018

Nature of Business	Farm, Kiwifruit Orchard, Pine Block, Rental
Place of Business	718 Welcome Bay Road Tauranga
Trustees	Marita Ranclaud Wayne Hudson Collin Reeder Tihhula Pakeho Tui Papuni
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



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PIRIHIMA WHANAU TRUST

Statement of Financial Position (continued)

As at 31 March 2018

	Note	2018 \$	2017 \$
Equity			
Paid up Share Capital			
Trust Capital		996,450	996,450
Total Paid up Share Capital	12	996,450	996,450
Retained Earnings		482,588	134,953
Asset Revaluation Reserve	13	2,521,811	2,521,811
Capital Reserve	13	347,258	347,258
Investment Fluctuation Reserve	13	939,967	645,628
Trust Distribution 2002	13	(160,000)	(160,000)
Debt Forgiven	13	(21,609)	(21,609)
TECT Grant Received	13	118,884	118,884
Total Equity		5,225,349	4,583,375

APPROVED:

M. Ranclaud
W. Hudson

12 JUNE 2019

MARITA RANCLAUD (TRUSTEE)
WAYNE HUDSON (TRUSTEE)



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

Statement of Financial Position

As at 31 March 2018

	Note	2018 \$	2017 \$
Current Assets			
ANZ Agri Current Account		390,348	704,420
ANZ Call Account		134,333	134,012
Bond Paid		3,120	3,120
Accounts Receivable		232,423	100,871
Income Tax Receivable	3	27,029	32,677
GST Receivable		-	3,686
ANZ Term Deposits	5	269,768	63,464
Loans - Related Parties	6	41,902	45,802
Total Current Assets		1,098,923	1,088,052
Non-Current Assets			
Property, Plant & Equipment	7	3,219,485	3,205,279
Shares	8	977,997	683,658
Zespri Gold3 License	9	4,237	4,539
Other Non-Current Assets		-	1,328
Total Non-Current Assets		4,201,719	3,894,804
Total Assets		5,300,642	4,982,856
Current Liabilities			
Accounts Payable		63,174	33,567
ANZ Loan Account - current portion	11	-	7,771
Bond Received		2,306	2,306
Employee Entitlements		663	463
Dividends Payable - 2002		2,229	2,229
Current Account - Paletu Trust	10	-	93,687
GST Payable		6,921	-
Total Current Liabilities		75,293	140,023
Non-Current Liabilities			
ANZ Loan Account - non-current portion	11	-	259,458
Total Non-Current Liabilities		-	259,458
Total Liabilities		75,293	399,481
Net Assets		5,225,349	4,583,375



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 2018

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 November 2018.

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 \$.

Website Development

The Website Costs to Date have been transferred to property, plant and equipment as the Website Development was completed in the 2018 year.

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.

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 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.

(b) Expenses

Expenses have been classified by their business function.

(c) Trade Receivables

Trade Receivables are recognised at estimated realisable value.



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PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

(d) 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
Trees & Vines	9 - 10% DV
Vehicles	20 - 26% DV
Website Development	50% DV

(e) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the Combined 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.

(f) Investments

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

(g) 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.

(h) Goods and Services Taxation (GST)

Revenue 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.

(i) 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.



PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

(j) Securitles

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

(k) Capital Grants

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

(l) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

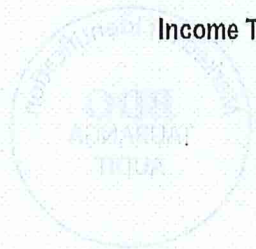
2 Tax Reconciliation

	2018	2017
	\$	\$
Profit before Income Tax	352,179 ✓	70,841
Permanent Differences		
Tax Losses Approved by the IRD	(250,444) ✓	(292,259)
Losses from conversion of ICA Credits	(87,061)	(29,026)
Total Permanent Differences	(337,505)	(321,285)
Taxable Income (Loss)	14,674	(250,444)
Tax Expense at 17.5%	2,568	-
Tax Expense	2,568	-

= 107085.71.

3 Income Tax

	2018	2017
	\$	\$
Opening Balance	(32,677)	(14,141)
Plus:		
Tax Refund Received	7,989	-
Provision for Taxation	2,568	-
	10,557	-
Less:		
Provisional Tax Paid	-	14,000
Resident Withholding Tax Paid	4,909	4,536
	4,909	18,536
Income Tax (Receivable)	(27,029)	(32,677)



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PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

4 Imputation Credits

Imputation Credit Account at Tax Rate 28%

Opening Balance

Plus:

RWT on Interest Received

RWT on Dividends Received

Imputation Credits Received

Total Imputation Credits

	2018	2017
	\$	\$
Opening Balance	74,312	64,696
Plus:		
RWT on Interest Received	1,488	611
RWT on Dividends Received	3,420	3,924
Imputation Credits Received	18,740	5,081
	23,648	9,616
Total Imputation Credits	97,960	74,312

5 Current Investments

ANZ Term Deposits

ANZ Term Deposit - 1001

ANZ Term Deposit - 1003

Total Current Investments

	2018	2017
	\$	\$
ANZ Term Deposit - 1001	65,230	63,464
ANZ Term Deposit - 1003	204,538	-
Total Current Investments	269,768	63,464

6 Related Parties

Loans - Related Parties

Opening Balance

Plus:

Loan - R Morehu

Loan - P Ohia

Loan - T Woodhouse

Loan - Te Roha Whanau Trust

Less:

Less Provision for Doubtful Debts

Closing Balance

Total Receivables from Related Parties

	2018	2017
	\$	\$
Opening Balance	-	-
Plus:		
Loan - R Morehu	3,214	3,057
Loan - P Ohia	8,180	7,783
Loan - T Woodhouse	49,660	51,041
Loan - Te Roha Whanau Trust	-	71,577
	61,054	133,458
Less:		
Less Provision for Doubtful Debts	19,152	87,656
Closing Balance	41,902	45,802
Total Receivables from Related Parties	41,902	45,802



PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

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.

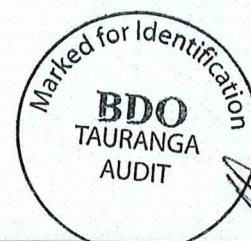
Nga Potiki a Tamapahore Trust act as an agent for Pirihima Whanau Trust and are to carry out Tenancy Management in respect of the Papakainga rental homes on behalf of Pirihima Whanau Trust until such time as Pirihima Whanau Trust has capacity to manage the tenancies as agreed by the Social Housing Unit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

7 Property, Plant & Equipment

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2018				
Waitao & Welcome Bay Road - Land	1,772,198	-	-	1,772,198
Waitao & Welcome Bay Road - Buildings	16,501	427	9,803	6,698
Waitao & Welcome Bay Road - Improvements	660,139	6,902	147,591	512,547
Kairua Road - Land	883,182	-	-	883,182
Kairua Road - Buildings	27,176	-	5,873	21,303
Kairua Road - Improvements	60,123	1,313	52,023	8,099
Plant	42,260	1,468	31,254	11,006
Vehicles	38,962	28	38,853	109
Office Equipment	3,414	1,707	1,707	1,707
Waitao & Welcome Bay Road - Trees & Vines	12,010	271	9,374	2,636
Total Property, Plant & Equipment	3,515,963	12,116	296,478	3,219,485



PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
Property, Plant & Equipment 2017				
Wallao & Welcome Bay Road - Land	1,772,198	-	-	1,772,198
Wallao & Welcome Bay Road - Buildings	16,501	455	9,376	7,125
Wallao & 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	29,706	12,474
Vehicles	38,962	34	38,825	137
Wallao & 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

8 Term Investments

	Qty	2018	2017
		\$	\$
Shares			
Shares - Ballance Agri-Nutrients Ltd	177	1,434	1,433
Shares - Farmlands	1,608	1,608	1,608
Shares - Tilt Renewables Limited	6,000	10,740	-
Shares - Te Awanui Huka Pak Ltd	51,516	582,131	466,220
Shares - TrustPower Ltd	6,000	33,540	27,600
Shares - Zespri Group Ltd	45,240	341,562	180,960
Shares - Seeka Ltd	1,091	6,982	5,837
Total Shares		977,997	683,658
Total Term Investments		977,997	683,658

9 Intangibles

	2018	2017
	\$	\$
Zespri Deferred Payment Agreement - Current Portion	6,053	6,052
Less Amortisation	(1,816)	(1,513)
	4,237	4,539
Total Intangibles	4,237	4,539

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.



PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

10 Other Loans

Current Account - Patetu Trust

Total Other Loans

2018	2017
\$	\$
-	93,687
-	93,687

11 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

2018	2017
\$	\$
-	4,927
-	165,146
-	170,073
-	-
-	2,844
-	94,312
-	97,156
-	267,229

12 Share Capital

Trust Capital

Total Share Capital

2018	2017
\$	\$
996,450	996,450
996,450	996,450



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PIRIHIMA WHANAU TRUST

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

For the Year Ended 31 March 2018

13 Reserves

	2018	2017
	\$	\$
Asset Revaluation Reserve		
Opening Balance	2,521,811	2,503,611
Movements for the period	-	18,200
Closing Balance	2,521,811	2,521,811
Capital Reserve		
Opening Balance	347,258	347,258
Closing Balance	347,258	347,258
Investment Fluctuation Reserve		
Opening Balance	645,628	468,249
Movements for the period	294,339	177,379
Closing Balance	939,967	645,628
Trust Distribution 2002		
Opening Balance	(160,000)	(160,000)
Closing Balance	(160,000)	(160,000)
Debt Forgiven		
Opening Balance	(21,609)	(21,609)
Closing Balance	(21,609)	(21,609)
TECT Grant Received		
Opening Balance	118,884	118,884
Closing Balance	118,884	118,884
Total Reserves	3,746,311	3,451,972

14 Capital Commitments

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

15 Contingent Liabilities

The Trust did not have any contingent liabilities at year end. (2017: Nil)

16 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 (2017: 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 2018, 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 2018 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
18 June 2019

