

Kāti Huirapa Runaka ki Puketeraki
ANNUAL REPORT
2019 — 2020



CONTENTS

Kāti Huirapa Runaka Ki Puketeraki Incorporated	3
AGM Agenda	4
Chairperson’s Report	5
Minutes of the previous Annual General Meeting held on 3rd November 2019	9
Performance Report for the year ended 30th June 2020	11
Karitāne Māori Tours Limited	31
AGM Agenda	32
Director’s Report	33
Minutes of the previous Annual General Meeting held on 3rd November 2019	34
Performance Report for the year ended 30th June 2020	37
Pūketeraki Limited	51
AGM Agenda	52
Chairperson’s Report	53
Minutes of the previous Annual General Meeting held on 3rd November 2019	54
Performance Report for the year ended 30th June 2020	57
Taramea Fragrance Limited	71
AGM Agenda	72
Chairperson’s Report	73
Performance Report for the 9 months ended 30th June 2020	74

Kāti Huirapa Runaka ki Puketeraki
Incorporated Society

KĀTI HUIRAPA RUNAKA KI PUKETERAKI
INCORPORATED SOCIETY

ANNUAL GENERAL MEETING

10.00am **1/11/2020**

AGENDA

- 1 Mihi, Karakia & Nga Mate
- 2 Apologies
- 3 Confirmation of the Minutes of AGM 3 November 2019
- 4 Matters arising from 3 November AGM
- 5 Chairperson's Report
- 6 Performance Report
- 7 Appointment of Auditor

CHAIRPERSONS REPORT TO KĀTI HUIRAPA RUNAKA KI PUKETERAKI ANNUAL GENERAL MEETING

DATE: 9TH OCTOBER 2020

Ki o Mātou Mate

E kā mate o ia whānau kua hika nei mai i tērā atu AGM, haere, haere, hoki wairua koutou katoa. Haere ki Hawaiki nui, Hawaiki roa, Hawaiki pāmamao, ki te hono i wairua. Haere koutou i roto i te marumaru o te Atua i ruka rawa. Āpiti hono tātai hono, kā huka mate ki kā huka mate. Āpiti hono tātai hono, kā huka ora ki kā huka ora. Tihei Mauriora!

To Our People

E rau rakatira ma, kaumatua ma, pakeke me kā whānau, tena koutou, tena koutou, tena koutou katoa. Ānei tāku repōata ki a koutou e pā ana kā mahi kua mahia. Greetings to all the whānau of our hapū of Kāti Huirapa and Kāi Te Ruahikihiki whose flags we fly here at Puketeraki. Great is my admiration to those of you who give your valuable time and energy in furthering the dreams and aspirations that we have identified in our Strategic Plan.

A special mention to our Upoko David Ellison, currently of Paraparaumu, but who fulfils a unique and important role in providing a wider pastoral care to our people and as a connector to those of our whānau living further afield. Tēnā rā koe David. He mihi nui ki a koutou ko te whānau.

A Summary View

The first part of the new financial year was really getting a head of steam up until March this year when we went into lockdown. We had been hearing about COVID-19 on the television and its effects on the Chinese population of Wuhan, its spread to other Asian countries and then March came and there we were. It seemed as if it was very far from us but things changed very fast thanks to global travel.

Lockdown saw all our marae close, we started developing COVID-19 response plans, we learnt a new word “Zui”, and working from home and religiously followed the daily TV updates on COVID cases filled our days. Eventually, the government strategy of shutdown proved itself an effective response and we gradually moved to Level 3, then 2 and then COVID-19 Level 1. Now with the recent Auckland spike dealt with we are all back in the new normal of life at Level 1.

Our Business Enterprise

As you know we have previously affirmed our interest in being entrepreneurial and dipping our toes into the waters of commerce. The respective Boards will provide a detailed kōrero but I thought it worthwhile laying out a potted history for members information. Something worth considering as a positive has been the increased exposure of our Kati Huirapa ki Puketeraki brand to the wider general public and within the local economic networks. He whakaaro noa iho.

Taramea

Our first foray was based around our successful application for research funding to explore taramea, a historically important fragrance to Kāi Tahu. Following three years of research undertaken via our relationship with Crop 7 Field we eventually identified three distinct fragrances which we set about marketing under the brand name “Mea.”

I want to recognise the great support we received from the Tribal Economies team at Te Rūnanga. Now, after a review of the fragrances we recharged the products and have now given Taramea a home within the Pūketeraki Ltd stable. Subsequently, Pūketeraki Ltd has established a subsidiary board populated by the same directors namely Jeffrey Broughton, Katharina Ruckstuhl, Sam Inglis, Richie Smith and Bridget Giesen.

Karitāne Māori Tours

Luckily the lockdown coincided with a natural wind down of Karitāne Māori Tours (KMT) for the summer tourism season so there wasn't a lot of disruption at that time. This period also saw the resignations of Alex Whitaker & Tania Turei who not only shared the management but Alex was the lead tour guide. The Rūnaka has decided to stay the course and has recommitted to supporting the business plan projections for another year. All start-ups lose money initially and KMT is no different however the cash flow projections indicate a move into the black by next year.

Pūketeraki Ltd

Pūketeraki Ltd, our Charitable Investment Company, has almost \$3 million in the bank now. The Rūnaka has not sought a dividend as it wanted to allow the company to compound earnings into growing the pūtea. The benefit of doing this is that they are getting close to being able to leverage off that larger pūtea.

Maybe we are near the point where we consider seeking a dividend to commit to other priorities in support of our whānau initiatives.

The Valuable Contributions of Members

The work we undertake in support of our rakatirataka and kaitiakitiaka continues to increase rather than decrease which is a concern to me as Chairperson. We may be at risk of being “too successful” in advocating for Te Tiriti based relationships. We have tried several times to rationalise what we do and target our still limited pūtea and available office resources to support our core areas of interests. This is no easy task as our members are hard task masters and have continued to express their whakaaro that everything is important. However, if we are going to continue this trajectory of increased workload we will not be able to do this without out more rūnaka members being more involved. If our members think there might be barriers to their involvement I am keen to hear your whakaaro and look to how we problem solve.

There is no getting away from the fact that our rakatirataka is greatly underpinned by the time our members commitment to our kaupapa. The greatly increasing workload is masked as we also employ up to 8 full time equivalents within our Rūnaka Office undertaking a wide range of support activities. It goes without saying this investment in human resource is in itself a significant cost within our annual business plan but I don't know where we would be without the Office and staff who work for us.

To our broader membership who have provided leadership within our committees or have supported our runaka by undertaking tasks such as representing us on a range of external committees, flying the flag at special events or leading specific runaka projects such as the whare decoration or other important work. Ko tau rourou, ko taku rourou, ka ora ai tātou!

The Runaka Executive

There has been one resignation from our Runaka Executive with Stacey Honeywell resigning to take up the Principal role at Oamaru North Primary School, necessitating her relocation to Otematata. Stacey was a great contributor and we miss her wit and wisdom on the Rūnaka Executive. Rūnaka Executive members are characterised by their passion and willingness to contribute across the board. I am pleased to report that three new Whakapapa Members have been co-opted so now we have a strengthened compliment.

This Executive and the Rūnaka has much to be proud of as we have made significant progress on a number of fronts in pursuit of our Annual Plan objectives and strategic goals. I must take this opportunity to formally recognise the effort of each and every current member of the Executive. I unreservedly thank you for your positive contributions up to this point in the life of this Rūnaka Executive.

A Special Governance Relationship

As Chairman I now want to recognise the special relationship the Rūnaka Inc Soc. has with the Section 20 Marae Reservation Trustees led by Bruce Ritchie. Without such a successful aligning of mutual interests we could never have created such a vibrant and creative and welcoming Marae based community.

Our Staff

Finally, I take this opportunity to thank our staff who have worked hard on our behalf over the year and the special efforts through the extraordinary time of the lockdown. All teams need great leadership and we are very lucky to have Suzanne Ellison leading this team. You may not be aware that Suzanne started providing management services to the rūnaka following the resignation of then Manager Warren Mason back in 2008 and subsequently formally became our Rūnaka Manager around ten years ago.

Kāti mō tēnei wā.

Nā Matapura Ellison
Chairperson

**Minutes of Kati Huirapa Runaka ki Puketeraki Inc. Soc.
Annual General Meeting – Hui a Tau**

**Held on 10.00am, Sunday 3 November 2019
At Puketeraki Marae**

Mihi whakatau: Matapura Ellison

Karakia tīmata: Matapura Ellison

Present: Matapura Ellison (chair), Suzanne Ellison (minutes), Lex Kent, George Tripp, Gisele Laven, Betty Apes, Brenda Van Strik, Lyn Carter, Tama Smith, Fiona Curd, Ron McLachlan, Philip Broughton, Joe Taurima, Phyllis Smith, Kerri Cleaver, Kate Bateman, Jeffrey Broughton, Ann Bateman, Aroha Ellison, Tania Turei, Gerard Devereux.

Nga mate o te tau:

Charlie Ropata, Jane Davis, Celia Jackson, Jim Apes, Taini Wright, Thomas Ennis, Joseph Tipa, John McLachlan, Joyce Freeman, Owain Morris, George Tikao, Pere Tainui, Tokomaru Hammond, Roy Camp, Tahu Potiki, Mateka Pirini, Aroha Reid, Airini Payne, Mahara Te Aika.

2. Apologies: Katharina Ruckstuhl, Brendan Flack, Denise Cameron, Pat Newman, Peter Ellison, Rosalie Williams, Haines Ellison, Emma Wyeth, Adam Keane, Tawini White, Margaret Henderson, Marewa Preddy, Jenny Smith.

Motion	That apologies be accepted.		
	Matapura Ellison	Brenda Van Strik	Carried

3. Minutes of the Annual General Meeting 4 November 2018

Motion	That the minutes of the Annual General Meeting of 4 November 2018 be confirmed as a true record		
	Lyn Carter	Kate Bateman	Carried

4. Matters Arising

There were no matters arising.

5. Chairperson's Report

Matapura Ellison presented his report.

He emphasised that he sees the Runaka & the world in changing times with the need for a 'new net' to deal with the challenges ahead; Ka pu te rühā, ka hao te rangatahi. He welcomed the input of our own champions & leaders who will help the Runaka respond to the new challenges before us, especially those stemming from climate change.

Motion	That we receive the Chairman's report.		
	Matapura Ellison	Phyllis Smith	Carried

6. Performance Report

Philip Broughton (Treasurer) introduced the Performance Report for the year ended 30 June 2019 and led the meeting through the report.

Motion	That the Statement of Service Performance for Kati Huirapa Runaka ki Puketeraki for the year ended 30 June 2019 be approved.		
	Philip Broughton	George Tripp	Carried

7. Appointment of Auditor, 2019-2020

Motion	That we appoint Audit Professionals as auditors for the financial year ended 30 June 2020.		
	Philip Broughton	Ron McLachlan	Carried

The meeting was declared closed at 10.29 am

Chairperson _____

Date _____

KATI HUIRAPA RUNAKA
ki PUKETERAKI INCORPORATED

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2020

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

CONTENTS

	Page
Independent Auditor's Report	3
Entity Information	4 & 5
Approval of Financial Report	6
Statement of Service Performance	7
Statements of Financial Performance	8
Statements of Financial Position	9
Statements of Cash Flows	10
Statement of Accounting Policies	11 - 13
Notes to the Financial Performance	14 - 19

Independent Auditor's Report

to the Executive Committee of Kāti Huirapa Rūnaka Ki Puketeraki Incorporated

Our Qualified Opinion

We have audited the performance report of Kāti Huirapa Rūnaka Ki Puketeraki Incorporated (the Society) and the Society and its subsidiary (the Group) which comprise the statements of financial position as at 30 June 2020 and the entity information, the statement of service performance, the statements of financial performance and statements of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the accompanying performance report presents fairly, in all material respects, the parent and consolidated financial position of the Society and Group as at 30 June 2020 and their entity information, service performance, financial performance and cash flows for the year ended on that date in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from cash koha and donation revenue prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Society and Group, or to determine the effect of the limited control.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). 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 Society and Group 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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Society or its subsidiary.

Executive Committee's Responsibilities for the Performance Report

The Executive Committee is responsible, on behalf of the Society and Group for:

- (a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises the entity information, the statement of service performance, statements of financial performance, statements of financial position, statements of cash flows, and the accounting policies and notes to the performance report, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as the Executive Committee determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

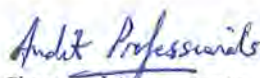
In preparing the performance report the Executive Committee is responsible for assessing the Society's and Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Society and Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable, 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 economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx

This report is made solely to the Executive Committee as a body. Our audit work has been undertaken so that we might state to the Society's Executive Committee those matters which we are required to state 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 Society and the Society's Executive Committee, as a body, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants
11 October 2020

Dunedin

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020**

'Who are we?', 'Why do we exist?'

Legal Name: Kati Huirapa Runaka ki Puketeraki Incorporated

Type of Entity: The entity is an Incorporated Society registered under The Incorporated Societies Act 1905 and the Charities Act 2005.

Registration Numbers: Incorporated Society: 469967 (3 September 1990)
Charities Commission: CC37666 (30 June 2008)

The Entity's Mission: "Nurturing our people and our environment"

The Entity's Vision The Runaka's moemoea or big dream is "To have a vibrant, energised, dynamic, multi-generational community based around the marae and the runaka that is strongly interactive in its community and environment as well as in the regional and tribal communities".

Entity Structure: Kati Huirapa Runaka ki Puketeraki Incorporated is an incorporated society focused on providing support for its members and education for interested members of the public.

Its operations are governed by its Rules that align with and support the requirements in the Incorporated Societies Act 1908.

The Incorporated Society is governed by an elected Executive comprising 7 members and the runaka manager which meets on a monthly basis. The Executive are in turn responsible to the Runaka which meets on a bi-monthly basis.

Committee Members at balance date were: Matapura Ellison (Chair), Philip Broughton (Treasurer), Fiona Curd, Jeffrey Broughton, Katharina Ruckstuhl, Peter Ellison, Ron McLachlan and Suzanne Ellison (Runaka Manager)

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

'Who are we?', 'Why do we exist?'

Entity Structure: (continued) In addition the Incorporated Society has a number of committees that meet as required:

- Operations Committee (finance)
- Risk Management Committee
- He Korowai Whanau Komiti (oversees cultural, education, health, and social wellbeing areas)
- Komiti Kaupapa Taiao (oversees all environmental interests and relationships).

The runaka's marae, workshops and administration are located in Karitane.

The runaka's accounting requirements are performed by a paid contractor.

**Main Source of the Society's
Cash and Resources:**

Kati Huirapa Runaka ki Puketeraki Incorporated's income is generated from:

- Funding from Te Runanga o Ngai Tahu
- Koha. Grants and Sponsorships
- Hui activity at the marae
- Investment Income

**Main Methods used by the
Society to Raise Funds:**

The Incorporated Society does not seek funds from the public.

**The Society's Reliance on
Volunteers and Donated
Goods or Services:**

The Society does not rely on volunteers and/or donated goods or services other than in some environmental activities such as tree planting.

Contact Details:

Marae Address:	520 Apes Road, Karitane, Otago
Office Address:	121 Grimness Street, Karitane, Otago
Postal Address:	c/- Karitane Store, Karitane 9440
Phone:	(03) 465 7300
Email:	admin@puketeraki.nz

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
APPROVAL OF PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The Executive Committee is responsible for preparing the performance report and ensuring that they comply with Tier 3 Public Benefit Entity Simple Format Reporting - Accrual (Not-for-Profit) accounting standards and fairly reflect the financial position of Kati Huirapa Runaka ki Puketeraki Incorporated as at 30 June 2020 and the results of their operations for the year ended on that date.

The Executive Committee consider that the financial statements of the Runaka have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

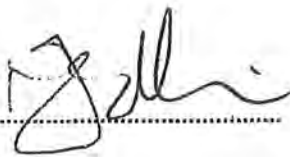
The Executive Committee believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Runaka and facilitate full compliance of the financial statements of the Runaka with the Financial Reporting Act 2013.

The Executive Committee consider that they have taken adequate steps to safeguard the assets of the Runaka, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity of the financial statements of the Runanga.

The Executive Committee is pleased to present the Performance Report of Kati Huirapa Runaka ki Puketeraki Incorporated for the year ended 30 June 2020.

For and on behalf of the Executive Committee:

Executive Chair:



Date

9th October 2020

**KATI HUIRAPA RUNAKA KI PUKETERAKI INCORPORATED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020**

'What did we do?' and 'When did we do it?'

Nurturing Our People and Our Environment "He aha te mea nui o te ao? He takata, he takata, he takata"

Description of the Entity's Outcomes:
Whanau feel like they belong here and are taking our culture forward.
Te Taiao is highly valued and is intact so that kai and other cultural resources are available to our whanau in the future.
Key strategic alliances are formed that advance the values of the Runaka.

Description and Quantification of the Entity's Outputs		
	2020	2019
Manaaki is extended; the giving is effective and is in line with the charitable status of the Runaka.	\$7,720	\$4,500
Koha is tikaka driven and given at the discretion of the Runaka Executive.	\$2,924	\$2,744
Celebrations and general events are held for members (includes MKW and Waitangi Day)	\$1,017	\$5,047
Special opportunities are provided for Kaumatua.	-	\$1,843
Opportunities to engage and build whanaukataka are provided for Tamariki and Rakatahi	\$32,600	\$9,386
Marae bookings - affected by Covid-19 lockdown	77	54
Runaka newsletters produced quarterly (additional newsletters produced from May to June 2020)	10	3
Regular e-pānui sent to members	Achieved	Achieved
Monthly contributions to Te Pānui Runaka	Achieved	Achieved
Website providing accessible and relevant information for members and general public	9,455 visits	10,138 visits
Number of requests for consultation / approval	195	128 Feb - Jun
Governance Training	-	\$2,177
Staff Training	1,111	\$2,061

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

'How was it funded?' and 'What did it cost?'

	Note	Consolidated 2020 \$	Parent 2020 \$	Consolidated 2019 \$	Parent 2019 \$
REVENUE					
Donations and other similar revenue					
Koha and Donations		12,111	12,111	10,571	9,951
Interest, dividends and other investment revenue					
Interest Revenue		25,222	23,265	34,171	28,715
Dividends Revenue		43,616	-	37,430	-
Movement in Value of Investments		112,424	102,443	34,414	(30,425)
Return of Capital Canterbury Mortgage Trust		2,667	-	-	-
		183,929	125,708	106,015	(1,710)
Revenue from providing goods and services					
Hui, Tourist Activities and Sale of MEA Fragrances		140,557	105,384	96,369	73,878
Te Putea Whakamahi		524,362	524,362	514,080	514,080
Other Operating Revenue	13	89,205	89,205	312,359	316,128
Project Income		137,217	137,217	133,243	133,243
		891,341	856,168	1,056,051	1,037,329
TOTAL OPERATING REVENUE		1,087,381	993,987	1,172,637	1,045,570
EXPENDITURE					
Costs relating to providing goods and services					
Hui related costs		34,829	34,829	36,220	36,220
MEA related costs		13,766			
Donations Made					
Koha and Donations		2,924	2,924	2,744	2,744
Other expenses					
Audit Fee		10,750	5,550	10,300	5,600
Bank Fees and Interest		1,732	478	597	467
Depreciation		52,417	47,115	47,296	40,889
Fees paid to Executive Members and Directors		13,125	13,125	15,000	15,000
Other Operating Expenses	13	742,138	618,047	735,798	615,402
Projects and Contracts- Expenditure		116,395	116,395	185,391	185,391
Provision - Advance to Karitane Maori Tours Ltd	16	-	46,690	-	83,279
Provision - Advance to Taramea Fragrance Limited	17	-	6,948	-	-
TOTAL OPERATING EXPENDITURE		988,076	892,101	1,033,346	984,992
<u>NET SURPLUS FOR THE YEAR</u>		99,305	101,886	139,291	60,578
OPENING EQUITY					
Operating Surplus for the year		99,305	101,886	139,291	60,578
TOTAL RECOGNISED REVENUES AND EXPENSES		99,305	101,886	139,291	60,578
CLOSING EQUITY		5,762,087	4,554,394	5,662,782	4,452,508

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

'What the entity owns' and 'What the entity owes'

	Note	Consolidated 30 June 2020 \$	Parent 30 June 2020 \$	Consolidated 30 June 2019 \$	Parent 30 June 2019 \$
EQUITY					
Accumulated Funds		5,026,576	3,818,883	4,816,338	3,716,997
Land and Building Revaluation Reserve	2	735,511	735,511	735,511	735,511
Share Revaluation Reserve		-	-	110,933	-
		5,762,087	4,554,394	5,662,782	4,452,508
REPRESENTED BY:					
CURRENT ASSETS					
Cash at Bank - Westpac Cheque Account		190,531	89,033	58,924	44,962
Cash at Bank - Westpac Savings Account	1	106,358	106,358	73,940	73,940
Cash at Bank - Debit Card		1,531	1,252	2,411	2,376
Cash on Hand, Petty Cash Float and Vouchers		1,002	1,002	907	907
Accounts Receivable and Income Accrued		46,360	28,068	105,675	86,357
GST Receivable		677	-	13,400	13,400
Prepayments		1,349	1,282	782	782
Investments (managed by Polson Higgs Wealth Management Limited)	7	17,675	-	24,521	-
Investments (Fixed Interest Term Deposits with Westpac)	8	766,133	766,133	963,680	792,560
MEA Stocks on Hand		19,665	-	-	-
TOTAL CURRENT ASSETS		1,151,281	993,128	1,244,240	1,015,284
NON-CURRENT ASSETS					
Shares in 525 Blenheim Road Limited		158,735	-	161,068	-
Shares in Aukaha (1997) Limited	9	228,525	228,525	126,082	126,082
Shares in Farmlands Co-operative (CRT)		330	330	330	330
Shares in Karitane Maori Tours Limited		-	100	-	100
Investments (managed by Polson Higgs Wealth Management Limited)	7	1,319,020	-	1,379,170	-
Investments (Te Haumi Whakamana)	10	620,786	-	460,017	-
Loan to Puketeraki Limited	3	-	1,007,500	-	1,000,000
Advance to Karitane Maori Tours Limited	16	-	20,938	-	35,940
Advance to Taramea Fragrance Limited	17	-	19,930	-	-
Property, Plant and Equipment	4	2,368,659	2,350,594	2,380,390	2,357,023
TOTAL NON CURRENT ASSETS		4,696,055	3,627,917	4,507,057	3,519,475
TOTAL ASSETS		5,847,336	4,621,045	5,751,297	4,534,759
LESS CURRENT LIABILITIES					
Accounts Payable		65,835	61,573	88,515	82,251
GST Payable		5,078	5,078	-	-
Covid-19 Wage Subsidy Received in Advance		3,817	-	-	-
Project Funding Received in Advance	14	10,519	-	-	-
TOTAL CURRENT LIABILITIES		85,249	66,651	88,515	82,251
NET ASSETS		5,762,087	4,554,394	5,662,782	4,452,508

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

How the entity has received and used cash"

	Consolidated 30 June 2020 \$	Parent 30 June 2020 \$	Consolidated 30 June 2019 \$	Parent 30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Te Putea Whakamahi	524,362	524,362	514,080	514,080
Other receipts from providing goods and services	384,371	353,706	224,010	205,216
Koha and donation receipts	12,111	12,111	10,571	9,951
Grants	28,515	28,515	304,581	304,581
Interest, dividends, and other investment receipts	77,494	31,039	74,992	30,402
MSD Covid-19 Wage Subsidy	12,600	-	-	-
Payments to suppliers, employees and executive	(961,948)	(812,526)	(917,856)	(807,051)
Net GST Received / (Paid)	17,700	18,478	(4,249)	(5,286)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	95,205	155,685	206,129	251,893
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES				
Receipts from maturity of Bank term deposits	228,085	55,904	251,698	251,698
Receipts from the sale of investments	3,267	-	-	-
Payments to purchase plant and equipment	(40,686)	(40,686)	(234,331)	(204,557)
Loan to Puketeraki Limited	-	(7,500)	-	-
Loan to Karitane Maori Tours Limited	-	(31,588)	-	(119,319)
Loan to Taramea Fragrance Limited	-	(26,878)	-	-
New Bank term deposit and interest reinvested	(29,477)	(29,477)	(183,913)	(79,343)
Payment for 50% share in MEA joint venture	-	-	(54,312)	(54,312)
Payments to purchase investments	(100,000)	-	(924,613)	-
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES	61,189	(80,225)	(1,145,471)	(205,833)
NET INCREASE (DECREASE) IN CASH	156,394	75,460	(939,342)	46,060
CASH BALANCES				
Cash and cash equivalents at the beginning of the period	160,703	122,185	1,100,045	76,125
Cash and cash equivalents at the end of the period	317,097	197,645	160,703	122,185
Net change in cash for the period	156,394	75,460	(939,342)	46,060
Cash at Bank - Westpac Current Account	190,531	89,033	58,924	44,962
Cash at Bank - Westpac Savings Account	106,358	106,358	73,940	73,940
Cash at Bank - Debit card	1,531	1,252	2,411	2,376
Cash at Bank - Petty Cash Float and vouchers	1,002	1,002	907	907
Polson Higgs Wealth Management	17,675	-	24,521	-
	317,097	197,645	160,703	122,185

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

'How did we do our accounting?'

Basis for Preparation

Kati Huirapa Runaka ki Puketeraki Incorporated is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit, and the Incorporated Society has been established to support that primary objective.

The Incorporated Society has elected to apply PBE-SFR-A(NFP) Public Benefit Entity Simple Format Reporting Accrual (Not for Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Incorporated Society will continue to operate in the foreseeable future.

These financial statements have been prepared on the basis of historical cost except for investments; these are carried at fair value. For these investments Public Benefit Entity Standards NZ IPSAS with Reduced Disclosure Regime Accounting Standards have been applied (PBE Tier 2).

Basis for Preparation of the Consolidated Financial Statements

Subsidiaries

Subsidiaries are those entities controlled, directly or indirectly, by the Incorporated Society.

The financial statements of the subsidiaries are included in these financial statements using the purchase method of consolidation. This is applicable to the Incorporated Society's 100% equity investment in Puketeraki Limited and 100% investment in Karitane Maori Tours Limited.

Intra group transactions are eliminated in preparing the consolidated financial statements.

Accounting for Associates

Associates are those entities over which the Incorporated Society is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are accounted for using the equity method. Under the equity methods, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Society's share of the profit or loss of the associate after the date of acquisition.

The Incorporated Society generally deems it has significant influence over another entity when it has over 20% of the voting rights.

The Incorporated Society's share of the associate's profit or loss is recognised in the statement of financial performance. The cumulative movements are adjusted against the carrying amount of the investment.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Incorporated Society and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

Reserved Funding

To the extent that there is a condition attached to funding received that would give rise to a liability to repay funding or to return a granted asset (a "use or return condition"), a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Incorporated Society has satisfied these conditions.

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2020**

'How did we do our accounting?'

Income Tax

The entity is registered with the Charities Commission and is therefore exempt from income tax.

Accounts Receivable

Accounts receivable are stated at their estimated realisable value.

Property, Plant and Equipment

Property, plant and equipment are included at cost or gifted values less aggregate depreciation.

The depreciation rates used are:

Buildings	1.5%	SL
Buildings	2% - 16%	DV
Vehicles	30% - 36%	DV
Plant	20% to 67%	DV
Other Assets	10% - 20%	DV
Furniture and Fittings	8% to 48%	DV
Office Equipment	20% - 60%	DV

Investments

Investments are stated at fair value, except for term deposits which are stated at cost.

Goods and Services Tax

Kati Huirapa Runaka ki Puketeraki Incorporated is registered for Goods and Services Tax (GST). Consequently all amounts are stated exclusive of GST except for accounts payable and accounts receivable which are stated inclusive of GST.

However, Puketeraki Limited is not registered for GST and therefore the financial statements which have been consolidated into these financial statements are GST inclusive.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise Westpac current and on call balances.

525 Blenheim Road Limited

Subsidiary company Puketeraki Limited has a 5.5% interest in this company. The interest is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.

Aukaha (1997) Limited (previously Kai Tahu Ki Otago Limited, name changed 9 February 2018)

The Society has a 20% interest in this company (2019: 20%). The investment is accounted for using the equity method.

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2020**

'How did we do our accounting?'

Te Haumi Whakamana

This investment is carried at assessed fair value by the Directors with movement in fair value reflected in the Statement of Financial Performance.

Managed Investments

These investments are managed by Polson Higgs Wealth Management Ltd. Investments in this category that comprise equity investments are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance. The unrealised gain in equity investments is shown as a separate reserve.

Impairment Adjustments

If in the Executive Committee's opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of financial performance.

Changes in Accounting Policies

There have been no changes to accounting policies during the year.

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
 NOTES TO THE PERFORMANCE REPORT
 FOR THE YEAR ENDED 30 JUNE 2020**

1. SHORT TERM DEPOSIT

	2020	2019
	\$	\$
Westpac Ready Access (on call)	<u>106,358</u>	<u>73,940</u>

2. KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

The Kati Huirapa Runaka ki Puketeraki Trust was dissolved on 26 September 2017. The old school property and the Coast Road property previously held by the Trust were transferred to the Runaka as at that date, and the debt relating to these assets was forgiven. The Executive agreed that these assets be shown at the rating values relevant to the properties. Revaluing these properties to latest rateable valuation in 2018 increased the value of the properties by \$735,511 which is recorded in a land and buildings revaluation reserve.

3. PUKETERAKI LIMITED

In June 2018 the Runaka advanced \$1,000,000 to Puketeraki Limited for investment. In December 2019, the Runaka advanced another \$7,500 to Puketeraki Limited for the investment in Taramea Fragrance Limited. This advance is unsecured, interest free and repayable upon demand.

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. PROPERTY, PLANT AND EQUIPMENT

2020 - Parent	Opening Carrying Amount	Purchases / Revaluation	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Land	863,583	-	-	-	863,583
Buildings	1,202,937	29,522	-	25,297	1,207,162
Marae Retaining Wall	230,624	-	-	3,863	226,761
Motor Vehicles	16,796	1,174	-	4,050	13,920
Furniture and Fittings	3,771	-	-	933	2,838
Other Assets	5,488	-	-	854	4,634
Plant	31,374	7,862	-	10,593	28,643
Office Equipment	2,448	2,130	-	1,525	3,053
	2,357,021	40,688	-	47,115	2,350,594
2020 - Subsidiary					
Plant and Equipment	23,367	-	-	5,302	18,065
	2,380,388	40,688	-	52,417	2,368,659

2019 - Parent	Opening Carrying Amount	Purchases / Revaluation	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Land	863,583	-	-	-	863,583
Buildings	1,045,697	179,363	-	22,125	1,202,935
Marae Retaining Wall	234,489	-	-	3,863	230,626
Motor Vehicles	21,717	-	-	4,921	16,796
Furniture and Fittings	3,778	1,247	10	1,246	3,769
Other Assets	5,589	582	31	650	5,490
Plant	16,519	20,940	326	5,758	31,375
Office Equipment	2,253	2,423	1,025	1,202	2,449
	2,193,625	204,555	1,392	39,765	2,357,023
2019 - Subsidiary					
Plant and Equipment	-	29,774	-	6,407	23,367
	2,193,625	234,329	1,392	46,172	2,380,390

The Society owns properties at 1160, 1161 and 1200 Coast Road, 121 Grimness Street and 128 Stornaway Street, Karitane. The most recent rateable valuations of these properties total \$1,533,500. The book value of the land and buildings will be recovered through future use.

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. CAPITAL COMMITMENTS

The Group had no capital commitments as at balance date (2019 \$nil).

6. OPERATING COMMITMENTS

A 5 year contract with Fuji Xerox was entered into for the lease of a photocopier in November 2016.

	2020	2019
	\$	\$
Less than one year	3,412	3,412
Between one and five years	1,706	5,118
More than five years	-	-
Total	<u>5,118</u>	<u>8,530</u>

7. POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

CURRENT - Puketeraki Limited

	2020	2019
	\$	\$
Cash Accounts	17,675	24,521
	<u>17,675</u>	<u>24,521</u>

The above table details investments Puketeraki Limited has in finance companies.

NON-CURRENT - Puketeraki Limited

	2020	2019
	\$	\$
Fixed Interest Bonds	210,861	258,413
Equity Investments	1,108,159	1,120,257
Canterbury Mortgage Trust - Debenture	-	500
	<u>1,319,020</u>	<u>1,379,170</u>

The equity investments are all in listed entities and comprise New Zealand shares 14% (2019 16%) Australian shares 11% (10%) and International equities 75% (2019 74%)

8. TERM DEPOSITS

	2020	2019
	\$	\$
Parent		
Westpac Term Deposits	766,133	792,560
Puketeraki Limited		
Westpac Term Deposits	-	171,120
	<u>766,133</u>	<u>963,680</u>

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. EQUITY SHARE OF INVESTMENT IN ASSOCIATED COMPANY

Kati Huirapa Runaka ki Puketeraki Incorporated hold 20% of the shares in Aukaha (1997) Limited.

	2020	2019
	\$	\$
Carrying amount at beginning of the year	126,082	156,507
Equity accounted earnings for the year	102,443	(30,425)
Carrying value at end of the year	<u>228,525</u>	<u>126,082</u>

10. TE HAUMI WHAKAMANA

This investment is managed by Ngai Tahu Property Limited, and involves several buildings with Crown leases. Runanga have the opportunity to invest or divest on an annual basis, The maximum investment per Runanga is currently \$1,500,000, A guarantee has been provided by Ngai Tahu Holdings Corporation.

	2020	2019
	\$	\$
Investments in Te Haumi Whakamana are held by Puketeraki Limited	<u>620,786</u>	<u>460,017</u>

11. GRANTS RECEIVED

	2020	2019
	\$	\$
Manawapopere Trust	515	-
COGS	-	2,000
Department of Corrections	-	1,517
Te Runanga o Ngai Tahu	23,000	301,064
Te Puni Kokiri	5,000	-
	<u>28,515</u>	<u>304,581</u>

12. RELATED PARTIES

Matapura Ellison is Chairman of Kati Huirapa Runaka ki Puketeraki Incorporated. He is contracted with the Runaka under a Contract for Service to provide education services funded under the Te Mahare Matauraka Project.

There were no payments due to Mr Ellison under the Contract for Services at balance date.

Mr Ellison has the use of paddocks owned by the Runaka and reimburses the runaka for the rates. During the year to 30 June 2020 \$1,358 (gst inclusive) was invoiced to Wainui Enterprises (Mr Ellison's operating entity) with \$203 (gst inclusive) owing as at balance date.

Description of Related Party Relationship	Description of the Transaction	2020	2020	2019	2019
		\$	\$	\$	\$
		Value of Transactions	Amount Outstanding	Value of Transactions	Amount Outstanding
Mr Matapura Ellison, Chair of the Runaka	Reimbursement of rates for use of paddocks	1,358	203	1,200	243

Philip Broughton is Treasurer of Kati Huirapa ki Puketeraki Incorporated and was a Consultant with Polson Higgs, Chartered Accountants until his resignation effective 29 March 2019.

The majority shareholders of Polson Higgs Wealth Management, which manages the investment of Puketeraki Limited, are partners of Polson Higgs.

Mr Broughton is now a Professional Director in his own right.

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020

13. OTHER OPERATING REVENUE	Note	Consolidated	Parent	Consolidated	Parent
		2020	2020	2019	2019
		\$	\$	\$	\$
Grants	11	28,515	28,515	304,581	304,581
Rental Income		3,167	3,167	-	3,768
Sundry Income		10,001	10,001	6,425	6,425
Tamariki		47,522	47,522	1,354	1,354
TOTAL OTHER OPERATING REVENUE		89,205	89,205	312,360	316,128

OTHER OPERATING EXPENSES

	Consolidated	Parent	Consolidated	Parent
	2020	2020	2019	2019
	\$	\$	\$	\$
Other expenses				
ACC Levy	1,688	1,688	1,577	1,577
Advertising	155	155	2,661	1,436
Building Committee	1,193	1,193	26,852	26,852
Charitable Acts	7,720	7,720	4,500	4,500
Covid-19 Support	10,825	10,825	-	-
Environment	4,396	4,396	478	478
Fees paid to Financial Adviser	-	-	15,734	-
Postage & Courier	1,633	1,633	2,061	2,061
General	24,049	24,049	42,520	30,929
Heat, Light & Power	15,392	15,392	15,438	14,489
Insurance	22,091	22,091	20,817	19,884
KiwiSaver Contributions	9,187	9,187	7,228	7,228
Legal and Accounting	15,581	15,581	33,783	15,729
Merchandise for resale	4,790	4,790	7,050	7,050
Printing, Stationery and Copying	7,255	7,255	7,098	6,885
Project Balances Written Off	838	838	-	-
Rates	4,089	4,089	3,843	3,843
Repairs and Maintenance	30,256	30,256	30,110	30,110
Research and Development	-	-	47,228	47,228
Tamariki	32,600	32,600	9,386	9,386
Telephone, Tolls and Internet	6,327	6,327	5,511	5,068
Tour Company Costs	-	-	68,812	-
Travel	2,082	2,082	5,533	3,091
Vehicle Costs	13,485	13,485	14,978	14,978
Wages and Salaries	402,415	402,415	362,600	362,600
TOTAL OTHER EXPENSES	618,047	618,047	735,798	615,402

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2020**

14. EVENTS AFTER BALANCE DATE

No significant events have occurred after balance date.

15. CONTINGENT LIABILITIES

There are no contingent liabilities or guarantees as at balance date (2019: Nil)

The Society has committed to contribute \$30,000 to Aukaha (1997) Limited at 30 June 2020.

16. KARITANE MAORI TOURS LIMITED

A tourist adventure attraction offering a waka experience from Karitane started operating in July 2018. The original shareholder was Puketeraki Limited but at the end of March 2019 the shareholding was transferred to the Runaka.

As at 30th June 2020 \$150,907 had been advanced. This loan has been provided against in full to recognise that the loan is unlikely to be fully recovered.

The Company incurred a deficit of \$46,690 in its first full year of trading to 30 June 2020, resulting in a deficit in equity in their books as at 30 June 2020 of \$129,969.

17. TARAMEA FRAGRANCE LIMITED

This enterprise was initially developed as a joint venture with Ngai Tahu.

In August 2019 it was taken over by Kati Huirapa Runaka ki Puketeraki Incorporated with the governance role assigned to Puketeraki Limited.

The taramea plant is found in southern New Zealand. The aromatic resin of the taramea fragrance is extracted from the hand harvested plant.

The Company is responsible for overseeing the development, manufacture, blending and marketing of the product using the brand name of MEA.

The Runaka had committed \$150,000 to funding the project and its initial operation. As at 30th June 2020 a net \$26,878 had been advanced by the Runaka and \$27,077 by Puketeraki Limited.

The Company incurred a deficit of \$34,125 in its first 9 months of trading to 30 June 2020, resulting in a deficit in equity in their books as at 30 June 2020 of \$34,025. A provision of \$6,948 has been made against the loan by the Society to the extent of this deficit to recognise that the loan is unlikely to be fully recovered.

Karitāne Māori Tours Limited

KARITĀNE MĀORI TOURS LIMITED

SECOND ANNUAL GENERAL MEETING

1st NOVEMBER 2020

AGENDA

- 1 Welcome
- 2 Karakia
- 3 Apologies
- 4 Minutes of the previous Annual General Meeting
- 5 Director's Report
- 6 Performance Report
- 7 Appointment of Auditor

Karitāne Māori Tours

Tēnā koutou katoa,

E rere ana aku mihi ki a koutou ki te whānau whānui o Ruahikihiki, o Huirapa hoki e tū nei i Puketeraki. Tēnā koutou, tēnā koutou, tēnā koutou katoa.

The 2020 financial year has been one of significant challenges and learnings for Karitāne Māori Tours. The tourism market has been significantly disrupted due to the COVID-19 outbreak and the sector is perhaps the most visible casualty from COVID-19. Businesses are under enormous financial stress. Some have the structure and capital to see out an extended period of uncertainty, whereas others are less secure.

We have reviewed all Karitāne Māori Tours activities pre COVID-19 and our initial focus has been to identify a business model that would allow Karitāne Māori Tours (“KMT”) to survive, rather than thrive at this stage thus ensuring the financial risks to the rūnaka are minimised.

Karitāne Māori Tours re-opened to manuhiri at the end of August 2020. We have initially focused on the education sector as we have established relationships with some of the schools in our takiwā and in our last financial year, pre-Covid-19 outbreak, we were starting to see increased interest from this sector.

Since re-opening for the education sector, we have also had an increase in engagement from both our local Regional Tourism Office (Enterprise Dunedin) and Tourism New Zealand. Both entities are wanting to support the promotion of Karitāne Māori Tours to the domestic market. This increased interest from key industry stakeholders is a real acknowledgement of the work that has been done to date around increasing the awareness of Karitāne Māori tours within the industry.

In this regard we thank Alex Whitaker and Tania Turei for the headway they made in lifting the profile of our boutique enterprise along with acknowledging the commitment they gave to Karitāne Māori Tours during their time with the business. We also acknowledge the team at Takiwā Tourism, in particular Kelly Barry, who have been instrumental in enabling KMT to start to make a mark in the tourism sector and, perhaps more importantly, Takiwā Tourism has been crucial in helping the business to refocus and survive.

While we know that there is still a lot of uncertainty around when borders will re-open we do believe there is an opportunity within the domestic market, and over the next six to ten months we will focus on how we can make the most of this market and the increased exposure and promotion from Enterprise Dunedin and Tourism New Zealand.

We remain optimistic and committed to sharing insights with manuhiri into te ao Māori, our history and our special part of the world.

Heoi anō

Suzanne Ellison

Director.

*Minutes of Karitāne Māori Tours Ltd.
Annual General Meeting – Hui a Tau*

Held on 10.45am, Sunday 3 November 2019
At Puketeraki Marae

1. Mihi whakatau: Suzanne Ellison

2. Karakia tīmata: Matapura Ellison

Present: Suzanne Ellison (chair & minutes), Matapura Ellison, Lex Kent, George Tripp, Gisele Laven, Betty Apes, Brenda Van Strik, Lyn Carter, Tama Smith, Fiona Curd, Ron McLachlan, Philip Broughton, Joe Taurima, Phyllis Smith, Kerri Cleaver, Kate Bateman, Jeffrey Broughton, Anne Bateman, Aroha Ellison, Brendan Flack, Victoria Bryant, Marleen McDonald, Carolyn Campbell, Tania Turei, Gerard Devereux.

3. Apologies: David Ellison, Katharina Ruckstuhl, Brendan Flack, Denise Cameron, Pat Newman, Peter Ellison, Rosalie Williams, Haines Ellison, Emma Wyeth, Adam Keane, Tawini White, Margaret Henderson, Marewa Preddy, Jenny Smith.

Motion	That apologies be accepted.		
	Matapura Ellison	Brenda Van Strik	Carried

4. Chairperson’s Report

Suzanne Ellison spoke to her report in her capacity as sole director of Karitāne Māori Tours. Suzanne highlighted the challenges Karitāne Māori Tours had faced in the first 10-months of operation and the improvement in its position currently. She informed the meeting that it is likely the Runaka Executive will be asked to consider extending further financial support to Karitāne Māori Tours for up to 2 years. This would enable the company to trade for a sufficient period to understand its place in the market, the cost of providing social & cultural outcomes for the Runaka, as well as its likely future profitability.

5. Performance Report

Gerard Devereux introduced the Performance Report for the year ended 30 June 2019 and led the meeting through the report.

Gerard noted that in September Karitāne Māori Tours received approval for its application for charitable status & that the financial reports next year would be in the same format as the Incorporated Society reports.

Motion	That the Statement of Service Performance for Karitāne Māori Tours for the year ended 30 June 2019 be approved.		
	Suzanne Ellison	Jeffrey Broughton	Carried

6. Appointment of Auditor, 2019-2020

Motion	That we appoint Audit Professionals as auditors for the financial year ended 30 June 2020.		
	Philip Broughton	Fiona Curd	Carried

7. Other Business.

Tania Turei took the meeting through a presentation about the Sales in the first year with comparison to the first 4 months of the current financial year. Tania spoke about the important relationships being with Enterprise Dunedin for promotion internationally as one of Dunedin's attractions and Takiwā Tourism (TRONT) and their promotion & support for Ngai Tahu tourist ventures.

The meeting was declared closed at 11.20am

Chairperson _____

Date _____

KĀRITANE MĀORI TOURS LIMITED

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2020

KĀRITANE MĀORI TOURS LIMITED

PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2020

CONTENTS

	Page #
Independent Auditor's Report	1
Entity Information	2
Statement of Service Performance	3
Approval of Annual Report	4
Statement of Financial Performance	5
Statement of Movements in Equity	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to and forming part of the Financial Statements	9 - 12

Independent Auditor's Report to the Shareholder of Kāritane Māori Tours Limited

Our Qualified Opinion

We have audited the financial statements of Kāritane Māori Tours Limited (the Company) which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements which include a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present, in all material respects, the financial position of the Company as at 30 June 2020 and its financial performance for the year ended on that date in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit).

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from tours and kayak hire prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Company, or to determine the effect of the limited control.

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

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

Information Other than the Financial Statements and Auditor's Report

Other information included in the Annual Report with the financial statements comprises the entity information and statement of service performance. The Director is responsible for this other information. Our qualified opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

Director's Responsibilities for the Financial Statements

The Director is responsible, on behalf of the Company, for the preparation and presentation of the financial statements in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Material Uncertainty Related to Going Concern

We draw attention to note 10 in the financial statements which states that the Company's liabilities exceed its assets at 30 June 2020. As stated in note 10, these events or conditions, along with other matters as stated in note 10, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state to the shareholder those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report or for the opinions we have formed.


Chartered Accountants
11 October 2020

Dunedin

KĀRITANE MĀORI TOURS LIMITED

ENTITY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2020

Legal Name:	Kāritane Māori Tours Limited
Type of Entity:	<p>Kāritane Māori Tours Limited is a Company registered under the Companies Act 1993.</p> <p>It is a subsidiary of Kati Huirapa Rūnaka ki Puketeraki Incorporated. The Company was incorporated in August 2018 and commenced trading in September 2018.</p> <p>The company's was granted charitable status on 18 July 2019.</p>
Registration Numbers:	<p>Company: 7E+06</p> <p>Charities Services: CC56920</p>
Nature of Business	Tourism Activities
The Entity's Mission:	<p>Kāritane Māori Tours Limited provides waka tours on Waikouaiti River, and walking tours of Huriawa Peninsula.</p> <p>Participants learn the stories, customs and traditions of local māori, whilst learning the skills required to paddle a waka, whilst those undertaking the walking tour learn the history and stories of the pa (fortified village) that existed on the peninsula.</p> <p>Those on the waka tour can plant harakeke (flax) on the spit which helps restore the native coastal environment.</p> <p>The beneficiaries of the company's success are the registered members of Kati Huirapa Runaka ki Puketeraki by sharing their Māori cultural history with both New Zealand and international visitors.</p>
Main Source of Cash and Resources:	Tours and kayak hire revenue
Company Structure:	<p>The Constitution does not limit the number of directors.</p> <p>There is currently one director.</p> <p>The Director during the year was:</p> <p>Suzanne Ellison appointed 3 April 2019</p> <p>The accounting and secretarial requirements are performed by a paid contractor.</p>
Contact Details:	<p>Physical Address: 128 Stornaway Street, Karitane</p> <p>Postal Address: c/- Karitane Store, Karitane 9440</p> <p>Phone: (03) 465 7300</p> <p>Email: manager@puketeraki.nz</p>

KĀRITANE MĀORI TOURS LIMITED

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

Description of the Entity's Outcomes:

To provide waka tours where participants learn about the customs, traditions and history of the local māori.

Description and Quantification of the Entity's Outputs:

	2020	2019
Number of participants from July to November		
1. Tertiary Sector	45	43
2. School Students	62	28
3. Tourists	19	-
4. Community	37	31

Additional Information:

During the year the number of tours was significantly affected by the eruption on Whakaari, White Island, and the Covid-19 pandemic which resulted in operations being temporarily ceased.

KĀRITANE MĀORI TOURS LIMITED

APPROVAL OF FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Director is responsible for preparing the Annual Report which contains the financial statements of Kāritane Māori Tours Limited as at 30 June 2020, and ensuring that they comply with the stated accounting policies of the Company, and that they fairly reflect the financial position of Kāritane Māori Tours Limited as at 30 June 2020, and the results of their operations for the year ended on that date.

The Director considers that the financial statements of Kāritane Māori Tours Limited have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Director believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Kāritane Māori Tours Limited.

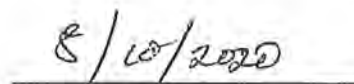
The Director considers that they have taken adequate steps to safeguard the assets of Kāritane Māori Tours Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Company's Shareholder has agreed that the disclosures in paragraphs (a) and (e) to (j) of Section 211 of the Companies Act 1993 are not required.

The Director is pleased to present the Annual Report which contains the financial statements of Kāritane Māori Tours Limited for the year ended 30 June 2020.



Director



Date

KĀRITANE MĀORI TOURS LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Note #	2,020 \$	2019 \$
Operating Revenue			
Income from Tours and Kayak Hire	2	26,989	22,491
Koha Received		-	620
Covid-19 Wage Subsidy		2,081	-
		29,070	23,111
Less Expenses			
ACC Levy		-	75
Accountancy Fees		4,053	9,731
Assets costing under \$500		-	1,219
Audit Fee		1,500	1,500
Bank Fees and Charges		1,254	131
Clothing		-	2,578
Commercial Consents		-	2,324
Depreciation		5,302	6,407
Electricity and Gas		903	949
Equipment Hire		413	-
Food and Beverages		2,237	1,111
General Expenses		-	596
Insurance		1,244	933
KiwiSaver Employer Contributions		223	32
Koha		-	410
Marae Hire		-	250
Marketing		7,259	1,225
Printing & Stationery		127	213
Rent		2,319	3,768
Software Maintenance		735	1,567
Subscriptions		936	1,050
Telephone and Internet		565	443
Tour Management Fees		26,360	59,901
Trailer Costs		28	86
Travel Costs		-	1,080
Visitor Transport		524	-
Waka Repairs		33	-
Wages		19,237	8,911
Website Development		508	-
Total Expenses		75,760	106,490
Loss		(46,690)	(83,379)

KĀRITANE MĀORI TOURS LIMITED

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Revenue and Revaluations		
Net Loss	(46,690)	(83,379)
Total Revenues and Revaluations	<u>(46,690)</u>	<u>(83,379)</u>
Equity at the Beginning of the Year	(83,279)	-
Capital Introduced	-	100
	<u>(129,969)</u>	<u>(83,279)</u>
Equity at the End of the Year (Deficit)	<u><u>(129,969)</u></u>	<u><u>(83,279)</u></u>

KĀRITANE MĀORI TOURS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current Assets			
Westpac Current Account		18,202	11,523
Westpac Debit Card Account		279	35
Accounts Receivable		21	3,697
Payments in Advance		67	-
		<u>18,569</u>	<u>15,255</u>
Non-Current Assets			
Plant and Other Assets	3	18,065	23,367
TOTAL ASSETS		<u>36,634</u>	<u>38,622</u>
Current Liabilities			
GST Payable		259	1,037
Creditors and Accrued Expenses		4,918	1,645
Covid-19 Wage Subsidy Advance	9	10,519	-
		<u>15,696</u>	<u>2,682</u>
Long Term Liabilities			
Advances from Kāti Huirapa Runaka ki Puketeraki	8	150,907	119,219
TOTAL LIABILITIES		<u>166,603</u>	<u>121,901</u>
NET LIABILITIES		<u>(129,969)</u>	<u>(83,279)</u>
EQUITY			
Paid up Share Capital	4	100	100
Accumulated Losses	5	(130,069)	(83,379)
TOTAL EQUITY - (DEFICIT)	10	<u>(129,969)</u>	<u>(83,279)</u>

 Director

Date 8/10/2020

KĀRITANE MĀORI TOURS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

'How the entity has received and used cash'

	Actual 2020	Actual 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Waka tours and kayak hire	30,665	21,329
Koha	-	100
Net GST Movement	(778)	676
	29,887	22,105
Payments to management, employees and suppliers	(60,564)	(55,647)
TOTAL CASH FLOWS TO OPERATING ACTIVITIES	(30,677)	(33,542)
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES		
Share Capital Paid	-	100
Advance - Kati Huirapa Runaka ki Puketeraki	25,000	45,000
MSD Covid-19 Subsidy received	12,600	-
CASH FLOWS FROM INVESTMENT AND FINANCING ACTIVITIES	37,600	45,100
NET INCREASE IN CASH	6,923	11,558
CASH BALANCES		
Cash and cash equivalents at the beginning of the period	11,558	-
Cash and cash equivalents at the end of the period	18,481	11,558
Net change in cash for the period	6,923	11,558
Cash at Bank - Westpac Current Account	18,202	11,523
Cash at Bank - Westpac Debit Card Account	279	35
	18,481	11,558

KĀRITANE MĀORI TOURS LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Kāritane Māori Tours Limited is a Company incorporated in New Zealand and registered under the Companies Act 1993.

The financial statements of the Company have been prepared in accordance with the Tier 3 PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses less than \$2,000,000.

Kāritane Māori Tours Limited is involved in the business of Tourism Activities.

Statement of Compliance and Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on an historical cost basis are followed by the company. The information is presented in New Zealand dollars. It is assumed that the Company will continue as a going concern.

Specific Accounting Policies

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

a) Revenue

Revenue is recognised when services are provided to the customer.

b) Expenses

Expenses have been classified on their business function.

c) Accounts Receivables

Accounts Receivables are recognised at estimated realisable value.

d) Plant and Other Assets

Plant and Other Assets are recognised at Cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007 as an estimate of the assets useful lives. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the period.

Plant	20% DV
Other Assets	10% - 50% DV

KĀRITANE MĀORI TOURS LIMITED

NOTES TO THE PERFORMANCE REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

e) Income Tax

The Company was registered as a charity on 18 July 2019. Accordingly it is exempt income tax.

f) Goods and Services Taxation (GST)

The Company is registered for 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.

NOTE 2 INCOME ANALYSIS

		2020	2019
Tours:	Awa	191	1,770
	Awa Iti	11,606	3,513
	Whenua	243	-
	Whenua Iti	414	122
	University Bespoke	4,457	8,595
	Community	643	1,265
	General Bespoke	-	1,122
	Schools	7,987	5,878
		<u>25,541</u>	<u>22,265</u>
Hire:	Kayak Hire	70	226
	Waka	451	
	Steerer	757	
	Customers' Transport	170	
		<u>1,448</u>	<u>226</u>
		<u><u>26,989</u></u>	<u><u>22,491</u></u>

KĀRITANE MĀORI TOURS LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 PLANT & OTHER ASSETS

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2020	\$	\$	\$	\$
Plant	23,727	3,912	8,078	15,649
Other Assets	6,047	1,390	3,631	2,416
Total Property, Plant & Equipment	29,774	5,302	11,709	18,065

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2019	\$	\$	\$	\$
Plant	23,727	4,166	4,166	19,561
Other Assets	6,047	2,241	2,241	3,806
Total Property, Plant & Equipment	29,774	6,407	6,407	23,367

NOTE 4 SHARE CAPITAL

The Company has issued 100 ordinary shares fully paid. The shares were initially issued to Puketeraki Limited but were transferred to Kati Huirapa Runaka ki Pukteraki Incorporated during the 2019 financial year. All shares have equal voting rights.

NOTE 5 ACCUMULATED LOSSES

	2020	2019
Opening Balance	\$ (83,379)	\$ -
Plus:		
Net Loss	(46,690)	(83,379)
Less:		
Dividend Paid	-	-
Accumulated Losses Closing Balance	(130,069)	(83,379)

NOTE 6 CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2020 (2019-Nil).

KĀRITANE MĀORI TOURS LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7 CAPITAL COMMITMENTS

The Company has no capital commitments as at 30 June 2020. (2019: Nil)

NOTE 8 ADVANCES FROM KĀTI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED

The Company is a wholly owned subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated, who have provided cash advances totalling \$150,907 to 30 June 2020. The advances are unsecured, interest free with no fixed form of repayment, although they are expected to provide continuing finance to the Company. (2019: \$119,219)

NOTE 9 COVID-19 WAGE SUBSIDY

The Company applied for and received a Covid-19 Wage Subsidy of \$12,600 which was paid by the Ministry of Social Development on 11 June 2020.

As at balance date three weeks wages had been paid from the subsidy.

Any subsidy that remains after the 12 week subsidy period may need to be repaid.

NOTE 10 DEFICIT IN EQUITY

As a result of the accumulated trading deficit in the Company's activities its liabilities exceed its assets by \$130,069 at 30 June 2020. (2019: \$83,379)

This is not a satisfactory position and the Director of the Company and the Shareholder are to determine the Company's continuing to trade during the Spring to Autumn period.

The financial statements are prepared on a going concern basis and the Company is dependent on continued financial support from its shareholder. However there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Therefore it may not be able to realise its assets and discharge its liabilities in the normal course of business.

NOTE 11 COVID-19 VIRUS

The Covid-19 virus pandemic, which resulted in a lockdown from 24 March 2020 to mid-May 2020, has had a significant impact on the future activities of the Company.

NOTE 12 SUBSEQUENT EVENTS

The Company's operations close down for the winter months.

The Shareholder will consider if or when operations recommence in the Spring.

Pūketeraki Limited

PŪKETERAKI LIMITED

ANNUAL GENERAL MEETING

1st NOVEMBER 2020

AGENDA

- 1 Welcome
- 2 Karakia
- 3 Apologies
- 4 Minutes of the previous Annual General Meeting
- 5 Chairperson's Report
- 6 Performance Report
- 7 Appointment of Auditor
- 8 Other Business

Chairperson's Report

PŪKETERAKI LIMITED

Minutes of the Annual General Meeting held 3rd November 2019, at the Puketeraki Marae at 10.30am.

Present:

Director of the Company: Jeffrey Broughton

Representatives of the Shareholder: Matapura Ellison, Suzanne Ellison, Lex Kent, George Tripp, Gisele Laven, Betty Apes, Brenda Van Strik, Lyn Carter, Tama Smith, Fiona Curd, Ron McLachlan, Philip Broughton, Joe Taurima, Phyllis Smith, Kerri Cleaver, Kate Bateman, Ann Bateman, Aroha Ellison

In Attendance

Tania Turei (East Otago Management Services) and Gerard Devereux (Secretary)

Apologies:

Apologies from the following were noted:

Katharina Ruckstuhl (Director), Brendan Flack, David Ellison, Denise Cameron, Pat Newman, Peter Ellison, Rosalie Williams, Haines Ellison, Emma Wyeth, Adam Keane, Tawini White, Margaret Henderson, Marewa Preddy and Jenny Smith

Chair for the meeting:

As Chair of the Company Jeffrey Broughton assumed the chair for this meeting.

Karakia:

The karakia was given by Matapura Ellison at the first meeting of the day.

Minutes of the Previous Meeting

The minutes of the General meeting held on the 4th November 2018 were taken as read.

IT WAS RESOLVED THAT the minutes of the General Meeting held on the 4th November 2018 reflect a true and correct record, and that they be adopted. Moved Jeffrey Broughton, seconded Philip Broughton - carried

Chair's Report

The Chair spoke to his Annual Report.

He reminded the meeting that the Total Asset value of \$2.214 million had been made possible by the advance in June 2018 of \$1 million by the Runaka. That advance had been invested through Polson Higgs Wealth Management (\$650,000), in Te Haumi Whakamana (\$280,000) and in a Term Deposit with Westpac (\$70,000).

At balance date the Company's investment portfolio showed a 21% defensive and 79% growth position in line with the target of 20% / 80%.

A member queried the level of the portfolio in Growth investments and the associated risk. The Chair advised that as an intergenerational investor the Company had to plan for the long term and accept that variances may, and probably will arise during some reporting periods.

The Chair advised that the Company was currently investigating ethical investing.

Financial Report

The Chair spoke to the Performance Report for the year ended 30 June 2019.

IT WAS RESOLVED THAT Kāti Huirapa Runaka ki Puketeraki receive the Annual Audited Performance Report and Annual Company Report for the year ended 30th June 2019. Moved Katharina Ruckstuhl, seconded Phyllis Smith - carried.

Election of Auditor.

IT WAS RESOLVED THAT the re-appointment of Audit Professionals Limited as Auditors for 2019/20 be approved. Moved Philip Broughton, seconded Brenda Van Strik - carried.

General Business**Vote of Thanks**

IT WAS RESOLVED THAT a vote of thanks be extended by the Runaka to the Board of Puketeraki Limited and the Secretary for their contribution during the year under review. Moved Matapura Ellison, seconded Kate Bateman - carried.

There was no further general business.

There being no further business the Chair declared the meeting closed at 10.43am.

Chairperson _____

Date _____

PUKETERAKI LIMITED

PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2020

**PUKETERAKI LIMITED
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

CONTENTS

	Page
Independent Auditor's Report	3
Entity Information	4
Approval of Performance Report	5
Statement of Service Performance	6
Statement of Financial Performance	7
Statement of Movements in Equity	8
Statement of Financial Position	9
Statement of Cash Flows	10
Statement of Accounting Policies	11 &12
Notes to the Financial Statements	13 &14



Independent Auditor's Report

to the Shareholder of Pūketeraki Limited

Our Opinion

We have audited the financial statements of Pūketeraki Limited (the Company) which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion, the financial statements included in the accompanying Performance Report present fairly, in all material respects, the financial position of the Company as at 30 June 2020 and its financial performance and cash flows for the year ended on that date in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, 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 auditors we have no relationship with, or interests in, the Company.

Information Other than the Financial Statements and Auditor's Report

Other information included in the Performance Report with the financial statements comprises the entity information, approval of financial report and the statement of service performance. The Directors are responsible for this other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: [https://xrb.govt.nz/Site/Auditing Assurance Standards/Current Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state to the Company's shareholder those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report or for the opinions we have formed.

Audit Professionals

Chartered Accountants
12 October 2020

Dunedin

**PUKETERAKI LIMITED
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020**

Legal Name:	Puketeraki Limited
Type of Entity:	Puketeraki Limited is a company registered under the Companies Act 1993 and the Charities Act 2005. It is a subsidiary of Kati Huirapa Rūnaka ki Puketeraki Incorporated.
Registration Numbers:	Company: 1581079 Charities Commission: CC38391
The Entity's Mission:	<p>Puketeraki Limited invests and manages the investment assets allocated by the Rūnaka in accordance with the Company's constitution.</p> <p>Its vision is to protect and grow the economic wealth of the Rūnaka to meet our charitable objectives, now and in the future.</p> <p>Its aim is to provide regular levels of distribution to fund the charitable services of the Rūnaka and to protect the capital by achieving an acceptable rate of return.</p> <p>The beneficiaries of the company's success are the registered members of Kati Huirapa Runaka ki Puketeraki. The Rūnaka's marae, workshops and administration are located in Karitane. The Rūnaka provides cultural teaching, education and training opportunities to its members and the greater public, as well as involvement in environmental and conservation matters.</p>
Company Structure:	<p>The Constitution does not limit the number of directors. There are currently four directors, all drawn from the membership of the Rūnaka. Directors during the year were Jeffrey Broughton (Chair), Katharina Ruckstuhl, Graham Strong, Sam Inglis and Richie Smith. However Graham Strong resigned on 2 February 2020. The accounting and secretarial requirements are performed by a paid contractor.</p>
Main Source of the Company's Cash and Resources:	Puketeraki Limited's income is generated from investment returns.
Main Methods used by the Company to Raise Funds:	The company does not seek funds from the public.
The Company's Reliance on Volunteers and Donated Goods or Services:	The company does not rely on volunteers and/or donated goods or services.
Contact Details:	<p>Physical Address: Grimness Street, Karitane Postal Address: c/- Karitane Store, Karitane 9440 Phone: (03) 465 7300 Email: office@puketeraki.co.nz</p>

**PUKETERAKI LIMITED
APPROVAL OF PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The Board of Directors is responsible for preparing the Annual Report which contains the financial statements of Puketeraki Limited as at 30 June 2020, and ensuring that they comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Puketeraki Limited as at 30 June 2020, and the results of their operations for the year ended on that date.

The Board of Directors considers that the financial statements of Puketeraki Limited have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Board of Directors believes that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Puketeraki Limited and facilitate full compliance of the financial statements with the requirements for reporting as a Registered Charity.

The Board of Directors considers that they have taken adequate steps to safeguard the assets of Puketeraki Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Company's Shareholder has agreed that the disclosures in paragraphs (a) and (e) to (j) of Section 211 of the Companies Act 1993 are not required.

The Board of Directors is pleased to present the Performance Report which contains the financial statements of Puketeraki Limited for the year ended 30 June 2020.

For and on behalf of the Board of Directors


Chair: Jeffrey Broughton


Director: Katharina Ruckstuhl

Date: 9.10.2020

Date: 9.10.2020

**PUKETERAKI LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020**

'What did we do?' 'When did we do it?'

The company's objective is to increase the value of its investment portfolio, and to create an income stream to support the charitable services of its shareholder, Kati Huirapa Runaka ki Puketeraki Incorporated.

A portion of the company's wealth is in managed funds, some are in property investments managed by Ngai Tahu Property, and some are in Bank Term Deposits.

The shareholder can request the company to retain all earnings for future growth.

Description of the Company's Outcomes:

The company's success is measured by both cash returns and capital movements. The latter is determined by the ebb and flow of global markets, and the prevailing rates of exchange at any point in time.

- To protect and grow the economic wealth of the Rūnaka
 - the company's objective is to achieve a return of 5% above inflation
 - Investments are diversified over the various investment types available
- - The company's objective is to distribute 50% of its cash surplus to the Runaka, when required and practical

Measure	Aim	This Year	Last Year
To grow the assets of the company above the rate of inflation and to provide a capital return on investment of 5% per annum above inflation	7% increase in portfolio	0%	4%
Preserve the charitable status of the company			
Invest in a balance of income and capital growth	80% growth, 20% defensive	84/16	79/21
Protect the capital by taking a fully diversified approach to investment			
If required allocate around half of the net cash income after taking into account any capital losses suffered for funding charitable purposes and reinvest the balance of the cash income to compound and grow the putea			

PUKETERAKI LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

'How was it funded?' and 'What did it cost?'

	Note	Consolidated 2020 \$	Parent 2020 \$	Parent 2019 \$
REVENUE				
Sales of Mea Fragrance	9	8,184	-	-
Dividends Received - 525 Blenheim Road Limited		7,222	7,222	7,222
Dividends Received - Te Haumi Whakamana		36,394	36,394	30,208
Interest Revenue		1,957	1,957	5,455
Movement in Managed Funds		(48,511)	(48,511)	42,198
Decrease in Value of 525 Blenheim Road Limited		(2,333)	(2,333)	4,697
Increase in Value of Te Haumi Whakamana		60,769	60,769	16,239
Return of Capital - Dominion Finance		-	-	1,705
Return of Capital - Canterbury Mortgage Trust		2,667	2,667	-
TOTAL REVENUE		66,349	58,165	107,724
EXPENDITURE				
Audit Fee		3,700	3,200	3,200
Cost of Sales - Taramea Fragrance Limited	9	13,766	-	-
Fees paid to Financial Advisers		17,985	17,985	15,734
General Expenses		1,889	246	293
Management Services		26,400	-	-
Secretarial Fee		6,447	6,447	8,323
Set-up Costs - Taramea Fragrance Limited	9	6,733	6,733	-
Travelling Expenses		58	58	1,362
Provision - Investment in Taramea Fragrance Ltd	9	-	27,177	-
TOTAL EXPENDITURE		76,978	61,846	28,912
NET OPERATING SURPLUS		(10,629)	(3,681)	78,812

PUKETERAKI LIMITED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	<i>Note</i>	Consolidated 2020 \$	Parent 2020 \$	Parent 2019 \$
OPENING EQUITY		1,210,373	1,210,373	1,131,561
Net Surplus (Deficit) for the year		(10,629)	(3,681)	78,812
TOTAL RECOGNISED REVENUES AND EXPENSES		(10,629)	(3,681)	78,812
<u>CLOSING EQUITY</u>		1,199,744	1,206,692	1,210,373

PUKETERAKI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

'What the entity owns' and 'What the entity owes'

	Note	Consolidated 30 June 2020 \$	Parent 30 June 2020 \$	Parent 30 June 2019 \$
CURRENT ASSETS				
Cash at Bank - Westpac Main Account		83,295	83,207	2,439
Income Accrued		18,271	18,271	15,621
Sundry Debtor	8	677	-	100
Advance to Taramea Fragrance Limited	9	-	-	-
Investments (managed by Polson Higgs Wealth Management Limited)	4	17,675	17,675	24,521
Investments (Fixed Interest Term Deposits with Westpac)	5	-	-	171,120
Stock on Hand		19,665	-	-
TOTAL CURRENT ASSETS		139,583	119,153	213,801
NON CURRENT ASSETS				
Equity Investment - 525 Blenheim Road Limited		158,735	158,735	161,068
Equity Investment - Taramea Fragrance Limited	9	-	-	-
Investment - Te Haumi Whakamana	6	620,786	620,786	460,017
Investments (managed by Polson Higgs Wealth Management Limited)	4	1,319,020	1,319,020	1,379,170
TOTAL NON CURRENT ASSETS		2,098,541	2,098,541	2,000,255
TOTAL ASSETS		2,238,124	2,217,694	2,214,056
CURRENT LIABILITIES				
Accounts Payable		4,002	3,502	3,683
Loan - Kati Huirapa Runaka ki Puketeraki Incorp.	7	1,034,378	1,007,500	1,000,000
TOTAL CURRENT LIABILITIES		1,038,380	1,011,002	1,003,683
NET ASSETS		1,199,744	1,206,692	1,210,373
REPRESENTED BY:				
Retained Earnings		1,171,918	1,178,866	1,099,440
Share Revaluation Reserve		27,826	27,826	110,933
EQUITY		1,199,744	1,206,692	1,210,373

PUKETERAKI LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

'How the entity has received and used cash'

	Consolidated 30 June 2020 \$	Parent 30 June 2020 \$	Parent 30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, dividends, and other investment receipts	46,455	46,455	44,590
Payments to suppliers and directors	(10,144)	(10,132)	(12,367)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	36,311	36,323	32,223
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Receipts from the sale of investments	171,120	171,120	-
Repayments from Canterbury Mortgage Trust	3,167	3,167	-
Net funds invested with Polson Higgs Wealth Management	-	-	(628,779)
New Term Deposits - Westpac	-	-	(104,570)
Fees paid to financial advisors	(17,985)	(17,985)	(15,734)
Share Capital - Karitane Maori Tours Limited	100	100	(100)
Investment - Te Haumi Whakamana	(100,000)	(100,000)	(280,000)
Loan from parent Society	7,500	7,500	-
Advance - Karitane Maori Tours Limited	-	-	(35,000)
Repayment of advance - Karitane Maori Tours Limited	-	-	35,000
Share Capital - Taramea Fragrance Limited	-	(100)	-
Advances - Taramea Fragrance Limited	(26,202)	(26,202)	-
CASH FLOWS FROM (TO) INVESTING AND FINANCING ACTIVITIES	37,700	37,600	(1,029,183)
NET INCREASE (DECREASE) IN CASH	74,011	73,923	(996,960)
CASH BALANCES			
Cash and cash equivalents at the beginning of the period	26,960	26,960	1,023,920
Cash and cash equivalents at the end of the period	100,971	100,883	26,960
Net change in cash for the period	74,011	73,923	(996,960)
Cash at Bank - Polson Higgs Wealth Management	17,675	17,675	24,521
Cash at Bank - Westpac Current Account (Puketeraki)	83,208	83,208	2,439
Cash at Bank - Westpac Current Account (Taramea)	88	-	-
	100,971	100,883	26,960

**PUKETERAKI LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2020**

'How did we do our accounting?'

Reporting Entity

Puketeraki Limited is a company registered under the Companies Act 1993 and the Charities Act 2005.

The financial statements comprise statements of the following: accounting policies; Service Performance, Financial Performance, Financial Position, and Cash Flows as well as the Notes to these statements contained on pages 13 and 14 of this Performance Report.

Basis for Preparation

The Company is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide financial support to its related entity, Kati Huirapa Runaka ki Puketeraki Incorporated, to ensure that this entity is able to carry out its objectives.

The Company has elected to apply PBE-SFR-A(NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

These financial statements have been prepared on the basis of historical cost except for investments which are carried at fair value. For these investments Public Benefit Entity Standards NZ IPSAS with Reduced Disclosure regime Accounting Standards have been applied (PBE Tier 2).

Basis for Preparation of the Consolidated Financial Statements

Subsidiaries

Subsidiaries are those entities controlled, directly or indirectly, by the Company.

The financial statements of the subsidiary is included in these financial statements using the purchase method of consolidation. This is applicable to the Company's 100% equity investment in Taramea Fragrance Limited.

Intra group transactions are eliminated in preparing the consolidated financial statements.

Specific Accounting Policies

Goods and Services Tax

Puketeraki Limited is not registered for GST whereas the subsidiary is registered. Consequently all amounts in the parent company reports are shown inclusive of GST and in the consolidated figures the amounts include the subsidiary's GST exclusive figures.

Polson Higgs Wealth Management Managed Investments

Polson Higgs Wealth Management Managed Investments comprise equity investments that are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance. Other investments in this category are recorded at cost. The unrealised gain on equity investments is shown as a separate reserve.

Impairment of Investments

If in the Directors' opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of Financial Performance.

**PUKETERAKI LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2020**

'How did we do our accounting?'

Investment in 525 Blenheim Road Limited

Puketeraki Limited has a 5.5% interest in this company.

The investment in 525 Blenheim Road Limited is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.

Investment in Te Haumi Whakamana

This investment is carried at assessed fair value by the Directors with movement in fair value reflected in the Statement of Financial Performance.

Taxation

Puketeraki Limited is a registered Charity and is therefore exempt from income tax.

Changes in Accounting Policies

There have been no changes to accounting policies during their year.

PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 RELATED PARTIES

Puketeraki Limited is a wholly owned subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated. During the 2018 financial year the Runaka advanced \$1,000,000 to Puketeraki Limited and this loan remains outstanding at 30 June 2020.

NOTE 2 CAPITAL

	30 Jun 2020	30 Jun 2019
	\$	\$
One ordinary share (issued for nil consideration)	-	-

NOTE 3 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The entity has no capital commitments or contingent liabilities at balance date (2019 \$Nil).

NOTE 4 POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

CURRENT	30 Jun 2020	30 Jun 2019
	\$	\$
Cash Accounts	17,675	24,521
	<u>17,675</u>	<u>24,521</u>
 NON-CURRENT	 30 Jun 2020	 30 Jun 2019
	\$	\$
Fixed Interest Bonds	210,861	258,413
Equity Investments	1,108,159	1,120,257
Canterbury Mortgage Trust - Units	-	500
	<u>1,319,020</u>	<u>1,379,170</u>
 TOTAL INVESTMENTS	 <u>1,336,695</u>	 <u>1,403,691</u>

The equity investments are all in listed entities and comprise New Zealand shares 14% (2019 16%), Australian shares 11% (2019 10%) and international equities 75% (2019 74%).

NOTE 5 BANK DEPOSITS

CURRENT	30 Jun 2020	30 Jun 2019
	\$	\$
Westpac Banking Corporation	-	171,120
	<u>-</u>	<u>171,120</u>

**PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 6 INVESTMENT - TE HAUMI WHAKAMANA

This investment is managed by Ngāi Tahu Property Limited, and involves several buildings with Crown leases. Runanga have the opportunity to invest or divest on an annual basis. The maximum investment per Runanga is \$1,500,000.

Te Haumi Whakamana is an unsecured loan and does not give the Rūnanga any interest (direct or indirect) in the Crown Portfolio. However a guarantee has been provided by Ngāi Tahu Holdings Corporation (NTHC) whereby NTHC will meet all Ngāi Tahu Property obligations if they remain unmet 30 days from the date they are due.

The increase in this investment during the year arose from \$100,000 paid in September 2019 and \$60,769 increase in value.

NOTE 7 LOAN FROM KATI HUIRAPA RUNAKA KI PUKETERAKI

In June 2018 the Company received a loan of \$1,000,000 from Kati Huirapa Runaka ki Puketeraki Incorporated. A further \$7,500 was advanced in the 2020 financial year which was on-lent to Taramea Fragrance Limited. This advance is unsecured, interest free and repayable on demand.

NOTE 8 SHARES IN KARITANE MAORI TOURS LIMITED

Karitane Maori Tours Limited was formed in August 2018 to operate waka tours at Karitane.

The shares were sold in July 2019 to Kati Huirapa Runaka ki Puketeraki Incorporated at cost.

NOTE 9 INVESTMENT IN TARAMEA FRAGRANCE LIMITED

Taramea Fragrance Limited commenced in October 2019. It is a wholly owned subsidiary of Puketeraki Limited with a 30 June balance date. It is involved in the marketing and sales of Taramea perfumery.

Shares cost \$100 and cash advances of \$27,077 were made to Taramea Fragrance Limited to assist financing the Company's activities. Taramea Fragrance Limited has separate audited financial statements to 30 June 2020 which disclose a deficit in equity. Accordingly, a provision of \$27,177 has been made at 30 June 2020 to recognise that the investments are not recoverable, based on its financial position at that date.

Set up costs of \$6,733 were paid by Puketeraki Limited and were not charged to Taramea Fragrance Limited.

NOTE 10 EVENTS AFTER BALANCE DATE

No significant financial events occurred after balance date (2019 \$Nil).

NOTE 11 COVID-19 VIRUS

The Covid-19 virus pandemic, which resulted in a lockdown throughout New Zealand from 24 March 2020 to mid-May 2020 has affected the subsidiary, but it is not expected to significantly affect the future activities of the Company.

Taramea Fragrance Limited

TARAMEA FRAGRANCE LIMITED

FIRST ANNUAL GENERAL MEETING

1st NOVEMBER 2020

AGENDA

- 1 Welcome
- 2 Karakia
- 3 Apologies
- 4 Chairperson's Report
- 5 Performance Report
- 6 Appointment of Auditor
- 7 Other Business

Chairperson's Report

TARAMEA FRAGRANCE LIMITED

PERFORMANCE REPORT

FOR THE 9 MONTHS ENDED 30 JUNE 2020

TARAMEA FRAGRANCE LIMITED

CONTENTS OF FINANCIAL STATEMENTS FOR THE 9 MONTHS ENDED 30 JUNE 2020

	Page #
Independent Auditor's Report	3
Entity Information	4
Statement of Service Performance	5
Approval of Annual Report	6
Statement of Financial Performance	7
Statement of Movements in Equity	8
Statement of Cash Flows	9
Statement of Financial Position	10
Notes to and forming part of the Financial Statements	11 - 14



Audit
PROFESSIONALS
Independent Auditor's Report
to the Shareholder of Taramea Fragrance Limited

Our Qualified Opinion

We have audited the financial statements of Taramea Fragrance Limited (the Company) which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of movements in equity and statement of cash flows for the 9 months then ended, and notes to the financial statements which include a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present, in all material respects, the financial position of the Company as at 30 June 2020 and its financial performance and cash flows for the nine months ended on that date in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit).

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from the sales of Mea Fragrance prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Company, or to determine the effect of the limited control.

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

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

Information Other than the Financial Statements and Auditor's Report

Other information included in the Annual Report with the financial statements comprises the entity information and statement of service performance. The Directors are responsible for this other information. Our qualified opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The Directors are responsible, on behalf of the Company, for the preparation and presentation of the financial statements in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

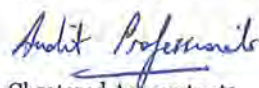
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Standards/Current_Standards/Page8.aspx

Material Uncertainty Related to Going Concern

We draw attention to note 9 in the financial statements which states that the Company's liabilities exceed its assets at 30 June 2020. As stated in note 9, these events or conditions, along with other matters as stated in note 10, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state to the shareholder those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants
12 October 2020

Dunedin

TARAMEA FRAGRANCE LIMITED

ENTITY INFORMATION

FOR THE 9 MONTHS ENDED 30 JUNE 2020

Legal Name:	Taramea Fragrance Limited																										
Type of Entity:	<p>Taramea Fragrance Limited is a Company registered under the Companies Act 1993. It is a subsidiary of Puketeraki Limited. The Company was incorporated in October 2019 and commenced trading from that date.</p>																										
Registration Number:	Company:	7732337																									
	Charities Services:	CC57509																									
	Inland Revenue:	130-265-901																									
Nature of Business	This is the development, manufacture and marketing of fragrances based on the Taramea plant, using the brand name of MEA.																										
The Entity's Mission:	<p>The story of Taramea as displayed on the packaging: "Taramea is an ancient native fragrance of New Zealand. For centuries our Ngai Tahu ancestors climbed into the mountains, passing glacial lakes, and travelled through alpine forests to harvest Taramea. They plaited the leaves and heated them over many days to extract the aromatic resin. This treasure was highly sought after and traded throughout Aotearoa. Today MEA is sustainably hand-harvested from these same southern lands and blended with the highest quality fragrance ingredients to bring our traditions to you."</p> <p>The beneficiaries of the company's success are the registered members of Kati Huirapa Runaka ki Puketeraki by sharing these beautiful fragrances and their Māori cultural history with both New Zealand and international visitors. This is the Company's mission.</p>																										
Company Structure:	<p>The Constitution does not limit the number of directors. There are currently five directors. Directors during the year were:</p> <table> <tr> <td>Jeffrey Broughton</td> <td>appointed 3 October 2019</td> <td></td> <td></td> </tr> <tr> <td>Katharina Ruckstuhl</td> <td>appointed 3 October 2019</td> <td></td> <td></td> </tr> <tr> <td>Graham Strong</td> <td>appointed 3 October 2019</td> <td>resigned 2 February 2020</td> <td></td> </tr> <tr> <td>Samuel Inglis</td> <td>appointed 3 October 2019</td> <td></td> <td></td> </tr> <tr> <td>Richie Smith</td> <td>appointed 3 October 2019</td> <td></td> <td></td> </tr> <tr> <td>Bridget Giesen</td> <td>appointed 4 October 2019</td> <td></td> <td></td> </tr> </table> <p>The accounting and secretarial requirements are performed by a paid contractor.</p>			Jeffrey Broughton	appointed 3 October 2019			Katharina Ruckstuhl	appointed 3 October 2019			Graham Strong	appointed 3 October 2019	resigned 2 February 2020		Samuel Inglis	appointed 3 October 2019			Richie Smith	appointed 3 October 2019			Bridget Giesen	appointed 4 October 2019		
Jeffrey Broughton	appointed 3 October 2019																										
Katharina Ruckstuhl	appointed 3 October 2019																										
Graham Strong	appointed 3 October 2019	resigned 2 February 2020																									
Samuel Inglis	appointed 3 October 2019																										
Richie Smith	appointed 3 October 2019																										
Bridget Giesen	appointed 4 October 2019																										
Contact Details:	Physical Address:	128 Stornaway Street, Karitane																									
	Postal Address:	c/- Karitane Store, Karitane 9440																									
	Phone:	(03) 465 7300																									
	Email:	manager@puketeraki.nz																									

TARAMEA FRAGRANCE LIMITED

STATEMENT OF SERVICE PERFORMANCE FOR THE 9 MONTHS ENDED 30 JUNE 2020

Description of the Entity's Outcomes:

Through the hand-harvesting of the leaves of the taramea plant, and the development, manufacture and marketing of the resulting fragrances, to share Māori cultural history with both New Zealand and international visitors.

Description and Quantification of the Entity's Outputs:

Sales of the the products were delayed by five months due development and manufacturing issues, Sales eventually started in February 2020, only to be significantly affected by the Covid-19 pandemic and the loss of international visitors.

	2020
	Units
Sales March to June 2020	470
Budgeted sales per month 415 units	1,660

TARAMEA FRAGRANCE LIMITED

APPROVAL OF FINANCIAL REPORT FOR THE 9 MONTHS ENDED 30 JUNE 2020

The Board of Directors is responsible for preparing the Annual Report which contains the financial statements of Taramea Fragrance Limited as at 30 June 2020, and ensuring that they comply with the stated accounting policies of the Company, and fairly reflect the financial position of Taramea Fragrance Limited as at 30 June 2020, and the results of their operations for the 9 months ended on that date.

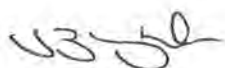
The Board of Directors considers that the financial statements of Taramea Fragrance Limited have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Board of Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Taramea Fragrance Limited.

The Board of Directors considers that they have taken adequate steps to safeguard the assets of Taramea Fragrance Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Company's Shareholder has agreed that the disclosures in paragraphs (a) and (e) to (j) of Section 211 of the Companies Act 1993 are not required.

The Board of Directors is pleased to present the Annual Report which contains the financial statements of Taramea Fragrance Limited for the year ended 30 June 2020.



Director

Jeffrey Broughton



Director

Katharina Ruckstuhl

9-10-2020

Date

9-10-2020

Date

TARAMEA FRAGRANCE LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE 9 MONTHS ENDED 30 JUNE 2020

	Note #	\$
Operating Revenue		
Sales of Mea Fragrance		8,184
		<u>8,184</u>
Less Expenses		
Assets under \$500		95
Audit Fee		500
Bank Fees and Charges		12
Cost of Sales	2	13,766
Licences		183
Management Services		26,400
Postage		383
Security		452
Website Development		518
		<u>42,309</u>
Loss		<u><u>(34,125)</u></u>

TARAMEA FRAGRANCE LIMITED

STATEMENT OF MOVEMENTS IN EQUITY FOR THE 9 MONTHS ENDED 30 JUNE 2020

	Note	\$
Revenue and Revaluations		
Net Loss		(34,125)
Total Revenues and Revaluations		<u>(34,125)</u>
Equity at the Beginning of the Year		-
Capital Introduced	4	100
		<u>(34,025)</u>
Less Dividends Paid		-
Equity at the End of the Year (Deficit)		<u><u>(34,025)</u></u>

TARAMEA FRAGRANCE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$
Current Assets		
Westpac Current Account		88
Stock on Hand	3	19,665
GST Refund due		677
TOTAL ASSETS		<u>20,430</u>
Current Liabilities		
Sundry Creditors		500
Long Term Liabilities		
Advances:		
Kati Huirapa Runaka ki Puketeraki Inco	8	26,878
Puketeraki Limited	8	27,077
TOTAL LIABILITIES		<u>54,455</u>
NET (LIABILITIES)		<u><u>(34,025)</u></u>
EQUITY		
Paid up Share Capital	4	100
Accumulated Losses	5	(34,125)
TOTAL EQUITY - (DEFICIT)	9	<u><u>(34,025)</u></u>

TARAMEA FRAGRANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE 9 MONTHS ENDED 30 JUNE 2020

	Note	2020 \$
Cash to Operating Activities		
Bank Fees		(12)
Cash from Financing Activities		
Share Capital		100
Cash held in Bank Account at 30 June 2020		<u>88</u>

TARAMEA FRAGRANCE LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE 9 MONTHS ENDED 30 JUNE 2020

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Taramea Fragrance Limited is a Company incorporated in New Zealand and registered under the Companies Act 1993.

The financial statements of the Company have been prepared in accordance with the Tier 3 PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses less than \$2,000,000.

Taramea Fragrance Limited is involved in the business of perfumery.

Because the Company commenced its activities during the year, there are no prior year comparative figures.

Statement of Compliance and Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on an historical cost basis are followed by the company. The information is presented in New Zealand dollars. It is assumed that the Company will continue as a going concern.

Specific Accounting Policies

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

a) **Revenue**

Revenue is recognised when product is sold to the customer.

b) **Expenses**

Expenses have been classified on their business function.

c) **Accounts Receivables**

Accounts Receivables are recognised at estimated realisable value.

d) **Plant and Other Assets**

The Company owns no capital assets.

e) **Stock on Hand**

Stock on hand is recorded at cost price.

TARAMEA FRAGRANCE LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE 9 MONTHS ENDED 30 JUNE 2020

f) Income Tax

Due to its Charitable Status no income tax is payable.

g) Goods and Services Taxation (GST)

The Company is registered for 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.

NOTE 2 COST OF SALES

The Cost of Sales consists of:	\$
Design	11,818
Processing	5,702
Bottles	2,160
Packaging	5,803
Cards	7,948
	<hr/>
	33,431

NOTE 3 STOCK ON HAND

Taramea and Water	1,528	
Taramea and Wood	1,135	
Taramea and Herb	157	
Dark Skies	553	
	<hr/>	
	3,373 @ \$5.83	19,665
		<hr/>
		19,665
		<hr/>
<u>NET COST OF SALES</u>		<u>13,766</u>

TARAMEA FRAGRANCE LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE 9 MONTHS ENDED 30 JUNE 2020

NOTE 4 SHARE CAPITAL

The Company has issued 100 ordinary shares fully paid.
All shares have equal voting rights.

NOTE 5 ACCUMULATED LOSSES

	\$
Opening Balance	-
Plus:	
Capital Introduced	100
Net Loss	(34,125)
Less:	
Dividend Paid	-
Accumulated Losses Closing Balance	<u><u>(34,025)</u></u>

NOTE 6 CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2020.

NOTE 7 CAPITAL COMMITMENTS

The Company has no capital commitments as at 30 June 2020.

NOTE 8 ADVANCES FROM KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED AND PUKETERAKI LIMITED

The Company is a wholly owned subsidiary of Puketeraki Limited which in turn is a wholly owned subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated.

These entities provided cash advances totalling \$54,455 to 30 June 2020. The advances are unsecured and interest free with no fixed form of repayment. These entities are expected to provide continuing finance to the Company.

TARAMEA FRAGRANCE LIMITED

NOTES TO THE PERFORMANCE REPORT FOR THE 9 MONTHS ENDED 30 JUNE 2020

NOTE 9 DEFICIT IN EQUITY

Sales are to a large part reliant on international visitors. The effect of the Covid-19 lockdown and border closure substantially affected turnover.

As a result of a trading deficit in the first 9 months of the Company's activities its liabilities exceed its assets by \$34,025 at 30 June 2020.

Although the position is better than the initial financial forecasts the Directors of the Company acknowledge it is not a satisfactory position and are taking steps to improve the trading performance in future, subject to a return of international travel.

The financial statements are prepared on a going concern basis and the Company is dependent on continued financial support from its shareholder. However there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Therefore it may not be able to realise its assets and discharge its liabilities in the normal course of business.

NOTE 10 RELATED PARTIES

Taramea Fragrance Limited is a wholly owned subsidiary of Puketeraki Limited.

Puketeraki Limited is a wholly owned subsidiary of Kāti Huirapa Runaka ki

Puketeraki Incorporated. During the 2020 financial year, advances were received from both of these entities. Refer to Note 8.

GST refunds due to the Company have been applied by Puketeraki Limited in partial repayment of its advance to the Company.

NOTE 11 SUBSEQUENT EVENTS

There were no subsequent events requiring noting.

NOTE 12 COVID-19 VIRUS

The Covid-19 pandemic has significantly affected the activities of the Company due to sales being heavily reliant on international visitors. However, its shareholder has committed to providing ongoing support during this time.

