MATAORA NOS 1 & 2 BLOCKS INCORPORATION

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2019

CONTENTS

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Directory
As at 30 June 2019

Nature of business	Management of Maori Freehold Land
Registered office	300 Richmond Road Auckland
Management committee	John Henry Tamihere (Chairperson) John Douglas Barry Howie Maria Mareroa Regan Tamihere
Secretary	Bhavesh Ranchhod Accounting for Success Limited Waihi
Accountant	Accounting For Success Ltd Waihi
Independent auditor	RSM Hayes Audit Chartered Accountants Level 1 1 Broadway Newmarket
Bankers	ANZ New Zealand Limited Hamilton
Solicitors	John Kahukiwa Corban Revell Waitakere

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Statement of Responsibility
For the year ended 30 June 2019

The Management Committee is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The independent external auditors, RSM Hayes Audit, have reviewed the financial statements and their report appears on page 3 - 4.

The Management Committee is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Management Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Management Committee to indicate that the Incorporation will not remain a going concern in the foreseeable future.

In the opinion of the Management Committee:

-The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the financial results of the Incorporation for the financial year ended 30 June 2019;

- The Statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Incorporation as at 30 June 2019;

- The Statement of Cashflows is drawn up so as to give a true and fair view of the cash movements for the financial year ending 30 June 2019

- There are reasonable grounds to believe that the Incorporation will be able to pay its debts as and when they fall due.

For and on behalf of the Management Committee:

Chairperson 30/10/2019 **Date**

Management Committee 30/10/2019 **Date**

RSM Hayes Audit
PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
T +64 (9) 367 1656
www.rsmnz.co.nz

Independent Auditor's Report

To the Shareholders of Mataora Nos 1 & 2 Blocks Incorporated

Opinion

We have audited the financial statements of Mataora Nos 1 & 2 Blocks Incorporated, which comprise:

- the statement of financial position as at 30 June 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the financial statements on pages 5 to 18 present fairly, in all material respects, the financial position of the Mataora Nos 1 & 2 Blocks Incorporated as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

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 entity in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Report on other legal and regulatory requirements

In accordance with Section 277 of the Te Ture Whenua Maori Act 1993, we report that:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting reports have been kept by Mataora Nos 1 & 2 Blocks Incorporation as far as appears from an examination of those records; and
- In our opinion the share register and index of shareholders required by section 263 of Te Ture Whenua Maori Act 1993 has not been duly and correctly kept. The Management Committee is in the process of updating the share register.

Other information

The management committee is responsible for the other information. The other information comprises the incorporation directory and statement of responsibility for financial statements on pages 1 to 2 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management committee for the financial statements

The committee is responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the management committee 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 management committee is responsible on behalf of the entity for assessing the entity'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 management committee either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

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

RSM

RSM Hayes Audit
Auckland

1 November 2019

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Statement of Financial Position
As at 30 June 2019

	Notes	2019	2018
ASSETS			
Current assets			
Cash and cash equivalents	4	340,656	311,977
Accounts Receivable	5	17,801	4,568
Available for Sale Investments	7	13,041	13,041
Goods and services tax		2,928	-
		374,427	329,586
Non-current assets			
Deferred tax asset	8	14,603	12,586
Property, plant and equipment	6	760,164	670,095
Work in Progress - Farmhouse		15,873	-
		790,639	682,681
TOTAL ASSETS		1,165,066	1,012,267
EQUITY			
Available for sale reserve		8,632	8,632
Share capital	10	111,564	111,564
Retained earnings	11	973,209	832,265
TOTAL EQUITY		1,093,404	952,461
LIABILITIES			
Current liabilities			
Trade and other creditors	9	18,033	12,694
Goods and services tax		-	6,876
Contract liability		41,763	42,731
Taxation		11,866	(2,494)
		71,661	59,807
TOTAL LIABILITIES		71,661	59,807
TOTAL EQUITY AND LIABILITIES		1,165,066	1,012,267

For and on behalf of the Board:

30/10/2019

Chairperson **Date**

30/10/2019

Management Committee **Date**

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Statement of Comprehensive Income
For the year ended 30 June 2019

	Notes	2019	2018
Rental	13	242,129	227,716
Revenue		**242,129**	**227,716**
Dividends		-	-
Interest		1,794	1,381
Other income		4,221	-
Other income		**6,015**	**1,381**
Accounting		2,863	3,749
Audit fees		5,100	6,427
Depreciation	6	18,139	17,450
Honoraria		4,940	7,000
Property expenses		13,684	12,943
Other expenses		4,475	3,115
Repairs and maintenance		24,772	14,097
Travel		5,112	1,830
Profit before tax		**169,060**	**162,487**
Income tax expense	8	28,116	28,479
Profit for the year		**140,944**	**134,008**
Other comprehensive income:			
Change in value of available-for-sale financial asset		-	-
Total comprehensive income for the year		**140,944**	**134,008**

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Statement of Changes in Equity
For the year ended 30 June 2019

	Note	Share capital	Retained Earnings	Available for Sale Reserve	Total
Opening equity 1 July 2018		**111,564**	**832,265**	**8,632**	**952,461**
Net surplus for the year		-	140,944	-	140,944
Total Comprehensive Income		-	-	-	-
Total Comprehensive Income		-	140,944	-	140,944
Closing equity 30 June 2019		**111,564**	**973,209**	**8,632**	**1,093,404**
Opening equity 1 July 2017		**111,564**	**698,257**	**8,632**	**818,453**
Net surplus for the year		-	134,008	-	134,008
Total Comprehensive Income		-	-	-	-
Total Comprehensive Income		-	134,008	-	134,008
Closing equity 30 June 2018		**111,564**	**832,265**	**8,632**	**952,461**

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Statement of Cash Flows
For the year ended 30 June 2019

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental		225,126	281,119
Other revenue		4,221	-
Interest		1,794	1,381
Payments to suppliers		(60,931)	(76,955)
Income tax paid (net)		(12,849)	(15,757)
GST (net)		(9,999)	10,168
Net cash inflow/(outflow) from operating activities		**147,362**	**199,956**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(118,682)	(39,692)
Net cash inflow/(outflow) from investing activities		**(118,682)**	**(39,692)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loan		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		28,679	160,264
Cash and cash equivalents at 1 July		311,977	151,714
Cash and cash equivalents at 30 June		**340,656**	**311,977**

MATAORA NOS 1 & 2 BLOCKS INCORPORATION

Notes to the annual financial statements
For the year ended 30 June 2019

1. REPORTING ENTITY

Mataora No's 1 & 2 Blocks Incorporation ('the Incorporation") is incorporated under the Maori Affairs Act 1953. The Incorporation is a for profit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The financial statements and the accompanying notes summarise the financial results of the activities carried out by the Incorporation.

Financial statements for the Incorporation are presented, and were authorised for issue on the date on page 5 by the management committee.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ("NZ IFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The Incorporation has adopted the Reduced Disclosure Regime framework for the financial year end 30 June 2019.

b) Measurement basis

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The financial statements are presented in New Zealand Dollars ($), which is the functional and presentation currency, rounded to the nearest dollar.

d) Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS - RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no information about assumptions and estimation uncertainties that could have a significant risk of resulting in a material adjustment within the next financial year.

e) Change in accounting policy

The entity has adopted two new accounting standards in the 2019 year.

i. Adoption of NZ IFRS 9 Financial Instruments (NZ IFRS 9)

The entity has adopted the requirements of NZ IFRS 9 in the year to 30 June 2019. NZ IFRS 9 replaces the provisions of NZ IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in NZ IFRS 9 comparative information for the 2018 period have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with the entity's previous accounting policies.

There were no material changes in recognition or measurement required upon adoption of NZ IFRS 9.

2. BASIS OF PREPARATION (CONT'D)

ii. Adoption of NZ IFRS 15 Revenue from contracts with customers (NZ IFRS 15)

The entity has adopted the requirements for NZ IFRS in the year to 30 June 2019. The standard introduces a revised model for the recognition of revenue, and a revised policy for revenue recognition has been adopted – see note 3(e). There were no material changes in recognition or measurement required upon adoption.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Financial instruments

i. Non-derivative financial assets

The entity classifies its financial assets in the following categories:

- Measured at amortised cost
- Available for sale

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost

The entity classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method

Initial recognition

At initial recognition, the entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets, nor are they classified as fair value through surplus/deficit.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in Other Comprehensive Income, less impairment.

Upon derecognition, the accumulated gain or loss within the reserve is reclassified to surplus or deficit.

Available-for-sale financial assets comprise of shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Financial instruments (cont'd)

ii. Non-derivative financial liabilities
The Incorporation initially recognises non-derivative financial liabilities on the date that they are originated.

The Incorporation derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Incorporation classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

iii. Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

b) Property, plant and equipment
i. Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

ii. Subsequent expenditure
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Incorporation. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation
For plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss over the estimated useful lives of each component of an item of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property, plant and equipment (cont'd)
iii. Depreciation (cont'd)
The rate of depreciation for the current and comparative years of significant items of property, plant and equipment varies as follows:

Land	0%
Land Improvements	0% - 13%, DV
Buildings	2% - 8%, DV, SL
Motor Vehicles	8% - 20%, DV, SL
Plant & Equipment	2% - 13%, DV, SL

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Leased assets
Leases in terms of which the Incorporation assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Incorporation's statement of financial position.

The Incorporation does not have finance leases.

d) Impairment
i. Non-derivative financial assets
A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Incorporation on terms that the Incorporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Incorporation, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost
The Incorporation considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level.

For impairment of trade receivables and contract assets, the entity applies a simplified approach in calculating ECLs. Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Impairment (cont'd)

i. Non-derivative financial assets (cont'd)

The entity assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The entity applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

ii. Non-financial assets

In assessing collective impairment the Incorporation uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The carrying amounts of the Incorporation's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Revenue

i. Revenue from contracts from customers

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The entity has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Rental income

Rental income is recognised over a straight-line basis over the lease term.

ii. Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are treated as financial assets at amortised costs. Measurement of these is defined in note 3(d).

iii. Contract Liabilities

A contract liability is the obligation to transfer services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entity performs under the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Revenue (cont'd)
iv. Interest income
Interest income from financial assets at amortised cost is included in finance income using the effective interest rate method.

f) Lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

g) Tax
Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Incorporation takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Incorporation believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Incorporation to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

h) Goods and Services Tax
All amounts are shown exclusive of Goods and Services Tax ("GST"), except for receivables and payables that are stated inclusive of GST.

i) Available for Sale Reserve
This reserve is for the revaluation of available for sale financial assets, which are measured at fair value through Other Comprehensive Income after initial recognition.

4. CASH AND CASH EQUIVALENTS

	2019	2018
ANZ Bank Cheque account	282,215	254,579
ANZ Bank - Marae	58,441	57,398
	340,656	311,977

There is a $20,000 (2018: $20,000) overdraft facility which was not utilised at balance date (2018: $0).
A credit card was issued in December 2018 with a $5,000 credit limit which was not utilised at balance date (2018: $0).

5. TRADE AND OTHER RECEIVABLES

	2019	2018
Trade receivables	1,743	813
Accruals	15,226	-
Withholding Tax	486	3,411
Imputation credits	345	345
	17,801	4,568
Non-current	-	-
Current	17,801	4,568

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Plant & Equipment	Motor Vehicles	Total
Cost						
Balance as at 1 July 2018	291,692	45,394	246,709	282,503	3,478	869,776
Other additions		5,287	83,796	19,124		108,207
Disposals	-	-	-	-	-	-
Balance at 30 June 2019	**291,692**	**50,681**	**330,505**	**301,627**	**3,478**	**977,983**
Accumulated Depreciation						
Balance as at 1 July 2018	-	998	79,856	115,355	3,472	199,681
Depreciation for the year	-	72	5,449	12,617		18,139
Disposals	-	-	-	-	-	-
Balance at 30 June 2019	**-**	**1,070**	**85,305**	**127,972**	**3,472**	**217,820**
Carrying amounts						
At 30 June 2018	**291,692**	**44,396**	**166,853**	**167,148**	**6**	**670,095**
At 30 June 2019	**291,692**	**49,611**	**245,200**	**173,655**	**6**	**760,164**

There is three forestry rights have been granted over a total of 300 hectares for a term of 35 years maturing on 12 October 2039. Therefore, these interests are registered against the land accordingly.

The Hauraki District Council has valued the land and buildings at $5,548,000 and $916,000 respectively. This valuation is for rating purposes and is not suitable for financial reporting purposes.

7. AVAILABLE FOR SALE INVESTMENTS

	2019	2018
Balance Agri Nutrients	13,041	13,041

8. INCOME TAXES

	2019	2018
Tax recognised in profit or loss		
Current tax expense		
Current year	30,133	30,044
Adjustment for prior years	-	44
	30,133	30,088
Deferred tax expense		
Origination and reversal of temporary differences - current year adjustment	(2,017)	(1,609)
Origination and reversal of temporary differences - prior year adjustment	-	-
	(2,017)	(1,609)
Total tax expense	**28,116**	**28,479**

8. INCOME TAXES (CONT'D)

	2019	2018
Reconciliation of effective tax rate		
Profit before tax	169,060	162,488
Non-deductible expenses	-	-
	169,060	162,488
Tax rate (17.5%)		
	29,586	28,435
Prior period adjustment	(1,470)	44
Tax Losses utilised	-	-
	28,116	28,479

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2019	2018
Property, plant and equipment	14,133	12,369
Other accruals	470	217
Net tax (assets) liabilities	14,603	12,586

Movement in deferred tax balances during the year

	2019	2018
Property, plant and equipment	1,764	-
Other accruals	253	1,609
Tax losses	-	-
	2,017	1,609

9. TRADE AND OTHER CREDITORS

	2019	2018
Trade payables	127	694
Accruals	17,905	12,000
	18,033	12,694

10. SHARE CAPITAL

Share capital comprises 58,980 (2018: 58,980) ordinary shares.

11. RETAINED EARNINGS

	2019	2018
Retained Earnings		
Opening Balance	832,265	698,257
Surplus / (deficit) for the year	140,944	134,008
Closing Balance	973,209	832,265

12. COMMITMENTS

The Incorporation has committed to 65% of costs relating to the Environment Programme Agreement with Waikato Regional Council. The agreement started in 2011 and will continue until the work has been completed.

The Incorporation has also signed Nga Whenua Rahui Kawenata contract with the Ministry of Conservation, which will contribute up to 50% of Mataora's costs in relation to the Environment programme.

12. CAPITAL COMMITMENTS (CONT'D)

There were no capital commitments as at 30 June 2019.

13. REVENUE

Disaggregated revenue information:
Set out below is the disaggregation of the entity's revenue from contracts with customers:

Type of service	**2019**	**2018**
Rental - Forestry	48,420	48,586
Rental - Houses	13,000	-
Rental - PowerCo	10,289	9,262
Rental - Vodafone	9,752	9,752
Rental - Beehives	3,793	2,254
Rental - Farm	150,150	150,150
Rental - Other	6,725	7,713
	242,129	227,716
Geographical markets		
New Zealand	242,129	227,716
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Services transferred over time	242,129	227,716
Contract assets		
Trade receivables (Note 5)	17,801	4,568
Contract liabilities		
Rental received in advance	41,763	42,731

Performance obligations
The performance obligation for all the services listed above are satisfied over-time and payment is generally due in advance of services provided.

14. RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial year:

	2019	**2018**
House Rental income received from a shareholder's relative	13,000	-
Honorarium paid to committee members	(4,940)	(7,000)
Paid to Sustainable Forest and Land Management Limited of whom a committee member was a director of the Company	(26,042)	(13,005)
The following work was performed by Sustainable Forest and Land Management Limited:		
- Resource consent		
- Pest control		
- Soil Testing		
- Planting		
- Travel		
Paid to Ross Development Limited of whom a committee member is a direct relation to the principle thereof	(37,275)	(40,739)
The following work was performed by Ross Development Limited;		
- Extensive additions and upgrades on the school house		
- Repairs & maintenance to existing structures		

15. FINANCIAL INSTRUMENTS

30 June 2019

	Amortised Cost	Available for sale
Cash and cash equivalents	340,656	-
Receivables	17,801	-
Investments	-	**13,041**
Payables	127	-

30 June 2018

	Amortised Cost	Available for sale
Cash and cash equivalents	311,977	-
Receivables	4,568	-
Investments	-	13,041
Payables	694	-

16. SUBSEQUENT EVENTS

The management committee is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the entity (2018: $Nil).

17. CONTINGENCIES

There were no contingent liabilities as at 30 June 2019 (2018: $Nil).