



ŌTAKI AND PORIRUA TRUSTS

ŌTAKI AND PORIRUA TRUSTS BOARD

PERFORMANCE REPORT

FOR THE YEAR ENDED 31 May 2023



ŌTAKI AND PORIRUA TRUSTS BOARD

PERFORMANCE REPORT

FOR THE YEAR ENDED 31 May 2023

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**ŌTAKI AND PORIRUA TRUSTS BOARD
TRUST DIRECTORY
FOR THE YEAR ENDED 31 May 2023**

PRINCIPAL ACTIVITY	The Ōtaki and Porirua Trusts Board was established as a creation of the Ōtaki and Porirua Trusts Act 1943. The Board manages land in Ōtaki and the surrounding district, mainly managing a dairy farming operation and commercial rental properties. The Board has a responsibility to maintain the profitability and financial viability of these operations for the beneficiaries of OPTB. The beneficiaries of the OPTB are the children of Ngāti Raukawa, Ngāti Toa Rangatira and Te Atiawa through education scholarships.
PLACE OF BUSINESS	ŌTAKI AND PORIRUA TRUSTS BOARD OFFICE, 144 Tasman Road ŌTAKI
GENERAL MANAGER	Troy Hobson
TRUSTEES	Rupene Waaka Chair Keelan Ransfield Anne Carter Denise Hapeta Mark Taratoa Arini Loader Te Ata Rikihana Roimata Ropata
ACCOUNTANTS	Winiata & Associates Chartered Accountant ŌTAKI
AUDITORS	Silks Audit Chartered Accountants Whanganui
SOLICITORS	Roger Hayman WELLINGTON

ŌTAKI AND PORIRUA TRUSTS BOARD

FOR THE YEAR ENDED 31 May 2023

Statement of Service Performance

E kore au e ngaro he kākano i ruia mai i Rangiātea

The Ōtaki and Porirua Trusts Board (ŌPTB) operates under its establishment legislation, the Ōtaki and Porirua Trusts Act 1943.

The ŌPTB is a confederation of three iwi Ātiawa, Raukawa and Toa Rangatira (ART).

Vision

To inspire and empower our rangatahi through innovative educational and business strategies.

Values

Kia pono – Be righteous
Kia tika – Be truthful
Kia aroha – Be loving

Objectives

To provide educational scholarships to Ātiawa, Raukawa and Toa Rangatira rangatahi (A.R.T)
To organise innovative leadership programmes for rangatahi
To strengthen the Board's Human, Land and Financial Resources

The ŌPTB provides strategic governance of land and assets, the proceeds from which are provided as educational scholarships.

How does the ŌPTB work towards achieving its objectives?

The ŌPTB works towards achievement of its objectives by:

- Managing its farming and business operations in a way which is environmentally sustainable and profitable;
- Continuing to focus on a programme of debt reduction to ensure that the Board is well positioned to change and adapt to alternate land uses to realise the aspirations of our ART whānau, and ensure ongoing educational provision;
- Through partnering with the Māori Education Trust to maximise the amount of scholarship funding available annually for distribution;

- The provision of educational scholarships to ART rangatahi each year;
- Through working in partnership with Te Wānanga o Raukawa, Te Kura-a-iwi o Whakatukupuranga Rua Mano, Tū Roa Kōhanga Reo, Te Kura Kaupapa Māori o te Rito to realise the aspirations of our tupuna for our whenua tuku iho to be utilised for educational purposes for our tamariki, rangatahi and whānau;
- Through Te Ara Hou project set up in 2022 to consult with ART whānau and hapū and provide expert advice to the ŌPTB on medium to long-term alternate land use options by March 2024.

What were the key achievements for ŌPTB during the 2022/23 year?

2022	2023	
Outputs		Outcome
87 scholarships were made available to secondary students to support their education.	101 scholarships were made available to secondary students to support their education.	Ātiawa, Raukawa, and Toa rangatira rangatahi develop and grow their matauranga Māori.
Scholarships paid of \$39,988.	Scholarships paid of \$40,000.	
Funding of \$30,000 secured to set up Te Ara Hou Project.	9 interviews and 5 wānanga held with whānau and hapū seeking their input into the Te Ara Hou project	Sustainable use of our whenua and assets, that honours the legacy of our tupuna and realises the priorities and aspirations of whānau and hapū for the future.

Here are some of the messages from our scholarship recipients and whānau about how they have applied scholarship funds received

"In his first year of High School education Bailey is thriving and has enjoyed success in Kapa Haka, the school placing third overall in Polyfest 2022 and participating in subsequent performances for school centennial celebrations and a local public exhibition. Bailey is enjoying a well support full year of learning te reo Māori and so far has achieved excellent results."

"I wanted to send another huge thank you for your financial support this year and to inform you of the success I had culturally and academically due to your tautoko. The money was used to help me on my pursuit to earn a silver for the Duke of Edinburgh. After receiving the 2022 Ōtaki and Porirua Trusts Board and the Māori Education Trust Scholarship I was able to use the money to purchase camp equipment, food, supplies and pay some of the fees so I could go on a 3 day Kayak in the Hauraki Gulf. I experienced many challenges that were outweighed by the amount of fun I had on this trip. Thank you so much for selecting me to receive this putea. It allowed me to achieve my goal of service for my community as the Duke of Edinburgh has a huge focus on service for hapori, skills and our Taiao."



ŌTAKI AND PORIRUA TRUSTS BOARD
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE YEAR ENDED 31 May 2023

	Note	31-May-23	31-May-22
REVENUE			
Revenue from exchange transactions			
Changes in livestock values	2.08		97,149
Dividend income		78,462	54,614
Interest income		4,483	
Livestock sales		561,694	474,837
Milkfat income		1,687,928	1,883,711
Grazing			49,653
Rent received		462,364	423,340
Sundry income		9,130	2,106
Fair value of Investment revaluation		8,883	244,208
			-
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		2,812,944	3,229,619
EXPENSES			
Farm Working	2.01	644,422	682,057
Repairs and Maintenance	2.02	280,978	132,851
Motor Vehicle	2.03	82,579	87,439
Administration	2.04	210,719	185,184
Interest expense	2.05	578,553	367,466
Standing charges	2.06	123,870	120,345
Volunteer/employee related payments	2.07	627,659	613,695
Changes in livestock values	2.08	195,420	
Dairy livestock purchases	2.09	29,000	273,040
Depreciation	2.10	95,202	133,104
TOTAL EXPENSES		2,868,402	2,595,182
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		(55,458)	634,437
Allocated in accordance with the Otaki and Porirua Trusts Act 1943.			
Church of England fund (Section 12(3) OPTB 1943 Act)		(36,602)	418,728
Open schools fund (Section 12(4) OPTB 1943 Act)		(18,856)	215,709
		(55,458)	634,437
Other Comprehensive Income			
Revaluation of property, plant & equipment		751,639	1,400,126
		751,639	1,400,126
Total Comprehensive Income for the year		696,181	2,034,563

This page should be read in conjunction with the notes to the Performance Report and accompanying audit report.

ŌTAKI AND PORIRUA TRUSTS BOARD
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 May 2023

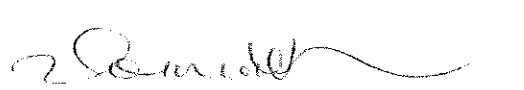
TRUST FUNDS	<u>31-May-23</u>	<u>31-May-22</u>
Accumulated Funds		
Church of England fund (Section 12(3) OPTB 1943 Act)		
Opening balance	3,821,797	3,403,069
Surplus for year	<u>(36,602)</u>	<u>418,728</u>
Closing balance	<u><u>3,785,195</u></u>	<u><u>3,821,797</u></u>
Open schools fund (Section 12(4) OPTB 1943 Act)		
Opening balance	312,511	136,735
Surplus for year	(18,856)	215,709
Scholarships paid	<u>(40,000)</u>	<u>(39,933)</u>
Closing balance	<u><u>253,655</u></u>	<u><u>312,511</u></u>
Other Equity reserves		
Capital	2,804,658	2,804,658
Revaluation reserve		
Opening balance	12,784,031	11,383,905
Distributed from Operating surplus	<u>751,639</u>	<u>1,400,126</u>
Closing balance	<u><u>13,535,670</u></u>	<u><u>12,784,031</u></u>
Accumulated Funds	581,777	581,777
Section 12 Reserve	4,000	4,000
Contingencies Reserve	731,779	731,779
Property Repairs & Cyclical maintenance Reserve	198,096	198,096
Office Equipment Reserve	15,459	15,459
Farm Equipment Reserve	<u>39,458</u>	<u>39,458</u>
	<u><u>17,910,897</u></u>	<u><u>17,159,258</u></u>
TOTAL EQUITY / NET ASSETS	<u><u>21,949,747</u></u>	<u><u>21,293,566</u></u>

This page should be read in conjunction with the notes to the Performance Report and accompanying audit report.

ŌTAKI AND PORIRUA TRUSTS BOARD
STATEMENT OF FINANCIAL POSITION
As at 31 May 2023

	Note	31-May-23	31-May-22
TRUST FUNDS			
Accumulated funds			
Church of England fund (Section 12(3) OPTB 1943 Act)		3,785,195	3,821,797
Open schools fund (Section 12(4) OPTB 1943 Act)		253,655	312,511
Other Equity reserves		17,910,897	17,159,258
TOTAL TRUST FUNDS	6	21,949,747	21,293,566
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3.1	479,428	595,640
Term Deposits/savings	3.2	1,165	1,160
Receivables and prepayments from Exchange transactions	3.3	509,295	698,675
Feed on hand	3.4	216,360	103,932
		1,206,248	1,399,407
NON CURRENT ASSETS			
Property plant and equipment	4.1	27,372,722	26,713,254
Investments	4.2	746,914	738,031
Livestock	4.3	1,030,930	1,226,350
TOTAL ASSETS		30,356,815	30,077,043
LIABILITIES			
CURRENT LIABILITIES			
Payables from Exchange transactions	5.1	379,964	436,487
Employee benefits	5.2	50,264	30,734
Hire Purchase	5.3	11,840	21,255
		442,068	488,477
NON CURRENT LIABILITIES			
Hire Purchase creditor	5.3	-	-
Loans and borrowings	5.4	7,965,000	8,295,000
TOTAL LIABILITIES		8,407,068	8,783,477
NET ASSETS		21,949,747	21,293,566


Rupene Waaka (Board Chair)


Roimata Ropata
(AIRC chair-temporary)

24-Nov-23

Date

This page should be read in conjunction with the notes to the Performance Report and accompanying audit report.

**ŌTAKI AND PORIRUA TRUSTS BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 May 2023**

	<u>31-May-23</u>	<u>31-May-22</u>
Cash flows from Operating Activities		
Cash was provided from:		
Milkfats Income	1,717,251	1,989,780
Dairy cattle sales	756,704	314,320
Grazing	-	49,653
Rent received	436,156	512,949
Sundry income	9,130	1,878
Receipt of grant		30,000
Net GST	28,905	
	<u>2,948,146</u>	<u>2,898,581</u>
Cash was applied to:		
Payment to employees	576,300	584,320
Payment to suppliers	2,173,216	1,743,559
Payment of scholarships	40,000	39,933
Costs of grant	15,342	
Net GST		28,515
	<u>2,804,857</u>	<u>2,396,328</u>
Net cash flows from Operating Activities	<u>143,289</u>	<u>502,253</u>
Cash flows from Investing Activities		
Cash was provided from:		
Maturing term deposits,savings	0	2
Dividend	78,462	54,614
Interest received	4,483	228
Sale of shares		
	<u>82,945</u>	<u>54,844</u>
Cash was applied to:		
Purchase livestock		
Purchase shares		1,182
Purchase fixed assets	3,032	21,958
	<u>3,032</u>	<u>23,140</u>
Net cash flows from Investing Activities	<u>79,913</u>	<u>31,704</u>
Cash flows from Financing Activities		
Repay Westpac bank loan	(330,000)	(70,000)
Hire purchase repayments	(9,414)	(35,454)
Net cash flows from Financing Activities	<u>(339,414)</u>	<u>(105,454)</u>
Net change in Cash and cash equivalents	(116,212)	428,504
Opening cash balance	595,640	167,136
Closing cash balance	<u>479,428</u>	<u>595,640</u>
Bank balance	479,428	595,640

This page should be read in conjunction with the notes to the Performance Report and accompanying audit report.

**ŌTAKI AND PORIRUA TRUSTS BOARD
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 May 2023**

STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting Entity

The reporting entity is Ōtaki and Porirua Trusts Board ("the Board"). The Board is a body corporate with perpetual succession, and it is Incorporated and governed by the Ōtaki and Porirua Trusts Act 1943.

The financial statements are presented for the year ended 31 May 2023. The financial statements and accompanying notes summarise the financial results of activities carried out by the Ōtaki and Porirua Trusts Board. The primary objective of the Ōtaki and Porirua Trusts Board is to provide education scholarships for the Board's beneficiaries, the beneficiaries being the children of Ngāti Raukawa, Ngāti Toa Rangatira and Te Atiawa. These financial statements have been approved and were authorised for issue by the Board of Trustees on 24 November 2023.

1.2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Board is a public benefit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and does not have expenditure in excess of \$30 million. The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

1.3 Measurement basis

These financial statements have been prepared on the historical cost basis except for Land (under the revaluation model) and Livestock in the statement of financial position which are measured at fair value.

1.4 Functional and presentation currency

These financial statements have been presented in New Zealand dollars and has been rounded to the nearest dollar.

1.5 Accounting Policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements.

1.6 Use of judgements and estimates

The preparation of the financial statements 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 those 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.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

Land and Buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from the assets' fair value and at least every three years to five years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

(b) Estimates & Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur. There are no indications of decreases in land and building values in the region since last valuation date.

(c) Revaluation of Property, Plant & Equipment

The Board measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive revenue and expense. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(d) Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
 - The nature of the asset, its susceptibility and adaptability to changes in technology and processes
 - The nature of the processes in which the asset is deployed
 - Availability of funding to replace the asset
 - Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Board are listed in Property, Plant & Equipment policy above.

1.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to this entity and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

1.8 Revenue Recognition

Revenue from Exchange Transactions

Dividend Income

Dividends received are recognised on receipt, net of non-refundable tax credits.

Livestock Sale Income

Ōtaki and Porirua Trusts Board sells livestock to third-party buyers. The livestock revenue is recognised at the point in time that control is assumed by the buyer, being the date that the animal is killed. The amount of revenue recognised is based on the industry-accepted market price provided by the buyer.

Milkfat Income

Ōtaki and Porirua Trusts Board sells milk to a third-party buyer. The milk revenue is recognised at the point in time that control is assumed by the buyer, being the date of collection. Payment is paid on a per kg milksolids basis based upon the forecast milk price payable. Approximately 85% is received upon collection and the balance is deferred, spread over the months up to September following year end

Rent Received

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

Sundry Income/Grazing

Revenue from other service is recognised when the services have been rendered to a third party. Sale of goods are recognised when goods are delivered.

1.9 GST

The Ōtaki and Porirua Trusts Board is registered for GST purposes. These financial statements have been prepared on a GST exclusive basis with the exception of Receivables and Payables which is shown as GST inclusive.

1.10 Taxation

Ōtaki and Porirua Trusts Board is wholly exempt from NZ income tax having fully complied with all statutory conditions for these exemptions.

1.11 Cash and Cash Equivalents

Bank accounts and cash are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.12 Inventories Livestock

Inventories being Livestock and Feed is measured at fair value being the market value as agreed by the Board. The Board has agreed the market value for the classes of livestock and Feed as valued by Ron Halford (Independent farm consultant).

1.13 Property plant and equipment

Items of property plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure attributable to the acquisition of the asset. Where an asset is donated to the entity its cost is measured at its current value as at the date of acquisition.

Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any residual value over its remaining life, except for land which is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if there is a change in the expected pattern of consumption of future economic benefits or service potential embodied in the asset.

Land was revalued in 2022 using an independent valuer.

1.14 Net Finance costs

All borrowing costs are expensed in the period they are incurred.

1.15 Depreciation

Depreciation is recognised in the deficit on a diminishing value basis over the estimated life of each item of property, plant, equipment and vehicle. Land and buildings are not depreciated.

1.16 Related Parties transactions

All transactions made by Ōtaki and Porirua Trusts Board are completed under normal trade terms and conditions.

Key management personnel remuneration:

The board classifies its key management personnel into one of two classes

- 1 Members of the governing board
- 2 General manager and staff

Members of the government board are not paid an honoraria but are reimbursed travel expenses.

1.17 Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Board's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Board's financial assets include cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets which are described below.

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Board's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of Financial Assets

The Board assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Board first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Board determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Board's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings and deferred income (in respect to grants whose conditions are yet to be complied with). All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

1.18 Employee Entitlements

Employee benefits, previously earned from past services, that the Board expects to be settled within 12 months of reporting date are measured based on accrued entitlements at current rates of pay.

1.19 Change in Accounting Policies

There have been no change in accounting policies since the previous year

**ŌTAKI AND PORIRUA TRUSTS BOARD
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 May 2023**

	31-May-23	31-May-22
2 Expenses		
2.01 Farm Working		
Animal Health	125,571	155,538
Artificial Breeding	38,591	37,271
Calf rearing	26,386	38,583
Cartage	31,487	35,563
Electricity	50,653	46,273
Grazing/Feed	224,695	156,645
Shed expenses	30,525	35,378
Spray and Fertiliser	102,244	151,451
Seed	13,562	24,778
Sundry	707	578
	<u>644,422</u>	<u>681,479</u>
2.02 Repairs and Maintenance		
Farm Working	240,243	106,834
Rental properties	40,735	26,017
	<u>280,978</u>	<u>132,851</u>
2.03 Motor Vehicle Expenses	82,579	87,439
2.04 Administration		
Accountancy/Consultancy & legal	78,091	61,651
Audit	250	5,000
General,office,stationery,telephone	49,861	46,882
Insurance	65,761	65,863
Valuations	16,756	5,788
	<u>210,719</u>	<u>185,184</u>
2.05 Interest Expense	578,553	367,466
2.06 Standing charges		
Lease	34,120	20,035
Rates	89,750	100,311
	<u>123,870</u>	<u>120,345</u>

2.07 Volunteer/Employee related expenses		
ACC levies	16,082	11,294
Meeting	7,048	2,097
Staff training	8,700	2,040
Salaries & Wages	595,829	598,264
	<u>627,659</u>	<u>613,695</u>
2.08 Changes in livestock values	(195,420)	97,149
2.09 Dairy livestock purchases	29,000	273,040
2.10 Depreciation/Asset Impairment		
Depreciation	93,322	132,256
Loss on disposal	1,881	848
	<u>95,202</u>	<u>133,104</u>
2.11 Grants made		
Grants	<u>(40,000)</u>	<u>(39,933)</u>
3 Current Assets		
3.1 Bank account and cash		
<p>Ōtaki and Porirua Trusts Board has an overdraft facility with Westpac New Zealand Limited with a limit of \$50,000. Ōtaki and Porirua Trusts Board also has a credit card facility with Westpac New Zealand Limited with a limit of \$2,500.</p>		
ANZ Current	235	351
Westpac Bank	479,193	595,289
	<u>479,428</u>	<u>595,640</u>
3.2 Term deposits/Savings		
ANZ	83	82
Westpac	1,082	1,078
	<u>1,165</u>	<u>1,160</u>
3.3 Receivables and Prepayments		
Milkfat income	100,012	123,370
Milkfat income Retro payments	341,435	347,400
Rent received	26,501	
Livestock sales	32,895	227,905
Valuation reimbursed	8,453	
	<u>509,295</u>	<u>698,675</u>
3.4 Feed on hand	216,360	103,932

4 Non Current Assets

4.1 Property Plant and Equipment

	Land and buildings	Motor Vehicle	Office Equipment	Farm Equipment	Total
31-May-23					
Opening cost	26,625,475	494,362	13,238	137,333	27,270,408
Additions			3,032		3,032
Revaluation May 2023	751,639				751,639
Disposals		(1,881)			(1,881)
Opening Accum depn	(78,748)	(366,652)	(12,172)	(99,582)	(557,154)
Depreciation	(51,512)	(32,716)	(1,544)	(7,550)	(93,322)
Closing balance	<u>27,246,853</u>	<u>93,113</u>	<u>2,554</u>	<u>30,201</u>	<u>27,372,722</u>
31-May-22					
Opening cost	25,225,349	525,739	13,238	134,123	25,898,450
Additions		18,748		3,210	21,958
Revaluation May 2022	1,400,126				1,400,126
Disposals		(848.4)			(848.4)
Accumulated depn	(1,867)	(371,058)	(11,106)	(90,144)	(474,175)
Depreciation	(76,881)	(44,871)	(1,066)	(9,438)	(132,256)
Closing balance	<u>26,546,727</u>	<u>127,710</u>	<u>1,066</u>	<u>37,751</u>	<u>26,713,254</u>

In 2017 the Ōtaki and Porirua Trust Board purchased a major block of land in Manakau Levin. This block was a significant purchase for the Board and required bank financing, and as a result the Board needed to exercise its Rangatiratanga. The Board decided to revalue the existing lands, the lands being Ōtaki Crown grant land, Waikawa block, College estate, and Rangiuru Block.

The financial statements for the year ended 31 May 2018 including these values and the method of valuation for Revaluation Reserve were audited by Jefferies Nock Chartered Accountants Hamilton.

Waikawa Land was since been independently valued and was valued at \$2,151,000 as at 28 June 2017 by BakerAg, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The valuation has been undertaken by Fergus Rutherford who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation. All properties were valued at their market value. Market value is defined in the International Valuation Standards 2017 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion."

College Estate was independently valued at \$5,000,000. This value was considered to be the market value as at 31 May 2018. The market value is defined in the International Valuation Standards 2017 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion." Although the original valuations can not be located the valuation was audited by Jefferies Nock Hamilton.

Tikorangi Block was independently valued. The Tikorangi block was valued at \$10,542,000 as at 30 November 2021 by BakerAg, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The valuation has been undertaken by Fergus Rutherford who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation. All properties were valued at their market value. Market value is defined in the International Valuation Standards 2017 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion."

Ōtaki Land -Crown Grant was independently valued at \$8,274,000 as at 12 April 2023 by BakerAg, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The valuation has been undertaken by Fergus Rutherford who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation. All properties were valued at their market value. Market value is defined in the International Valuation Standards 2017 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion."

120 Rangiuru Road Ōtaki was independently valued at \$975,000 as at 12 April 2023 by BakerAg, registered valuers, to comply with the Property Institute of New Zealand's Professional Practice Standards and International Valuation Standards. The valuation has been undertaken by Fergus Rutherford who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation. All properties were valued at their market value. Market value is defined in the International Valuation Standards 2017 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion."

	31 May 2023	31 May 2022
4.2 Investments		
Fonterra shares at fair value	695,785	682,678
Ravensdown Corp shares at fair value	38,140	38,140
Farmlands Coop at fair value	2,869	2,869
LIC shares at fair value	10,120	14,344
	<u>746,914</u>	<u>738,031</u>
4.3 Livestock		
MA Cows	853,200	945,400
R2yr Cattle		44,450
R1yr Cattle	177,730	198,900
Calves	-	1,350
Bulls	-	36,250
	<u>1,030,930</u>	<u>1,226,350</u>
4.3a Reconciliation of Livestock		
Opening value	1,226,350	1,129,201
Sales	(561,694)	(474,837)
Purchases	29,000	273,040
Change in fair value	(195,420)	97,149
Change re Natural increases/decreases	532,694	201,797
Closing value	<u>1,030,930</u>	<u>1,226,350</u>
5.1 Liabilities		
Creditors	244,481	328,991
GST Payable	43,562	14,657
Prepaid income received	52,493	67,541
Accrued Interest	39,428	25,299
	<u>379,964</u>	<u>436,487</u>
5.2 Employee benefits		
Holiday pay accrual	<u>50,264</u>	<u>30,734</u>

	31 May 2023	31 May 2022
5.3 Hire Purchase		
Current	11,840	21,255
Non current	<u>11,840</u>	<u>21,255</u>

Vehicle leases (2018 Ford Ranger XLT) are for a 60 month period financed through UDC Finance Limited. UDC also has securities registered over Ōtaki and Porirua Trust's 2018 Ford Ranger XLT via security agreement.

5.4 Non current liabilities		
Westpac	7,965,000	8,295,000

A Westpac Term Loan-93 had repayments during the year of \$330,000. The balance of Westpac Term Loan -93 at 31 May 2022 was \$2,100,000. The loan maturity date was 2 August 2024. Interest rate as at 31 May 2023 is 8.65%. Interest is charged monthly to current account.

A Westpac Term Loan-94 and Westpac Term Loan 95 were combined with a balance of \$5,865,000. The loan maturity date was 2 August 2024. Interest only expiry was 2 August 2024 and Fixed rate expiry will be 1 Nov 2023. Interest rate as at 31 May 2023 was 7.5%. Interest is charged monthly to the current account.

6 Accumulated Funds

Church of England fund (Section 12(3) OPTB

1943 Act)	3,785,195	3,821,797
This fund was set up in 1943 under the OPTB 1943 Act to transfer the Ōtaki Land Crown grant to the OPTB Trust		

Open schools fund (Section 12(4) OPTB 1943 Act)	253,655	312,511
This fund was set up in 1943 under the OPTB 1943 Act to transfer the Ōtaki Land Crown grant to the OPTB Trust		

Capital	2,804,658	2,804,658
This fund was set up in 1943 under the OPTB 1943 Act to transfer the Ōtaki Land Crown grant to the OPTB Trust.		

Revaluation reserve	13,535,670	12,784,031
This fund was set up in 2018 for the revaluation of land and buildings that are measured at fair value after initial recognition. It has adjusted in 2022 for the revaluation of the Tikorangi Block.		

Accumulated Funds	581,777	581,777
This fund was set up in 1943 under the OPTB 1943 Act to transfer the Ōtaki Land Crown grant to the OPTB Trust		

Section 12 Reserve	4,000	4,000
This fund was set up in 1943 under the OPTB 1943 Act to transfer the Ōtaki Land Crown grant to the OPTB Trust		

Contingencies Reserve	731,779	731,779
This fund was set up in 1943 under the OPTB 1943 Act for unexpected requirements		
Property Repairs & Cyclical maintenance Reserve	198,096	198,096
The purpose of the Property repairs and Cyclical maintenance reserve is to make adequate provision for the maintenance of the buildings.		
Office Equipment Reserve	15,459	15,459
The trustees of the OPTB intended to maintain this fund to purchase office equipment		
Farm Equipment Reserve	39,458	39,457
The trustees of the OPTB intended to maintain this fund to purchase farm equipment		
	21,949,747	21,293,565

7 Other

7.1 Related Parties Transactions

There were no material related party transactions during the year. (last year: nil)

7.2 Contingent Liabilities

There were no contingent liabilities as at 31 May 2023. (last year nil)

7.3 Capital Commitments

The Board has made a commitment to the Te Ara Hou project of \$100,000 for the feasibility study regarding the OPTB lands. \$30,000 in funding has been received in the previous year from the JR McKenzie Trust to set up this project with \$15,342 spent as at 31 May 2023.

7.4 Events after balance date

The loan documents with Westpac Banking Corporation were signed after balance date on 2 August 2023. The loans have been extended to 2 August 2024.

Subsequent to balance date a personal grievance was lodged against the Trust. The cost of the claim at the date of signing is unknown.

7.5 Assets used as security

There is security over certain land blocks for the Westpac Bank Term Loan in order to purchase the Farm at Manakau, Levin.

Westpac New Zealand Limited have the following securities registered over Ōtaki and Porirua Trust Board:

Registered first mortgage over 62.1902 ha situated 134 Waikawa Beach Road, Ōtaki, as legally described in Certificate of Title WN179418.

Registered first mortgage over 9.042 ha situated 120 Rangioru Road, Ōtaki Beach, as legally described in Certificate of Title WN888861.

Registered first mortgage over 208.4608 ha situated 770 SH1 Manukau, as legally described in Certificates of Title WN22D/504, 280/217, 284/16, 388/44, 434/274, 434/86, 539/151, 539/152, 541/29.

Specific Security Agreement dated 31 July 2017 held over Livestock and all present and after acquired property which is proceeds.

Specific Security Agreement dated 31 July 2017 held over Fonterra Shares and all present and after acquired property which is proceeds.

Securities registered over Goods- Livestock as well as all present and after acquired personal property of Ōtaki and Porirua Trust Board.

ANZ Bank New Zealand Limited have a security registered over the investment securities (Term Deposit) of Ōtaki and Porirua Trust Board.

NZ Farmers Livestock Ltd has securities registered over Goods- Livestock as well as all present and after acquired personal property of Ōtaki and Porirua Trust Board.

NZ Farmers Livestock Finance Ltd has securities registered over Goods- Livestock as well as all present and after acquired personal property of Ōtaki and Porirua Trust Board.

7.6 Significant grants and donations with conditions

JR McKenzie Trust made a grant to OPTB for \$30,000 towards the Te Ara Hou project in 2022. The Te Ara Hou Project is a feasibility study commissioned on the OPTB lands. This project will end 31 March 2024.

7.7 Key Management Personnel	31-May-23	31-May-22
Leadership team/ General Manager	\$ 336,930	\$ 308,909
Full time equivalent members	2	2

There were no payments to the Board for Board fees but some Board members did claim travel reimbursement.

7.8 Impacts of COVID-19

On March 11, 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, ongoing economic uncertainties have arisen which could negatively affect our operations and services due to the restrictions imposed to prevent the spread of the virus. The New Zealand Government announced a COVID-19 nationwide lock down on 17 August 2021 and on 7th of September 2021 the restrictions were reduced to COVID level 2 (Auckland region will remain at level 4). The Ōtaki and Porirua Trust Board have not yet had an opportunity to determine the full financial impact of the COVID-19 pandemic.



7.9 Operating Commitments

Ōtaki and Porirua Trust Board currently holds 4 leases over land. These are reviewed every 12 months.

	31-May-23	31-May-22
Not later than one year	\$ 34,120	\$ 21,579
Later than one year and not later than five years	\$ -	\$ -
Later than five years	\$ -	\$ -

7.10 Operating lease income

The Ōtaki and Porirua Trust Board leases its lands to Te Wānanga o Raukawa, the Ministry of Education and Woodhaven Gardens Limited. The Ōtaki and Porirua Trust Board is confident with the lease to Te Wānanga o Raukawa that the whakapapa and whanaungatanga of the two organisations is such that there is no risk to one or the other choosing to withdraw from the relationship. The lease of lands and buildings is non-cancellable and is viewed to be a relationship in perpetuity.

Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term. The lease of land and buildings to Te Wānanga o Raukawa is currently being negotiated and hence there is no commitment. Therefore this lease has not been included in the Operating Lease income total. The leases to MoE is currently being negotiated. The lease to Woodhaven Gardens Limited is a 3 year lease and will expire 1 June 2023.

	31-May-23	31-May-22
Not later than one year	\$ 125,436	125,436
Later than one year and not later than five years	\$ 125,436	125,436
Later than five years	\$ -	-

7.11 Categories of Financial Assets and Liabilities:

	31-May-23	31-May-22
Financial Assets		
Cash and Cash Equivalents	479,428	595,640
Term Deposits	1,165	1,160
Investments	746,914	738,031
Receivables		
Receivables from exchange Transactions	509,295	698,675
Total Financial Assets	<u>1,736,802</u>	<u>2,033,506</u>
Financial Liabilities		
Payables Under exchange transaction	379,964	436,487
Employee Entitlements	50,264	30,734
Hire Purchase	11,840	21,255
Loans and Borrowings	7,965,000	8,295,000
Total Financial Liabilities	<u>8,407,068</u>	<u>8,783,477</u>

INDEPENDENT AUDITORS REPORT

To the Trustees of the Ōtaki and Porirua Trusts Board

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ōtaki and Porirua Trusts Board on pages 3 to 22, which comprise the statement of service performance, statement of financial position as at 31 May 2023, statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

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 financial statements, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, present fairly, in all material respects, the financial position of the Trust as at 31 May 2023, and its financial performance and its cash flows for the year then ended in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion on Statement of Comprehensive Revenue and Expenses and Statement of Financial Position

There was insufficient current market information for the carrying values of the College Estate amount of \$5,000,000 disclosed within Property, Plant & Equipment to assess whether there is any impairment or adjustment to be made to these carrying values.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with 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 Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other information

The Trustees are responsible on behalf of the Trust for the other information. The other information comprises the Trust Directory and Entity Information but does not include the financial statements and our auditor's report thereon.

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. If based, on the work we have performed, 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.

Trustees Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Trust for 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; and for the preparation and fair presentation of the financial statements in accordance with Tier 2 Not-For-Profit PBE Reduced Disclosure Regime, and for such internal control as those charged with governance 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, those charged with governance are responsible on behalf of the Trust for assessing the Trust'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 those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors 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:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-14/>

Restriction on Distribution or Use

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Talia Anderson-Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 24 November 2023

