

Ngati Hine Forestry Trust Group - Annual Report

Ngati Hine Forestry Trust Group
For the year ended 30 June 2024

INDEPENDENT AUDITOR'S REPORT
TO THE BENEFICIAL OWNERS OF NGATI HINE FORESTRY TRUST GROUP

Opinion

We have audited the financial statements of Ngati Hine Forestry Trust and Group ("the Group"), which comprise the balance sheet as at 30 June 2024, and the statements of financial performance and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group for the year ended 30 June 2024 are prepared, in all material respects, in accordance with Chartered Accountants Australia and New Zealand's Special Purpose Financial Reporting Framework for use by For-Profit Entities ("the CA ANZ Framework").

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 Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 Group.

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

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

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation of the financial statements in accordance with the CA ANZ Framework and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Group's beneficial owners, 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 Group and the Group's beneficial owners, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Northland
Whangarei
New Zealand
25 October 2024

Approval of Financial Report

Ngati Hine Forestry Trust Group
For the year ended 30 June 2024

The Trustees are pleased to present the approved financial report including the historical financial statements of Ngati Hine Forestry Trust Group for year ended 30 June 2024.

APPROVED

For and on behalf of the Trustees



Mr P Tipene - Chairperson

Date: 25 October 2024



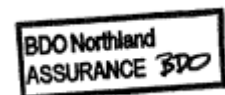
Mr L Bristowe

Date: 25 October 2024

Combined Statement of Profit or Loss

Ngati Hine Forestry Trust Group For the year ended 30 June 2024

	NOTES	2024	2023
Divisional Revenue			
Profit (Loss) from Forestry		1,003,516	(2,905,600)
Profit from Honey		16,093	3,003
Profit (Loss) from Kiwifruit Orchards		428,433	(887,061)
Profit from 1BT		93,230	4,435
Profit from DOC Pest Control		-	-
Loss from Nursery		(44,449)	(7,091)
Loss from Farm		(101,488)	(169,182)
Total Divisional Revenue		1,395,335	(3,961,496)
Other Income			
Dividends Received		412,121	627,994
Adjustment of Kiwi JV Investment		19,133	-
Interest Received		6,574	6,455
Rent Received - Office		-	30,000
Sundry Income		208	1,175
Total Other Income		438,036	665,624
Total Income		1,833,371	(3,295,872)
Expenses			
Operating Expenses			
AGM/SGM Expenses	10	32,032	10,972
Cleaning		4,265	-
Consultancy		70,883	7,920
Electricity - Office		4,875	3,630
Equipment Hire		257	-
Feasibility Expense		1,220	-
Health & Safety		3,500	-
Koha		-	15,650
Management Fee Dwelling		-	1,596
Motor Vehicle		38,262	14,907
Repairs and Maintenance		1,037	1,882
Salaries & Wages		223,114	373,738
Share of Losses from Kiwi JV		5,085	3,681
Study/Training Grants		-	5,000
Travel		5,424	-
Total Operating Expenses		389,955	438,976



These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

	NOTES	2024	2023
Administration Expenses			
Accident Compensation Levy		1,506	475
Accountancy		43,289	64,691
Administration Costs		5,599	-
Audit Fees		13,275	18,500
Bank Fees		1,140	933
Computer and IT		9,370	-
FBT		9,419	21,570
Impairment of Investment		-	100
Legal Fees		16,991	6,998
Loss on Disposal of Fixed Assets		-	1,822
Office Expenses		26,374	54,444
Printing Stationery & Typing		1,058	3,165
Security		447	2,889
Subscriptions		2,095	4,454
Telephone & Internet		2,711	-
Trustees Fees	18	49,200	84,400
Trustees Meeting Expenses		5,868	1,548
Trustees Travel Expenses		13,560	28,691
Total Administration Expenses		201,904	294,680
Finance & Occupancy Expenses			
Depreciation		50,031	66,275
Insurance		38,322	67,986
Insurance Dwelling		-	3,421
Interest		12	1,186
Rent - Office Whg		44,821	41,924
Rates - Land & Water		2,773	34,242
Total Finance & Occupancy Expenses		135,959	215,035
Total Expenses		727,818	948,691
Profit (Loss) Before Taxation		1,105,554	(4,244,563)
Net Profit (Loss) for the Year		1,105,554	(4,244,563)



These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Statement of Changes in Equity

Ngati Hine Forestry Trust Group
For the year ended 30 June 2024

	NOTES	2024	2023
Trust Equity			
Opening Balance	9	31,014,673	35,259,236
Movements			
Net Profit (Loss)	9	1,105,554	(4,244,563)
Total Movements		1,105,554	(4,244,563)
Total Trust Equity		32,120,227	31,014,673



These financial statements are to be read in conjunction with accompanying Notes. These statements have been audited.

Balance Sheet

Ngati Hine Forestry Trust Group As at 30 June 2024

	NOTES	30 JUN 2024	30 JUN 2023
Current Assets			
Cash and Bank			
Westpac Business Trading Acct		-	113,899
Westpac Kaikohe Residential Acct 2		-	103
Westpac Manuka Training MPI		14,592	10,629
Westpac Moerewa Kawakawa Residential Acct 1		-	102
Westpac On Call Account		319	403,525
Westpac NZ Ltd - Hineora Limited		49,646	50,119
Total Cash and Bank		64,557	578,376
Trade and Other Receivables	11	254,279	226,398
Accrued Income		-	21,801
Income Tax Receivable	4	67,417	107,115
Inventories	12	-	98,167
Provision for Crown Forestry Reimbursement		1,111	-
Total Current Assets		387,364	1,031,857
Current Liabilities			
Cash and Bank			
Westpac Business Trading Acct	7	162,244	-
Total Cash and Bank		162,244	-
Trade and Other Payables	13	130,937	211,983
GST Payable		284	58,824
Employee Entitlements		30,481	11,614
Loans	7	243,328	2,030,008
Income in Advance	14	8,235	8,235
Provision for Protection of Flora and Fauna	8	9,253	20,751
DOC Funds For Nature Tagged Funding	26	58,841	123,362
MPI Tagged Funding	26	27,443	254,861
Total Current Liabilities		671,047	2,719,638
Working Capital		(283,683)	(1,687,781)



These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

NOTES 30 JUN 2024 30 JUN 2023

Non-Current Assets

		30 JUN 2024	30 JUN 2023
Investments			
Shares	6	292,804	292,804
Shares in Maori Land	6	314,731	314,731
Investment in Related Entities	15	-	(14,048)
Total Investments		607,534	593,486
Property, Plant and Equipment (refer Schedule)		32,008,791	31,862,552
Native Forest Restoration		1,007,143	978,608
Capitalised Cost of Forest		1,088,645	1,088,645
Emissions Trading - NZU's	21	4,604,186	3,806,431
Tenancy Bond		560	560
Asset Under Construction		-	5,904
Orchard Licence	27	378,018	378,018
Orchard Costs (Capital)	27	251,554	251,554
Westpac NZ Ltd - Charitable Trust		2,022	2,027
Total Non-Current Assets		39,948,453	38,967,785
Total Non-Current Assets and Working Capital		39,664,770	37,280,004

Non-Current Liabilities

Loans	7	4,685,175	3,150,025
Seeka Accrual	27	2,859,368	3,115,305
Total Non-Current Liabilities		7,544,543	6,265,330

Net Assets 32,120,227 31,014,673

Equity

Retained Earnings	9	24,519,677	23,414,123
Trust Corpus	9	7,600,550	7,600,550

Total Equity 32,120,227 31,014,673

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.