2023

Financial Statements

APPENDIX TO THE ANNUAL REPORT

HOKOTEHI
MORIORI UNITY AND DEVELOPMENT

Financial Summary Report 2023

Provided for Hokotehi Moriori Trust by BDO Christchurch

This financial report comments on the financial results for the Hokotehi Moriori Trust ("HMT") Group for the 12 months ended 30 June 2023. The HMT Group comprises the results of HMT itself, Kopi Holdings (covering Kaingaroa and Henga farms, Henga Lodge, Investment properties, and Pitt Island), Hokotehi Settlement Quota Holding Company (quota income) and Te Keke Tura Moriori Identity Trust.

Overall, the Trust has recorded a surplus for the year ended 30 June 2023 of $4.713m (2022: $4.945m).

This surplus consists of an operating profit of $891k and a valuation uplift on quota of $3.822m. There was no additional quota purchased in the year (2022: $1.155m).

The operating profit of $891k decreased from the previous year by $67k (2022: $958k). This movement is further explained below.

Key components of the results are as follows.

1.0 Revenue and Expenses

SUMMARISED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES				
	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Total Revenue	6,797	6,192	4,487	3,594
Total Expenses	5,244	4,836	3,250	3,971
Net Financing Costs	662	398	370	407
Operating Surplus/(Deficit)	**891**	**958**	**867**	**(784)**
Other Comprehensive Revenue	3,822	3,987	9,013	4,624
Total Comprehensive Revenue	**4,713**	**4,945**	**9,880**	**3,840**

Revenue increased by $605k to $6.797m, compared to $6.192m in 2022. Material changes in revenue between the current year and the prior year are as follows:

1.1 Government grants, subsidies and other grant revenue have increased for the year from $695k in 2022 to $928k in 2023. The majority of the grants received during the 2023 year were from the Ministry of Primary Industries ($841k), which relates to the One Billion Tree project that is currently underway.

1.2 ACE income has increased to $3.381m in 2023 (2022: $2.915m). This is the result of international markets reopening post COVID-19 lockdowns.

1.3 Rental income combined with Henga Lodge income has decreased by $204k from $1.702m in 2022 to $1.498m in 2023.

1.4 Interest income of $60k was recorded during the year (2022: $18k). The increase in interest income reflects the increase in interest rates. The term deposit rate on 30 June 2023 was 1.25% (2022: 0.30%).

1.5 Revenue from HMT farms (Kaingaroa and Henga) has decreased to $640k in 2023 (2022: $852k). This decrease of $212k has largely been driven by the decrease in price and quantity of stock sold between the two years. In 2023 there were 107 cattle sold for an average price of $624 (2022: 238 cattle sold for an average price of $869). There were 4,323 sheep sold for an average price of $99 in 2023 (2022: 5,511 for an average price of $122). The livestock on hand balances at 30 June 2023 were as follows:
- Sheep on hand, 5,993, valued at $849k (2022: 5,484, valued at $881k).
- Cattle on hand, 499, valued at $486k (2022: 330, valued at $308k).

Expenses increased to $5.244m, compared to $4.836m in 2022. Material changes in expenses between the current year and the prior year are as follows:

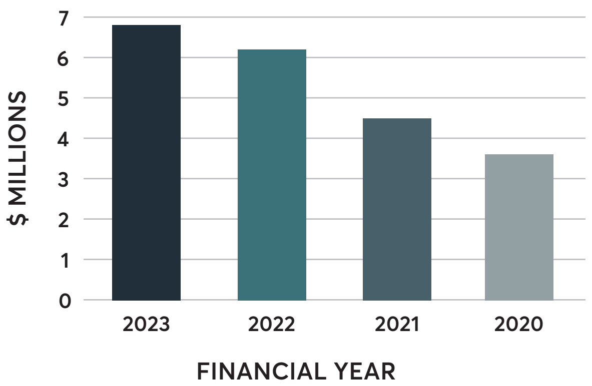
1.6 Wages and Salaries have increased to $1.591m in 2023 (2022: $1.501m).

1.7 Cost of goods sold have increased from $649k to $972k. This was largely due to $470k of 1BT expenses incurred in the year.

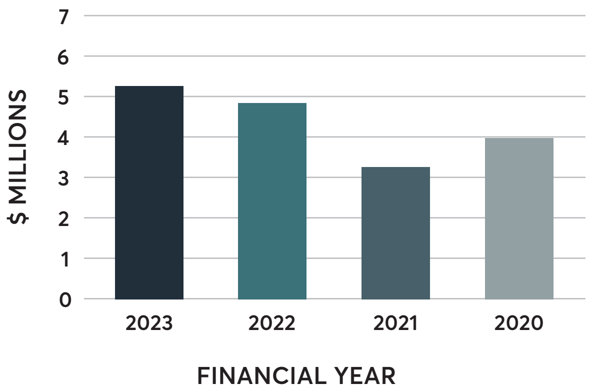
1.8 Other overhead and administrative expenses have decreased from $2.394m in 2022 to $2.359m in 2023. This balance is made up of a large number of expense items such as: Legal expenses, Repairs & Maintenance, Administration, Travel, and Insurance.

1.9 Finance costs (mainly interest expenses) have increased by $297k to $727k in 2023 (2022: $430k). This is in line with rising interest costs which are expected to continue to increase into the next financial year.

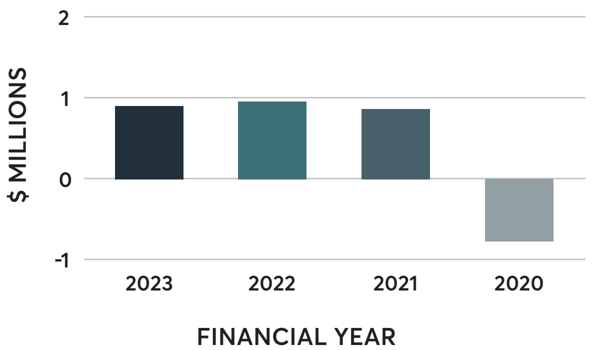
Revenue



Expenditure



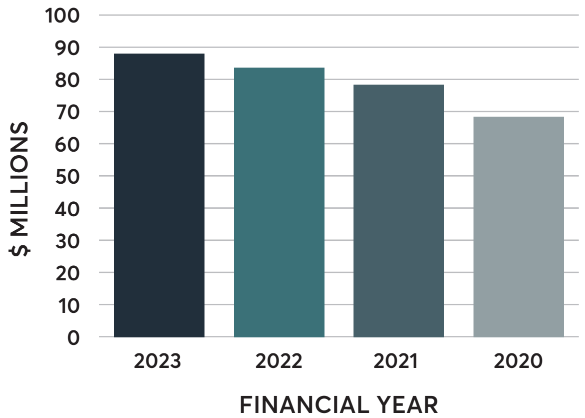
Operating Surplus/(Deficit)



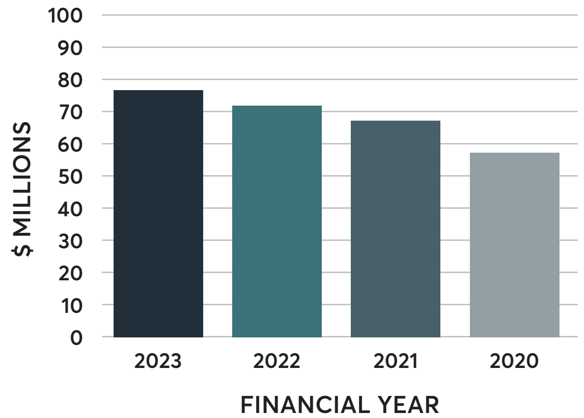
2.0 Assets and Liabilities

SUMMARISED STATEMENT OF FINANCIAL POSITION	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Current Assets	7,730	7,056	7,506	6,671
Non-current Assets	80,222	76,449	70,720	61,580
Total Assets	**87,952**	**83,505**	**78,226**	**68,251**
Current Liabilities	9,842	10,110	9,776	11,264
Non-current Liabilities	1,582	1,582	1,582	-
Total Liabilities	**11,424**	**11,692**	**11,358**	**11,264**
Net Assets	**76,528**	**71,813**	**66,868**	**56,987**

Assets



Equity



The Trust's financial position at 30 June 2023 consists of total assets of $88.0m, total liabilities of $11.424m and an overall net asset position of $76.527m (2022: $71.812m).
Material changes in assets and liabilities between the current year and the prior year are as follows:

2.1 Cash and cash equivalents increased from $3.566m to $3.580m in the 2023 year, with $2.747m of this balance belonging to the Te Keke Tura Moriori Identity Trust. The monitoring of Cashflows will remain a key focus for the Trust moving forward.

2.2 Fishing Quota increased in value by $3.822m to $70.515m in 2023 (2022: $66.693m). This is attributed to the change in value of the CRA6 quota, which increased from $49.689m in 2022 to $53.511m in 2023. HMT continues to commit its CRA6 ACE to Port Nicholson Fisheries LP on a rolling three-year basis. As there is no active market for other species, their market value has not been adjusted in the financial statements.

2.3 Property, Plant and Equipment increased from $5.626m to $5.681m in 2023. This is largely driven by capital expenditure on buildings, as well as addition of new vehicles to the fleet.

2.4 Loans and Borrowings through ANZ Bank remained consistent at $9.100m during the year. These ANZ Bank loans are currently interest only.

Phillip Roth, Director
BDO Christchurch Limited
Chartered Accountants
Christchurch, New Zealand

Hokotehi Moriori Trust and Subsidiaries

Consolidated Financial Statements
For the year ended 30 June 2023

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Hokotehi Moriori Trust and Subsidiaries
For the year ended 30 June 2023

Date of Trust Deed: 19 April 2001

Address: Kōpinga Marae
573 Waitangi Wharf Owenga Road
Chatham Islands

Nature of Activities: Moriori Culture is defined by the concepts of unity, peace and sharing. The nature of the activities undertaken by the Hokotehi Moriori Trust is to embody these concepts in the administration of the assets vested in the Trust for the benefit of the Moriori people and culture and the inhabitants of Rekohu.

Trustees:
Chas Taurima (From 11 November 2022)
Christine Harvey (From 11 November 2022)
Hannah Solomon
Hayden Preece
Laurie Ryan
Mark Preece
Rana Solomon (From 11 November 2022)
Thomas Lanauze
Grace Le Gros (To November 2022)
Maui Solomon (To November 2022)
Paul Solomon (To November 2022)

Bankers: ANZ

Accountant: BDO Christchurch Limited
Chartered Accountants
287-293 Durham Street North
Christchurch 8013

Auditor: Crowe New Zealand Audit Partnership
Wellington

Registration Number: CC43332

Hokotehi Moriori Trust and Subsidiaries

Statement of Service Performance
For the year ended 30 June 2023

Description of the entity and its outcomes

Hokotehi Moriori Trust "The Trust" is the organisation that represents ta imi Moriori - the descendants of Rongomaiwhenua and Rongomaitere on Rēkohu (Chatham Island), Rangihaute (Pitt Island), mainland New Zealand, and the world over.

The Trust operates from Kōpinga Marae, Rēkohu, and has further operational support from mainland New Zealand. Its Board consists of eight elected trustees; three based on Rēkohu, three from the South Island and two from the North Island.

Hokotehi Moriori Trust is involved in several sectors of the Chatham Islands economy, with significant holdings in fishing and farming. Its assets support the preservation and growth of the ta imi Moriori with business plans that reflect core responsibilities around customary rights, growth and development, and investment.

The Trust also provides cultural, social and educational opportunities to its 1000-plus members and the wider Rēkohu community, fostering the revitalisation of the Moriori culture and furthering the Moriori legacy of peace.

We do this by

Protecting and growing the entity's asset base so that it can provide assistance to current and future generations and to support Moriori revival.

Participating in activities that protect the environmental wellbeing of Rēkohu.

Promoting industry and providing employment opportunities to imi members across the Hokotehi Moriori Trust Group.

Promoting education and learning to Moriori imi members through the use of Education Grants.

Description and Quantification of the Entity's Output - Hokotehi Moriori Trust and Subsidiaries

	2023	2022
Net Assets Value	$76,527,410	$71,812,801
Net Asset Growth	6.57%	7.39%
Investment in 1 Billion Trees Project	$470,204	$101,593
Number of persons on payroll throughout the year	72	72
Total Education Grants approved to imi members	$21,932	$21,324

Judgements in Serivce Performance Reporting

The Trust has reported on the significant focus areas for the Trust's activities for the year that align with the current strategic plan.

Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2023

	Notes	2023	2022
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Government grants and subsidies	6	917,917	603,944
Grants revenue	6	10,251	90,999
Total revenue from non-exchange transactions		928,168	694,943
REVENUE FROM EXCHANGE TRANSACTIONS			
Sale of goods		5,557	5,807
Rendering of services		69,811	22,086
ACE income	7	3,380,690	2,915,508
Profit Distribution Income - Historical GST Adjustment	31	275,367	-
Henga Lodge income		274,486	254,453
Rental income		1,223,098	1,447,251
Farming income	10	640,263	851,545
Total revenue from exchange transactions		5,869,272	5,496,651
TOTAL REVENUE		6,797,440	6,191,593
EXPENSES			
Cost of goods sold		972,382	649,092
Wages, salaries and other employee costs		1,590,816	1,500,684
Depreciation, amortisation and impairment expenses	9	297,888	266,024
Grants and donations		22,565	25,574
Other overhead and administrative expenses	8	2,359,824	2,394,175
TOTAL EXPENSES		5,243,475	4,835,549
Dividend income	12	5,356	12,875
Interest income	11	60,008	18,307
Finance costs	11	(726,922)	(429,609)
NET SURPLUS/(DEFICIT) FROM FINANCE ACTIVITIES		(661,558)	(398,427)
OPERATING SURPLUS/(DEFICIT)		892,407	957,618
SURPLUS/ (DEFICIT) FOR THE YEAR		892,407	957,618
OTHER COMPREHENSIVE REVENUE AND EXPENSES			
Gain/(loss) on revaluation of Intangible assets			
- Current year fair value movements	19	3,822,202	3,987,200
Total other comprehensive revenue and expense			
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		4,714,609	4,944,818

These financial statements have been authorised for issue by the Trust Board on

Chairman 31 Oct 23 **Date**

Trustee 31 Oct 23 **Date**

These financial statements should be read in conjunction with the notes to the financial statements

Hokotehi Moriori Trust and Subsidiaries

Statement of Financial Position
As at 30 June 2023

	Notes	2023	2022
ASSETS			
Current			
Cash and cash equivalents	13	3,580,118	3,565,925
Receivables from exchange transactions	14	2,344,321	2,232,961
Prepayments		239,534	58,721
Inventories	15	1,344,125	1,196,440
Other current financial assets	18	221,922	1,858
Total current assets		7,730,020	7,055,905
Non-current			
Property, plant and equipment	16	5,681,487	5,625,875
Investment properties	17	3,677,939	3,784,511
Other non-current financial assets	18	271,753	269,887
Intangible assets	19	70,590,653	66,768,451
Total non-current assets		80,221,832	76,448,724
TOTAL ASSETS		87,951,852	83,504,629
LIABILITIES			
Current			
Payables under exchange transactions	20	207,633	577,074
Employee entitlements	21	90,438	108,292
Loans and borrowings	23	9,100,000	9,100,000
Other current financial liabilities	22	444,160	324,250
Total current liabilities		9,842,230	10,109,616
Non-current			
Other non-current financial liabilities	23	1,582,212	1,582,212
Total non-current liabilities		1,582,212	1,582,212
TOTAL LIABILITIES		11,424,442	11,691,828
NET ASSETS		76,527,410	71,812,801
EQUITY			
Trust Settlements		7,540,140	7,540,140
Accumulated funds		21,525,138	20,632,731
Other equity reserves	24	47,462,132	43,639,930
TOTAL EQUITY		76,527,410	71,812,801

These financial statements should be read in conjunction with the notes to the financial statements

Statement of Changes in Net Assets
For the year ended 30 June 2023

	Notes	Trust Settlements	Accumulated Funds	Other equity reserves	Total equity
Balance 1 July 2021		7,540,140	19,675,113	39,652,730	66,867,983
Surplus/(deficit) for the year		-	957,618	-	957,618
Other comprehensive revenue and expenses		-	-	3,987,200	3,987,200
Total comprehensive revenue and expense		-	957,618	3,987,200	4,944,818
Balance 30 June 2022		7,540,140	20,632,731	43,639,930	71,812,801
Balance 1 July 2022		7,540,140	20,632,731	43,639,930	71,812,801
Surplus/(deficit) for the year		-	892,407	-	892,408
Other comprehensive revenue and expenses		-	-	3,822,202	3,822,202
Total comprehensive revenue and expense		-	892,407	3,822,202	4,714,610
Balance 30 June 2023		7,540,140	21,525,138	47,462,132	76,527,410

These financial statements should be read in conjunction with the notes to the financial statements

Statement of Cash Flows
For the year ended 30 June 2023

	2023	2022
Cash flow from operating activities		
Cash was provided from/(applied to):		
Government grants and subsidies	928,168	603,944
Grants revenue	-	90,999
Receipts from goods and services provided, exchange transactions	5,402,427	4,206,953
Payments to suppliers	(3,558,937)	(2,620,770)
Payments to employees	(1,608,669)	(1,446,302)
Grants, contributions and sponsorship paid	(22,565)	(25,574)
Net cash from/(used in) operating activities	1,140,423	809,250
Cash flow from investing activities		
Cash was provided from/(applied to):		
Purchase of property, plant and equipment (including investment properties)	(465,573)	(858,018)
Purchase of Shares	-	(913)
Purchase of Other Intangible Assets	-	(1,155,000)
Term Deposits	-	3,432,834
Net cash from/(used in) investing activities	(465,573)	1,418,903
Cash flow from financing activities		
Cash was provided from/(applied to):		
Borrowings	-	-
Interest and dividends received	66,265	31,981
Interest paid on borrowings	(726,922)	(429,609)
Net cash from/(used in) financing activities	(660,657)	(397,628)
Net increase/(decrease) in cash and cash equivalents	14,193	1,830,525
Cash and cash equivalents, beginning of the year	3,565,925	1,735,400
Cash and cash equivalents at end of the year	3,580,118	3,565,925

These financial statements should be read in conjunction with the notes to the financial statements

Notes to the Financial Statements
For the year ended 30 June 2023

1 Reporting entity

These financial statements comprise the financial statements of Hokotehi Moriori Trust ("the Trust") for the year ended 30 June 2023 and its 100%-owned subsidiaries Kopi Holdings Limited, Hokotehi Settlement Quota Holding Company Limited and Te Keke Tura Moriori Identity Trust ("the Group").

The financial statements were authorised for issue by the Trust Board on 31 October 2023.

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 the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit Public Benefit Entities, for which all reduced disclosure regime exemptions have been adopted.

The entity is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure has not exceeded $30 million for the two most recent reporting periods.

The entity is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

(b) Basis of measurement

The financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars, which is the controlling entity's functional and Group's presentation currency. All numbers are stated in whole dollars.

(d) Comparatives

The comparative financial period is 12 months.

(e) Changes in accounting policies

The Trust adopted the following accounting standards that applied for the year ended 30 June 2023:

PBE FRS 48 - Service Performance Reporting
PBE IPSAS 41 - Financial Instruments

All other accounting policies are consistent with those of the previous year.

Notes to the Financial Statements

2 Basis of preparation (Continued)

(e) Changes in accounting policies (continued)

PBE FRS 48 - Service Performance Reporting

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Trust believes that the statements contained within the report accurately reflect the overall performance of the Trust for the year ended 30 June 2023 and the comparative reporting period ended 30 June 2022.

PBE IPSAS 41 - Financial Instruments

PBE IPSAS 41 Financial Instruments replaces parts of IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Trust has applied PBE IPSAS 41 as at 30 June 2023.

As a result of adopting PBE IPSAS 41 as at 30 June 2023 there were no changes to the value of assets or liabilities, rather a change in the measurement category of the assets.

The nature of these presentation changes are described below:

(i) Classification and Measurement of financial assets and liabilities

(FVTSD), amortised cost or fair value through other comprehensive revenue and expense (FVOCRE). Financial liabilities are subsequently measured at fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the below table. The classification is based on two criteria: (1) the Trust's business model for managing the assets: and (2) whether the instruments 'contractual cash flows represent solely payment of principal and interest' on the principal amount outstanding.

The assessment of the Trust's business model was made as at date of initial application namely 30 June 2023. The assessment of whether contractual cash flows on debt instruments are solely compromised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Receivables from exchange and non-exchange transactions and term deposits were classified as Loans and Receivables as at 30 June 2022 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning on 1 July 2022.

	Measurement Category	
	PBE IPSAS 29	**PBE IPSAS 41**
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortised cost
Term deposits	Loans and receivables	Amortised cost
Investments	FVTSD	FVTSD
Financial liabilities		
Accounts payable	Amortised cost	Amortised cost

(ii) Impairment

The adoption of PBE IPSAS 41 has changed the Trust's accounting for impairment losses for financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the Trust to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit.

Upon the adoption of IPSAS 41 on 30 June 2023, the Trust did not recognise any additional impairment.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(b) Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

The Trust has assessed the expeted credit losses in accordance with PBE IPSAS 41 - Financial Instruments, and determined that there are no expected credit losses for the year ended 30 June 2023.

(c) Creditors and other payables

Trade creditors and other payables are stated at cost.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value, with due allowance for any damaged and obsolete stock items.

If inventories are acquired at no cost, or for nominal consideration, cost is the estimated fair value at the date of acquisition, with a corresponding donation amount recognised in the reported surplus or deficit.

Cost is calculated on an average basis and includes expenditure incurred in acquiring inventories and bringing them to a location and condition available for sale.

Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make sure the sale, exchange or distribution can be transacted.

Inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

Market Value rates published by the Inland Revenue Department less 15% as an estimate of the livestock's valuation.

(e) Property, plant and equipment

All items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

3 Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to accumulated funds.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a diminishing value (DV) or straight line (SL) basis on all property, plant and equipment. The following depreciation rates have been applied to each class of property, plant and equipment:

Land, buildings and chattels	0% - 50%
Office equipment	5% - 67%
Motor vehicles	10% - 50%
Marae contents	6% - 60%
Accommodation units	6% - 40%
Marae & equipment	6% - 48%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining life of the improvements, whichever is shorter.

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

(f) Intangible assets

Intangible assets acquired separately are initially recognised at cost.

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are measured at cost less accumulated impairment losses except for Quota shares. Impairment testing is performed on an annual basis.

Quota shares are subsequently measured at fair value. Valuations are undertaken on a regular basis to ensure the carrying amount does not differ materially from the fair value of the shares.

Intangible assets with finite useful lives

Intangible assets acquired by the entity, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful life of the asset, from the date they are available for use and expensed in the reported surplus or deficit for the year.

Residual values and useful lives are assessed at each reporting date.

Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposals

Gains or losses on de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the surplus or deficit for the year.

3 Summary of significant accounting policies (continued)

(g) Investment property

Investment property is property primarily held either to earn rental income or for capital appreciation or both.

Investment properties are measured at cost, including transaction costs.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

When the use of investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

Depreciation on Investment Property is recognised as an expense in the reported surplus or deficit and measurement on a diminishing value (DV) basis with a depreciation rate of 2%.

(h) Leased assets

Leases where the entity assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Upon initial recognition finance lease assets are measured at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease. A matching liability is recognised for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under operating leases are recognised in the surplus or deficit 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. Associated costs, such as maintenance and insurance, are expensed as incurred.

(i) Impairment of non-financial assets

Impairment of cash-generating assets

At each reporting date, the entity assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset or CGU's recoverable amount is the higher of the asset or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised immediately in surplus or deficit.

3 Summary of significant accounting policies (continued)

(i) Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity estimates the asset or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset or CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset or CGU in prior years. Such reversal is recognised in surplus or deficit.

Impairment of non-cash-generating assets

The entity assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the entity has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the asset in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset, is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the entity determines fair value less cost to sell based on the best available information.

Impairment losses are recognised immediately in surplus or deficit.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

(j) Financial instruments

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, and FVTSD.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Financial assets (continued)

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus of deficit, irrespective of the business model.

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

(i) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

This category includes derivative instruments and managed funds which the Trust had not irrevocably elected to classify at FVOCRE.

After initial recognition the financial assets in this category are measured at fair value with gains or loss on re-measurement recognised in surplus or deficit.

(ii) Financial Assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, are subsequently measured at amortised cost using the effective interest method (EIR) and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified, or impaired.

The Trust's cash and cash equivalents are categorised as financial assets at amortised cost.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Trust's statement of financial position) when:

The rights to receive cash flows from the asset have expired or
The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Financial Liabilities

Financial liabilities at amortised cost are classified, at initial recognition and include payables.

After initial recognition, payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(k) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(l) Employee entitlements

Short-term employee benefits

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

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

Termination benefits

Termination benefits are recognised as an expense when the entity is committed without realistic possibility of withdrawal, to terminate employment, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(m) Revenue

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

The entity assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the entity's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

A non-exchange transaction is where the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When non-exchange revenue is received with conditions attached, the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

When non-exchange revenue is received with restrictions attached, but no requirement to return the asset if not deployed as specified, then revenue is recognised on receipt.

Condition stipulation – funds received are required to be used for a specific purpose, with a requirement to return unused funds.

Restriction stipulation – funds received are required to be used for a specific purpose, with no requirement to return unused funds.

Donations and grants

Donations and grant income is recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Government grants relating to income are recognised as income over the periods necessary to match them with the related services when performed. Grants received for which the requirements and services have not been met is treated as "income in advance" under current liabilities.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the entity has satisfied these conditions.

Restricted Funding

When donation funding has been provided for specific future investment purposes or to meet specific future costs of the Group, the initial donation received is recognised as income in the reported surplus or deficit and then transferred in the Statement of Movements in Equity from Accumulated Funds to a separate "Restricted Funds" equity reserve. This treatment recognises that restricted funding received is preserved in investments and can only be used for funding the specific future costs of the Group.

Donated services

Volunteer services received are not recognised as revenue or expenditure.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(m) Revenue (continued)

Revenue from exchange transactions

Sale of goods

Revenue from sale of goods is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

Rendering of services

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the services are provided.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

ACE Income

Revenue from the sale of fishing ACE is recognised upon transfer of the rights and obligations of the fishing ACE to the customer.

Farming Income

Cattle, sheep & wool sales are recognised when significant risks and rewards of ownership are passed to the buyer.

Rental income

Rental income arising from rental premises is accounted for on a straight-line basis over the lease term.

Other Income

Dividend income

Dividend income is recognised on the date that the entity's rights to receive payments are established.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

(n) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the entity incurs in connection with the borrowing of funds. The entity has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

(o) Income tax

The Trust and subsidiaries have been granted charitable status for the purpose of the Income Tax Act 2007.

Notes to the Financial Statements

3 Summary of significant accounting policies (continued)

(p) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

4 Significant accounting judgements, estimates and assumptions

The preparation of 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. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the entity that have a significant effect on the financial statements:

Impairment

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted price in active markets, the fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5 Capital Management Policy

The Group's capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Group's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Group manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for additional external borrowings.

6 Grants and Subsidy Income

	2023	2022
Department of Conservation	14,417	(48,165)
Ministry of Business, Innovation & Employment	45,600	10,000
Ministry of Culture and Heritage	-	51,000
Ministry of Justice	-	134,009
Ministry of Social Development	16,500	8,500
Ministry of Primary Industries	841,400	448,600
Museum of New Zealand Te Papa Tongarewa	-	43,700
New Zealand Lotteries	-	18,502
Te Matawai	-	20,000
Lift Education E Tu Limited	-	1,130
CORE Education Limited	-	1,000
Te Papa	252	-
Manaaki Whenua	9,999	6,666.00
Total Grants and Subsidy Income	928,168	694,943

7 ACE Income

ACE Income includes sale of fishing ACE to Port Nicholson Fisheries LP ('PNF'). The Group has committed to selling its CRA ACE to PNF for a rolling three year notice period. The initial purchase price paid by PNF for each fishing year is recognised when each year's sale is agreed and is reasonably determined based on long term market price at the start of each fishing year. Profit distribution payments are received from PNF each year after its 31 March financial statements are audited. This payment is recognised when this has been agreed by PNF directors and communicated to the Group. This is included as Ace income in the Statement of Comprehensive Revenue and Expenses.

8 Expenses

The following amounts were expensed in the surplus/(deficit) for the year:	2023	2022
Audit fees	38,620	36,500
Bad and doubtful debts	(20,760)	2,277
Grants Paid	22,565	25,574
Total	40,425	64,351

9 Depreciation, amortisation and impairment expenses

	2023	2022
Depreciation of property, plant and equipment	297,888	266,024
Total	297,888	266,024

10 Farming Surplus

	2023	2022
Farming Revenue	552,379	926,124
Stock Movement (net of freight provisions)	87,884	(74,579)
Farming Surplus	640,263	851,545

Detailed Livestock Trading Breakdown

Cattle Trading Account

	Quantity	Value	2023	2022
Sales	107	$ 624	66,812	206,717
Less Purchases				
Breeding Bulls	-	$ -	-	19,000
MA Cows	59	$ 250	14,750	
R1 Steers	53	$ 144	7,649	
Cash Surplus			44,413	187,717
Opening Stock				
Rising 1 Year Heifers	72	$ 565	40,698	43,070
Rising 2 Year Heifers	34	$ 882	29,998	21,682
Mixed Aged Cows	159	$ 1,129	179,479	199,264
Rising 1 Year Steers & Bulls	57	$ 687	39,148	51,731
Rising 2 Year Steers & Bulls	2	$ 1,056	2,111	925
Breeding Bulls	6	$ 2,684	16,106	14,759
	330		307,540	331,431
Closing Stock				
Rising 1 Year Heifers	76	$ 631	47,933	40,698
Rising 2 Year Heifers	33	$ 980	32,342	29,998
Mixed Aged Cows	249	$ 1,134	282,341	179,479
Rising 1 Year Steers & Bulls	135	$ 782	105,570	39,148
Rising 2 Year Steers & Bulls	0	$ 1,150	-	2,111
Breeding Bulls	6	$ 3,003	18,018	16,106
	499		486,204	307,540
Less Provision for Freight Movement			(44,800)	8,795
Natural Increase and Deaths (net)	164			
Net Surplus from Cattle Trading			(89,451)	202,813

10 Farming Trading Accounts (continued)

Sheep Trading Account

	Quantity	Value	2023	2022
Sales	4,323	$ 99	429,269	670,496
Less Purchases				
Breeding Rams	10	$ 1,120	11,200	-
Cash Surplus			418,069	670,496
Opening Stock				-
Ewe Hoggets	943	$ 122	114,622	104,550
Ram & Wether Hoggets	627	$ 122	76,212	177,114
Two - Tooth Ewes	1,155	$ 190	219,912	140,920
Mixed - Aged Ewes	2,197	$ 172	377,225	336,325
Rising 5 Year & Older Ewes	513	$ 150	76,745	130,005
Breeding Rams	49	$ 326	15,994	15,375
	5,484		880,709	904,289
Closing Stock				-
Ewe Hoggets	1,337	$ 116	154,557	114,622
Ram & Wether Hoggets	392	$ 114	44,649	76,212
Two - Tooth Ewes	914	$ 174	159,265	219,912
Mixed - Aged Ewes	2,499	$ 150	375,975	377,225
Rising 5 Year & Older Ewes	800	$ 122	97,920	76,745
Breeding Rams	51	$ 316	16,126	15,994
	5,993		848,491	880,710
Less Provision for Freight Movement			(13,762)	(35,857)
Natural Increase and Deaths (net)	4,822			
Net Surplus from Sheep Trading			464,049	729,932

Hokotehi Moriori Trust and Subsidiaries

Notes to the Financial Statements

11 Financing income and costs

	2023	2022
Financing income		
Interest income on bank deposits	60,008	18,307
Total finance income	60,008	18,307
Financing expenditure		
Interest expense - borrowings	726,922	429,609
Total finance costs	726,922	429,609

12 Dividend income

	2023	2022
Dividend income on available-for-sale financial assets	5,356	12,875
Total	5,356	12,875

13 Cash and cash equivalents

	2023	2022
Cash and cash equivalents	3,580,118	3,565,925
Total cash and cash equivalents	3,580,118	3,565,925

The carrying amount of cash and cash equivalents approximates their fair value.

14 Receivables from exchange transactions

	2023	2022
Trade debtors	225,511	385,087
Other accruals	2,118,811	1,847,874
Total	2,344,321	2,232,961

Non-exchange receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value.

Impairment allowance

The movement in the allowance for doubtful debts is as follows:	2023	2022
Opening balance	31,032	28,755
Impairment losses recognised in the year	(26,763)	-
Impairment losses reversed in the year	-	2,277
Closing balance	4,269	31,032

The maximum exposure to credit risk at the reporting date is the carrying amount of trade debtors and other receivables as disclosed above. The entity does not hold any collateral as security.

15 Inventories

	2023	2022
Current Inventories		
Bulk Diesel	9,430	8,191
Livestock	1,334,695	1,188,249
Total current inventories	1,344,125	1,196,440

No inventories have been pledged as security over borrowings and other liabilities.

Notes to the Financial Statements

16 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

2023	Land & Buildings	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
Gross carrying amount	6,402,580	958,914	568,694	294,418	170,748	8,395,354
Additions	84,355	59,449	77,097	72,070	1,721	294,692
Disposals	-	(5,658)		-	-	(5,658)
Closing balance	6,486,935	1,012,705	645,791	366,488	172,469	8,684,388
Accumulated depreciation and impairment						
Opening balance	1,411,552	644,747	317,924	240,481	154,775	2,769,479
Depreciation for the year	88,962	52,228	73,094	12,018	7,121	233,423
Closing balance	1,500,514	696,975	391,018	252,499	161,896	3,002,902
Carrying amount 30 June 2023	4,986,421	315,730	254,773	113,989	10,573	5,681,487

2022	Land & Buildings	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
Gross carrying amount	5,849,399	875,226	391,776	279,533	153,326	7,549,260
Additions	553,181	83,688	188,842	14,885	17,422	858,018
Disposals	-	-	(11,924)	-	-	(11,924)
Closing balance	6,402,580	958,914	568,694	294,418	170,748	8,395,354
Accumulated depreciation and impairment						
Opening balance	1,327,400	597,988	273,354	229,366	149,709	2,577,817
Current year depreciation	84,152	46,759	44,570	11,115	5,066	191,662
Closing balance	1,411,552	644,747	317,924	240,481	154,775	2,769,479
Carrying amount 30 June 2022	4,991,028	314,167	250,769	53,937	15,973	5,625,875

17 Investment property

	2023	2022
Opening balance	3,784,511	3,853,551
Additions	2,259	5,638
Disposals	(44,173)	-
Less depreciation for the year	(64,658)	(74,679)
Closing balance	3,677,939	3,784,511

Investment property includes residential rental properties on Rekohu - and a commercial rental property in Miramar, Wellington - which are held to earn rents and for capital appreciation purposes.

The entity has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Hokotehi Moriori Trust and Subsidiaries

Notes to the Financial Statements

18 Other financial assets

	2023	2022
Current assets		
Income Tax Receivable	717	1,858
GST Receivable	221,204	-
Total current other financial assets	221,922	1,858
Financial assets at FVTSD		
Shares - Alliance Group	17,798	15,932
Shares - Aotearoa Fisheries Limited	253,955	253,955
Total non-current other financial assets	271,753	269,887

There is no impairment provision for investments.

19 Intangible assets

	2023	2022
Fishing Quota		
Fishing Quota Opening Value	66,692,712	61,550,512
Quota purchased during the year	-	1,155,000
Quota revaluation for the year	3,822,202	3,987,200
Total Fishing Quota	70,514,914	66,692,712

Where possible the Fishing Quota shares are recorded at fair value based on valuation. This requires an Active Market. Where there has been no Active Market the shares have been valued either on prior historical fair value where an Active Market was available, or at historical Cost.

The calculation of fair value is a best estimate and requires the use of significant estimates and judgement. The Fishing Quota shares were therefore independently valued as at 30 June 2023 by Quota Management Systems Limited. The valuation was based on estimates of the likely current market values of quota shares with consideration of related information on the desirability for certain fish stocks and an assessment of any risk factors associated with each stock at 30 June 2023. The Management and Trustees of the Group have considered the valuation of the quota shares and are comfortable that the valuation is a reliable estimate of the value of shares.

The breakdown of the Quota Shares is as follows:

Fishing Quota Valuation:	**Share Code**	**Valuation Method**	2023	2022
Blue Cod	BCO4	No active market - 2021 Value	4,119,100	4,119,100
Paua	PAU4	No active market - 2022 Value	7,328,000	7,328,000
Crayfish	CRA6	Active Market - 2023 Market Value	53,510,800	49,688,600
Hoki	HOK1	No active market - 2019 Value	1,084,352	1,084,352
Orange Roughy	ORH3B	No active market - 2015 Value	1,756,761	1,756,761
Scampi	SCI4A	No active market - 2015 Value	300,531	300,531
Small Fishstock		No active market - 2015 Value	2,415,368	2,415,368
Total non current intangible assets			70,514,912	66,692,712

The Group has committed a total of 38.22 tonne of CRA6 ACE to Port Nicholson Fisheries LP for a minimum of three years. This commitment continues on a rolling three-yearly basis with one month's notice required to exit the arrangement after completion of the next three year term.

	2023	2022
Language application	75,739	75,739
Total Language application	75,739	75,739
Total Intangible assets	70,590,653	66,768,451

20 Payables under exchange transactions

	2023	2022
Current		
Trade creditors	207,633	442,578
GST payable	-	134,496
Total current	207,633	577,074

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

21 Employee entitlements

	2023	2022
Current		
Wages accrual	31,813	39,697
Annual leave entitlements	58,626	68,595
Total	90,438	108,292

Short-term employee entitlements represent the entity's obligation to its current and former employees that are expected to be settled within 12 months of balance date.

22 Other current financial liabilities

	2023	2022
Audit fees accrual	36,500	34,000
Livestock freight accrual	300,483	241,921
Other accruals	100,960	38,626
Credit Cards	6,217	9,703
Other current financial liabilities	444,160	324,250

23 Loans and borrowings

	2023	2022
Current		
ANZ Bank 1003	4,650,000	4,650,000
ANZ Bank 1004	4,450,000	4,450,000
Total loans and borrowings	9,100,000	9,100,000

(a) Interest rates and maturities

ANZ Bank 1003 Loan - Interest only, interest rate at balance date of 8.6%, matures 30 September 2023.

ANZ Bank 1004 Loan - Interest only, interest rate at balance date of 9.28%, matures 30 September 2023.

(b) Security

All of the above ANZ Bank loans are secured as follows:

Cross guarantee and indemnity between Kopi Holdings Limited and Hokotehi Moriori Trust;

Registered first ranking mortgages over property at Kaingaroa Road, Chatham Islands;

Registered first ranking general security agreement over all present and after-acquired property of Kopi Holdings Limited;

Registered first ranking mortgage over Kaingaroa Station;

Registered first ranking mortgage over 5,617,222 Cray 6 fishing quota owned by Kopi Holdings Limited;

Registered first ranking mortgage over a property situated at Maipito Road.

23 Loans and borrowings (continued)

Non-current	2023	2022
Moriori Imi Settlement Trust Loan	1,582,212	1,582,212
Total loans and borrowings	1,582,212	1,582,212

The above is an intercompany loan between Kopi Holdings Limited and the Moriori Imi Settlement Trust. The loans is repayable to the Trust on demand with interest charged at 3.5% p.a. The loan is not expected to be repaid in the next 12 months and is therefore classified as non-current.

24 Other equity reserves

	2023	2022
Quota Shares Revaluation Reserve	47,462,132	42,760,292
Total	47,462,132	42,760,292

Quota Shares Revaluation Reserve

This reserve records the movements in fair value of the quota shares. Upon sale of the shares the accumulative balance of fair value gains/(losses) related to that asset are reclassified to the surplus or deficit for the year.

25 Financial instruments

(a) Carrying value of financial instruments

The carrying amount of all material financial position assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

(b) Classification of financial instruments

All financial assets held by the Group are classified as "loans and receivables" are carried at cost less accumulated impairment losses.

All financial liabilities held by the Group are carried at amortised cost using the effective interest rate method.

(c) Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2023	Financial assets at fair value through surplus or deficit	Amortised Cost	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents		3,580,118	-	3,580,118
Trade debtors and other receivables	-	2,344,321	-	2,344,321
Other financial assets	271,753	-	-	271,753
Total	271,753	5,924,439	-	6,196,192
Financial liabilities				
Trade creditors and other payables	-	-	351,781	351,781
Loans and borrowings	-	-	9,100,000	9,100,000
Other financial liabilities	-	-	1,906,462	1,906,462
Total	-	-	11,358,243	11,358,243

25 Financial instruments (continued)

2022	Financial assets at fair value through surplus or deficit	Amortised Cost	Financial liabilities at amortised cost	Total
Financial assets				
Cash and cash equivalents		3,565,925	-	3,565,925
Trade debtors and other receivables	-	2,232,961	-	2,232,961
Other financial assets	269,887	-	-	269,887
Total	269,887	5,798,886	-	6,068,773
Financial liabilities				
Trade creditors and other payables	-	-	577,074	577,074
Loans and borrowings	-	-	9,100,000	9,100,000
Other financial liabilities	-	-	1,906,462	1,906,462
Total	-	-	11,583,536	11,583,536

26 Contingent assets and contingent liabilities

During the year the Board of Trustees has commissioned an external party to conduct an investigation, the outcome of which is currently unkown until a draft report is submitted to the Board. (2022: Nil)

27 Crown Settlement

In August 2017 Moriori signed an Agreement in Principle (AIP) with the Crown to settle all Moriori historical claims. The AIP was ratified by an 85% voter support of members. In August 2019 the Moriori Imi Settlement Trust (MIST) initialled a Deed of Settlement (DOS) with the Crown as the next step in the process towards achieving a final settlement. A Deed of Settlement was signed with the Crown at Kopinga Marae in February 2020. The $18 million settlement was partially paid with $3.6 million received on 30 June 2022 and the balance of $14.4 million was received on 16 February 2022.

28 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the entity.

Transactions with related parties
The following transactions were carried out with related parties:

Key management compensation
The entity has a related party relationship with its Trustees and other key management personnel. Key management personnel includes Trustees and senior management.

	2023	2022
Salaries and other remuneration/compensation	556,011	450,132
Total remuneration paid	556,011	450,132
Number of FTEs recognised as key management personnel	4	4

The above remuneration/compensation includes 8 Trustees (2021: 8 Trustees) and other key management personnel, which equates to 4 full time equivalents (FTEs). Note that payments for treaty negotiation fees are included in the total.

28 Related party transactions (continued)

Other related party transactions:
The following transactions were carried out with other related parties:

During the year consultancy services of $17,560 have been provided by close family members of key management personnel and Trustees (2022: $62,307). Substantial portions of these payments were covered by external grants.

Interest costs of $55,377 were charged to Kopi Holdings Limited during the year in relation to their loan from Moriori Imi Settlement Trust as recorded in note 23 (2022: $55,377).

29 Going Concern

As at 30 June 2023 the Group's current liabilities exceeded its current assets by $2,112,211 (2022: $3,053,771). The Group's total liabilities amounted to $11,424,442 (2022: $11,691,827) of which the main contributor relates to a loan from ANZ. Notwithstanding this, the Trustees believe that the Group remains a going concern on the basis that there are several options available to manage the repayment of the loan. These are the use of proceeds from the Crown settlement (as disclosed in note 27), re-negotiation of repayment terms with the ANZ Bank, or realising the Group's Quota Shares. As a result, the Trustees believe that the Trust will have sufficient funds to meet all of its obligations for the foreseeable future.

30 Taia Historical Reserve

The Minister for the Environment has vested the Taia Reserve with Hokotehi Moriori Trust on the 6th of April 2023.

31 Subsequent Events

Profit Distribution Income - Historical GST Adjustment
It was discovered subsequent to balance date, that amounts included in previous Profit Share Distributions (as per Note 7) were incorrectly returned to the IRD in the periods they were received. This has resulted in the Group posting a historical adjustment to record the revenue that was previously returned to the IRD. As a result the amount of $275,367 was posted as an adjustment in the 2023 Financial Year. The entity will proceed with a disclosure to the IRD in order to recover these amounts.
There were no other significant events that occurred subsequent to balance date.

32 Commitments

As at 30 June 2023 the Group has not entered into any contract agreements for capital works.

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INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Hokotehi Moriori Trust

Opinion

We have audited the consolidated general purpose financial report of Hokotehi Moriori Trust (the Trust) and its controlled entities (the Group) which comprise the consolidated financial statements on pages 10 to 35, and the consolidated service performance information on page 9. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 30 June 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 30 June 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report* 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.

Trustees' Responsibilities for the Consolidated General Purpose Financial Report

The Trustees are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and

(c) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and the consolidated service performance information 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) and NZ AS 1 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 this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, 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 of the consolidated financial statements and the consolidated service performance information 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 management.
- Obtain an understanding of the process applied by the entity to select what and how to report its consolidated service performance.
- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.
- 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 consolidated general purpose financial report 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.

- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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.

Restriction on Use

This report is made solely to the Group's Beneficial Owners, as a body. Our audit has been undertaken so that we might state to the Group's Beneficial Owners 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 Group and the Group's Beneficial Owners as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
31 October 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Te Keke Tura Moriori Identity Trust

Performance Report
For the year ended 30 June 2023
Prepared by BDO Christchurch Ltd

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Te Keke Tura Moriori Identity Trust

Opinion

We have audited the performance report of Te Keke Tura Moriori Identity Trust (the Trust) on pages 43 to 52, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2023, the statement of financial position as at 30 June 2023, and the statement of accounting policies and other explanatory information.

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; and

b) the performance report on pages 43 to 52 presents fairly, in all material respects:

- the entity information for the year ended 30 June 2023;
- the service performance for the year ended 30 June 2023; and
- the financial position of the Trust as at 30 June 2023, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust 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 Trust.

Trustees' Responsibilities for the Performance Report

The Trustees are responsible on behalf of the Trust for:

(a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(b) The preparation and fair presentation of the performance report, which comprises:

- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

(c) For such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible 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 the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, 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 this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, 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, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Restriction on Use

This report is made solely to the Beneficial Owners, as a body. Our audit has been undertaken so that we might state to the Trust's Trust 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 Beneficial Owners as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
2 November 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity intere (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducte via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by privately owned organisation and/or its subsidiaries.

Directory

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

Date of Trust Deed:	Tuesday, 17 June 2008
Address:	Kōpinga Marae 573 Waitangi Wharf Owenga Road Chatham Islands
Nature of Activities:	Moriori Culture is defined by the concepts of unity, peace and sharing. The nature of the activities undertaken by the Te Keke Tura Moriori Identity Trust is the relief of cultural "poverty" or "need" of all Moriori through the preservation, revival, support and promotion of Moriori identity, culture, language and heritage.
Trustees:	Mark Preece (appointed 20 February 2016) Christine Harvey (appointed 6 June 2023) Pana Ryan (appointed 6 June 2023) Maui Solomon (29 May 2008 - 6 June 2023) Julie Scrimgeour (12 July 2010 - 6 June 2023) Sharon Wadsworth (20 February 2016 - 6 June 2023)
Bankers:	ANZ
Accountant:	BDO Christchurch Limited Chartered Accountants 287-293 Durham Street North Christchurch 8013
Auditor:	Crowe New Zealand Audit Partnership Wellington
Registration Number:	Hokotehi Moriori Trust Group CC43332

Entity Information

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

Legal Name of Entity

Te Keke Tura Moriori Identity Trust

Entity Type and Legal Basis

Charitable Trust

Entity's Purpose or Mission

Moriori Culture is defined by the concepts of unity, peace and sharing. The nature of the activities undertaken by the Te Keke Tura Moriori Identity Trust is the relief of cultural "poverty" or "need" of all Moriori through the preservation, revival, support and promotion of Moriori identity, culture, language and heritage.

Entity Structure

The Trust is governed by a Board of Trustees who are charged with complying with the provisions of the Trust Deed. There are no management personnel.

Main Sources of Entity's Cash and Resources

The Trust received an initial settlement of $6 million, which has been invested. The Trust's main source of funds are investment returns received from its investments.

Main Methods Used by Entity to Raise Funds

The Trust does not externally fundraise.

Entity's Reliance on Volunteers and Donated Goods or Services

The Trustees of the Trust are unpaid and therefore effectively donate their services. The Trust does not rely on any donated goods.

Statement of Service Performance

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

Description of Entity's Outcomes

Te Keke Tura Moriori Identity Trust ("TKT") is part of the Hokotehi Moriori Trust ("HMT") group. The objectives of TKT are the relief of cultural "poverty" or "need" of all Moriori through the preservation, revival, support and promotion of Moriori identity, culture language and heritage including:

- To rebuild, reclaim and revive Moriori culture, heritage and identity.

- To promote better understanding and education awareness among Moriori and the wider general public of Moriori culture, heritage and identity.

- To promote and foster better understanding of the Moriori legacy of peace.

Description and Quantification of the Entity's Outputs

The following grants to members were approved by the trustees in order to achieve the aims of TKT (note grants are recorded by TKT in accordance with TKT's accounting policy where grants are recorded in the year when these are approved by the Trustees and actual payment could be in the following year)

	2023	2022
Description and Quantification of the Entity's Outputs		
Recipient and Purpose		
Avthokea Fowler - Education Grant	3,500	-
Caleb Webber - Education Grant	-	2,500
Duane Trafford - Arborist Grant	2,500	-
Erin King - Education Grant	432	-
Hinemata Solomon - Education Grant	-	824
Isabella Penter - Education Grant	-	2,500
Jada Solomon - Education Grant	-	2,500
Katelyn Whittaker-Prendeville - Education Grant	2,500	2,500
Kushla Allen - Education Grant	-	2,000
Mecini Fowler - Education Grant	2,000	-
Madison Heurea - Education Grant	-	3,000
Raiha Kahukore - Education Grant	4,000	-
Renee Jones - Education Grant	2,500	-
Taylor Donaldson - Education Grant	2,500	3,000
Timothy Hebenton - Education Grant	2,000	-
William Knight - Education Grant	-	2,500
Total Grants Approved	**21,932**	**21,324**

Statement of Financial Performance

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

	NOTES	2023	2022
Revenue			
Interest Received	1	238,902	198,833
Ace Income - Kopi Holdings (Paua Quota)		43,683	-
Total Revenue		**282,585**	**198,833**
Expenses			
Audit Fee		6,000	-
Bank Fees		20	75
Grants Approved	2	21,932	21,324
Total Expenses		**27,952**	**21,399**
Surplus/(Deficit) for the Year		**254,633**	**177,434**

These financial statements have been authorised for issue by the Trust Board on

Chair — Date: 2 November 2023

Trustee — Date: 2 November 2023

This statement should be read in conjunction with the notes to the financial report.

Statement of Movements in Equity

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

	2023	2022
Equity		
Opening Balance	7,476,547	7,299,113
Increases		
Net Surplus	254,633	177,434
Total Increases	**254,633**	**177,434**
Total Equity	**7,731,180**	**7,476,547**

This statement should be read in conjunction with the notes to the financial report.

Statement of Financial Position

Te Keke Tura Moriori Identity Trust
As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Bank accounts and cash	3	2,747,272	2,780,322
Advance - Kopi Holdings Limited	4	3,550,000	3,550,000
Advance - Kopi Holdings Limited (Paua Quota)	4	1,155,000	1,155,000
Accrued Ace Income - Kopi Holdings Limited (Paua Quota)	4	43,683	-
Advance - HMT Group Cashflow Loan	4	250,000	-
Total Current Assets		**7,745,955**	**7,485,322**
Total Assets		**7,745,955**	**7,485,322**
Liabilities			
Current Liabilities			
Hokotehi Moriori Trust	4	8,775	8,775
Accounts Payable		6,000	-
Total Current Liabilities		**14,775**	**8,775**
Total Liabilities		**14,775**	**8,775**
Net Assets		**7,731,180**	**7,476,547**
Equity			
Trust Settlement		6,000,000	6,000,000
Retained Surplus		1,731,180	1,476,547
Total Equity		**7,731,180**	**7,476,547**

This statement should be read in conjunction with the notes to the financial report.

Statement of Cash Flows

Te Keke Tura Moriori Identity Trust For the year ended 30 June 2023

	2023	2022
Statement of Cash Flows		
Cash Flows from Operating Activities		
Cash was Received from:		
Interest	238,902	199,632
Cash was Applied to:		
Bank Fees	20	75
Grants to Other Parties	21,932	21,324
Total Cash was Applied to:	**21,952**	**21,399**
Net Cash Flows from Operating Activities	216,950	178,233
Cashflows from Investing Activities		
Cash was Received from:		
Term Deposits	-	3,432,834
Cash was Applied to:		
Advance to Kopi Holdings Limited (Paua Quota)	-	1,155,000
Advance to HMT Group Short Term Cashflow Loan	250,000	-
Net Cashflows from Investing Activities	(250,000)	2,277,834
Net Increase/(Decrease in Cash)	(33,050)	2,456,067
Cash Balances		
Cash and cash equivalents at beginning of period	2,780,322	324,255
Cash and cash equivalents at end of period	2,747,272	2,780,322
Net change in cash for period	33,050	2,456,067

This statement should be read in conjunction with the notes to the financial report.

Statement of Accounting Policies

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

Reporting Entity

The Te Keke Tura Moriori Identity Trust ("the Trust") was established pursuant to a Deed of Trust dated 17 June 2008.

Basis of Preparation

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

Specific Accounting Policies

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

Revenue Recognition

Interest is recognised on an accrual basis.

Grants

Grants made by the Trust are recognised when approved by the Trustees.

Goods and Services Tax

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).

Income Tax

Te Keke Tura Moriori Identity Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Term Deposits

Current term deposits are those with original maturities between 91 days and 12 months. Non-current term deposits are those with maturity dates greater than 12 months.

Tier 2 PBE Accounting Standards Applied

The Board has not adopted any Tier 2 PBE Accounting Standards in the preparation of these accounts.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Te Keke Tura Moriori Identity Trust
For the year ended 30 June 2023

	2023	2022
1. Analysis of Revenue		
Interest, dividends and other investment revenue		
Interest Income - ANZ	58,002	17,933
Interest Income - Kopi Holdings Ltd	180,900	180,900
Total Interest, dividends and other investment revenue	**238,902**	**198,833**

	2023	2022
2. Grants Paid		
Avthokea Fowler	3,500	-
Caleb Webber	-	2,500
Duane Trafford	2,500	-
Erin King	432	-
Hinemata Solomon	-	824
Isabella Penter	-	2,500
Jada Solomon	-	2,500
Katelyn Whittaker-Prendeville	2,500	2,500
Kushla Allen	-	2,000
Macini Fowler	2,000	-
Madison Heurea	-	3,000
Raiha Kahukore	4,000	-
Renee Jones	2,500	-
Taylor Donaldson	2,500	3,000
Timothy Hebenton	2,000	-
William Knight	-	2,500
Total Grants Paid	**21,932**	**21,324**

	2023	2022
3. Cash and Bank Accounts		
ANZ 25 Account	2,747,272	2,780,322
Total Cash and Bank Accounts	**2,747,272**	**2,780,322**

	2023	2022
4. Related Party Balances		
Advance - Kopi Holdings Limited (Paua Quota)	1,155,000	1,155,000
Accrued Ace Income - Kopi Holdings Limited (Paua Quota)	43,683	-
Advance - Kopi Holdings Limited	3,550,000	3,550,000
Hokotehi Moriori Trust	(8,775)	(8,775)
Advance - HMT Group Cashflow Loan	250,000	-

Te Keke Tura Moriori Identity Trust (TKT) and Hokotehi Moriori Trust (HMT) are related because, pursuant to the TKT Trust Deed, HMT has the right to appoint two Trustees to TKT from among Trustees of HMT. TKT and Kopi Holdings Limited (Kopi) are related because HMT holds a 100% shareholding in Kopi, and are therefore subject to common control.

During the 2023 year, $21,932 of grants were approved for payment to Moriori Imi Members (2022: $21,324).

A resolution was passed by all Trustees of TKT on 15 November 2018, resolving to approve an unsecured loan from TKT to Kopi for the amount of $3,550,000, repayable on demand. This was drawn down on 26 November 2018, and has an interest rate of 5% per annum, payable monthly. Interest income received during the financial year ended 30 June 2023 was $180,900 (30 June 2022: $180,900).

On 15 December 2021, Kopi entered a sale and purchase agreement to acquire PAU4 quota. This was funded by a $1,115,000 loan advance from TKT. The loan is not interest bearing. Kopi will pay TKT all net proceeds from the quota, which has been accrued on the balance sheet at year end and is recorded in the above note (30 June 2023: $43,683, 30 June 2022: Nil).

Upon the sale of the quota, TKT is entitled to the value over and above the initial purchase price. TKT is entitled to note an increase in the value of the quota in their annual financial statements as a contingent asset. This loan advance is repayable on demand, and Kopi also has the right to repay the loan advance, including any increase in the value of the quota.

On the 6th of June 2023, TKT advanced the HMT Group $250,000 for a period of 3 months, at a rate of 6% per annum, as a short term loan to assist with cashflow.

Me rongo

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MORIORI UNITY AND DEVELOPMENT