Rakiura Maori Lands Trust
Consolidated Financial Statements
For the Year Ended
30 June 2019

RAKIURA MAORI LANDS TRUST

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Continuing Operations			
Revenue	4	117,804	112,693
Investment Income	5	213,325	224,408
Other gains and losses	6	2,423	83,236
Depreciation Expense	8	(50,475)	(45,481)
Trust Administration Expenditure		(118,268)	(144,164)
Owners Administration Expenditure		(10,731)	(15,564)
Investing Activity Expenditure		(70,206)	(62,817)
Governance Expenditure		(138,391)	(133,651)
Project Expenditure		(14,874)	(2,083)
Other Expenses		(106,225)	(109,487)
Profit (loss) Before Tax		(175,618)	(92,910)
Income Tax Benefit	7.1	2,349	(851)
Profit (loss) for the year from continuing operations		(173,269)	(93,761)
Profit (loss) for the year		(173,269)	(93,761)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
Net fair value loss on available-for-sale financial assets during the year		(19,138)	156,451
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		267,441	290,723
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI transferred to retained earnings on disposal		69,353	-
Other comprehensive income for the year, net of income tax		317,656	447,174
Total comprehensive income (loss) for the year		144,387	353,413
Profit for the year attributable to:			
Special Funds & Reserves		157,606	171,369
Retained Earnings		(330,875)	(265,130)
		(173,269)	(93,761)
Total comprehensive income for the year attributable to:			
Special Funds & Reserves		157,606	171,369
Retained Earnings		(13,219)	182,044
		144,387	353,413

RAKIURA MAORI LANDS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
ASSETS			
Non-current assets			
Property, plant and equipment	8	651,859	701,836
Investments	9	6,463,652	6,493,516
Deferred tax assets	7.4	5,095	3,734
Investment in Joint Operations		19,679	9,270
Total non-current assets		7,140,285	7,208,356
Current assets			
Trade and other receivables	12	41,327	67,639
Other current assets	11	4,754	7,243
Cash and cash equivalents	17	618,603	441,358
		664,684	516,240
Total current assets		664,684	516,240
Total assets		7,804,969	7,724,596
EQUITY AND LIABILITIES			
Capital and Reserves			
Reserves	13	7,275,432	6,869,523
Retained Earnings	14	(2,337,929)	(2,076,407)
Equity atributable to trust		4,937,503	4,793,116
Total equity		4,937,503	4,793,116
Non-current liabilities			
Deferred tax liabilities	7.4	18,277	19,265
Total non-current liabilities		18,277	19,265
Current liabilities			
Deferred Revenue	19	80,000	71,000
Other current liabilities		23,085	50,644
Trade and other payables	16	36,088	34,463
Unclaimed dividends	15	2,710,016	2,756,108
Total current liabilities		2,849,189	2,912,215
Total liabilities		2,867,466	2,931,480
Total equity and liabilities		7,804,969	7,724,596

For and on behalf of the Trust, dated 9 September 2019

Simon Gomez

Kaiwhakahaere

These Unaudited Financial Statements should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements

RAKIURA MAORI LANDS TRUST

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Land management reserve	Trust administration reserve	Available-for-sale revaluation reserve	Foreign Currency translation reserve	Section 218 reserve	Retained Earnings	Atributable to the trust	Total
	$	$	$	$	$	$	$	$
Balance as at 30 June 2017	2,781,890	1,700,560	432,457	(190,596)	1,526,669	(1,811,277)	4,439,703	4,439,703
Profit for the year	41,729	-	-	-	129,640	(265,130)	(93,761)	(93,761)
Other comprehensive income for the year, net of income tax	-	-	290,723	156,451	-	-	447,174	447,174
Total comprehensive income for the year	41,729	-	290,723	156,451	129,640	(265,130)	353,413	353,413
Payment of dividends	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	2,823,619	1,700,560	723,180	(34,145)	1,656,309	(2,076,407)	4,793,116	4,793,116
Profit for the year	47,292	-	-	-	110,314	(330,875)	(173,269)	(173,269)
Other comprehensive income for the year, net of income tax	-	-	267,441	(19,138)	-	69,353	317,656	317,656
Total comprehensive income for the year	47,292	-	267,441	(19,138)	110,314	(261,522)	144,387	144,387
Payment of dividends	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	2,870,911	1,700,560	990,621	(53,283)	1,766,623	(2,337,929)	4,937,503	4,937,503

These Unaudited Financial Statements should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements

RAKIURA MAORI LANDS TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Cash flows from operating activities			
Interest received		103,461	95,443
Dividends Received		125,905	138,824
Receipts from customers		126,242	59,667
Payments to suppliers and employees		(456,134)	(511,565)
Cash generated from operations		(100,526)	(217,631)
Interest paid		(19)	(1)
Income Taxes Paid		(12,651)	(13,236)
Net cash generated by operating activities		(113,196)	(230,868)
Cash flows from investing activities			
Payments to acquire investments		(1,185,524)	(925,247)
Proceeds on sale/maturity of investments		1,522,634	778,759
Payments for property, plant and equipment		(1,864)	(72,124)
Proceeds from disposal of property, plant & equipment		1,287	(1,879)
Net cash (used in)/generated by investing activities		336,533	(220,491)
Cash flows from financing activities			
Payments to Beneficial Owners		(46,092)	(40,194)
Net cash used in financing activities		(46,092)	(40,194)
Net increase/(decrease) in cash and cash equivalents		177,245	(491,553)
Cash and cash equivalents at the beginning of the year		441,358	932,911
Cash and cash equivalents at the end of the year	17	**618,603**	**441,358**

1 GENERAL INFORMATION

These financial statements are for Rakiura Maori Lands Trust (the Trust) and its subsidiaries (together the Group).

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements of Rakiura Maori Lands Trust have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Rakiura Maori Lands Trust is a profit oriented entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS-RDR').

NZ IFRS – reduced disclosure regime

The Group has applied External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities) (XRB A1). The Group qualifies for NZ IFRS-RDR as it does not have public accountability and is not a large for-profit public sector entity. The Group has elected to apply NZ IFRS-RDR and has applied the applicable disclosure concessions.

Statutory Base

Rakiura Maori Lands Trust is a Trust formed under the Te Ture Whenua Maori Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 2013.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with NZ IFRS-RDR requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.1.1 Changes in accounting policy and disclosures

NZ IFRS 15 Revenue from Contracts with Customers (NZ IFRS 15)

NZ IFRS 15 establishes a five-step model for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. NZ IFRS 15 specifies how and when revenue should be recognised as well as requiring enhanced disclosures.

The Group adopted NZ IFRS 15 from 1 July 2018 using the modified retrospective approach. The results of the NZ IFRS 15 assessment framework and contract reviews indicated that the impact of applying NZ IFRS 15 on financial statements was not material for the Group and there was no adjustment to retained earnings or material impact on the timing of revenue recognition on application of the new rules at 1 July 2018.

On adoption of NZ IFRS 15, the Group has revised its accounting policies for revenue recognition (where applicable) which are disclosed in Note 2.9. Several additional disclosures required by NZ IFRS 15 are also included where appropriate.

NZ IFRS 9 Financial Instruments (NZ IFRS 9)
NZ IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting.

The Group has adopted NZ IFRS 9 and the related consequential amendments to other NZ IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. As permitted by the transitional provisions of NZ IFRS 9, the Group elected no to restate comparative figures. Additionally, the Group adopted consequential amendments to NZ IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for the year ended 30 June 2019.

Details of these new requirements as well as their impact on the financial statements are described below:

(i) Classification and measurement of financial assets
Under NZ IFRS 9, all the financial assets are measured at amortised cost, fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVTOCI) on the basis of the Incorporation's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The Group's financial assets include cash and cash equivalents, trade and other receivables, and debt securities, which continue to be measured at amortised cost. Equity investments are measure at FVTOCI as they meet the conditions under NZ IFRS 9.

(ii) Impairment of financial assets
The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL). The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, NZ IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:
1. Debt investments measured subsequently at amortised cost or at FVTOCI;
2. Trade receivables and contract assets.

In particular, NZ IFRS 9 requires the group to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial assets. NZ IFRS 9 also required a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets.

Based on the assessment undertaken, no material adjustment was made on transition.

(iii) Classification and measurement of financial liabilities
There has been no change to the recognition and measurement of financial liabilities following the adoption of NZ IFRS 9. These continue to be classified at amortised cost.

New standards not yet adopted
There are no new standards, amendments or interpretations that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

All other policies have been applied on a basis consistent with those used in previous years.

2.2 Consolidation
(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions and balances between Group entities are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Joint arrangements

The group applies NZ IFRS 11 to all joint arrangements. Under NZ IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Rakiura Maori Lands Trust has assessed the nature of its joint arrangements and determined them to be joint operations.

2.3 Property, Plant and Equipment

The land owned by Rakiura Maori Lands Trust on Stewart Island (legally administered by the Trustees on behalf of the Beneficial Owners) was vested to the Trust under the Te Ture Whenua Maori Land Act 1993. The land was vested for nil consideration and as such is recorded at nil cost. Land and Buildings owned by Rakiura Maori Lands Trust, but not vested to the Trust under the Te Ture Whenua Maori Land Act 1993 are recorded at historical cost less accumulated depreciation. All other property, plant and equipment is stated at historical cost less aggregate depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Permits are depreciated using the straight-line method to allocate their cost to their residual values over the life of the permit. Depreciation on other assets is calculated using the diminishing value method to allocate their cost to their residual values over their estimated useful lives, unless the asset is not in use, as follows:

Buildings and Structures	2-40%
Property Improvements	4.8-12%
Office Equipment	10-48%
Computer Equipment and Software	10-60%
Plant & Equipment	4-80%
Vessel	13-48%
Motor Vehicles	12-30%
Cafe Equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.4).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other Income' in the income statement.

2.4 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

2.5 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.6 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(a) Amortised Cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective it to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are measured using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial assets is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated-credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not recert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item (note 5) in profit and loss.

(b) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investment, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss according to NZ IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "investment income" line item (note 5) in profit and loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of NZ IFRS 9.

Foreign exchange gains and losses
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences on retranslation of equity investments designated at fair value through other comprehensive income which are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

Impairment of Financial Assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI as well as on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, a 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Trustees periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Revenue Recognition

Revenue is recognised in accordance with the following table:

Revenue	Description	Payment & Other Terms	Performance Obligation	Revenue Recognition
Hunting Permits	Provision of hunting permits for Group land	Hunting Permits are held by deposit, with the remaining balance due 90 days prior to the permit date	To provide access to the hunting block specified on the permit for the period of time specified on the permit	Revenue earned is recognised in the period relating to the date specified on the hunting permit
Rental Income	Rental of buildings and walking tracks	Payment and terms are specific to the lease involved, with building rental payable on a monthly basis and walking track rental payable on an annual basis	To provide access to buildings and walking tracks in accordance with the terms of the lease	Revenue is recognised on a straight-line basis over the term of the lease, except for walking track rental which is recognised in full on invoicing
Slipway	Provision of slipway services	Slipway services are paid on invoice	To provide access to the slipway for the negotiated term	Revenue is recognised once the specified service has been provided to the customer
Other Income	Sundry income items	Sundry income is paid on invoice	To provide goods and/or services per negotiated terms with the customer	When the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity

2.10 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

2.11 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.12 Unclaimed Dividends

Unclaimed dividends arise where the beneficiaries of declared dividends have not come forward. These are recorded at the original dividend payable.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 REVENUE

The following is an analysis of the Group's revenue for the year from continuing operations.

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Hunting Permits		81,853	77,200
Rental Income		19,972	20,666
Slipway		15,788	14,130
Other income		191	697
		117,804	112,693

5 INVESTMENT INCOME

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Interest income			
Financial instruments measured at amortised cost			
Bank Deposits		1,223	1,280
Debt Securities		98,848	97,541
		100,071	98,821
Dividends received from equity investments designated as at FVTOCI		113,254	125,587
		113,254	125,587
Total Investment Income		213,325	224,408

6 OTHER GAINS AND LOSSES

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Continuing operations			
Income:			
Gain on disposal of property, plant and equipment		476	723
Revenue from government grants	20	2,500	-
Cumulative gain reclassified from equity on disposal of available-for-sale investments		-	147,082
		2,976	147,805
Expenses:			
Loss on disposal of property, plant and equipment		(553)	(3,958)
Cumulative loss reclassified from equity on disposal of available-for-sale investments		-	(60,611)
		(553)	(64,569)
Total other gains and losses		2,423	83,236

7 INCOME TAXES RELATING TO CONTINUING OPERATIONS

7.1 Income tax recognised in profit or loss

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Current Tax			
In respect of the current year		-	-
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period		-	-
		-	-
Deferred Tax			
In respect of the current year		(2,349)	851
		(2,349)	851
Total income tax benefit recognised in the current year relating to continuing operations		(2,349)	851

The income tax benefit for the year can be reconciled to the accounting profit as follows:

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Profit (loss) before tax from continuing operations		(175,618)	(92,910)
Income tax expense calculated at 17.5% (2016: 17.5%)		(30,733)	(16,259)
Effect of income that is exempt from taxation		-	28,364
Effect of expenses that are not deductible in determining taxable profit		14,107	22,852
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		16,626	(34,957)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets		(2,349)	851
		(2,349)	851
Income tax benefit recognised in profit or loss (relating to continuing operations)		(2,349)	851

7.2 Income tax recognised in other comprehensive income

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Total current tax		-	-

7.3 Current tax assets and liabilities

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Current tax assets			
Tax refund receivable		-	-
		-	-
Current tax liabilities			
Income tax payable		-	-
		-	-

7.4 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Deferred tax assets		5,095	3,734
Deferred tax liabilities		(18,277)	(19,265)
		(13,182)	(15,531)

2019	Opening balance $	Recognised in profit or loss $	Recognised in other comprehensive income $	Acquisitions /Disposals $	Closing balance $
Deferred tax (liabilities)/assets in relation to					
Property, plant and equipment	(19,265)	988	-	-	(18,277)
Provisions	3,734	1,361	-	-	5,095
	(15,531)	2,349	-	-	(13,182)

2018	Opening balance $	Recognised in profit or loss $	Recognised in other comprehensive income $	Acquisitions /Disposals $	Closing balance $
Deferred tax (liabilities)/assets in relation to					
Property, plant and equipment	(20,100)	835	-	-	(19,265)
Provisions	5,420	(1,686)	-	-	3,734
	(14,680)	(851)	-	-	(15,531)

7.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
- tax losses		3,705,851	3,446,207
		3,705,851	3,446,207

8 PROPERTY, PLANT AND EQUIPMENT

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Carrying amounts of:			
Freehold Land		-	-
Buildings & Huts		516,345	553,014
Property Improvements		59,940	63,627
Office Equipment		446	509
Computer Equipment & Software		5,731	10,283
Plant & Equipment		25,552	29,128
Vessel		2,302	2,732
Motor Vehicles		1,463	1,883
Café Equipment		38,490	38,825
Permits		1,590	1,835
		651,859	701,836

Cost	**Balance at 1 July 2018 $**	**Additions $**	**Disposals $**	**Reclassified as held for sale $**	**Balance at 30 June 2019 $**
Freehold Land	-	-	-	-	**-**
Buildings & Huts	770,875	-	-	-	**770,875**
Property Improvements	91,160	-	-	-	**91,160**
Office Equipment	1,394	-	-	-	**1,394**
Computer Equipment & Software	33,437	1,864	(7,349)	-	**27,952**
Plant & Equipment	55,888	-	-	-	**55,888**
Vessel	6,574	-	-	-	**6,574**
Motor Vehicles	13,157	-	(2,611)	-	**10,546**
Café Equipment	46,184	-	-	-	**46,184**
Permits	3,679	-	-	-	**3,679**
Capital Work in Progress	-	1,864	(1,864)	-	**-**
Total	1,022,348	3,728	(11,824)	-	1,014,252

Accumulated Depreciation	**Balance at 1 July 2018 $**	**Eliminated on Disposal of Assets $**	**Depreciation Expense $**	**Eliminated on reclassification as held for sale $**	**Balance at 30 June 2019 $**
Freehold Land	-	-	-		**-**
Buildings & Huts	217,862	-	36,669	-	**254,531**
Property Improvements	27,533	-	3,686	-	**31,219**
Office Equipment	885	-	62	-	**947**
Computer Equipment & Software	23,154	(6,073)	5,139	-	**22,220**
Plant & Equipment	26,760	-	3,576	-	**30,336**
Vessel	3,842	-	430	-	**4,272**
Motor Vehicles	11,274	(2,523)	333	-	**9,084**
Café Equipment	7,359	-	335	-	**7,694**
Permits	1,844	-	245	-	**2,089**
Total	320,513	(8,596)	50,475	-	362,392

9 INVESTMENTS

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Investments in equity instruments designated as at FVTOCI			
Equity securities (i)		3,476,877	3,592,571
Property		657,735	515,889
Unit funds		159,240	297,595
		4,293,852	4,406,055
Financial Assets measured at amortised cost			
Debt Securities		2,169,800	2,087,461
		2,169,800	2,087,461
Total Investments		6,463,652	6,493,516

(i) Equity investments include the purchase of Department of Conservation concessions for the investment in the partnership with Real Journeys Limited.

10 SUBSIDIARIES

Name of subsidiary	**Principle Activity**	**Year Ended 30/06/2019**	**Year Ended 30/06/2018**
Rakiura Wildlife Experiences Limited	Hunting	100%	100%

11 OTHER CURRENT ASSETS

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Prepayments		4,754	7,243
		4,754	7,243

12 TRADE AND OTHER RECEIVABLES

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Trade Receivables		25,071	44,878
Other receivables		16,256	22,761
		41,327	67,639

13 RESERVES

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Land Management Reserve	13.1	2,870,911	2,823,619
Trust Administration Reserve	13.2	1,700,560	1,700,560
Section 218 Reserve	13.3	1,766,623	1,656,309
Available-for-Sale Revaluation Reserve	13.4	990,621	723,180
Foreign Currency Translation Reserve	13.5	(53,283)	(34,145)
		7,275,432	6,869,523

13.1 Land Management Reserve

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		2,823,619	2,781,890
Inflation/Capital Adjustments		47,292	41,729
Balance at end of year		2,870,911	2,823,619

The Land Management Reserve is set aside to satisfy the Trust's obligation under the Land Management Plan to maintain the land and pests in perpetuity. The Land Management Reserve is inflation adjusted annually to preserve the original reserve set aside. The restoration work on the Neck was subsidised from this reserve.

13.2 Trust Administration Reserve

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		1,700,560	1,700,560
Inflation/Capital Adjustments		-	-
Balance at end of year		1,700,560	1,700,560

The Trust Administration Reserve is set aside to ensure the existence of the Trust now and into the future. The Trust Administration Reserve is adjusted depending on the annual result less transfers to other reserves, including top ups as determined by the trustees in order for the trust to survive in perpetuity.

13.3 Section 218 Reserve

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		1,656,309	1,526,669
Interest on unclaimed funds		110,314	129,640
Balance at end of year		1,766,623	1,656,309

The Section 218 Reserve is set aside under the Te Ture Whenua Maori Act 1993. The Section 218 Reserve is adjusted each year for interest on unclaimed dividends and can be used for projects specifically permitted under Section 218 as approved by the Trustees.

13.4 Investment Revaluation Reserve

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		723,180	432,457
Net fair value gain on investments designated as fair value through other comprehensive income during the year		375,091	437,805
Net fair value gain on investments designated as fair value through other comprehensive income transferred to equity		(107,650)	(147,082)
Balance at end of year		990,621	723,180

The Investment revaluation reserve includes net fair-value gains on investments designated as fair value through other comprehensive income. Net fair value losses on investments designated as fair value through other comprehensive income are offset in this reserve to the extent that the original gains were included in the reserve.

13.5 Foreign Currency Translation Reserve

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		(34,145)	(190,596)
Exchange differences arising on translating foreign operations		(19,138)	156,451
Balance at end of year		(53,283)	(34,145)

The Foreign Currency Translation reserve includes all foreign currency differences arising from the translation of foreign currency financial assets.

14 RETAINED EARNINGS

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Retained Earnings		(2,337,929)	(2,076,407)
Balance at beginning of year		(2,076,407)	(1,811,277)
Profit attributable to trust		(173,269)	(93,761)
Fair value gain/(loss) on disposal of investments in equity instruments designated as at FVTOCI		69,353	-
Transfers to reserves		(157,606)	(171,369)
Balance at end of year		(2,337,929)	(2,076,407)

15 UNCLAIMED DIVIDENDS

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Balance at beginning of year		2,756,108	2,796,302
Distributions released during the year		(46,092)	(40,194)
Balance at end of year		2,710,016	2,756,108

16 TRADE AND OTHER PAYABLES

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Trade payables		4,471	10,627
Other payables		31,617	23,836
		36,088	34,463

17 CASH AND CASH EQUIVALENTS

	Notes	Year Ended 30/06/2019 $	Year Ended 30/06/2018 $
Cash on hand and demand deposits		224,487	197,436
Foreign currency accounts		194,116	243,922
Short-term deposits		200,000	-
		618,603	441,358

18 FINANCIAL INSTRUMENTS

	Note	Amortised Cost		Fair Value through Other Comprehensive Income	
		Year Ended 30/06/2019	Year Ended 30/06/2018	Year Ended 30/06/2019	Year Ended 30/06/2018
		$	$	$	$
Assets as per balance sheet					
Cash and cash equivalents	18	418,603	441,358	-	-
Trade and other receivables	13	41,327	67,639	-	-
Term Deposits	18	200,000	-	-	-
Property	10	-	-	657,735	515,889
Unit funds	10	-	-	159,240	297,595
Investment securities					
Debt securities	10	2,169,800	2,087,461	-	-
Equity securities	10	-	-	3,476,877	3,592,571
		2,829,730	2,596,458	4,293,852	4,406,055

	Notes	Amortised Cost	
		Year Ended 30/06/2019	Year Ended 30/06/2018
		$	$
Liabilities as per balance sheet			
Trade and other payables		36,088	34,463
Unclaimed Dividends		2,710,016	2,756,108
		2,746,104	2,790,571

19 DEFERRED REVENUE

	Notes	Year Ended 30/06/2019	Year Ended 30/06/2018
		$	$
Arising from government grant		80,000	71,000
		80,000	71,000
Current		80,000	71,000
Non-current		-	-
		80,000	71,000

During the 2017 financial year, the Group was awarded a grant relating to the Rakiura Heritage Centre Taonga Housing and amounts to a total of $80,000, which is receivable in instalments on completion of the outputs specified in the agreement, and is to cover all expenses incurred under the agreement. $80,000 of this has been received to date and no expenses have been incurred to date under this agreement. The funds received are recognised as deferred revenue and will be released to the statement of profit or loss as expenses are incurred.

20 RELATED PARTY TRANSACTIONS

Balances and transactions between the Trust and its subsidiary, which are related parties of the Trust, have been eliminated on consolidation and are not disclosed in this note.

Honorariums are paid to the Trustees in accordance with the approval of the owners present at prior AGMs. In addition, meeting fees are paid to Trustees, as is reimbursement of travel. The total expense recorded to Trustees during the 2019 financial year was $79,250 (2018 $62,550).

Directors fees are also paid to the Directors of the subsidiary. The total expense recorded to Directors during the 2019 financial year was $19,535 (2018 $19,150).

21 COMMITMENTS FOR EXPENDITURE

No commitments for expenditure exist for the Group at balance date (2018 Nil).

22 CONTINGENT LIABILITIES

No contingent liabilities exist for the Group at balance date (2018 Nil).

23 EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place post balance date.

24 AUDIT OF THE FINANCIAL STATEMENTS

At the 2015 AGM on 4th October 2015 the beneficial owners voted to remove the requirement for the financial statements to be audited.

25 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the trustees and authorised for issue on 9 September 2019.