

Financial Statements

Waipapa Marae

For the year ended 31 March 2020

Prepared by Coast Accounting

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Directory

Waipapa Marae

For the year ended 31 March 2020

Nature of Business

Marae

Trustees

Hone Edwards
Jack Hikaia Porima
Anthony Spelman
Marlene Edwards
Ngaro TeHae
Hinga Ormsby

Chartered Accountant

Coast Accounting

Bankers

ANZ

Approval of Financial Report

Waipapa Marae

For the year ended 31 March 2020

The Trustees are pleased to present the approved financial report including the historical financial statements of Waipapa Marae for year ended 31 March 2020.

APPROVED

For and on behalf of the Trustees.

Chairperson

Date

Trustee

Date

Approval of Financial Report


Waipapa Marae

For the year ended 31 March 2020

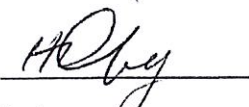
The Trustees are pleased to present the approved financial report including the historical financial statements of Waipapa Marae for year ended 31 March 2020.

APPROVED

For and on behalf of the Trustees.

x 
Chairperson

x Date 10/11/2020


Trustee

Date 10/11/20

Statement of Financial Performance

Waipapa Marae

For the year ended 31 March 2020

	NOTES	2020	2019
Revenue			
Koha		9,439	7,435
Waikato Tainui		24,136	147,571
Marae Hireage		9,132	-
Sundry Income		1,270	500
Interest Received		281	6,652
Grants Received		-	865,000
Total Revenue		44,258	1,027,158
Total Revenue		44,258	1,027,158
Expenses			
Accounting & Audit Fees		6,123	8,090
Advertising		400	531
Bank Fees		103	113
Catering Expenses		2,107	3,786
Cleaning		1,678	2,861
Contractors		328	3,022
Depreciation		40,421	9,021
General Expenses		5,207	5,952
Grants Given		-	5,000
Hire Equipment		400	600
Laundry		1,263	686
Lawnmowing		4,571	4,094
Legal Expenses		5,256	-
Light, Power, Heating		3,559	2,171
Loss on Withholding Tax Receivable		2,804	-
Loss on Sale of Asset		1,693	-
Maintenance - Buildings		9,160	9,725
Maintenance - Fences & Grounds		-	1,895
Mobile Expenses		363	772
Petty Cash		-	1,300
Poukai		5,261	15,667
Project Management Services		-	44,237
Rates		700	700
Replacement of Chattels		767	209
Restoration Project		-	1,154
Telephone & Internet		221	249
Travel Expenses		1,121	1,702
Total Expenses		93,505	123,537
Net Revenue for the Year		(49,247)	903,622



Statement of Financial Position

Waipapa Marae

As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Bank accounts and cash			
ANZ Working Account		32,523	65,703
ANZ Poukai Account		10,245	10,488
Waipapa Wharekai Account		32,704	45,497
Total Bank accounts and cash		75,472	121,688
Withholding tax paid		62	2,804
Total Current Assets		75,534	124,492
Non-Current Assets			
Property, Plant and Equipment		3,731,522	3,744,785
Total Non-Current Assets		3,731,522	3,744,785
Total Assets		3,807,056	3,869,277
Liabilities			
Current Liabilities			
Creditors		9,018	22,768
Accrued Expenses		3,575	2,800
Total Current Liabilities		12,593	25,568
Total Liabilities		12,593	25,568
Total Assets less Total Liabilities (Net Assets)		3,794,463	3,843,709
Accumulated Funds			
Capital contributed by owners or members			
Equity/Members funds		2,880,111	2,880,111
Total Capital contributed by owners or members		2,880,111	2,880,111
Accumulated surpluses or (deficits)			
Accumulated funds			
Retained Earnings		963,598	59,976
Total Accumulated funds		963,598	59,976
Current year earnings		(49,247)	903,622
Total Accumulated surpluses or (deficits)		914,351	963,598
Total Accumulated Funds		3,794,463	3,843,709

Notes to the Financial Statements

Waipapa Marae

For the year ended 31 March 2020

1. Reporting Entity

Waipapa Marae is a trust established by trust deed under the Te Ture Whenua Maori Act 1993. Waipapa Marae is engaged in the business of Marae.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared as special purpose financial statements for the trustees.

Historical Cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

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.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

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

Where conditions are attached to grants received, these grants are not recognised as revenue until the conditions have been met.

Donations/Koha is recognised on receipt.

Accounts Receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Term Deposits

Term deposits with maturities greater than 90 days and not more than a year are classified as current assets.



Property, Plant and Equipment

Buildings, property, plant and equipment purchased prior to April 2015 and taonga are valued using insured replacement values.

New buildings, remaining property, plant and equipment and intangibles are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment or intangible is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Depreciation

Account	Method	Rate
Buildings	Diminishing Value/Straight Line	0%-20%
Land Improvements	Diminishing Value	8%
Plant & Equipment	Diminishing Value	0%-67%
Intangible Assets	Diminishing Value	50%

Financial Instruments

Financial Assets

At initial recognition the entity determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised Cost

Includes assets where the entity intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair Value

Financial assets not held at amortised cost or cost, are held at fair value and include financial derivatives such as forward contracts and interest rate swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available the instrument shall be measured at fair value for a prior year less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Financial Liabilities

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss on an effective yield basis.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

Goods and Services Tax

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST.

3. Notes

Associated Persons

There were no transactions with associated persons.

2019 Year - transactions were undertaken with Kruger Wetere.

- Project Management Services paid on Wharekai Project \$50,575
- Balance owing at 31 March 2019 \$Nil

Kruger Wetene is associated to the Waipapa Marae through his mother's family.

Subsequent Events

On March 11 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID19 alert to level 4 and a nationwide lockdown commenced. By this time, Waipapa Marae was already closed due to the next phase of its planned infrastructure build to install a new sewage and wastewater system, an upgrade to both ablution facilities, and a fire and a sprinkler system in Ngaa Tai, Taku Hiahia and Te Maru o Hikairo. Over the years the Marae has fallen into a state of disrepair, whereby health and safety issues became a major concern.

In spite of the COVID 19 restrictions being lifted to Level 1, Waipapa Marae will remain closed until the build is completed, likely to be the end of 2021. Consequently for 2020 / 2021, revenue generated by bookings and events on the Marae will be nil.

Government (DIA) and tribal funding from Waikato Tainui will be directed towards the cost of the build, in addition to community and philanthropic funding currently being sought. Since balance date the services of Paua Architects Limited have been engaged to prepare the feasibility report for the second stage of infrastructure.

In the 2021 year, Waipapa Marae has been the recipient of community funding for two COVID 19 related projects, as the lead agency on behalf of eight Marae around the Kaawhia Harbour. The funding allocated to Waipapa, has supported vulnerable beneficiaries of Waipapa Marae during the COVID restrictions. The latest project is to establish a Food Bank for the Marae of Kaawhia Moana. (2019: Nil).

Going Concern

These financial statements have been prepared on the basis that the Trust is a going concern.

Commitments

The Trust has no current or future capital commitments. (2019:Nil)

Income Tax

The Trust is a Maori Authority for tax purposes. The Trust has had no net profit for the last 8 years. The tax receivable amount of \$62 is RWT paid.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Waipapa Marae

Qualified Opinion

We have audited the financial statements of Waipapa Marae on pages 5 to 10, which comprise of the statement of financial position as at 31 March 2020 and statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Marae as at 31 March 2020 and its financial performance for the year then ended in accordance with the Basis of Preparation per Note 2.

Basis for Qualified Opinion

As is common with other organisations of a similar nature, a portion of income derived from koha, sundry income and marae hireage has been received by cash and the general ledger has been prepared based on amounts banked per the bank statements. Control over this income prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limitation

During our testing of expenditure, we have been unable to satisfactorily agree all items selected within our sample to appropriate supporting documentation. We have therefore been unable to obtain reasonable assurance regarding the validity of expenditure.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the financial statements* section of our report. We are independent of Waipapa Marae in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

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

Emphasis of Matter – Subsequent Events

Without modifying our opinion, we draw attention to the subsequent events disclosure in note 3 on page 7 which outlines the effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are special purpose financial statements and as a result, may not be suitable for another purpose. Our report is intended solely for the Marae and should not be distributed to or used by parties other than the Marae. Our opinion is not modified in respect of this matter.

Restriction on Responsibility

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

Responsibility of the Trustees for the Financial Statements

The Trustees are responsible for the preparation of these financial statements in accordance with the Basis of Preparation per Note 2, and for such internal control as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Finnz Audit

Finnz Audit Limited
Te Awamutu
11 November 2020