TE RŪNANGA O
TOA RANGATIRA

Ika Toa Limited

Financial Statements

For the year ended 30 June 2023

Ika Toa Limited

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Ika Toa Limited
Corporate information

Nature of business
Fishing Quota Management

Date of incorporation
21 October 1991

Company number
521364

Charities registration
CC47807

Registered office
26 Ngatitoa Street
Takapuwahia
Porirua
New Zealand

Shareholder	Ordinary share
Te Rūnanga o Toa Rangatira Incorporated	20,100

Auditors
Ernst & Young

Bankers
Westpac Banking Corporation

Solicitors
Dentons Kensington Swan
Wellington

Ika Toa Limited

Directors' report

The directors present their annual report including financial statements of Ika Toa Limited ("the Company") for the year ended 30 June 2023.

Reporting entity

The business of the Company is fishing quota management. The nature of the Company's business has not changed during the year.

Auditors

The Company's auditors are Ernst & Young (2022: BDO Wellington Audit Limited). Ernst & Young were appointed auditors during the year and are willing to continue as the company auditors.

Directors' disclosures

The following held office as directors during the year:

Atanatiu Te Kaira Hammond	Appointed: 16 May 2001
Margaret Hippolite	Appointed: 26 July 2010
Christian Kātene	Appointed: 25 January 2023
Tahua Stuart Solomon	Appointed: 7 October 1992
Mark Styles	Appointed: 7 October 1992
Matiu Nohorua Te Rei	Appointed: 25 January 2023

There were no entries recorded in the register of interests.

No director acquired or disposed of any interest in shares in the Company.

The directors receive directors fees of $250 per meeting. There was one meeting held during the year (2022: 1). Directors fees of $4,500 were paid for 2023 (2022: $nil).

The board of directors received no notice during the year from any director wishing to use company information received in their capacity as a director which would not have ordinarily been available.

The directors are covered by an indemnity insurance covering professional, management and general liability up to $10,000,000 for any one claim, and for employers and statutory liability up to $2,500,000. The insurance is part of an association combined insurance plan paid for by Te Rūnanga o Toa Rangatira Incorporated to cover the officers of the Company.

Donations

No donations were made by the Company during the year (2022: $nil).

Employee and director remuneration

Pursuant to section 211(g) of the Companies Act 1993, no employee or director received remuneration and/or any other benefits exceeding $100,000 during the year.

For and on behalf of the Board of Directors:

Christian Katene (Oct 27, 2023 13:43 GMT+13)

Christian Kātene
Director - 27 October 2023

M. Styles.

Mark Styles
Director - 27 October 2023

Ika Toa Limited

Statement of Service Performance

For the year ended 30 June 2023

Who are we and why do we exist?

Ika Toa Limited is the asset holding company for Ngāti Toa fisheries assets.

The purpose of the Company is to:

- Manage the sale of annual catch entitlements (ACE) derived from settlement quota.
- Hold and maintain fisheries assets on behalf of Te Rūnanga o Toa Rangatira Incorporated.

What are our strategic focus areas?

Develop Iwi Fisheries Assets to benefit the future generations of Ngati Toa Rangatira.

This will ensure that cultural and customary fishing needs are met and that generational fishing skills are maintained and passed on.

Organise the settlement quota held, in the buying and selling of settlement quota to achieve financial returns.

This will maintain the provision of fishing produce for the community and finance to support community development and security in the future.

Ika Toa Limited aligns itself with the overall Te Ao Tūroa and Ngāti Toa Rangatiratanga of Te Rūnanga o Toa Rangatira Group in nurturing a resilient environment together with revitalising and strengthening the identity of Ngāti Toa Rangatira.

In delivering the output for this entity expenditure is presented under the measure of Total expenses which includes Direct Costs and Operating Expenditure including depreciation and interest.

Ika Toa Limited

Statement of Service Performance

For the year ended 30 June 2023

What did we do?

The ongoing goal of Ika Toa Limited is the building of relationships to meet our cultural needs and to strengthen our long term relationships within the fishing community, generating greater certainty for the future.

Ika Toa Limited has strengthened its relationships with all industry sectors, has increased the number of direct trading partners, has grown our customary and cultural supply base, and is strategically considering career opportunities in the catching, processing, and retail sectors for our people. Port Nicholson Fisheries, who specialize in Crayfish, is now based at Todd Park, and they value the partnership connection we have with them. Moana Seafoods, specializing in Paua, is relocating to the same building in due course, both will be providing local employment opportunities. Ngati Toa has a trading relationship with both entities which is appreciated more than a community only relationship.

Supporting diving courses has assisted with independence and autonomy in providing kaimoana such as kina, paua and crayfish for tangi and hui, while increasing opportunities for Ngati Toa to develop skills and to better connect with Tangaroa. Ika Toa Limited also supports our customary gatherers by covering the cost of a fishing vessel including running and maintenance costs and training for those interested.

The heart of the local catching sector remains in long-standing fishing families who immigrated to Aotearoa several generations ago, their skills being passed down from generation to generation. Ngati Toa is becoming recognised as part of that strongly inter-woven network dedicated to keeping those skills alive. A willingness to pass this knowledge on to Ngati Toa indicates a relationship based on the highest level of trust. This will assist Ngati Toa in the innovation of the Cook Strait and wider commercial fishery in the future.

How did we perform?

2023	2022
1,082 Total ACE allocation (tonnes)	**1,075** Total ACE allocation (tonnes)
593 Total ACE sold (tonnes)	**785** Total ACE sold (tonnes)

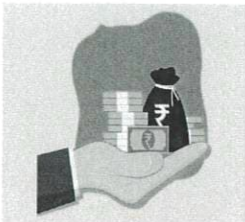
Ika Toa Limited

Statement of Service Performance

For the year ended 30 June 2023

How did we perform?

Revenue



	2023	2022
$ Value of ACE sold	$731k	$735k

Total Expenses:

Contribution to Te Ao Tūroa

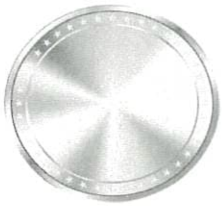
	2023	2022
Total Expenditure including Depreciaton	$146k	$155k

Contribution to Ngāti Toa Rangatiratanga

	2023	2022
Total Expenditure including Depreciaton	$62k	$67k

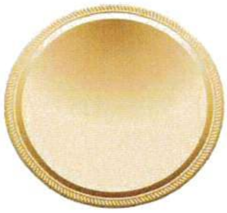
Top 3 Customers (Fishery Operators)

PORT NICHOLSON
FISHERIES



Ocean Ranch (2008) Ltd

Takitimu
SEAFOODS

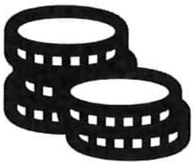


MARUHA NICHIRO
For the ocean, for life

Ika Toa Limited

Statement of Service Performance

For the year ended 30 June 2023

	2023	2022
	**$5.1m** $ Value of Fisheries Quota Shares	**$5.1m** $ Value of Fisheries Quota Shares
	**$102K** Distribution from Port Nicholson	**$125K** Distribution from Port Nicholson

Ika Toa Limited does not participate in the business of fishing directly but instead focuses on management of the assets.

Turnover has been reasonably consistent over the last two years after the 2020/21 year, showing the effects of Covid-19. Although the market has been tighter in the last 12 months, the last 2 years results are a good indicator of the robustness of the organisation and its ability to adapt to market variables. Sadly, not all trading entities were able to remain in the industry and some excellent trading parties have left.

Trading has been more demanding as participants move out of the industry and others who remain cut costs for various reasons, including rising fuel costs, increasing regulation, quota cuts, local and global influences. Success are emerging with Maara Moana, (mussel farm), made a small profit for the first time.

Outlook for 2024

In the future Ika Toa Limited hopes to build on its presence and leadership so that we will be consulted on all maritime issues that affect the rohe moana of Ngati Toa. As this mahi grows, we will have greater influence over central and local government policy development, to the extent that consultation with Ngati Toa Rangatira becomes the first step in the process.

As a result, Ika Toa Limited hopes to increase its strength and success as "watcher and protector" of Iwi rights, obligations, and responsibilities, for both now, and future generations.

Ika Toa Limited

Statement of comprehensive revenue and expenses

For the year ended 30 June 2023

	Note	2023 $000's	2022 $000's
Annual catch entitlement sales	4	889	744
Cost of sales	5	(84)	(73)
Surplus from trading activities		**805**	**671**
Other income	6	151	276
Total revenue from operations		**956**	**947**
Less operating expenses			
Administration expenses		70	63
Accounting fees		(5)	14
Audit fees		6	5
Consultant fees		29	34
Customary fishing vehicle and boat expenses		10	3
Other expenses		8	7
Rates		2	1
Travel and accommodation		3	14
Valuation fees		(2)	5
Total operating expenses		**121**	**146**
Surplus before depreciation		835	801
Depreciation expense	10	3	3
Surplus for the year		**832**	**798**
Other comprehensive revenue and expense			
Gains/(Losses) recognised directly in equity			
(Loss)/Gain on revaluation of property, plant and equipment	10	(6)	14
Total comprehensive revenue and expense for the year		**826**	**812**

The above statement of comprehensive revenue and expenses should be read in conjunction with the accompanying notes.

Ika Toa Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $000's	2022 $000's
Assets			
Current assets			
Cash and cash equivalents	7	845	670
Short term investments		-	3,736
Trade and other receivables	8	314	128
Income tax receivable	9	-	14
		1,159	**4,548**
Non-current assets			
Other receivables	8	1,522	1,519
Property, plant and equipment	10	311	320
Intangible assets	11	5,122	5,122
Share investments	12	2,367	2,367
		9,322	**9,328**
Total assets		**10,481**	**13,876**
Liabilities			
Current liabilities			
Trade and other payables	13	21	42
		21	**42**
Total liabilities		**21**	**42**
Net assets		**10,460**	**13,834**
Equity			
Share capital	14	20	20
Reserves	15	8,840	8,846
Accumulated comprehensive revenue and expense		1,600	4,968
Total equity		**10,460**	**13,834**

For and on behalf of the Board, who authorised the issue of these financial statements on 27 October 2023:

Christian Katene (Oct 27, 2023 13:43 GMT+13)

Christian Kātene
Director - 27 October 2023

Mark Styles
Director - 27 October 2023

The above statement of financial position should be read in conjunction with the accompanying notes.

Ika Toa Limited
Statement of changes in equity
For the year ended 30 June 2023

	Share Capital (note 14) $000's	Fisheries Settlement Reserve (note 15) $000's	Asset Revaluation Reserve (note 15) $000's	Accumulated comprehensive revenue and expense $000's	Total Equity $000's
Balance at 1 July 2022	20	8,603	243	4,968	13,834
Comprehensive revenue and expense					
Surplus for the year	-	-	-	832	832
Other comprehensive revenue and expense	-	-	(6)	-	(6)
	-	-	(6)	832	826
Transactions with owners					
Dividends paid	-	-	-	(4,200)	(4,200)
	-	-	-	(4,200)	(4,200)
Balance at 30 June 2023	**20**	**8,603**	**237**	**1,600**	**10,460**
Balance at 1 July 2021	20	8,603	229	4,170	13,022
Comprehensive revenue and expense					
Surplus for the year	-	-	-	798	798
Other comprehensive revenue and expense	-	-	14	-	14
	-	-	14	798	812
Balance at 30 June 2022	**20**	**8,603**	**243**	**4,968**	**13,834**

The above statement of equity should be read in conjunction with the accompanying notes.

Ika Toa Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $000's	2022 $000's
Cash flows from operating activities			
Proceeds from trading income		828	773
Interest received		18	44
Net GST (paid)/received		(23)	4
Income tax credits received		14	9
Payments made to suppliers and others		(228)	(235)
Net cash inflow from operating activities		**609**	**595**
Cash flows from investing activities			
Funds received from sales of investment activities		3,735	-
Funds advanced to investment activities		-	(43)
Advances to related parties		-	(1,000)
Dividends received		30	97
Net cash inflow/(outflow) from investing activities		**3,765**	**(946)**
Cash flows from financing activities			
Dividends paid		(4,200)	-
Net cash outflow from financing activities		**(4,200)**	**-**
Net increase/(decrease) in cash and cash equivalents		**174**	**(351)**
Cash and cash equivalents at 1 July		671	1,022
Cash and cash equivalents at 30 June	7	**845**	**671**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

EY

1 Reporting entity

The financial statements of Ika Toa Limited (the Company) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors.

The Company is a public benefit entity incorporated in New Zealand under the Companies Act 1993 and registered on the Charities Services Register on 31 December 2011.

The principal business of operation of the Company is the management of fishing quota assets and the sale of annual catch entitlements (ACE) of owned and leased quota on behalf of Te Rūnanga o Toa Rangatira Incorporated. There has been no change in the principal activities of the Company during the year.

The Company received fishing quota shares and cash assets to be held in trust, in accordance with the Māori Fisheries Act 2004 in 2010. The Company, as asset holding company for Ngāti Toa fisheries assets, received coast line derived settlement quota shares under section 135 of the Māori Fisheries Act 2004 on 29 October 2014, 19 December 2014, and February 2020.

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) and the Companies Act 1993. As a registered charity, the Company is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1.

The Company is a public benefit entity for the purpose of complying with NZ GAAP. The company qualifies for Tier 3 reporting as it does not have public accountability and for the past two reporting periods it has had less than or equal to $2m operating expenditure. The Company has elected to report as a Tier 2 entity and has used accounting policies consistent with its shareholder, Te Rūnanga o Toa Rangatira Incorporated.

The Company has taken advantage of all reduced reporting disclosure requirements available under the Tier 2 Standards for Public Benefit Entities. The financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities.

These financial statements are for the year ended 30 June 2023 and were authorised for issue by the Board on 27 October 2023.

b) Measurement basis

The financial statements have been prepared on an historical cost basis, except where specifically identified in their relevant notes.

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, which is the Company's functional currency.

d) Goods and services tax (GST)

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

e) Changes in accounting policies

Other than the adoption of new PBE standards and amendments to PBE standards as disclosed below, there have been no changes in the accounting policies of the Company during the year. All other accounting policies have been applied consistently to all periods presented in these financial statements.

2 Basis of preparation (continued)

e) Changes in accounting policies (continued)

The following accounting standards came into effect during the year and have been adopted by the Company.

PBE IPSAS 1 Going concern disclosures

Changes to PBE IPSAS 1 with specific relation to going concern disclosures came into effect on 1 July 2022. The Company has assessed these changes and there are no impacts on the financial statements as the Company remains a going concern.

PBE IPSAS 41 Financial instruments

The standard 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 Company has applied PBE IPSAS 41 prospectively, with an initial application date of 1 July 2022. The Company has not restated comparative information as it is not required by the standard, which continues to be reported under PBE IPSAS 29. There are no differences arising from the adoption of PBE IPSAS 41 that would have been recognised directly in accumulated comprehensive revenue and expense and other components of net assets/equity.

Adopting PBE IPSAS 41 at 1 July 2022 resulted in a change in measurement category of assets rather than any changes to the value of assets or liabilities. The nature of adjustments are described below:

(i) Classification and measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (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 table below. The classification is based on two criteria: (1) the Company's business model for managing the assets; and (2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as at the date of initial application, namely 1 July 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised 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, term deposits and loans to related parties were classified as 'loans and receivables' 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.

Upon adoption of PBE IPSAS 41, the Company had the following required or elected reclassifications as at 1 July 2022.

	Measurement category		Measurement category	
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 $000's	PBE IPSAS 41 $000's
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	670	670
Short-term deposits	Loans and receivables	Amortised cost	3,736	3,736
Trade and other receivables	Loans and receivables	Amortised cost	128	128
Share investments	Available-for-sale	FVTSD	2,446	2,446
Financial liabilities				
Interest bearing bank borrowings	Amortised cost	Amortised cost	-	-
Accounts payable	Amortised cost	Amortised cost	(42)	(42)

2 Basis of preparation (continued)

(ii) Impairment

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

Upon adoption of PBE IPSAS 41 on 1 July 2022, the Company did not recognise any additional impairment.

(iii) Hedge accounting

The Company does not apply hedge accounting and consequently, there was no impact on adopting PBE IPSAS 41.

f) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3 Significant accounting policies

Accounting polices are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, ensuring the substance of the underlying transaction or other events is reported.

a) Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash, have a maturity of less than three months, and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown on the statement of financial position as current liabilities within short term borrowings.

There are no restrictions over any of the cash and cash equivalent balances held by the Company.

b) Trade and other receivables

Trade and other receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

c) Property, plant and equipment

Items of property, plant and equipment are initially measured at cost, except those acquired through nonexchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the company.

Items of property, plant, and equipment are subsequently measured either under the:

(i) Cost model

Cost less accumulated depreciation and impairment.

Coastal permit (Marine farm resource consent)

The marine farm resource consent has a lifespan of 20 years. The marine farm is not operational without the resource consent and it is therefore considered part of that asset.

(ii) Revaluation model

Fair value, less accumulated depreciation and accumulated impairment losses is recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

3 Significant accounting policies (continued)

c) Property, plant and equipment (continued)

(ii) Revaluation model (continued)

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of the credit balance of the revaluation reserve for that class of property, plant and equipment are recognised in surplus or deficit. Any subsequent revaluation gains are recognised in surplus or deficit to the extent that they reverse revaluation losses on the same class of assets previously recognised in surplus or deficit.

(iii) Disposal

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus reserve to accumulated comprehensive revenue and expense.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(v) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Where significant components of individual assets have a useful life that is different from the remainder of those assets, those components are depreciated separately.

The estimated useful lives are shown below:

	2023	**2022**
Buildings and marine farm	10 to 33 years	10 to 33 years
Motor vehicles, tractors and trailers	3 to 7 years	3 to 7 years
Marine farm resource consent	20 years	20 years

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment. Land is not depreciated. Assets under construction are not subject to depreciation until they are completed.

Depreciation methods, useful lives, and residential value are reviewed are each balance date and adjusted if appropriate.

d) Intangible assets

Quota shares are recorded initially at cost. Settlement quota shares are recorded at a value determined by the settlement documentation less any impairments.

Impairment losses are recognised whenever the carrying amount of an asset exceeds its recoverable amount. Quota shares are tested for impairment whenever there is an indication of impairment on an individual basis or at a cash-generating unit level. There is only one cash-generating unit in the Company because there is only one core business activity and that is trading of ACE from the quota shares.

3 Significant accounting policies (continued)

e) Impairment of non-financial assets

At each balance date the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

f) Trade and other payables

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and or services.

g) Revenue

Revenue arises from exchange and non-exchange transactions. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that benefits will flow to the Company. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Company's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

(i) Sale of goods

Quota trading income is recognised when the cash is received or is receivable when the ACE for a particular fish stock is deemed to have been transferred to the customer.

The Company leases ACE for trading purposes. The lease is for the twelve-month period and is aligned with the applicable fishing year for the species. Income is recognised when the ACE are transferred to the customer. Any ACE leased or owned and not sold at 30 June has been determined by the directors to have a $nil value at the end of the financial year as unsold ACE expires, unless an arrangement to sell after the balance date is known.

(ii) Interest and dividend income

Interest and dividend income is recognised in the statement of revenue and expense as it is earned. Interest income is accrued using the effective interest rate method. Dividends are recognised as revenue when the right to receive payment is established.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount of the asset. This method applies this rate to the principal outstanding to determine interest revenue each period.

(iii) Port Nicholson Partnership (profit share) income

Port Nicholson Partnership profit share is recognised when certain, being upon notification of the profit share.

3 Significant accounting policies (continued)

Revenue from non-exchange transactions

Non-exchange transactions are those where the Company receives an inflow of resources but provides nominal, or no direct consideration in return for the inflow. Inflow of resources from non-exchange transactions are only recognised as assets where it is probable that the associated future economic benefit or service will flow to the entity and fair value can be reliably measured.

(i) Fisheries settlement income

Revenue from fisheries settlement income received as non-exchange transactions are recognised when the entitlement (control) passes to the Company and the Company is able to enforce the claim. Revenue is recognised at fair value estimated at the date of the exchange and is subsequently moved to a special fisheries settlement reserve account to preserve the total accumulated settlement quantum.

h) Operating leases

Payments made under operating leases where the lessor retains substantially the risk and rewards of ownership of an asset are recognised in 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.

i) Income tax

The Company has charitable status for income tax purposes and is therefore not liable for income tax.

j) Financial instruments

Financial Assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCRE, or FVTSD.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company'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 Company has applied a practical expedient, the Company 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.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, 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 or deficit, irrespective of the business model.

The Company'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 while financial assets classified and measured at FVOCRE are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Company's financial assets include: cash and short-term deposits, receivables from exchange and non-exchange transactions, loans, loans to related parties, unquoted financial instruments and derivative financial instruments.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- financial assets at amortised cost (debt instruments)
- financial assets at FVOCRE with recycling of cumulative gains or losses (debt instruments)
- financial assets at fair value through surplus or deficit.

3 Significant accounting policies (continued)

Financial assets (continued)

(ii) Subsequent measurement (continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables from exchange transactions, receivables from non-exchange transactions, investments in related parties, short-term deposits and a loan to an associate included under other noncurrent financial assets.

(iii) Financial assets at FVOCRE (debt instruments)

For debt instruments at FVOCRE, interest income and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCRE. Upon derecognition, the cumulative fair value change recognised in OCRE is recycled to surplus or deficit. The Company's debt instruments at FVOCRE are derivative financial instruments.

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

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. 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, investments in related parties, investment in joint ventures, and other investments which are held for trading and which the Company had not irrevocably elected to classify at FVOCRE. Dividends on listed equity investments are recognised as revenue from exchange transactions in the statement of financial performance when the right of payment has been established.

(v) Derecognition

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 Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(vi) Impairment

PBE IPSAS 41 requires the Company to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCRE. The Company recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company; or
- the financial asset is more than 90 days old.

3 Significant accounting policies (continued)

Financial Assets (continued)

(v) Impairment (continued)

The Company considers writing off a financial asset primarily when the debt is older than a year and there has been no response after six months of being sent to debt collectors, however this is treated on a case by case basis.

The Company considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to the credit risk.

Financial assets at fair value through surplus or deficit includes investments in equity shares of unquoted companies, namely Aotearoa Fisheries Limited. The Company holds non-controlling interests in this company. Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings, or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include payables under exchange transactions and loans and borrowings.

(ii) Subsequent measurement

After initial recognition, interest-bearing loans and borrowings or 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.

(iii) Derecognition

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.

(iv) Derivative financial instruments and hedge accounting

The Company does not use derivative financial instruments, such as foreign currency or interest rate swaps to manage foreign currency or interest rate risks.

4 Revenue from exchange transactions

	2023 $000's	2022 $000's
Annual catch entitlement sales	889	744
Total trading revenue from exchange transactions	**889**	**744**

5 Cost of sales

	2023 $000's	2022 $000's
ACE operating lease fees	17	18
Fishserve and MAF fees	67	55
Total cost of sales	**84**	**73**

6 Other income

	2023 $000's	2022 $000's
Other income from exchange transactions		
Interest received	18	54
Dividends received	29	97
Port Nicholson Partnership (profit share) income	102	125
Sundry Income	1	-
	150	276
Other income from non-exchange transactions		
Koha/Donations	1	
	1	-
Total other income from exchange and non-exchange transactions	**151**	**276**

7 Cash and cash equivalents

	2023 $000's	2022 $000's
Cash at bank and on hand	845	670
Cash and cash equivalents in the statement of cash flows	**845**	**670**

8 Trade and other receivables

	Note	2023 $000's	2022 $000's
Current			
Trade and other receivables			
Trade receivables from exchange transactions		314	125
Accrued interest		-	3
Total current trade and other receivables		**314**	**128**
Non-current			
Related party advances	16	1,522	1,519
Total current and non-current trade and other receivables		**1,836**	**1,647**

9 Income tax receivable

	2023 $000's	2022 $000's
Māori Authority tax credits available previous years	14	22
Māori Authority tax credits available this year	-	14
Tax refunds received	(14)	(22)
Total income tax receivable	**-**	**14**

The Company holds on trust the fisheries settlement assets for the members of Te Rūnanga o Toa Rangatira Incorporated. Charitable status was granted in December 2011 and the Company is exempt from income tax on its net surplus earned during the year.

EY

10 Property, plant and equipment

	Land $000's	Buildings $000's	Marine farm $000's	Motor vehicles $000's	Total $000's
Cost					
Balance at 1 July 2022	302	9	158	43	512
Revaluation	(6)	-	-	-	(6)
Balance at 30 June 2023	**296**	**9**	**158**	**43**	**506**
Accumulated depreciation					
Balance at 1 July 2022	-	9	141	42	192
Depreciation	-	-	2	1	3
Balance at 30 June 2023	**-**	**9**	**143**	**43**	**195**
Net book value at 30 June 2023	**296**	**-**	**15**	**-**	**311**
Cost					
Balance at 1 July 2021	288	9	158	43	498
Revaluation	14	-	-	-	14
Balance at 30 June 2022	**302**	**9**	**158**	**43**	**512**
Accumulated depreciation					
Balance at 1 July 2021	-	9	139	41	189
Depreciation	-	-	2	1	3
Balance at 30 June 2022	**-**	**9**	**141**	**42**	**192**
Net book value at 30 June 2022	**302**	**-**	**17**	**1**	**320**

Revaluation of land and buildings

Land and buildings are measured using the revaluation model and are revalued every year. Full revaluation are completed every three years on the basis of significant market changes. If there is no evidence of significant market movements, then a desktop valuation will replace full valuation. Every other year, land and buildings are revalued on a desktop basis. These assets were revalued on 30 June 2023. Fair value of the land and buildings was determined by using a market comparable method. This means that valuations performed by the valuer are based on active market prices and market-based yields, significantly adjusted for difference in the nature, location or condition of the specific property.

As at the date of revaluation 30 June 2023, the properties' fair values are based on valuations performed by CBRE Wellington, an accredited independent valuer.

Significant assumptions included in the valuations were that:

- there are no side agreements that would have an adverse effect on the market value of the property
- all buildings have a seismic strength at a "market acceptable level" for their class
- no significant capital expenditure is required in respect of any buildings or facilities contained therein

11 Intangible assets

	2023 $000's	2022 $000's
Quota shares		
Cost		
Balance at 1 July	5,122	5,122
Treaty settlement	-	-
Balance at 30 June	**5,122**	**5,122**
Accumulated depreciation		
Balance at 1 July	-	-
Amortisation	-	-
Balance at 30 June	-	-
Net book value at 30 June	**5,122**	**5,122**

Historically, quota shares were initially recognised at deemed cost and revalued each year. In 2020, it was determined that as there is no active market for quota shares that the accounting policy should be changed for the measurement of quota shares at each reporting period. From 2020 onwards, quota share is measured at deemed cost based on documentation provided with each settlement unless the quota share is purchased. The cost of the fish quota at 30 June 2023 was $5,122,000 (2022: $5,122,000).

12 Share investments

The Company holds 3,064 shares in Aotearoa Fisheries Limited (AFL) (2022: 1,532 shares). Management has reviewed the shares for impairment by reviewing the net assets of AFL. AFL is not currently listed on the New Zealand Stock Exchange and there are legislative restrictions on the sale of shares in AFL. Management has assessed the value of the shares by comparing the company's net value against the value held. As the net value of the Company's share is greater than the original transfer value the management has determined that no indication of impairment exists.

The Company has no controlling or significant interest in AFL.

13 Trade and other payables

Current	Note	2023 $000's	2022 $000's
Trade and other payables			
Trade payables from exchange transactions		-	2
Sundry accruals		7	-
GST payable		14	12
Related party payables	16	-	28
Total trade and other payables		**21**	**42**

14 Share capital

	2023 $000's	2022 $000's
20,100 ordinary shares - issued and fully paid at $1.00	20	20

Ordinary shares have no par value. Each share carries the right to vote at a meeting of shareholders, receive dividends as duly declared by directors, and receive a share of any surplus on dissolution of the Company.

Ordinary shares may be held only by an entity that is established exclusively for charitable purposes that is consistent with the objectives of the Company.

15 Other equity reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings only to the extent that they offset each other.

Fisheries settlement reserve

The fisheries settlement reserve records the fisheries settlement the Company received under Treaty of Waitangi claims in March 2010. Further quota shares were received under section 135 of the Māori Fisheries Act 2004 in October 2014, December 2014, and February 2020.

16 Related party disclosures

a) Ultimate parent

Te Rūnanga o Toa Rangatira Incorporated is the ultimate controlling entity and owns 100% of the shares in the Company.

b) Transactions with related parties

The Company holds the quota and income shares received from the fisheries settlement. On behalf of Te Rūnanga o Toa Rangatira Incorporated, the Company manages the trading of ACE from quota held and leased. The Company receives a management fee from trading the leased fishing quota.

The Company pays administration fees to Te Rūnanga o Toa Rangatira Incorporated.

b) Transactions with related parties (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharges $000's	Related party advances $000's	Related party payables $000's
Ultimate controlling entity	2023	71	1,522	-
	2022	69	1,519	28

During the year, the Company advanced $3,000.00 (2022: $1,018,569) to Te Rūnanga o Toa Rangatira Incorporated.

Kapiti Tours Limited, Kenepuru Limited Partnership, Kimihia Number 1 Limited, Kimihia Number 2 Limited, Ngāti Toa Limited, Ora Toa PHO Limited, Rangatuhi Number 1 Limited, Rāranga Limited, Sheltered Haven Limited, Te Tumu Whatupu Limited, Tiaki Toa Limited, Toa Building Supplies Limited, Toa Developments Limited, Toa Homes Limited, Toa Kenepuru Transition Limited, and Te Āhuru Mōwai Limited Partnership are 100% owned by Te Rūnanga o Toa Rangatira Incorporated. There were no transactions between the Company and other related companies during the year.

Toa Rangatira Trust, a trust formed in December 2012 to hold the Ngāti Toa Rangatira historical settlement assets, is a related party. Toa Rangatira Trust and its subsidiaries are related to the Company as they are all 100% controlled by Te Rūnanga o Toa Rangatira Incorporated. There were no transactions between the Company and Toa Rangatira Trust and its subsidiaries this year.

17 Key management personnel

Key management personnel of the Company includes the parent entity board members, the directors of the Company, and senior management. During the year, $4,500 in total was paid to board members for attendance at one board meeting (2022: $nil). Senior management are employed by other group companies, with no recharge to the Company for their services.

The Company has engaged Okiwi Bay Aquaculture Limited ("OBAL") to manage the Company's marine farm assets. A director and shareholder of OBAL is a director of the Company. OBAL manages the conditioning of immature oysters on the Company's marine farm structures and the Company is paid a commission based on the volume of mature oysters prepared for sale. OBAL made payments to the Company amounting to $nil for the 2023 financial year (2022: $nil).

18 Contingencies and commitments

a) Contingent liabilities

At balance date there are no known contingent liabilities (2022: $nil). The Company has not granted any securities in respect of liabilities payable by any other party whatsoever.

b) Commitments

There is a commitment to Port Nicholson Fisheries Partnership to supply the ACE for crayfish at the applicable market value.

There were no further commitments other than those in the ordinary course of business (2022: $nil) and no securities or guarantees had been provided by the Company (2022: $nil).

19 Significant events after balance date

There were no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Independent Auditor's Report

To the members of Ika Toa Limited

Opinion

We have audited the financial statements and statement of service performance (the "performance report") of Ika Toa Limited (the "Entity"), which comprises the service performance information, the statement of financial position of the Entity as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended of the Entity and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the performance report presents fairly, in all material respects;

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

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

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

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) and the audit of the service performance information in accordance with NZ AS 1 *The Audit of Service Performance Information ("NZ AS 1")*. Our responsibilities under those 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 Entity 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 interest in, the Entity. Partners and employees of our firm may deal with the Entity on normal terms within the ordinary course of trading activities of the business of the Entity.

Other matter

The corresponding figures in the service performance information of the Entity, being those measures related to the year ended 30 June 2023, were not audited.

The independent audit report in relation to the Group's consolidated financial statements for the year ended 30 June 2022 was issued by another assurance provider who expressed an unmodified opinion on the consolidated financial statements on 25 October 2022.

Directors' responsibilities for the performance report

The directors are responsible, on behalf of the Entity, for;

- the preparation and fair presentation of the financial statements and service performance information in accordance Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board; and
- such internal control as the directors determine is necessary to enable the preparation of financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the directors are responsible for assessing on behalf of the entity 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 directors either intend to liquidate the Entity or 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 financial statements as a whole, and 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 International Standards on Auditing (New Zealand) 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 economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-14/. This description forms part of our auditor's report.

Ernst + Young

Chartered Accountants
Wellington
31 October 2023