

Consolidated Statement of Comprehensive Revenue and Expenses

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

	Note	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Revenue from non-exchange transactions					
Koha received		-	665	-	665
Total revenue from non-exchange transactions		-	665	-	665
Revenue from exchange transactions					
Rent received from properties owned		492,684	381,085	-	-
Lease revenue Rymans agreement		66,667	66,667	-	-
Cost recovery - Shelly Bay		15,000	-	-	-
Other revenue	9	262,216	461,472	262,216	498,519
Interest received from funds on call	8	51,109	68,456	47,624	66,606
Sale of properties purchase from HNZ		3,589,565	1,825,000	-	-
Total revenue from exchange transactions		4,477,241	2,802,680	309,840	565,125
Expenses					
Costs of running the office	10	1,664,689	1,112,562	1,220,133	969,762
Increase in provision for impairment		-	-	126,024	171,575
Deferred selection property expenses		33,557	20,707	-	-
Depreciation		35,446	30,919	-	-
Maintenance cost for the properties owned	7	210,151	182,235	-	-
Interest expense		18,779	29,788	176	168
Purchase of properties from HNZ		3,289,967	1,680,004	12,778	-
Other expenses		-	31,657	-	31,657
Total expenses		5,252,590	3,087,872	1,359,111	1,173,162
Total deficit for the year before taxation		(775,348)	(284,527)	(1,049,270)	(607,372)
Taxation expense		-	-	-	-
Total deficit after taxation		(775,348)	(284,527)	(1,049,270)	(607,372)
Total comprehensive revenue and expenses for the year		(775,348)	(284,527)	(1,049,270)	(607,372)

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

Consolidated Statement of Changes in Net Assets

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

Group	Note	Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2016 (restated)	22	15,897,314	15,897,314
Surplus for the year		(775,348)	(775,348)
Other comprehensive revenue		-	-
Closing equity 31 March 2017		15,121,966	15,121,966
Opening balance 1 April 2015		16,181,841	16,181,841
Loss for the year		(284,527)	(284,527)
Other comprehensive revenue		-	-
Closing equity 31 March 2016		15,897,314	15,897,314

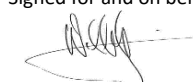
Parent		Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2016 (restated)	22	15,221,832	15,221,832
Loss for the year		(1,049,270)	(1,049,270)
Other comprehensive revenue		-	-
Closing equity 31 March 2017		14,172,562	14,172,562
Opening balance 1 April 2015		15,829,204	15,829,204
Loss for the year		(607,372)	(607,372)
Other comprehensive revenue		-	-
Closing equity 31 March 2016		15,221,832	15,221,832

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

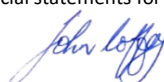
Consolidated Statement of Financial Position
Port Nicholson Block Settlement Trust
As at 31 March 2017

	Note	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Current assets					
Cash and cash equivalents	12	1,643,434	1,737,361	1,577,374	1,690,411
Receivables from exchange transactions	19	239,120	600,313	238,139	403,519
Deposits receivable from sales - Muritai		215,675	-	-	-
Inter-entity advances		-	-	11,620,672	12,411,063
Prepayments		8,950	15,493	8,950	9,007
Development property		3,261,312	-	-	-
Goods and services tax receivable		-	10,488	108,330	6,068
Income tax refund due	11	41,742	32,795	39,566	31,247
		5,410,233	2,396,450	13,593,030	14,551,315
Non-current assets					
Investment properties	14	14,665,000	14,665,000	2,005,000	2,005,000
Property plant and equipment	13	191,721	223,402	-	-
		14,856,721	14,888,402	2,005,000	2,005,000
Total assets		20,266,955	17,284,852	15,598,030	16,556,315
Current liabilities					
Trade and other creditors	19	2,220,840	184,905	159,725	146,109
GST payable		397,279	-	-	-
PNBC Limited		-	-	365,717	365,717
PNBST Investments Limited Partnership		-	-	483,635	483,635
Advance to Ryman Healthcare	19	796,944	863,611	-	-
Nomination income received in advance		171,500	-	171,500	-
Loan due to ASB	19	1,100,000	-	-	-
Deposits held on Trust account (Muritai)		213,518	-	-	-
Grant money received but not yet spent	19	244,907	339,022	244,891	339,022
Total liabilities		5,144,988	1,387,538	1,425,468	1,334,483
Net assets		15,121,966	15,897,314	14,172,562	15,221,832
Equity					
Accumulated comprehensive revenue and expense		15,121,966	15,897,314	14,172,562	15,221,832
Total equity		15,121,966	15,897,314	14,172,562	15,221,832

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 8 August 2017:



Wayne Mulligan - Chairman



John Coffey - Deputy Chairman

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

Consolidated Statement of Cash Flows
Port Nicholson Block Settlement Trust
For the year ended 31 March 2017

	Note	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Cash flows from operating activities					
<i>Receipts</i>					
Receipts from other grants		397,827	-	397,827	-
Receipts from non-exchange transactions		-	665	-	665
Receipts from exchange transactions		4,985,902	2,729,621	182,812	1,206,363
Interest received		48,952	68,456	47,624	66,606
		<u>5,432,681</u>	<u>2,798,742</u>	<u>628,263</u>	<u>1,273,634</u>
<i>Payments</i>					
Payments to suppliers		6,604,064	3,014,059	668,177	1,452,285
Interest paid		18,779	29,788	176	168
		<u>6,622,843</u>	<u>3,043,847</u>	<u>668,353</u>	<u>1,452,453</u>
Net cash flows from operating activities		(1,190,162)	(245,105)	(40,090)	(178,819)
Cash flows from investing activities					
<i>Receipts</i>					
Sale of property plant and equipment		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Payments</i>					
Purchases of Property, Plant and Equipment		3,765	39,113	-	-
		<u>3,765</u>	<u>39,113</u>	<u>-</u>	<u>-</u>
Net cash flows from investing activities		(3,765)	(39,113)	-	-
Cash flows from financing activities					
<i>Receipts</i>					
Proceeds from borrowings		1,100,000	-	-	-
		<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Payments</i>					
Repayment of borrowings		-	-	72,947	142,466
		<u>-</u>	<u>-</u>	<u>72,947</u>	<u>142,466</u>
Net cash flows from financing activities		1,100,000	-	(72,947)	(142,466)
Net decrease in cash and cash equivalents		(93,927)	(284,218)	(113,037)	(321,285)
Cash and cash equivalents at 1 April		1,737,361	2,021,579	1,690,411	2,011,696
Cash and cash equivalents at 31 March	12	1,643,434	1,737,361	1,577,374	1,690,411

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

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

1) Reporting entity

The reporting entity is Port Nicholson Block Settlement Trust (the “Trust”). The Trust is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005. The financial statements comprising of the Trust and its controlled entities (together the “Group”):

Shelly Bay Limited
The Lodge at Shelly Bay Limited
Taranaki Whanui Limited (previously Port Nicholson Block Management Limited)
PNBC Limited
Lowry Bay Section One Limited
Port Nicholson Block Properties Limited
Education PNBST Limited
Tramways Limited
Whites Line East Limited
PNBST Investments Ltd Partnership
SBL Management Limited
Tai-Kuru Limited Partnership
Tai-Kuru Trust Limited

All subsidiaries have a reporting date of 31 March 2017.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group represents the descendants of Taranaki, Te Atiawa, Ngati Ruanui and Ngati Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whanui ki Te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, is the Trust to receive the settlement package relating to historical Treaty of Waitangi Claims. The Crown and Port Nicholson Block Settlement Trust signed a Deed of Settlement in Wellington on 19th August 2008. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

During the 2016 year, the Group undertook a rationalisation of its trading activities, most operations now performed under the banner of Taranaki Whanui Limited, which collects the income and pays the expenses on behalf of the other entities within the Group.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on 8 August 2017.

2) Statement of compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (“RDR”) disclosure concessions.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

3) Statement of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost.

3.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

3.3 Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 March 2017 reporting date.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method).

Rental income

Income from the rental of property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

Lease Premium

Lease Premium from the leased property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when received.

Sale of Property

Revenue from the sale of property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when the sale takes place.

Other Revenue

Other revenue is recognised on an accruals basis.

Revenue from non-exchange transactions

Koha

Koha is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when receipted.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

3.5 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group 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; and either:

- (a) the Group has transferred substantially all the risks and rewards of the asset; or
- (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial are classified as loans and receivables. The Group's financial assets include: cash and cash equivalents, investments, receivables from non-exchange transactions and receivables from exchange transactions.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, receivables from non-exchange transactions and receivables from exchange transactions fall into this category of financial instruments.

Impairment of financial assets

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

In determining whether there is any objective evidence of impairment, the Group first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset's with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings and deferred revenue (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

3.6 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Land	0% SL
Office equipment:	8% - 67% SL
Furniture and fittings	7% - 10.5% SL
The Officers Mess: leasehold improvements	7% SL
The Officers Mess level 1: fit out costs	8.5% - 17.5% SL
Corporals Club: leasehold improvements	3% SL
Base Commander residence	7% - 8.5% SL
Seminar facility	7% SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Heritage assets with no future economic benefit or service potential other than heritage value are not recognized in the Statement of Financial Position.

3.8 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and

Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2017

3.9 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

3.10 Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.11 Income Tax

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

Deferred tax is provided for using the liability method on temporary tax differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable surplus will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

3.12 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.13 Equity

Equity is the net assets of the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Group's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

3.14 Development properties

Development property is measured at cost and recorded on the Statement of Financial Position until such time that development is completed, after which it will be recorded through the Statement of Comprehensive Income and Expenses. It is classified as a current asset as they are expected to be sold within one year.

4) Changes in accounting policy

All accounting policies are consistently applied to all periods presented in these financial statements.

5) Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has not made any significant judgements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- (a) The condition of the asset
- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (c) The nature of the processes in which the asset is deployed
- (d) Availability of funding to replace the asset
- (e) Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Group are listed in Note 4.7.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

6) Group information Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Name of subsidiary	Principal activities	Country incorporated	Percentage equity interest		The Trust – carrying value of investment (at cost)	
			2017	2016	2017	2016
Shelly Bay Limited	Commercial Rental	NZ	100%	100%	100%	100%
The Lodge at Shelly Bay Limited	Commercial Rental	NZ	100%	100%	100%	100%
Taranaki Whanui Limited	Operations Management	NZ	100%	100%	100%	100%
PNBC Limited	Treaty Negotiations	NZ	100%	100%	100%	100%
Lowry Bay Section One Limited	Commercial Rental	NZ	100%	100%	100%	100%
Port Nicholson Block Properties Limited	Commercial Rental	NZ	100%	100%	100%	100%
Education PNBST Limited	Project Management	NZ	100%	100%	100%	100%
Tramways Limited	Shelf Company	NZ	100%	100%	100%	100%
Whites Line East Limited	Shelf Company	NZ	100%	100%	100%	100%
PNBST Investments Limited Partnership	Commercial Rental	NZ	100%	100%	100%	100%
SBL Management Limited	Shelf Company	NZ	100%	100%	100%	100%
Tai-Kuru Limited Partnership	Shelf Company	NZ	100%	100%	100%	100%
Tai-Kuru Trust Limited	Shelf Company	NZ	100%	100%	100%	100%

The reporting date of the Trust and all subsidiaries is 31 March.

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Parent Trust in the form of cash distributions or to repay loans or advances.

Three new subsidiaries were incorporated during the current period, with the expectation that they will begin operations in a future period. As at the report's date they are non-trading shelf companies.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
7) Rental Costs				
Building WOF	1,359	5,523	-	-
Cleaning and Pest Control	7,226	10,392	-	-
Consultancy Fees	47,127	5,000	-	-
Electricity	10,286	9,086	-	-
Fire Monitoring	3,788	4,716	-	-
General	10,278	3,784	-	-
Grounds Maintenance	6,869	4,810	-	-
Health & Safety	2,304	569	-	-
Heating Ventilation/Air Conditioning	2,624	1,856	-	-
Insurance	30,370	34,719	-	-
Lift Maintenance	7,347	6,380	-	-
Property Management Fees	140	7,473	-	-
Rates	37,744	37,824	-	-
Repairs & Maintenance	21,809	19,413	-	-
Security	2,976	2,810	-	-
Water Rates	14,953	8,130	-	-
Valuation Fees	2,950	19,750	-	-
Total Rental Costs	210,151	182,235	-	-
8) Interest received from funds on call				
KiwiBank Interest	1,627	2,573	1,554	2,573
Other Interest	89	2,592	87	742
Interest on Property Transactions	3,411	-	-	-
Interest on Term Deposits	45,983	63,291	45,983	63,291
Total interest received from funds on call	51,109	68,456	47,624	66,606
9) Other revenue				
Other Income (Incl. Project Management Fees)	73,597	49,972	73,597	49,972
Memorandum of Understanding	103,000	156,500	103,000	156,500
Other Income - historical adjustment	85,620	-	85,620	-
Nomination Fees	-	255,000	-	255,000
Income Allocated from Limited Partnership	-	-	-	37,047
Total other revenue	262,216	461,472	262,216	498,519

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
10) Costs of running the office				
Accountancy Fees - Annual & Periodic Work	82,711	47,589	67,450	46,705
ACC Levies	1,171	478	1,171	478
Annual General Meeting / Election Costs	74,693	61,146	74,693	61,146
Hui & SGM Costs	10,701	66,913	8,444	66,913
Audit Fees	52,593	33,228	50,093	33,228
Bank Charges	417	283	297	232
Bad Debts / Doubtful Debt	154,902	2,215	-	2,215
Catering	1,658	4,754	1,627	4,169
Cleaning	7,162	1,011	7,162	1,011
Computer Expenses	13,900	12,147	13,900	12,147
Consultancy Fees	34,674	39,031	27,500	39,031
Consultancy Fees - Accounting & Tax	25,555	-	25,555	-
Cultural Services	13,812	-	13,812	-
Directors Fees	39,729	33,458	-	-
Employment Costs	8,811	300	8,811	300
Entertainment	447	6,653	447	4,283
General Expenses	12,681	17,365	12,681	16,602
Health & Safety	287		287	
HR Consultancy	1,749	2,970	1,749	2,970
Insurance	15,293	12,785	10,800	12,785
KiwiSaver Contributions	15,712	12,138	15,712	12,138
Koha	221	128	221	128
Legal Fees	219,793	43,334	100,368	32,104
Office Expenses	14,859	6,046	14,859	6,033
Penalties - IRD	1,263	284	1,225	284
PR Consultant	7,807	300	7,807	300
Parking & Motor Vehicle expenses	224	24	224	24
Postage	2,389	3,309	2,389	3,309
Photocopying, Printing & Stationery	7,990	15,214	7,990	15,214
Repairs & Maintenance	942	1,913	942	1,913
Rent, Rates and Power	6,409	3,323	6,409	3,323
Sale & Leaseback	27,900	-	27,900	-
Security	145	-	145	-
Staff Expenses	1,862	-	1,862	-
Telephone & Tolls	17,589	12,931	17,589	12,931
Travel & Accommodation	41,573	39,098	40,984	38,271
Trustees' Fees	122,500	113,507	122,500	113,507
Trustee Expenses	1,694	-	1,694	-
Valuation Fees	1,650	-	1,650	-
Waitangi Day Events	4,840	14,177	4,840	14,177
Wages, Salaries & Project Management	614,387	504,510	516,349	411,891
Total costs of running the office	1,664,689	1,112,562	1,220,133	969,762

Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2017

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
11) Taxation				
Net surplus (deficit) as per Financial Statements	(775,348)	(284,527)	(1,049,270)	(607,372)
<i>Timing differences</i>				
Add Back - Closing Balance Audit Accrual as at 31 March	36,500	36,500	36,500	36,500
Less: Opening balance Audit Accrual as at 1 April	(36,500)	(41,000)	(36,500)	(41,000)
Total Timing Differences	-	(4,500)	-	(4,500)
<i>Permanent differences</i>				
Addback - Increase in Impairment Provision	-	-	-	171,575
Deduct - Accounting profit from PNBST Investmt Pship	(66,667)	-	-	(37,046)
Non Deductible Entertainment	-	3,760	-	2,421
Non Deductible Legal	180,365	-	124,574	-
Historical Adjustment	(85,620)	-	(85,620)	-
Total Permanent Differences	28,078	3,760	38,954	136,950
Net Surplus (Deficit) as per Tax Return	(747,270)	(285,267)	(1,010,316)	(474,921)
Tax Losses Brought Forward	(8,511,474)	(8,226,207)	(4,270,928)	(3,796,007)
Net Tax Losses to carry forward	(9,258,744)	(8,511,474)	(5,281,245)	(4,270,928)
Taxation Expense	-	-	-	-
Opening Tax Balance	32,795	31,816	31,247	30,515
Tax Refunds Received	(518)	(14,499)	-	(14,230)
RWT Paid	9,465	517	8,319	-
Capital commitments	-	14,962	-	14,963
Taxation Refund Due	41,742	32,795	39,566	31,247

Tax losses amounting to \$5,551,221 (2016: \$4,270,928) are to be carried forward to be offset against future taxable income by the Parent. The Group has \$9,258,744 (2016: \$8,511,474) of tax losses to be carried forward.

A deferred tax asset may be recognised by the Group and Parent for the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses will be utilised. Due to net losses incurred during the preceeding periods and uncertainty of future results the Group and Parent have not recognised a deferred tax asset in relation to unused tax losses.

12) Cash and cash equivalents

Cash and cash equivalents include the following components:

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Kiwibank Bank Accounts	29,298	115,383	24,461	68,433
Kiwibank Investment Accounts	1,552,913	1,621,978	1,552,913	1,621,978
ASB Bank Accounts	61,223	-	-	-
Total cash and cash equivalents	1,643,434	1,737,361	1,577,374	1,690,411

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

13) Property, Plant and Equipment

Group								
31 March 2017	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation	102,966	55,086	172,022	19,085	26,281	10,225	21,483	407,147
Accum. Depn	(95,675)	(34,005)	(46,214)	(19,085)	(4,967)	(8,284)	(7,195)	(215,426)
Net book value	7,291	21,080	125,808	-	21,314	1,941	14,288	191,722
31 March 2016								
Cost	101,922	55,086	169,300	19,085	26,281	10,225	21,483	403,382
Accum. Depn	(81,717)	(29,274)	(33,780)	(17,573)	(4,179)	(7,766)	(5,691)	(179,980)
Net book value	20,205	25,811	135,519	1,512	22,102	2,459	15,792	223,402
1 April 2015								
Cost	94,448	47,924	144,824	19,085	26,281	10,225	21,483	364,270
Accum. Depn	(69,819)	(28,378)	(19,076)	(17,841)	(3,473)	(7,774)	(2,701)	(149,062)
Net book value	24,629	19,546	125,748	1,244	22,808	2,451	18,782	215,208

Reconciliation of the carrying amount at the beginning and end of the period:

31 March 2017	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	20,205	25,811	135,520	1,512	22,102	2,459	15,792	223,402
Additions	1,044	-	2,722	-	-	-	-	3,766
Disposals	-	-	-	-	-	-	-	-
Depreciation	(13,959)	(4,732)	(12,434)	(1,512)	(788)	(518)	(1,504)	(35,446)
Closing	7,291	21,080	125,808	0	21,313	1,941	14,289	191,722
31 March 2016								
Opening balance	24,629	19,547	125,748	1,244	22,808	2,451	18,782	215,209
Additions	7,474	7,162	24,476	-	-	-	-	39,112
Disposals	-	-	-	-	-	-	-	-
Depreciation	(11,898)	(897)	(14,704)	268	(706)	8	(2,990)	(30,919)
Closing	20,205	25,811	135,520	1,512	22,102	2,459	15,792	223,402

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

14) Investment properties

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
1 - 3 Thorndon Quay, Wellington	1,570,000	1,570,000	1,570,000	1,570,000
Whites Line East, Waiwhetu	435,000	435,000	435,000	435,000
Shelly Bay Road	9,850,000	9,850,000	-	-
Wainuiomata College	1,160,000	1,160,000	-	-
Wainuiomata Intermediate	1,270,000	1,270,000	-	-
Petone College	380,000	380,000	-	-
Total	14,665,000	14,665,000	2,005,000	2,005,000

Group							
31 March 2017	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Shelly Bay Road \$	Wainui. College \$	Wainui. Intermediate \$	Petone College \$	Total \$
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
31 March 2016							
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000

Reconciliation of the carrying amount at the beginning and end of the period:

31 March 2017	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Shelly Bay Road \$	Wainui. College \$	Wainui. Intermediate \$	Petone College \$	Total \$
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Net movements	-	-	-	-	-	-	-
Closing	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
31 March 2016							
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Net movements	-	-	-	-	-	-	-
Closing	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

14) Investment properties (continued)

Parent			
31 March 2017	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Total \$
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	1,570,000	435,000	2,005,000
31 March 2016			
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	1,570,000	435,000	2,005,000
Reconciliation of the carrying amount at the beginning and end of the period:			
31 March 2017	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Total \$
Opening balance	1,570,000	435,000	2,005,000
Net movements	-	-	-
Closing	1,570,000	435,000	2,005,000
31 March 2016			
Opening balance	1,570,000	435,000	2,005,000
Net movements	-	-	-
Closing	1,570,000	435,000	2,005,000

Investment Property comprises a number of commercial properties that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

15) Future Minimum Lease Payments Receivable

As at 31 March 2017, the future minimum lease payments receivable are as follows:

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Lease payments receivable, not later than one year	458,431	458,431	-	-
Lease payments receivable, between one and five years	381,767	840,198	-	-
	840,198	1,298,629	-	-

16) Heritage assets

The Group holds the following heritage assets:

Honiana Te Puni Reserve	Korokoro Gateway, local purpose reserve
Te Oruaiti	Recreational Reserve, formerly known as Point Dorset Recreation Reserve
Wi Tako Ngatata Scenic Reserve	Scenic Reserve located in Upper Hutt
Dendroglyph Site	Sit of tree carvings located near freshwater lake Pencarrow
Bed of Lake Kohangapiripiri	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangapiripiri	Area of land around freshwater lake near Pencarrow
Bed of Lake Kohangatera	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangatera	Area of land around freshwater lake Penacrow
Makaro Scientific Reserve	Scientific Island Reserve (formerly Ward Island)
Matiu Island	Scientific Island Reserve (formerly Somes Island)
Mokopuna Scientific Reserve	Scientific Island Reserve (formerly Leper Island)

Heritage assets have not been included with the Statement of Financial Position as they are difficult to value. Management have determined that due to their cultural significance the value is unlikely to be fully reflected in a valuation.

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

17) Related party transactions

a) Parent and Ultimate controlling party of the Group is Port Nicholson Block Settlement Trust

All members of the Port Nicholson Block Settlement Trust group are related parties of the Trust. During each reporting period, the Trust has advanced loans to support its subsidiaries as required, and received loan repayments from its subsidiaries.

During the Year PNBST Investments Limited Partnership recorded net income from lease premiums and lease rentals of nil, (2016: \$37,047). In terms of the Limited Partnership Deed, this income has been allocated to Port Nicholson Block Settlement Trust, (Parent).

b) Other related parties

In addition to the above, certain administrative transactions were performed between the Parent and its subsidiaries, and the following related parties:

The following related party debts were outstanding at the reporting date:

	Group 31 March 2017 \$	Group 31 March 2016 \$
Pipitea Marae Charitable Trust	-	1,590

c) Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees of The Parent, Directors of the Commercial Board of Taranaki Whanui Limited, and General Manager of operations and the Chief Financial Controller, which constitutes the governing body of the Group. Remuneration of key management personnel is as follows:

	Group 31 March 2017 \$	Group 31 March 2016 \$
Remuneration of Key Management Personnel		
Total Remuneration	259,517	212,500
Total Number of persons	2 FTE	1.5 FTE
Trustee Remuneration		
Neville McClutchie Baker	26,250	32,000
Toarangatira Pomare	11,250	12,000
Wayne Mulligan	10,083	-
Howard Kevin Tamati	9,000	9,000
Morris TeWhiti Love	9,000	9,000
Holden Hohaia	9,000	3,750
Sam Kahui	6,000	9,000
Kura Moeahu	6,000	9,000
Mark Te One	6,000	9,000
Te Rira Puketapu	6,000	9,000
Hokipera Jean Ruakere	6,000	9,000
Peter Jackson	4,500	3,750
Hannah Buchanan	4,417	-
John Coffey	3,000	-
Kara Puketapu-Dentice	3,000	-
Mahina Puketapu	3,000	-
	122,500	114,500

Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2017

17) Related party transactions (continued)

Directors Remuneration (for Taranaki Whanui Limited)

Toarangatira Pomare (Chairman)	15,000	12,500
Peter Allport	7,500	8,333
Jamie Tuuta	6,667	4,167
Bryan Jackson	10,562	8,458
	39,729	33,458

Other remuneration and compensation provided to key management personnel and/or close family members:

During the reporting period, total remuneration and compensation was provided by the Group to key management personnel or employees who are close family members of key management personnel. The total amount was:

Total other remuneration	12,570	12,738
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18) Leases

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Not later than one year	-	2,751	-	-
Later than one year and no later than five years	-	-	-	-
	-	2,751	-	-

19) Categories of financial assets and liabilities

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

	Group 31 March 2017 \$	Group 31 March 2016 \$	Parent 31 March 2017 \$	Parent 31 March 2016 \$
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	1,643,434	1,737,361	1,577,374	1,690,411
Receivables from exchange transactions	239,120	600,313	238,139	403,519
	1,882,554	2,337,674	1,815,512	2,093,930
Financial liabilities				
<i>At amortised cost</i>				
Trade and other creditors	2,220,840	184,905	159,725	146,109
Advances to related entities	-	-	849,352	849,352
Advance to Rymans	796,944	863,611	-	-
ASB loan	1,100,000	-	-	-
Grant Funding in Advance	244,907	339,022	244,891	339,022
	4,362,692	1,387,537	1,253,968	1,334,483

The ASB loan is secured over the properties at 117 Muritai Road and 1-3 Thorndon Quay.

20) Capital commitments

There were no capital commitments at the reporting date (2016: \$Nil).

Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2017

21) Contingent assets and liabilities

Shelly Bay Limited (SBL) - Potential Lessor Liability

SBL is only liable for expenditures incurred and approved in accordance with the terms of the Lease where early termination of the Lease occurs, and the amount has been approved as above an amount will be payable to recompense the Lessee for new improvements that have been approved by the Lessor at the reporting date. Management estimate that the maximum liability at the reporting date is unable to be quantified at 31 March 2017 (2016: \$94,056). This estimate has yet to be approved in accordance with the terms of the lease.

There are no other contingent liabilities or commitments as at 31 March 2017 (2016: \$Nil).

22) Prior year adjustment

A prior year adjustment relating to the capital grant of \$339,022 recognised as revenue has been reclassified as grant money but not yet spent and is reported on the Statement of Financial Position. Current year expenditure of \$177,739 has been offset against this grant. The reclassification arises from the contract variation received subsequent to the approval of the prior year financial statements adding an additional clause to the first milestone and therefore requiring any unspent funds to be returned.

The changes to comparatives are as follows:

	Group 31 March 2016 \$	Parent 31 March 2016 \$
Equity		
Opening equity	16,236,336	15,560,854
Adjustment	(339,022)	(339,022)
Revised opening equity	15,897,314	15,221,832
 Statement of financial position		
Total liabilities	1,048,516	995,461
Adjustment	339,022	339,022
Revised total liabilities	1,387,538	1,334,483
 Total surplus/(deficit)	54,495	(268,350)
Adjustment	(339,022)	(339,022)
Revised total surplus/(deficit)	(284,527)	(607,372)

23) Events after the reporting date

The Board of Trustees and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2016: \$Nil).