

Consolidated Statement of Comprehensive Revenue and Expenses

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

	Note	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Revenue from exchange transactions					
Rent received from properties owned		243,396	271,392	-	-
Lease revenue Rymans agreement		100,000	100,000	-	-
Other revenue	9	501,725	695,770	220,000	618,550
Fair value adjustment - investment properties	15	4,558,149	6,192,484	760,000	153,660
Interest received from funds on call	8	148	4,110	-	4,077
Sale of development property	16	8,655,186	763,539	-	-
Total revenue from exchange transactions		14,058,604	8,027,295	980,000	776,287
Revenue from non-exchange transactions					
Capital grant		452,111	2,183,608	15,000	-
Koha received		-	200	-	200
Total revenue from non-exchange transactions		452,111	2,183,808	15,000	200
Expenses					
Costs of running the office	10	1,711,316	1,811,254	29,942	38,306
Depreciation	14	13,399	13,375	4,401	5,936
Loss on disposal of fixed assets	14	-	1,615	-	-
Maintenance cost for the properties owned	7	276,406	189,037	-	-
Interest expense		130,390	98,282	-	-
Cost of development property sold	16	8,855,469	836,814	-	-
Total expenses		10,986,980	2,950,377	34,343	44,242
Total surplus/(deficit) for the year before share of surplus in investment in associate		3,523,735	7,260,726	960,657	732,245
Share of surplus in investment in associate	21	5,305,595	12,386,288	-	-
Total surplus/(deficit) for the year before taxation		8,829,330	19,647,014	960,657	732,245
Taxation expense/(benefit)	11,12	541,293	(65,345)	152,785	78,338
Total after taxation		8,288,037	19,712,359	807,871	653,907
Other comprehensive revenue and expenses		-	-	-	-
Total comprehensive revenue and expenses		-	-	-	-
Total comprehensive revenue and expenses for the year		8,288,037	19,712,359	807,871	653,907

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 2021

Group	Note	Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2020		42,711,395	42,711,395
Surplus for the year		8,288,037	8,288,037
Other comprehensive revenue		-	-
Closing equity 31 March 2021		50,999,432	50,999,432
Opening balance 1 April 2019		22,999,036	22,999,036
Surplus for the year		19,712,359	19,712,359
Other comprehensive revenue		-	-
Closing equity 31 March 2020		42,711,395	42,711,395

Parent		Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2020		16,039,875	16,039,875
Surplus for the year		807,871	807,871
Other comprehensive revenue		-	-
Closing equity 31 March 2021		16,847,746	16,847,746
Opening balance 1 April 2019		15,385,968	15,385,968
Surplus for the year		653,907	653,907
Other comprehensive revenue		-	-
Closing equity 31 March 2020		16,039,875	16,039,875

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 2021

	Note	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Current assets					
Cash and cash equivalents	13	1,203,196	1,018,208	68,609	90,445
Receivables from exchange transactions	19	92,796	117,790	63,826	110,512
Prepayments		28,086	34,745	-	-
Inter-entity advances	19	-	-	16,016,717	15,727,625
Development property	16	2,822,054	5,906,863	-	-
Goods and services tax receivable		110,920	49,578	-	-
Income tax refund due	11	-	20,731	-	13,034
Non-trade receivables	19	1,850,000	1,850,000	-	-
		<u>6,107,052</u>	<u>8,997,915</u>	<u>16,149,152</u>	<u>15,941,616</u>
Non-current assets					
Investment properties	15	20,530,000	12,915,000	1,600,000	840,000
Investment in joint venture	20	950,000	950,000	-	-
Investments in associates	21	24,657,521	20,587,679	-	-
Property, plant and equipment	14	44,396	50,228	306	4,707
Development property	16	1,149,572	-	-	-
Non-trade receivables	19	1,850,000	1,850,000	-	-
Deferred tax asset	12	22,406	518,835	-	107,922
		<u>49,203,895</u>	<u>36,871,742</u>	<u>1,600,306</u>	<u>952,629</u>
Total assets		<u>55,310,947</u>	<u>45,869,657</u>	<u>17,749,458</u>	<u>16,894,245</u>
Current liabilities					
Goods and services tax payable		-	-	6,985	5,018
Income tax payable	11	43,123	-	44,211	-
Trade and other creditors	19	1,266,706	293,066	1,162	-
Advances from related entities	19	-	-	849,352	849,352
Advance from Ryman Healthcare	19	498,670	567,157	-	-
Advance from Raukawa	19	1,500,000	1,000,000	-	-
Conditional grant money received	19	1,003,016	1,298,039	-	-
Total liabilities		<u>4,311,515</u>	<u>3,158,262</u>	<u>901,712</u>	<u>854,370</u>
Net assets		<u>50,999,432</u>	<u>42,711,395</u>	<u>16,847,746</u>	<u>16,039,875</u>
Equity					
Accumulated comprehensive revenue and expense		50,999,432	42,711,395	16,847,746	16,039,875
Total equity		<u>50,999,432</u>	<u>42,711,395</u>	<u>16,847,746</u>	<u>16,039,875</u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 7 October 2021:

Trustee

Trustee

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 2021

	Note	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Cash flows from operating activities					
<i>Receipts</i>					
Receipts from non-exchange transactions		157,088	3,170,983	15,000	-
Receipts from exchange transactions		708,773	4,903,022	272,608	652,648
Income tax receipts		18,990	-	12,381	-
Interest received		148	3,378	-	3,364
		<u>884,999</u>	<u>8,077,383</u>	<u>299,989</u>	<u>656,012</u>
<i>Payments</i>					
Payments to suppliers		2,268,267	4,195,509	32,733	95,712
Interest paid		98,877	63,162	-	-
		<u>2,367,144</u>	<u>4,258,671</u>	<u>32,733</u>	<u>95,712</u>
Net cash flows from operating activities		(1,482,145)	3,818,712	267,256	560,300
Cash flows from investing activities					
<i>Receipts</i>					
Distributions from associates		1,223,753	396,722	-	-
Net funds received from / (paid to) related parties		-	-	(289,092)	(1,632,928)
		<u>1,223,753</u>	<u>396,722</u>	<u>(289,092)</u>	<u>(1,632,928)</u>
<i>Payments</i>					
Purchases of property, plant and equipment		7,567	5,809	-	-
Purchases of investment property		49,053	-	-	-
Investment in associates		-	8,560,126	-	-
		<u>56,620</u>	<u>8,565,935</u>	<u>-</u>	<u>-</u>
Net cash flows from investing activities		1,167,133	(8,169,213)	(289,092)	(1,632,928)
Cash flows from financing activities					
<i>Receipts</i>					
Proceeds from borrowings		500,000	1,000,000	-	-
		<u>500,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<i>Payments</i>					
Repayment of borrowings		-	500,000	-	-
		<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net cash flows from financing activities		500,000	500,000	-	-
Net increase/(decrease) in cash and cash equivalents		184,988	(3,850,501)	(21,836)	(1,072,628)
Cash and cash equivalents at 1 April		1,018,208	4,868,709	90,445	1,163,073
Cash and cash equivalents at 31 March	13	1,203,196	1,018,208	68,609	90,445

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 2021

1) Reporting entity

The reporting entity is Port Nicholson Block Settlement Trust (the “Trust”). The Trust is domiciled in New Zealand and was established as the Post Settlement Governance Entity (PSGE) to receive the settlement redress from the Crown as part of the historical claim made under the Treaty of Waitangi. The financial statements comprising of the Trust and its controlled entities (together the “Group”) are outlined in note 6.

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 Ātiawa, Ngāti Ruanui and Ngāti Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whānui ki te Upoko o te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, receives 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. The Trust and several entities within the Group have elected to be Māori authorities under the Income Tax Act 2007 on the basis they received and manage the settlement package received from the Crown.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on 7 October 2021.

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.

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 except where explicitly noted.

3.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost with the exception of investment properties which have been measured at fair value.

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 reporting date.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

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. The Group considers revenue from project management, grants for services, memorandum of understanding and other similar revenue streams as rendering of services as they are considered exchange transactions by the Group and represent services provided by the Group to external parties.

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 surplus and deficit in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

Sale of Property

The Group assess when the sale takes based on satisfying certain conditions. These include when the significant risks and rewards of ownership is transferred to the purchaser, when the Group no longer retains any control related to ownership of the property and it is probable that the sale proceeds will be receivable by the Group. This is typically when sale and purchase agreements are unconditional.

Other Revenue

Other revenue is recognised on an accruals basis.

Revenue from non-exchange transactions

Koha

Koha is recognised within surplus and deficit in the Statement of Comprehensive Revenue and Expense when receipted.

Maori Housing Network and Te Ara Mauwhare

The Group receives grant funding from Maori Housing Network and Te Ara Mauwhare to assist the development at Wainuiomata Intermediate. The Group also receives grant funding from Te Ara Mauwhare to assist in the "Sorted Kainga Ora" programme. Grant funding is recognised within surplus and deficit in the statement of Comprehensive Revenue and Expenses when outputs in the funding agreement are satisfied.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

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 assets are classified as loans and receivables. The Group's financial assets include: cash and cash equivalents, deposits from sales, 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.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

3.5 Financial instruments (continued)

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.

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 assets 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 which are subject to an insignificant risk of changes in value.

3.7 Property, plant and equipment

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% - 50% SL
Leasehold improvements	7%-13.5% SL
Furniture and fittings	6% - 21% SL



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

3.7 Property, plant and equipment (continued)

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 recognised 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 for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value with any change recognised in the reported surplus or deficit in accordance with PBE IPSAS 16.

Investment Property comprises a number of commercial properties some of which that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee.

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:



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

3.11 Income Tax (continued)

- 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.

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 net 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 specifically held to be developed and subsequently sold as part of the ordinary course of business for the Group. It 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 Revenue and Expenses. The development properties that are expected to be sold within one year are classified as current assets. The development properties that are under construction are classified as non-current assets.

3.15 Joint ventures

An investment in a joint venture is recorded where two or more parties have entered into a binding arrangement to undertake an activity that is subject to joint control. The investment in a joint venture is initially recorded at cost and adjusted thereafter for the share of the venturer's share of the net assets of the jointly controlled entity. The surplus or deficit of the venturer includes the venturer's share of the surplus or deficit of the jointly controlled entity.

3.16 Investments in associates

Associates are those entities within which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of equity-accounted investees, until the date on which significant influence ceases.

4) Changes in accounting policy

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



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

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 have made the following significant judgements.

Management have used judgement in classifying investment and development property within the Group. This has been based on current use, and intention in relation to the future use of property. This assessment could be subject to change depending on market conditions or other changes that may or may not be within the Group's control.

The impact of COVID-19 on the Group's financial statements

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. On 25 March 2020, New Zealand entered Government-directed Alert Level 4 lockdown resulting in the shut down in all but essential services until 27 April 2020. Additional regional lockdowns occurred during August 2020 and March 2021. The Group has considered the impacts of the COVID-19 pandemic on business operations and financial results, as there was uncertainty around the duration. Based on actual results to date, and the likely potential impacts, Management does not believe any change is required to its basis of preparation as a going concern or that any impairment is required to be recognised as a result of the virus.

In preparing the financial statements under a going concern basis, the Trustees have given consideration to the cash flows generated from its investments and investment property and the Group's operations. The Trustees' assessment, particularly when considering that slightly in excess of seventy percent of its annuity cash comes from Crown backed leases, demonstrates there is sufficient operating and investing cash flow to meet the financing cash flow requirements and obligations of the Group.

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.

The Group records a number of property assets at their fair values. The assessment of fair value required applying significant judgement as detailed in note 15.

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 3.7.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

6) Group information Subsidiaries

The consolidated financial statements of the Group include the following wholly-owned subsidiaries.

Name of subsidiary	Principal activities	Country incorporated
Shelly Bay Limited	Shelf Company	NZ
The Lodge at Shelly Bay Limited	Shelf Company	NZ
Taranaki Whānui Limited	Operations Management	NZ
TWL Holdings Limited	Holding Company	NZ
TWL Management Limited	Operations Management	NZ
TWL Trust Limited	Operations Management	NZ
Muritai Project Limited Partnership	Project Management	NZ
RFR Projects Limited Partnership	Project Management	NZ
RFR General Partner Limited	Project Management	NZ
LBS General Partner Limited	Project Management	NZ
Lowry Bay Limited Partnership	Project Management	NZ
Lowry Bay Number Two Limited Partnership	Project Management	NZ
Lowry Bay Section One Limited	Commercial Rental	NZ
Port Nicholson Block Properties Limited	Project Management	NZ
Education PNBST Limited	Project Management	NZ
Tramways Limited	Commercial Rental	NZ
Whites Line East Limited	Shelf Company	NZ
PNBST Investments Limited Partnership	Commercial Rental	NZ
SBL Management Limited	Shelf Company	NZ
Tai-Kuru Limited Partnership	Shelf Company	NZ
Tai-Kuru Trust Limited	Shelf Company	NZ

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.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
7) Maintenance costs for properties owned				
Building WOF	290	824	-	-
Cleaning	10,717	9,527	-	-
Electricity	13,368	14,905	-	-
Fire Monitoring	2,882	2,722	-	-
Insurance	71,299	49,321	-	-
Rates	54,064	54,673	-	-
Real Estate Fees	-	6,333	-	-
Repairs & Maintenance	62,454	30,761	-	-
Security	4,700	4,412	-	-
Telephone	711	605	-	-
Water Rates	2,744	8,704	-	-
Valuation Fees	53,176	6,250	-	-
Total Rental Costs	276,406	189,037	-	-
8) Interest received from funds on call				
ASB Interest	42	-	-	-
BNZ Interest	105	-	-	-
KiwiBank Interest	-	4,077	-	4,077
Total interest received from funds on call	148	4,077	-	4,077
9) Other revenue				
Other Income (Incl. Project Management Fees)	5,043	81,770	-	4,550
Memorandum of Understanding	220,000	214,000	220,000	214,000
Nomination Fees	43,478	-	-	-
Cost recovery	233,203	-	-	-
Recovery of Redwood receivable	-	400,000	-	400,000
Total other revenue	501,725	695,770	220,000	618,550



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

10) Costs of running the office

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Compliance				
Accounting	36,368	75,655	1,163	-
Annual General Meeting	19,696	9,236	-	-
Annual Report	10,524	1,112	-	-
Audit	45,475	34,570	30	-
	112,062	120,573	1,193	-
Consultancy				
Commercial Advisor	146,000	96,000	-	-
Consultancy	204,147	256,930	-	-
Legal Fees	442,740	559,523	-	-
Underwriting fees	-	45,000	-	-
	792,888	957,453	-	-
Cultural services				
Cultural Services	26,650	42,100	-	1,600
Koha given	-	100	-	-
	26,650	42,200	-	1,600
Governance				
Chair Fees	32,000	-	-	-
Director Expenses	659	30	-	-
Director Fees	70,000	45,000	-	-
Director Fees - Tai Hekenga	12,000	7,000	-	-
FAAR Committee Fees	5,250	-	-	-
Trustee Elections	44,310	60,878	-	-
Trustee Fees	27,250	22,750	-	-
Trustee Travel Expenses	5,601	12,854	-	-
	197,070	148,511	-	-
Member engagement				
Database	56,926	57,795	-	-
Events	-	13,415	-	87
Covid-19 recovery distributions	30,000	-	30,000	-
	86,926	71,210	30,000	87



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

10) Costs of running the office (continued)

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Office Expenses				
ACC levies	1,526	-	(242)	-
Bank Fees	1,161	5,451	60	70
Bad debt	5,946	7,555	2,885	4,035
Catering	57	1,149	-	-
Computer Expenses	13,429	9,613	-	-
Copying & Printing	5,824	9,282	-	589
File storage & destruction	303	354	-	-
IRD penalties	672	93	-	-
Movement in provision for doubtful debts	305	-	(4,035)	-
Office expenses	2,996	2,056	-	-
Postage	613	170	-	-
Publications	-	3,380	-	-
Sale and leaseback administration	-	26,586	-	-
Stationery	-	61	-	-
Subscriptions	1,956	1,510	-	83
Te Puna Wai Administration	664	5,477	-	-
Telephone	2,537	3,682	81	1,194
Travel Expenses	24,629	37,871	-	-
Website	517	445	-	30
	63,135	114,737	(1,251)	6,001
Personnel				
Kiwisaver - employer contributions	7,503	6,496	-	594
Staff training	188	-	-	-
Sub-contractor	174,799	123,340	-	-
Wages/salaries	250,096	226,735	-	30,023
	432,586	356,570	-	30,617
Total costs of running the office	1,711,316	1,811,254	29,942	38,306



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

11) Taxation

11a) Calculation of current tax expense

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Net surplus (deficit) as per Financial Statements	8,829,330	19,647,014	960,657	732,245
<i>Timing differences</i>				
Add Back - Closing Balance Audit Accrual as at 31 March	40,000	40,000	-	-
Less: Opening balance Audit Accrual as at 1 April	(40,000)	(40,000)	-	(40,000)
Movement in provision for doubtful debts	305	(2,445)	(4,035)	(5,965)
Deductible tax depreciation on buildings	(1,314)	-	-	-
Total Timing Differences	(1,009)	(2,445)	(4,035)	(45,965)
<i>Permanent differences</i>				
Fair value adjustments	(4,558,149)	(6,192,484)	(760,000)	(153,660)
Permanent adjustments	(3,128,077)	(11,072,929)	(53,487)	(465,081)
Prior year over/under provision	-	(18,461)	(73,275)	471,238
Income allocated from Group LP's to Parent	-	-	799,165	29,439
Total Permanent Differences	(7,686,226)	(17,283,874)	(87,598)	(118,064)
Net Surplus (Deficit) as per Tax Return	1,142,095	2,360,695	869,025	568,216
Tax Losses Brought Forward	(3,232,214)	(5,592,909)	(612,660)	(1,180,876)
Taxable income/(Net Tax Losses to carry forward)	(2,090,119)	(3,232,214)	256,365	(612,660)
Current Taxation Expense	44,864	-	44,864	-
Opening Tax Balance	(20,731)	(19,999)	(13,034)	(12,321)
Tax Refunds Received	19,030	2	12,381	2
RWT Paid	(40)	(732)	-	(713)
Use of money interest received	-	(2)	-	(2)
Income tax payable/(refund due)	43,123	(20,731)	44,211	(13,034)

Tax losses amounting to \$Nil (2020: \$612,660) are to be carried forward to be offset against future taxable income by the Parent. The Group has \$2,090,119 (2020: \$3,232,214) 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 the Group utilising significant tax losses in the current year and future profits anticipated, management expect all tax losses will be used and have chosen to recognise deferred tax for the year ended 31 March 2021.

The prior year over/under provision relates to aligning the accounting taxable income with what was filed with Inland Revenue when the tax returns have been prepared subsequent to the preparation of the financial statements.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

11) Taxation (continued)

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
11b) Reconciliation of net surplus (deficit) to taxation expense				
Net surplus (deficit) per financial statements	8,829,330	19,647,014	960,657	732,245
Tax expense using the Group's tax rate 17.5%	1,545,133	3,438,227	168,115	128,143
- Adjustment for temporary differences	(177)	(428)	(706)	(8,044)
- Adjustment for permanent differences	(1,345,089)	(3,024,678)	(15,330)	(20,661)
- Utilisation of tax losses	(155,003)	(413,122)	(107,215)	(99,438)
Current tax expense	44,864	-	44,864	-
Deferred tax adjustments				
- Change in recognised Temporary differences	496,429	(65,345)	107,922	78,338
Total tax expense	541,293	(65,345)	152,785	78,338

12) Deferred tax

	Net balance 1-Apr-19	Recognised in P&L 31 March 2020	Deferred tax asset / (liability) 31 March 2020	Recognised in P&L 31 March 2021	Deferred tax asset / (liability) 31 March 2021
Parent					
Provisions and other liabilities	1,750	(1,044)	706	(706)	-
Accumulated tax losses	184,510	(77,294)	107,216	(107,216)	-
Total deferred tax	186,260	(78,338)	107,922	(107,922)	-
Group					
Provisions and other liabilities	1,750	(428)	1,322	53	1,376
Investment property	(322,000)	273,875	(48,125)	(341,480)	(389,605)
Development property	(208,250)	208,250	-	-	-
Accumulated tax losses	981,990	(416,352)	565,638	(155,002)	410,636
Total deferred tax	453,490	65,345	518,835	(496,429)	22,406

	Group 31 March 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
13) Cash and cash equivalents				
Cash and cash equivalents include the following components:				
Kiwibank Bank Accounts	67,982	89,818	67,982	89,818
Kiwibank Investment Accounts	627	627	627	627
ASB Bank Accounts	22,109	22,021	-	-
BNZ Bank Accounts	1,026,334	810,078	-	-
Brookfield Trust Account	86,144	95,664	-	-
Total cash and cash equivalents	1,203,196	1,018,208	68,609	90,445



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

14) Property, Plant and Equipment

Group				
31 March 2021	Office Equipment \$	Furniture and Fittings \$	Leasehold Imp. \$	Total \$
Cost/Valuation	92,178	31,388	47,989	171,555
Accum. Depn	(86,623)	(19,082)	(21,454)	(127,159)
Net book value	5,555	12,306	26,535	44,396
31 March 2020				
Cost	88,239	27,759	47,989	163,987
Accum. Depn	(79,870)	(16,893)	(16,996)	(113,759)
Net book value	8,369	10,866	30,993	50,228

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

31 March 2021	Office Equipment \$	Furniture and Fittings \$	Leasehold Imp. \$	Total \$
Opening balance	8,369	10,866	30,993	50,228
Additions	3,939	3,628	-	7,567
Disposals	-	-	-	-
Depreciation	(6,753)	(2,188)	(4,458)	(13,399)
Closing	5,555	12,306	26,535	44,396
31 March 2020				
Opening balance	12,733	14,747	31,929	59,409
Additions	2,638	-	3,171	5,809
Disposals	-	(1,615)	-	(1,615)
Depreciation	(7,002)	(2,266)	(4,108)	(13,375)
Closing	8,369	10,866	30,993	50,228

Parent		
31 March 2021	Office Equipment \$	Total \$
Cost/Valuation	14,841	14,841
Accum. Depn	(14,535)	(14,535)
Net book value	306	306
31 March 2020		
	Office Equipment \$	Total \$
Cost/Valuation	14,841	14,841
Accum. Depn	(10,134)	(10,134)
Net book value	4,707	4,707



Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2021

14) Property, Plant and Equipment (Continued)

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

31 March 2021

	Office Equipment	Total
	\$	\$
Opening balance	4,707	4,707
Additions	-	-
Disposals	-	-
Depreciation	(4,401)	(4,401)
Closing	306	306

31 March 2020

	Office Equipment	Total
	\$	\$
Opening balance	10,643	10,643
Additions	-	-
Disposals	-	-
Depreciation	(5,936)	(5,936)
Closing	4,707	4,707



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

15) Investment properties

	Group 31 March 2021	Group 31 March 2020	Parent 31 March 2021	Parent 31 March 2020
	\$	\$	\$	\$
Kāumatua Units	3,855,000	-	-	-
1 - 3 Thorndon Quay, Wellington	2,450,000	2,150,000	-	-
Whites Line East, Waiwhetu	1,600,000	840,000	1,600,000	840,000
Wainuiomata College	5,250,000	3,300,000	-	-
Wainuiomata Intermediate (Kōhanga Reo Building)	625,000	625,000	-	-
Petone College	6,750,000	6,000,000	-	-
	20,530,000	12,915,000	1,600,000	840,000

Group							
31 March 2021	Kāumatua Units	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Wainui. College	Wainui. Intermediate (Kōhanga Reo Building)	Petone College	Total
		\$	\$	\$	\$	\$	\$
Cost/Valuation	3,855,000	2,450,000	1,600,000	5,250,000	625,000	6,750,000	20,530,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	3,855,000	2,450,000	1,600,000	5,250,000	625,000	6,750,000	20,530,000
31 March 2020							
Cost/Valuation	-	2,150,000	840,000	3,300,000	625,000	6,000,000	12,915,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	-	2,150,000	840,000	3,300,000	625,000	6,000,000	12,915,000

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

31 March 2021	Kāumatua Units	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Wainui. College	Wainui. Intermediate (Kōhanga Reo Building)	Petone College	Total
		\$	\$	\$	\$	\$	\$
Opening balance	-	2,150,000	840,000	3,300,000	625,000	6,000,000	12,915,000
Fair value adjustment	798,149	300,000	760,000	1,950,000	-	750,000	4,558,149
Purchase	49,054	-	-	-	-	-	49,054
Disposal	-	-	-	-	-	-	-
Transfer from/(to) development property	3,007,797	-	-	-	-	-	3,007,797
Closing	3,855,000	2,450,000	1,600,000	5,250,000	625,000	6,750,000	20,530,000
31 March 2020							
Opening balance	-	1,906,176	686,340	3,000,000	650,000	480,000	6,722,516
Fair value adjustment	-	243,824	153,660	300,000	(25,000)	5,520,000	6,192,484
Purchase	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Closing	-	2,150,000	840,000	3,300,000	625,000	6,000,000	12,915,000

The investment properties are currently being held for either rental or capital appreciation. The methods applied in determining fair values include reviewing relevant lease documentation, rates information, recent market evidence and valuations prepared by registered valuers.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

15) Investment properties (Continued)

1 - 3 Thorndon Quay

A desktop review of the capitalisation of rental income and discounted cash flow valuations have been undertaken on 1-3 Thorndon Quay as at 31 March 2021 by Gwendoline Callaghan (FNZIV) of Colliers International. The significant assumptions in the valuation are (1) a capitalisation rate of 6.81% (2020: 7.40%); (2) a discount rate in the discounted cash flow approach of 8.00% (2020: 8.25%); and (3) a terminal yield in the discounted cash flow approach of 6.75% (2020: 7.50%).

Wainuiomata Intermediate (Kōhanga Reo building) and College

Wainuiomata College has been valued using hypothetical subdivision as at 31 March 2021 by Gwendoline Callaghan (FNZIV) of Colliers International.

The Kōhanga Reo component of Wainuiomata Intermediate has been valued using capitalisation of rental income at a rate of 10% (2020: 10%) as at 31 March 2021 by Gwendoline Callaghan (FNZIV) of Colliers International. The significant assumptions in the valuation is that the seismic strength in relation to the NBS is not less than 67% (2020: 67%).

Kāumatua units

The Kāumatua units have been valued on an investment approach using capitalisation of rental income at a rate of 4.50% as at 18 November 2020 by Gwendoline Callaghan (FNZIV) of Colliers International. This approach is based on the units being rented at market rates less operating costs and capitalised at a market return. The Group considers that the valuation reflects fair value at 31 March 2021.

Whites Line East

A desktop review valuation has been undertaken on Whites Line East as at 31 March 2021 by Gwendoline Callaghan (FNZIV) of Colliers International. The value adopted has been based on a hypothetical subdivision approach for the highest and best use of the land.

Petone College

The valuation of the former Petone College land was performed by Melville Jessup Weaver utilising an actuarial model to measure the fair value of pre-tax cash flows generated from the lease agreement with Ryman Healthcare. The following significant judgements were made for the key inputs of the valuation:

- Average growth rate in the resale value of units of 5% (2020: 5%) per annum. An increase in this input results in a higher fair value
- Average turnover of units being seven years (2020: seven years) for Independent Living Apartments and three years (2020: three years) for Serviced Apartments. An increase in this input results in a lower fair value.
- Pre-tax discount rate of 10% (2020: 10%). An increase in this input results in a lower fair value.



Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2021

Parent		
31 March 2021	Whites Line East Waiwhetu \$	Total \$
Cost/Valuation	840,000	840,000
Fair value adjustment at 31 March 2020	760,000	760,000
Transferred to Group during the year	-	-
Accum. Depn	-	-
Net book value	1,600,000	1,600,000
31 March 2020		
Cost/Valuation	686,340	686,340
Fair value adjustment at 31 March 2019	153,660	153,660
Transferred to Group during the year	-	-
Accum. Depn	-	-
Net book value	840,000	840,000
Reconciliation of the carrying amount at the beginning and end of the period:		
31 March 2021	Whites Line East Waiwhetu \$	Total \$
Opening balance	840,000	840,000
Net movements	760,000	760,000
Closing balance	1,600,000	1,600,000
31 March 2020		
Opening balance	686,340	686,340
Net movements	153,660	153,660
Closing balance	840,000	840,000



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

16) Development properties

31 March 2021

	Mt Crawford	Wainuiomata Intermediate	Muritai Rd	Total
	\$	\$	\$	\$
Opening balance	-	5,906,863	-	5,906,863
Development costs capitalised	153,567	9,774,462	-	9,928,029
Transfer to investment property	-	(3,007,797)	-	(3,007,797)
Cost of development property sold	-	(8,855,469)	-	(8,855,469)
Closing balance	153,567	3,818,059	-	3,971,626

31 March 2020

Opening balance	-	3,281,286	807,330	4,088,616
Development costs capitalised	-	2,625,578	29,484	2,655,062
Cost of development property sold	-	-	(836,814)	(836,814)
Closing balance	-	5,906,863	-	5,906,864

Development properties are classified as follows:

31 March 2021

Current portion

Wainuiomata Intermediate - Shared Equity held for sale	-	495,590	-	495,590
Wainuiomata Intermediate - Stage B	-	2,326,464	-	2,326,464
	-	2,822,054	-	2,822,054

Non current

Mt Crawford	153,567	-	-	153,567
Wainuiomata Intermediate - Undeveloped Land	-	996,005	-	996,005
	153,567	996,005	-	1,149,572
	153,567	3,818,059	-	3,971,626

31 March 2020

Current portion

Wainuiomata Intermediate	-	5,906,863	-	5,906,863
	-	5,906,863	-	5,906,863

Development property is measured at cost and held for sale in the ordinary course of business. During the year there were 19 properties sold as part of Stage A of the Wainuiomata Intermediate development which included 6 shared equity properties totalling \$8,655,186 plus rent received less commissions.

The shared equity properties were partially sold with the equity held by the Group still considered held for sale. This is due to the shared ownership agreement between the Group and the owners allowing the owners to purchase the remaining share held by the Group on request at the current market value.

11 Kaumātua Rental units have been completed during the year, and as the Group intends to hold these for rental purposes the associated costs incurred have been transferred to investment property (refer Note 15).

The development of a further 18 units as part of 'Stage B' of the development has been halted due to the threat of occupation of the land by the Uri Working Group. It is uncertain when development will be able to be resumed. The development costs reflected above relate to the development costs incurred to 31 March 2021.

All the development costs capitalised in relation to the property sales were transferred to surplus and deficit upon sale aside from the proportion of costs relating to the shared equity still held by the Group.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

17) 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	Site 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 Pencarrow
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.

18) 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.

A net balance of \$15,167,365 (2020: \$14,878,273) is owing from the wholly-owned subsidiaries of the Trust. The terms of these advances are current, unsecured, and interest free.

b) 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, and Directors of the Commercial Board of Taranaki Whānui Limited. Remuneration of key management personnel is as follows:

	Group 31 March 2021 \$	Group 31 March 2020 \$
Remuneration of Key Management Personnel (excluding trustees)		
Total Remuneration	396,096	312,519
Total Number of persons	3 FTE	3 FTE
Trustee Remuneration		
Grant Knuckey	1,000	-
Huia Puketapu	-	500
Toarangatira Pomare	3,000	1,500
Wayne Mulligan	13,750	10,833
Paora Mephram	3,000	1,500
Holden Hohaia	3,000	1,500
John Coffey (Chairman from 26 May 2020)	27,167	1,500
Tanya Skelton (Chairman From 1 April 2020 to 26 May 2020)	5,333	3,917
Mahina Puketapu	3,000	1,500
	59,250	22,750



Consolidated Notes to the financial statements
Port Nicholson Block Settlement Trust
For the year ended 31 March 2021

18) Related party transactions (continued)

FAAR Committee Remuneration

Paora Mepham	1,750	-
Te Aroha Hohaia	1,750	-
Peter Allport	1,750	-
	5,250	-

Directors Remuneration (for Taranaki Whānui Limited)

Toarangatira Pomare (Chairman)	23,500	15,000
Peter Allport	15,500	10,000
Jamie Tuuta	15,500	10,000
Bryan Jackson	15,500	10,000
	70,000	45,000

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

During the reporting period, remuneration was provided to Toarangatira Pomare as director of Tai Hekenga Limited Partnership. No other remuneration and compensation was provided by the Group to key management personnel or employees who are close family members of key management personnel.

Total other remuneration	12,000	7,000
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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 2021 \$	Group 31 March 2020 \$	Parent 31 March 2021 \$	Parent 31 March 2020 \$
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	1,203,196	1,018,208	68,609	90,445
Receivables from exchange transactions	92,796	117,790	63,826	110,512
Non-trade receivables	3,700,000	3,700,000	-	-
Inter-entitv advances	-	-	16,016,717	15,727,625
	4,995,992	4,835,998	16,149,152	15,928,583
<i>At amortised cost</i>				
Trade and other creditors	1,266,706	293,066	1,162	-
Advances from related entities	-	-	849,352	849,352
Advance from Rymans	498,670	567,157	-	-
Raukawa Loan	1,500,000	1,000,000	-	-
Conditional Grant Funding - Lowry Bay Limited Partnership	1,003,016	1,298,039	-	-
	4,268,392	3,158,262	850,514	849,352

Lowry Bay Limited Partnership has received \$4.14m in grant funding from TPK at 31 March 2021. This funding is to assist the entity in developing infrastructure for 23 house sites, as well as construction of 8 rental units and 15 shared equity properties on the Wainuiomata Intermediate site. \$980,000 of funding has been held as a liability until satisfaction of the repayment terms being completion of the work, where the funding will be recognised as revenue. As referred to in Note 16, the Group has retained this liability as the development has had to be ceased with 9 house sites and 9 shared equity properties yet to be constructed due to the threat of occupation of the land by the Uri Working Group.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

19) Categories of financial assets and liabilities (continued)

Taranaki Whānui Limited has received a further loan of \$500,000 from Raukawa ki te Tonga AHC Limited totalling during the year ended 31 March 2021 totalling \$1,500,000 at 31 March 2021. The total amount available from this facility is \$2,000,000 with the remaining \$500,000 not drawn at balance date. The loan is due for payment prior to 26 July 2023. The Group has provided security for the loan being:

- A registered first mortgage over the land and buildings at 1-3 Thorndon Quay, Wellington;
- A registered first mortgage over the land at 86 Whites Line East, Lower Hutt;
- A first ranking general security agreement over all present and after acquired property of Tramways Limited (which is the controlled entity within the Group that owns 1-3 Thorndon Quay, Wellington).

A guarantee and indemnity is also provided by Tramways Limited and Port Nicholson Block Settlement Trust.

20) Joint venture

In March 2019, Taranaki Whānui Limited has entered into a partnership for ongoing property development. Taranaki Whānui Limited has joint control of the partnership and accordingly the partnership is classified as a joint venture for accounting purposes and accounted for using the equity method.

At 31 March 2021 the joint venture has had no activity and therefore the joint venture is held at the Group's equity investment of \$950,000.

21) Investment in associates

In June 2019, Taranaki Whānui Limited entered into partnership agreement with several other organisations to form the Tai Hekenga Limited Partnership. Taranaki Whānui Limited has significant influence over the financial and operating policies of the partnership and accordingly the investment in the partnership is classified as an investment in an associate for accounting purposes and accounted for under the equity method.

In 2020 TWL committed \$8.5m for 10.87% of the partnership, and as a result of making the Sale and Leaseback properties available for the other organisations to invest into, it received a 9% free carry portion totalling \$5,635,319 to the investment bringing its total share of the investment to 19.87%.

As at 31 March 2021 the value of the interest was \$24,657,521 (2020: \$20,587,679) which is reflected in the Group balance sheet. The revenue in the Consolidated Statement of Comprehensive Revenue and Expenses reflects the Group's share of the partnership rental income of \$1,247,814 (2020: \$476,491) and the uplift on the revaluation of the properties and derivatives held in the partnership of \$4,057,781 (2020: \$6,274,478).

22) Capital commitments

There are no capital commitments as at 31 March 2021.

23) Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 March 2021.



Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

24) Events after the reporting date

On 17 August 2021, New Zealand entered Government-directed Alert Level 4 lockdown. The duration of this lockdown at alert levels 4 & 3 was 3 weeks. New Zealand, with the exception of Auckland, remains at alert level 2 at the date of publishing this report. As the lockdown occurred after balance date, the Group believes no adjustment is required to the financial statements. The Group will continue to monitor the impact of this lockdown, but at the date of this report it is too early to determine the full impact the lockdown may have.

On 30 July 2021, the Group entered an agreement with Greater Wellington Regional Council for continued funding for services to the council in the area of Tūāpapa and Kaupapa. The agreement provides that the Group will use the Tūāpapa funding of \$200,000 annually to achieve the Tūāpapa outcomes and contribute to Kaupapa funding projects which will be a joint Kaupapa program developed by both the Greater Wellington Regional Council and the Group.

On 2 August 2021, the Group has entered a funding agreement with Ministry of Housing and Urban Development (HUD) for income related rent subsidies for the 11 kāumatua units at Te Puna Wai. The agreement provides that the Group will enter a five year Capacity Services Agreement with Compass Housing Services Co (New Zealand) Limited (Compass) with a right of renewal under its lease for a further five years. HUD will provide a supplement of 64% of market rent which was determined to be \$325 a week for a one bedroom unit.

On 26 August 2021, Port Nicholson Block Settlement Trust entered into an agreement with Waka Kotahi (New Zealand Transport Agency), where Waka Kotahi will make a payment of \$1 million (plus GST, if any) to recognise and reflect the impact of the Te Ara Tupua project on PNBST and for the use of Honiana Te Puni Reserve for the project.

Aside from those noted above, there have been no other events subsequent to balance date which would materially affect the financial statements.

