

# Taranaki Whānui ki Te Upoko o Te Ika

Port Nicholson Block Settlement Trust

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**Annual Report 2020/21**





*Photo credit Bildagentur Zoonar*

Taranaki Mounga



Tupua horo nuku, tupua horo rangi  
Tupua tinitini, tupua manomano  
Nō te waro hunanga o te au manga  
Tahuri atu, tahuri mai te ara tupua  
Ki te whaiao, ki te ao marama  
Tihei mouri ora

Takahia atu rā ko te ara wairua rātou kui mā,  
o koro mā o te pō. Maheuheu atu koutou ki te  
pae o hinengaro, kāti ki a ratou, huri ki tātou.

Kua huri te tai o te ao i ruaki mai a Hine  
pouri, i hurumi te mate urutā e horapa atu  
ana ki te ao. I whuia te matau nei ki ngā uri o  
Taranaki Whānui i mounu mai koutou ki te  
hui a tau. Nau mai, haere mai koutou ngā uri,  
ehara te hui a tau a kanohi, he hui a tau i  
kukume mai koutou a rorohiko

The Port Nicholson Block Settlement Trust was established in August 2008. The purpose for which the Trust was established was to **receive, manage and administer the Trust Fund** on behalf of, and for the benefit of, the present and future Members of Taranaki Whānui ki Te Upoko o Te Ika in accordance with its' Trust Deed (Clause 2.3).

Its membership are all those who **whakapapa** to the iwi groups that make up Taranaki Whānui as they migrated to the Wellington area in the 1830s and have maintained ahi kā.

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## **Board of Trustees**

- Holden Hohaia, Chair
- Mahina Puketapu
- Toa Pomare
- Wayne Mulligan
- John Coffey
- Paora Mepham
- Huia Puketapu
- Grant Knuckey

## **Board of Directors**

- Toa Pomare, Chair
- Jamie Tuuta
- Bryan Jackson
- Peter Allport

## **Management**

- Lee Hunter, Chief Executive
- Lisle McErlane, Commercial Advisor
- Kirsty Tamanui, General Manager Business & Operations
- Willy Makea, Finance Manager

## **Auditors**

- Crowe

## **Accountants**

- KPMG



# Holden Hohaia | Chair's Report

On behalf of the Port Nicholson Block Settlement Trust Board of Trustees, we present this year's 2020/21 Annual Report.

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## **The Trust has recorded a positive year of growth and development across our four strategic objectives.**

The Trust has recorded a positive year of growth and development across our four strategic objectives of achieving economic and financial wellbeing, social and whānau wellbeing, cultural wellbeing, and the restoration of our environmental natural resources.

We have listened, learned, and put in place positive change to gain a better understanding of our iwi and whānau. This has created opportunities and challenges along the way.

The Trust has several individuals that lead and govern in our Trust sub-committees offering sound experience and sharing their competence to further our strategic goals in their capacity as representatives of Port Nicholson Block Settlement Trust. I thank them for their efforts.

A great example of this is the Mana Whenua Steering Group as a partnership between PNBST and Waka Kotahi (NZTA) and is a composition of iwi and Waka Kotahi representatives on large Waka Kotahi projects. The iwi engagements are held at Te Tatau o te Pō Marae and Waiwhetū Marae bringing together uri and whānau to present commercial, social, and cultural opportunities for our people.

Our trustees, directors and management continue to strengthen our relationships with our Treaty partners, territorial and local authorities maintaining meaningful engagements and strong relationships are based on integrity, honesty, and trust. We value and press forward our values and principles of Tatai Whakapapa, Manaakitanga, Whanaungatanga and Kaitiakitanga to further invest in those relationships in difficult and challenging environments. Commercial and social opportunities are being recorded as successes; however, it should be noted that the Trust faces challenges in two of our most important strategic opportunities at Shelly Bay and the Te Puna Wai papakāinga subdivision. Frustratingly, the Trust is doing its best to navigate through the threats and occupations to our iwi coming from within our own iwi ranks.

On a more positive note, financially the Trust is tracking positively with a strong strategic capital growth plan and the results for the year ended 31 March 2021 speak for themselves with a fruitful year of increases in the capital asset base as a platform to leap into the future.

Finally, I wish to thank my board of trustees, directors of Taranaki Whānui Limited and the management team for the massive effort this year. And to you Taranaki Whānui whānau, my heartfelt thanks and support you provide to the Trust.

Paimārire



Holden Hohaia

Chair, Taranaki Whānui ki Te Upoko o Te Ika

## Trustees



Toa Pomare



Wayne Mulligan



Mahina Puketapu



John Coffey



Paora Mephram



Grant Knuckey

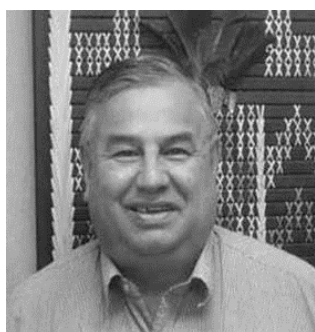


Huia Puketapu

# Toa Pomare | Chair's Report

On behalf of Taranaki Whānui Limited Board of Directors,  
we present this year's 2020/21 Commercial Report.

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**Tenā tātou i roto i ngā tini ahuatanga o te wā.**

**This report covers commercial activities during the financial year 1 April 2020 to 31 March 2021.**

On behalf of the Taranaki Whānui Limited Board of Directors, we present the 2020/21 Commercial Report.

The Taranaki Whānui Limited Board was formally established in 2012 as a commercial entity to maximise wealth creation and achieve economic wellbeing, to grow its asset base and increase revenue to support the social, cultural and environmental strategic objectives of the Trust.

Taranaki Whānui Limited directors, Jamie Tuuta, Peter Allport, Bryan Jackson and chaired by myself Toarangatira Pomare along with commercial advice from Lisle McErlane, have been primarily focussed on executing commercial opportunities and investments such as Tai Hekenga. We take great satisfaction in delivering to the membership another profitable year and a further \$8.3m uplift in net tangible assets for the year ended 31 March 2021.

The core activities for the year, in partnership with The Wellington Company, the completion of Te Puna Wai, which offers 19 homes and 11 Kaumātua units. Te Puna Wai provided not only housing options for uri, but employment and financial capability learnings. We especially wish to thank Te Puni Kōkiri who provided funding to enable opportunities within this space.

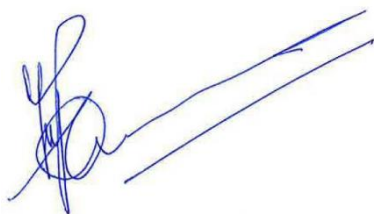
The Tai Hekenga consortium continued to execute the Trust's deferred settlement property rights by acquiring the two Department of Internal Affairs properties during the financial year. These acquisitions increased Tai Hekenga's land holdings to 13.13 hectares and increased its total property portfolio from \$116.64m to \$172.49m. Tai Hekenga provided the Trust with a strong and stable source of income during the financial year due to its 19.87% share of the consortium. In the consortium's first full financial year of existence, we are very pleased with the \$1.25m of distributions received from Tai Hekenga, representing a 14.7% return on our initial equity invested of \$8.5m. The board looks forward to seeing this investment continuing to grow and provide strong returns to the Trust for many years to come.

A special acknowledgment and thanks need to go to those who contributed to the establishment of Tai Hekenga and the kōrero held with Crown - Lisle McErlane, Andrew Harrison and Jamie Tuuta. Our success is in no small part due to their skill and tenacity.

The Board also extends their sincere thanks to the small management team Lisle McErlane who provides commercial and strategic advice, Kirsty Tamanui who manages the operations and business and Willy Makea, who oversees our finances and leads the membership database project. This small team have continuously provided TWL and PNBST Trustees with sensible and prudent advice and unwavering support in an ever-challenging environment.

Finally, I wish to thank my fellow Directors Peter Allport, Bryan Jackson and Jamie Tuuta who continue to provide collective wisdom and business acumen that is enabling TWL to navigate turbulent economic times.

Ngā mihi ki a koutou katoa, nā

A handwritten signature in blue ink, consisting of a stylized initial 'P' followed by a long, sweeping horizontal line.

Toarangātira Pomare  
Chair, Taranaki Whānui Limited

## Directors



Peter Allport



Bryan Jackson



Jamie Tuuta



# Strategic Objective

## To maximise wealth creation and achieve economic & financial wellbeing

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### Tai Hekenga - Sale & Leaseback

#### *Progress this year*

The 2020/21 year saw further progress made by the Tai Hekenga consortium, with the purchases of land beneath two properties:

- Archives New Zealand (0.55 hectares)
- National Library (0.56 hectares)

These two acquisitions increased Tai Hekenga's total land holdings from 12.03 to 13.13 hectares, of which Taranaki Whānui retains its 19.87% share.

These acquisitions and revaluations of the existing properties has increased Tai Hekenga's total property portfolio from \$116.6m to \$172.49m, representing a sharp increase of \$55.85 m.

During the 2020/21 financial year, Tai Hekenga provided a stable income stream to the Trust, totalling \$1,247,814 of distributions.

#### *Future outlook*

Negotiations continue regarding the acquisition of the remaining properties in the schedule:

- NZ Police properties (which we will acquire through Taranaki Whānui Limited); and
- Thorndon School (which we will participate through Tai Hekenga).

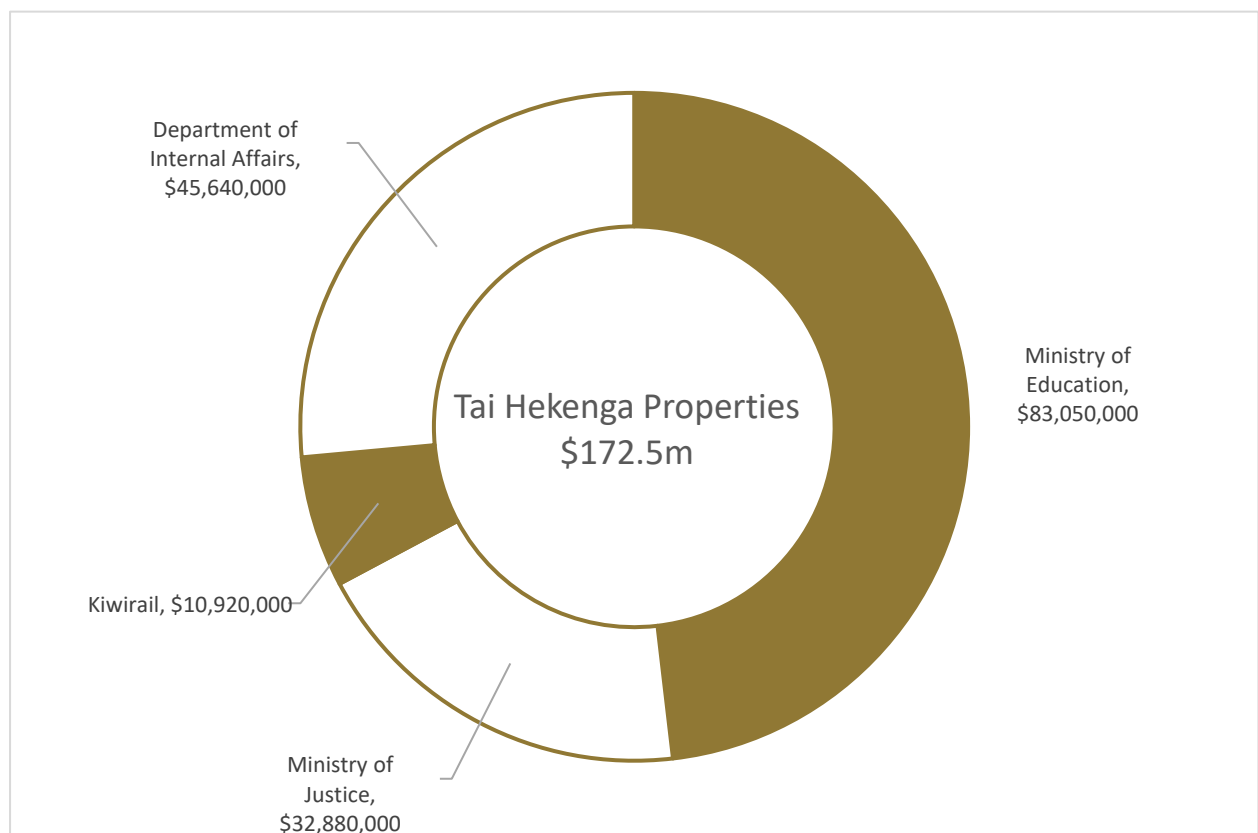
Acquiring these properties will increase the land holdings and add further revenue streams.

The revenue that the Trust currently receives from Tai Hekenga is the Trust's 19.87% share of the net leases paid from the Crown. It's worthwhile noting that these leases are based on the value of the property portfolio when it was acquired by Tai Hekenga (\$121m). However, these leases are subject to rent reviews every 5 or 7 years, so if the value of the property portfolio increases, so too does the annual lease amount.

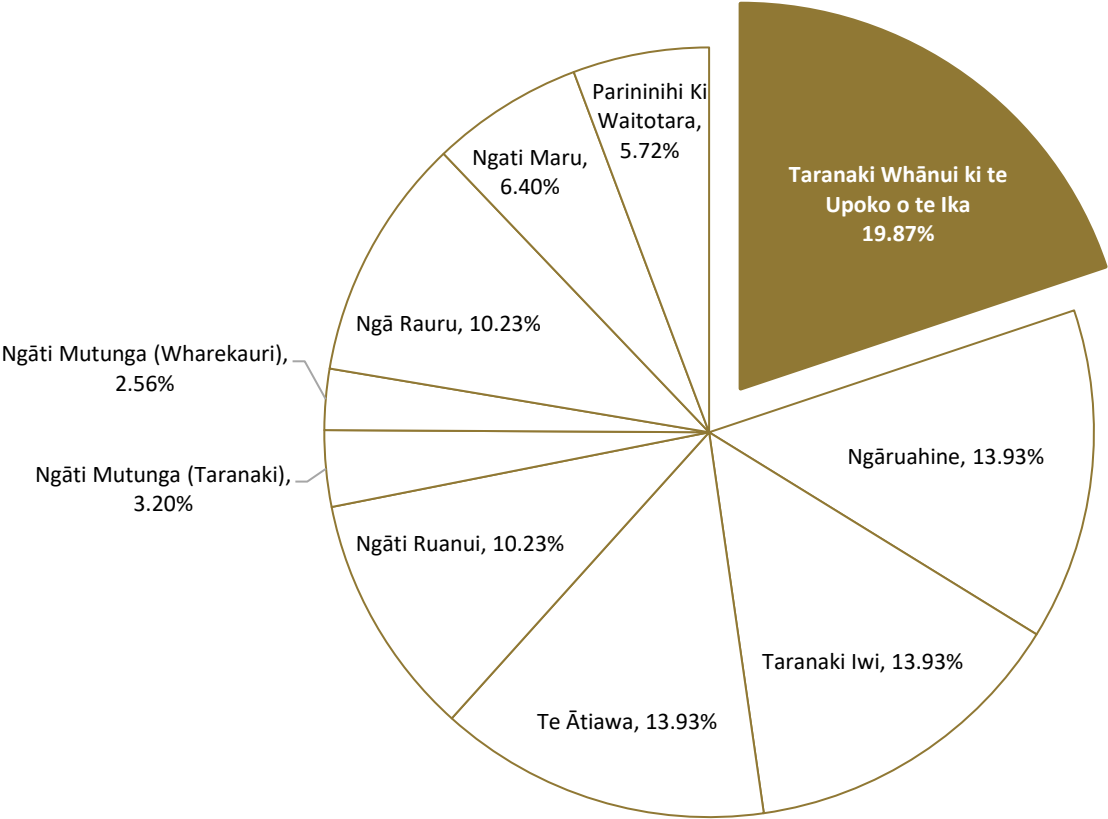
Since acquisition, the portfolio has increased in value by over \$50m. Assuming that property prices remain at least constant between now and 2024, there is potential for the annual distributions to increase significantly as the various rent reviews occur.

## Portfolio Summary

| Department                     | Property                  | Area (Ha.)   | 2020 (\$m)     | 2021 (\$m)     | +/-           | Next rent review |
|--------------------------------|---------------------------|--------------|----------------|----------------|---------------|------------------|
| Ministry of Justice            | Wellington High Court     | 0.33         | \$19.5         | \$20.1         | \$0.6         | 2024             |
|                                | Wellington District Court | 0.16         | \$12.2         | \$12.7         | \$0.5         | 2024             |
| Kiwirail                       | 63-81 Waterloo Quay       | 0.24         | \$10.4         | \$10.9         | \$0.55        | 2025             |
| Department of Internal Affairs | National Archives         | 0.55         | -              | \$23.5         | \$23.5        | 2025             |
|                                | National Library          | 0.56         | -              | \$22.1         | \$22.1        | 2025             |
| Ministry of Education          | Hutt Valley High School   | 7.23         | \$32.3         | \$36.8         | \$4.5         | 2026             |
|                                | Wellington Girls' College | 1.57         | \$21.1         | \$23.2         | \$2.1         | 2026             |
|                                | Te Aro School             | 1.93         | \$16.0         | \$17.5         | \$1.5         | 2026             |
|                                | Northland School          | 0.56         | \$5.2          | \$5.5          | \$0.35        | 2026             |
| <b>Total</b>                   |                           | <b>13.13</b> | <b>\$116.6</b> | <b>\$172.5</b> | <b>\$55.9</b> |                  |



# Iwi-investor Participation



# Wellington (CBD) Property Portfolio



Northland School



Wellington High Court



Wellington Girls' College



The National Library



Wellington District Court



63-81 Waterloo Quay



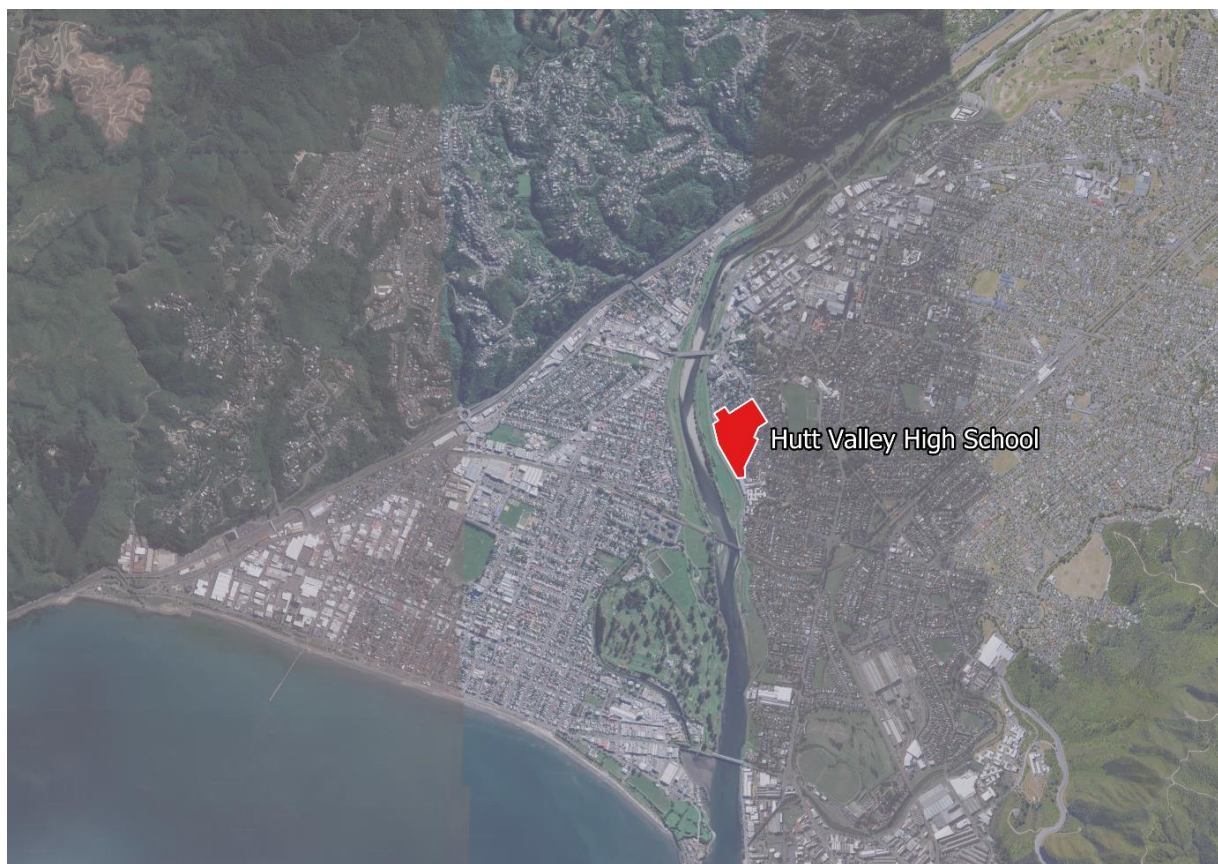
Te Aro School



Archives NZ



## Hutt Valley Property Portfolio



Hutt Valley High School

# Achievements 2020/21

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**\$35,877,466 (237%)**

**Net Asset Growth since 2017**

**\$8,288,037 operating profit**

**2020/21 Performance**

**\$50,999,432**

**Net Asset Group Position**

# Strategic Objective

## Achieve social & whānau wellbeing Enhance cultural wellbeing

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### Te Puna Wai

During 2020/21 Taranaki Whānui Limited, in partnership with The Wellington Company and Te Puni Kōkiri, developed and sold 19 whare to uri.

13 of these were social affordable and a further 6 were offered to eligible uri through a shared equity programme. Both the social affordable and shared equity whare have a considerably higher market value, which the Trust believes have been very enabling for uri:

- social affordable whare were sold to uri at an average price of \$534,000; and
- shared equity whare were sold to uri at an average of \$477,000 (excluding the Trusts shared equity interest of \$520,000 across all of 6 houses).



Also completed were 11 kaumātua units which we are working alongside Compass Housing Services (Compass) who are a regulated Community Housing Organisation, and Ministry for Housing and Urban Development to attract an Income Related Rent Subsidy (IRRS). Once established our kaumātua will be invited to apply through Compass for tenancy and receive subsidised rent (equivalent to 25% of their pension/benefit/ACC payments).

Surrounding a Mara Kai, the units are warm, dry and co-located on the whenua in close proximity to the whare of Te Puna Wai and Atiawa Nui Tonu Kōhanga Reo. The vision is to make these properties available to eligible kaumātua late 2021.





## Te Ara Tupua

The Te Ara Tupua cycle Trail project is a resilience project that will construct a cycle trail starting at Ngā Ūrunga through to Honiana Te Puni Reserve in Petone.

In August 2019, PNBST appointed three Taranaki Whānui members to the Mana Whenua Steering Group, Kim Skelton (Chair); Lee Hunter and Levi Rona and Waka Kotahi appointed two members, Kesh Keshaboina (Project Sponsor) and Ulvi Salayev (Project Director). Ngāti Toa representatives appointed by Te Runanga o Ngāti Toa include Naomi Solomon during the consenting phase, and Jenny Ngarimu, who has been attending the monthly Steering Group meetings.

The purpose of the Steering Group is to strengthen the Treaty relationship, to identify opportunities for greater iwi participation, and to influence and provide for positive outcomes throughout consenting, design, delivery of the Te Ara Tupua which reflects the interests, values and aspirations of mana whenua.

The name has now been adopted by Te Ara Tupua Alliance; the consortia of companies selected by Waka Kotahi to deliver and construct the project. Te Ara Tupua talks about the two Tupua Ngake and Whataitai once resident in Te Whanganui a Tara. Whataitai (Tupua Horo Rangi) belonging to the western side and Ngake (Tupua Horo Nuku) to the eastern side of Te Whanganui a Tara.

The cycle trail project is estimated at \$160-190m value completed. The Steering Group provide cultural leadership and guidance to the wider project team and facilitated iwi engagement hui at Taranaki Whānui marae to ensure that our heritage, language, identity, and cultural values of Taranaki Whānui will be visible to all when the shared path is built and opened, with particular advocacy for primacy, prominence and presence at Honiana Te Puni Reserve.

The Steering Group conclude that there is a high potential for transformational social, cultural, and economic benefits and training/employment opportunities for iwi whānau make it a compelling proposition.



*Whataitai*



*Mana Whenua Steering Group and the Te Ara Tupua Alliance Members*



## Tupura Horo Nuku (Ngake) and Riverlink Projects

Earlier this year the Steering Group received briefings from the Tupua Horo Nuku (Eastern Bays Shared Path) project team (Waka Kotahi and Hutt City) and the RiverLink project team (Waka Kotahi, Hutt City and Greater Wellington Regional Council).

Given the similarities in nature, the convergence of cultural narrative, and the proximity of these two projects to Te Ara Tupua, the intention is that the Mana Whenua Steering Group will be the consistent iwi representative group for all three projects. This is strongly supported by Waka Kotahi and the two Council partners who recognise the potential to build upon positive relationships with iwi mana whenua and successful outcomes achieved to date for Te Ara Tupua Ngā Ūranga ki Pito-One.

As a result of engagement, cultural design and mana whenua values have been infused throughout the project.



*Artistic Impression - Len Hetet*

The Alliance team was announced in April 2021 and comprises Downer NZ, HEB Construction and Tonkin +Taylor, supported by Isthmus, Holmes Consulting and Boffa Miskell. Te Ara Tupua Alliance Formation - 2 July 2021. On July 2nd the Interim Project Alliance Agreement (IPAA) was signed, marking the formal start of Te Ara Tupua Alliance. Taranaki Whānui hosted the pōwhiri for the incoming Alliance team and Waka Kotahi at Te Tatau o Te Pō Marae, followed by the IPAA signing and sharing of the Te Ara Tupua narrative by Kura Moeahu.

A large number of manuhiri remarked after the pōwhiri that they were physically, emotionally, and spiritually moved by the ceremony and it was the best start to an Alliance that they had ever experienced.

The Steering Group is providing input to this design process, as well as working with the Alliance on opportunities to provide skills, employment, and progressive procurement opportunities during the delivery stage. There will be key roles at a range of levels and professions which support the implementation of Mana Whenua Values Plan and outcomes. Te Ara Tupua Alliance will be seeking expressions of interest from uri and businesses interested in working on the project.



*Artistic Impression - Len Hetet*

## The Story of Te Ara Tupua

Let me take you back to in time immemorial well before man walked upon these islands - when the mountain clan were hauled from the great depths of Te Moananui a Kiwa (the great ocean of Kiwa) to be-calm the fish Maui.

Following the procreation of the mountainous ranges of the central plateau the mountain clan were summoned to the head of the fish where they gathered on the summit of Pukeatua (summit of gods). Upon reaching Pukeatua, they were gifted the ritual incantations of invocations to summon from the depths of the freshwater lake two ancient phenomenon. Reciting the ancient incantations of invocations, they instructed the two Tupua to prise open the great mouth of the fish of Maui.

Each responsible for their own freedom from their land locked imprisonment of the freshwater lake. Both Tupua opting to take different pathways to freedom. One Tupua commenced his journey on the eastern side of the lake, winding himself up and leaving behind a destructive pathway. He hurled himself towards the distant barriers he bashed through escaping the freshwater lake to freedom, unto the great maiden ocean, Hine-moana. It was at this point the freshwater lake met the saltwater for the very first time. In his devastation he left behind geographical icons evident to this day.

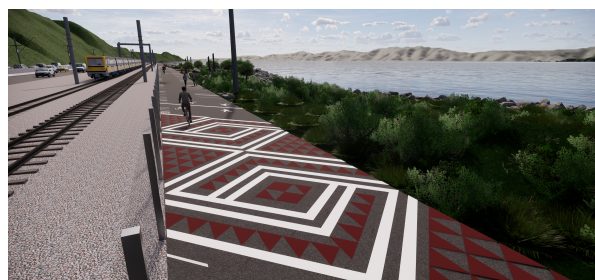
The second Tupua opted to take the western pathway, commencing from the throat of the fish of Maui (Korokoro o te Ika, later to be named Te Korokoro a Mana), arriving at Ngā Ūranga where he began to wind himself into a coil. Before he could ready himself for his escape, his companion had already broken through leaving a pathway of destruction and causing the water level to recede. In the ever-shallowing waters, the second Tupua, still intent on escape was unable to generate enough speed and momentum and quickly he became stuck on a sandbar. Unable to move any further he remained there for some time as the water washed over his back.

Aeons passed by where a great land mass uplifted him out of the water exposing his body to the open-air elements bringing his life to a sudden end. In passing his spirit took the formation of a spiritual bird - Te Keo, who to this day continues to pursue the pathway of enlightenment.

These two Tupua were both tasked with prising open the mouth of the great fish of Maui and in doing so opting to take alternative pathways. One created the eastern inner Harbour pathway and in doing so left us with the geographical iconic formations of Te Awa Kairangi, Matiu, Makaro, NNgā Mokopuna, Te Au a Tane and many more.



*Artistic Impressions*



The second, created the western inner Harbour pathway commencing from the throat of the great fist of Maui, leaving behinds the icons of the eastern Harbour Horokiwi, Waihinahina, Parikarangaranga, Paroro-rangi, Tahataharoa and Ngā Ūranga. Each pathway chosen by these Tupua allows for our international visitors to come to Te Whanganui a Tara. The pathway created by Ngake allowed for the great Pacific navigator Kupe and larger vessels to frequent these shores. Whilst Ngake was able to break through, Whātaïtai still remains and welcomes a many number of people, vessels, and air crafts which arrive daily from both national and international destinations to visit our Harbour.

The name Te Ara Tupua (The Ancient Pathway) is an acknowledgment to the guardians of our Harbour, Ngake and Whātaïtai. They are both Tupua in the own right and I have opted to use the word “Tupua” over the word “Taniwha”. Tupua is a term for a phenomenon, something that is unexplainable and a term that aligns itself the total story of Te Kāhui Maunga, namely:

- Te Awa Tupua
- Te Kāhui Tupua
- Te Ara Tupua

*As narrated and expressed by Kura Moeahu (Te Kāhui Maunga, Te ti Awa, Ngā Ruahine-rangi, Ngāti Mutunga Taranaki Tūturu, Ngāti Tama, Ngāti Ruanui, Ngāti Toa).*

## Member Database Review

### *Progress made*

The Trust continued to review the member database during 2020/21. Key progress made:

**10,762** letters posted;  
**3,766** emails sent; and  
**672** calls made to members.

| Status           | Members       |
|------------------|---------------|
| Updates received | 3,199         |
| Bounce backs     | 2,842         |
| Nothing returned | 13,668        |
| <b>Total</b>     | <b>19,709</b> |

Policy documents were established to ensure the member database is managed and maintained appropriately.

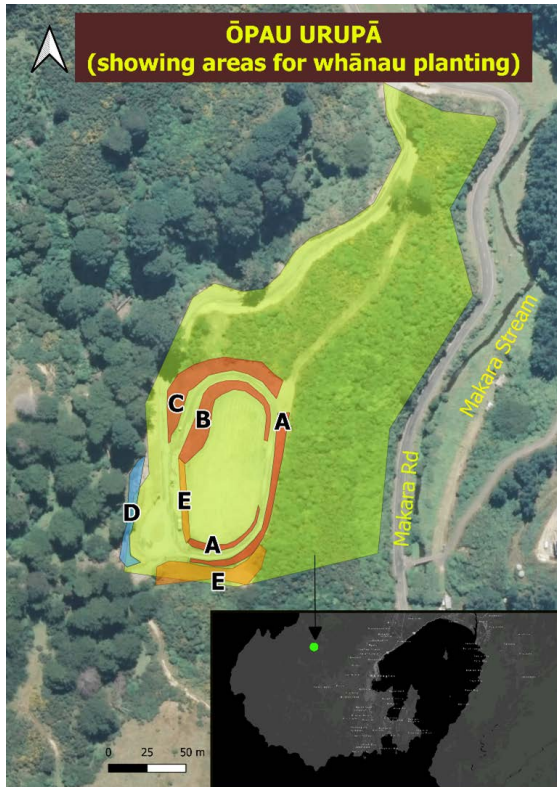
### *Remaining work*

| Item                             | Description  |
|----------------------------------|--|
| <b>Contact remaining members</b> | For the members we are yet to hear from via email and letter, and where we have a phone number, we will call them to update their details.   |
| <b>Data cleaning</b>             | As part of the review process and included in the above figures are 2,598 members that are not verified and 1,251 with no date of birth. We will endeavour to contact these members and obtain any required whakapapa and date of birth to update their registration status. |
| <b>Software</b>                  | During the year we undertook internal analysis of what our software needs are and are confident that we have a good grasp of this. We look forward to continuing this work to ensure we have the best software option.   |



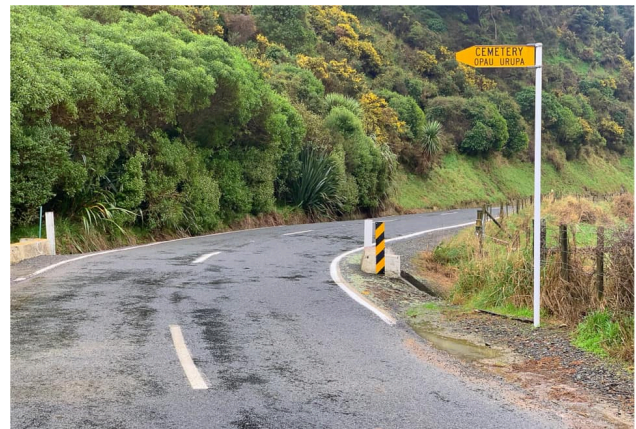
# Strategic Objective

## Enhance cultural wellbeing



### Opau Urupā

A big mihi to the whānau who came to support the planting days at Opau Urupā in June. Along with our Wellington City Council partners we pulled together to plant over 5500 beautiful rākau at our Urupā. This is just the beginning of our regeneration plan for Opau, and there are more whānau planting sites designated. We will have more opportunities coming up to contribute which will be outlined in Te Kawekawea and through our Facebook page.



The Urupā is open to all uri and we would be happy to talk to you about options for you and your whānau about your loved ones in the future.

If you have any pātai about the Urupā our committee members Hana Buchanan and Holden Hohaia are happy to assist.

You can contact them at [admin@opauurupa.nz](mailto:admin@opauurupa.nz)



*Holden, Hana, Sam, Vince and whānau*



## Opau Urupā Planting Day





# Strategic Objective

## Restore and enhance our natural resources and environmental wellbeing

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### Te Rōpu Tiaki

Te Rōpu Tiaki is a co-management board responsible for the care and management of the Lakes Kohangapiripiri and Kohangatera and their surrounding environment. There are three members from Taranaki Whānui and three from Greater Wellington Regional Council.

The members are Amanda Cox (co-chair), Jimmy Young and Richard Romjin from Greater Wellington Regional Council and Megan Sommerville, Vince Robertson and Lee Hunter (co-chair) representing Taranaki Whānui.

The Parangarehu Lakes are located on the eastern coastline of the entrance to Te Whanganui a Tara. The lakes were returned as part of the Treaty Settlement 2009. Our two lakes are ranked in the top 18 in New Zealand due to their pristine environments. That is near perfect and hold true to the original environment as it was 200 years ago.



*At the opening of Kohangapiripiri*

Kohangapiripiri is the smaller of the lakes and rarely opens or breaches to Tangaroa. Kohangatera opens to Tangaroa more frequently and is the larger waterway with a large area of wetlands. These wetlands extend into private land.

Parangarehu has pockets of native bush and plants and many developing areas of native plants around the lakes to establish native species. Taranaki Whānui hold a planting day every July- September.

Our lakes do have tuna, and several species of native fish like kokopu and freshwater mussels or kakahi. Many other species exist such as Kahu (hawk), Karoro (seagull), Tarapunga (red billed gull), Pepeporariki (copper butterfly), Ngarara (gecko), Torea Pango (Oyster Catcher), Kotare (Kingfisher), Kororā (Little blue penguin), Putangitangi (Paradise duck), Kakahi (freshwater mussel) and the Tuturiwhatu (Banded Dotterel).



### *Tuturiwhatu*

There are two established groups of Tuturiwhatu in Eastbourne and at Parangarehu.

They are an endangered bird and return each year in July-August, departing in March-April of the following year. They emigrate to warmer climates during winter and have been recorded in New Caledonia, amazingly travelling 2,200 km to get there within 4 days.



At Parangarehu, they have the benefit of being within our Taranaki Whānui takiwā, we place a Rahui every year led by Peter Jackson, Kura Moeahu and Holden Hohaia maintaining our tikanga along with the Rōpu Tiaki and many iwi planters each year.

We place spiritual care over our Tuturiwhatu, and they are cared for by volunteer conservation groups such as MIRO and Parker Jones out of Eastbourne.

Other mahi being carried out by the Ropu Tiaki are:

- Lakes 380 is a scientific story of a lakes history and changes that go back 1,000 years.
- Egeria - removal of egeria in Kohangatera.
- Key native Eco plan - this is a plan protect high biodiversity areas, deal with landowners, co-management partners, deal with threatened species, coastal escarpments.
- eDNA - sampling DNA at Kohangapiripiri and Kohangatera.

Future opportunities include developing a Cultural Monitoring plan to test the vision and outcomes with iwi members and develop cultural monitoring to aid direction setting and decision making for the lakes and continues our Kaitiakitanga principle supported with wananga and noninga kumu.



## *Planting Days*

Overall, in recent years we have had an upsurge in participation by our kaumātua, matua and mokopuna with often some whānau having all three present on our planting days.

Five hundred native trees are planted at Parangarehu lakes each planting day attended by 40 to 60 of our whānau and members of Greater Wellington Regional Council.

We have found that our mokopuna and rangatahi enjoy a new environment away from technology and a great opportunity to learn about a new skills and attributes in our pristine lakes and native bush.

Tatai whakapapa, manaakitanga, kaitiakitanga and whanaungatanga are at an all time high on these days, sharing kōrero, kai and purakau. The reconnections that our mokopuna make with their whakapapa working together with their whanaunga. These planting days will hopefully become an event for more of our iwi members to attend. And one day our mokopuna return as adults with their own tamariki proudly say, “I planted that tree alongside my parents and grandparents”.

Finally, our Rōpu Tiaki installed an enduring memorial to Sam and June Jackson “He tokatu mahara Poutu raua ko Raumange” and we remember the beautiful support, advice and guidance that Sam and June gave to our iwi, “Moe mai ra”.



## Hem of Remutaka

In late 2020 Taranaki Whānui began work to seek funding through the Department of Conservation Jobs for Nature funding stream. Jobs for Nature was a Covid-19 economic stimulus programme that manages the allocation of funding across multiple government agencies that will benefit the environment, people and the regions through nature-based job creation.

We, along with our partners Department of Conservation and Greater Wellington Regional Council, were successful in securing a portion of the funding which will support the Hem of Remutaka - He Kai Horomi Maanga project. The project aims to employ uri and those from within the local community who will assist in reinstating the mauri across our Hem of Remutaka landscape with a focus on the improvement of freshwater and biodiversity.

### He Kai Horomi Maanga

**“Ka tangi pii, ka paraketu tōna uwaha Ka hoki he kai horomi maanga”**

**“Whilst the young fledglings cry, the mother searches for food She masticates while returning to ensure for the survival of her chicks”**

#### *Narrative*

Following the escape from their landlock imprisonment within Te Wai Manga, the ancient ones, Te Ara Tupua in alignment with the procreation of the mountain clan went about their natural habitual tasks. Te Ara Tupua not only exposed the vast abundance to Ranginui, Tawhirimaatea and Tama-nui-te-raa, but also allowed for the rich assortments of Tangaroa and Hine-moana to take residency in their new found surroundings of Te Waha o te Ikanui a Maui-Potiki, the inner harbour and its environs. The mountain clan people continued to live peacefully observing and learning from both celestial and terrestrial behaviour. Nature was the traditional houses of learning, educating of the importance to care and preserve of the resources from one generation to the next and the significance of passing this knowledge on.

Kaimaanga - 1. (noun) chewed food (for a baby) - traditionally food was masticated by the mother and gradually fed by mouth to the baby. This is used as an analogy for the feeding of knowledge to learners.



*As narrated and expressed by Kura Moeahu (Te Kāhui Maunga, Te ti Awa, Ngā Ruahine-rangi, Ngāti Mutunga Taranaki Tūturu, Ngāti Tama, Ngāti Ruanui, Ngāti Toa).*

## **Annual Accounts**

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## Financial Report for the year ending 31 March 2021

### Financial performance

During the financial year 1 April 2020 to 31 March 2021, the Trust recorded a net profit after tax of \$8,288,037 representing a decrease of \$11,424,322 compared to last year's \$19,712,359.

This performance was highlighted by:

#### Income of \$14,510,715:

| Item  | Amount              | Note  |
|---|---------------------|---|
| Sale of development property                  | \$8,655,186         | Sales of completed houses at Te Puna Wai  |
| Fair value adjustment – investment properties | \$4,558,149         | Revaluations of the Trust's buildings such as the Tramways building.  |
| Other revenue                                 | \$501,725           | Comprising mainly of Memorandum of Understanding income (\$220,000) and cost recovery from legal case (\$233,203) |
| Rent received from properties owned           | \$243,396           | Rent from the Tramways building and the former Wainuiomata Intermediate/College site.                             |
| Lease revenue Ryman agreement                 | \$100,000           | Lease income from the Ryman village at the former Petone College site.  |
| Capital grant                                 | 452,111             | Grant funding for Te Puna Wai.  |
| Interest received from funds on call          | 148                 | Interest received   |
| <b>Total</b>                                  | <b>\$14,510,715</b> |   |

#### Income from the Tai Hekenga consortium

Not included in the above revenue figure are the distributions received from our participation in the Tai Hekenga consortium. These distributions are reflected in the line item "Share of surplus in investment in associate" and are the base income stream for the Trust. This amount decreased since last year (\$5,305,595 compared with \$12,386,288 in 2020). However, the actual amount of distributions increased from \$476,491 in 2020 to \$1,247,814 in 2021, as we are not replicating the free carry aspect shown last year. We are deemed to be a trader in property so all asset valuations flow through our profit and loss. The increase in distributions was due to the consortium being active for a full financial year and more properties being obtained by the consortium, during the 2021 financial year.

| Share of surplus in investment in associate              | 2020              | 2021             |
|--|-------------------|------------------|
| Net distributions received from Tai Hekenga              | 476,491           | 1,247,814        |
| Property revaluations                                    | 6,274,478         | 4,057,781        |
| Accounting for 9% free carry                             | 5,635,319         | -                |
| <b>Total Share of surplus in investment in associate</b> | <b>12,386,288</b> | <b>5,305,595</b> |



## Expenses

| Item                                      | Amount            | Note                                      |
|---|-------------------|---|
| Cost of development property sold         | \$8,855,469       | Costs of developing houses at Te Puna Wai |
| Costs of running the office               | \$1,711,316       |   |
| Maintenance cost for the properties owned | \$276,406         |   |
| Interest expense                          | \$130,390         |   |
| Depreciation                              | \$13,399          |   |
| <b>Total</b>                              | <b>10,986,980</b> |   |

## Financial performance – last 5 years

|   | 2017             | 2018             | 2019             | 2020              | 2021             |
|---|------------------|------------------|------------------|-------------------|------------------|
| Income                                      | 4,477,242        | 8,619,825        | 6,875,080        | 10,211,103        | 14,510,715       |
| Expenses                                    | 5,252,589        | 5,045,476        | 3,025,850        | 2,950,377         | 10,986,980       |
| Share of surplus in investment in associate | -                | -                | -                | 12,386,288        | 5,305,595        |
| <b>Net profit before tax</b>                | <b>(775,347)</b> | <b>3,574,349</b> | <b>3,849,230</b> | <b>19,647,014</b> | <b>8,829,330</b> |
| Taxation expense                            | -                | -                | (453,490)        | (65,345)          | 541,293          |
| <b>Net profit after tax</b>                 | <b>(775,347)</b> | <b>3,574,349</b> | <b>4,302,720</b> | <b>19,712,359</b> | <b>8,288,037</b> |

## Financial position

The financial position of the Trust at 31 March 2021 was \$50,999,432, representing an increase of \$8,288,037 compared to last year's \$42,711,395.

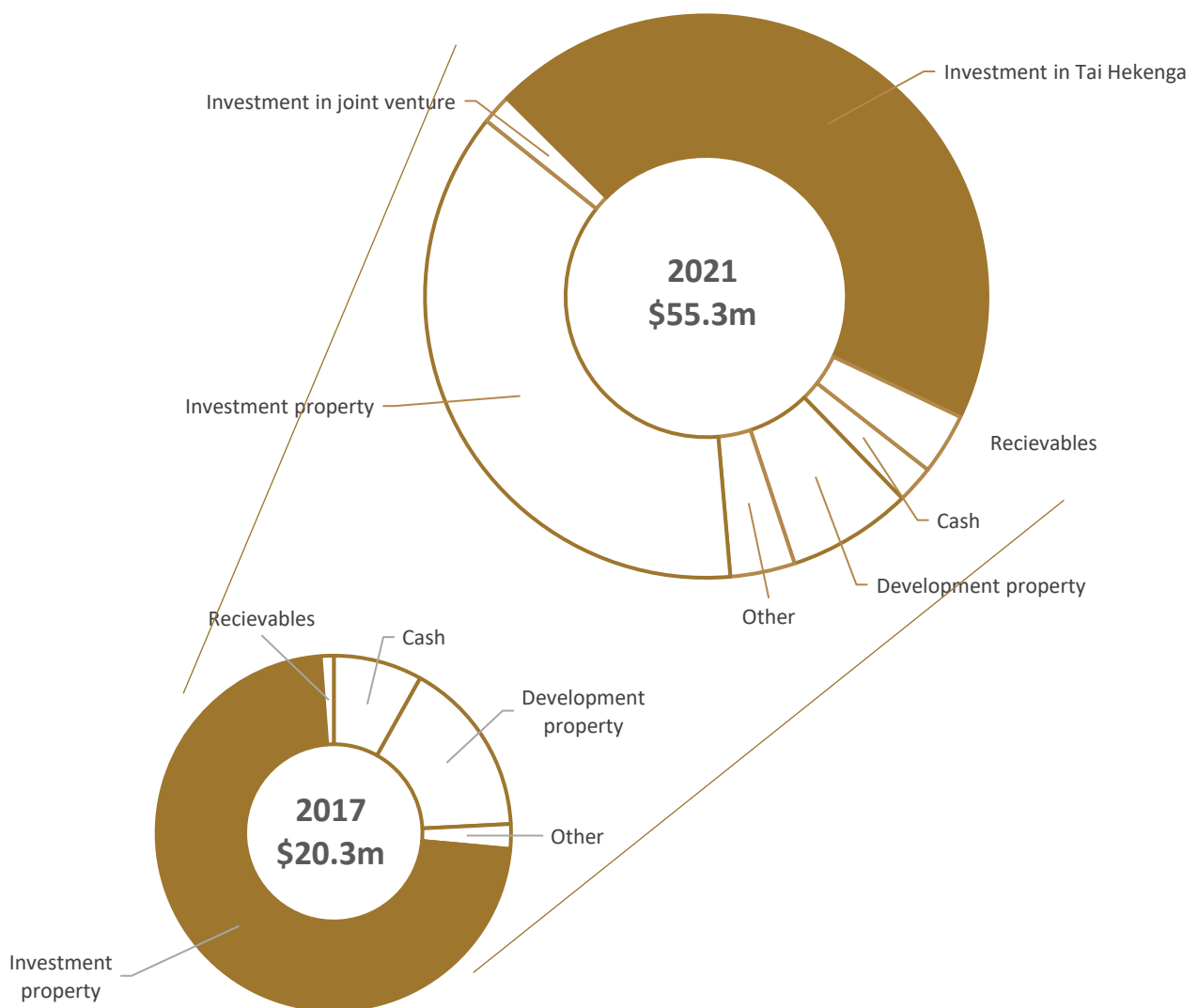
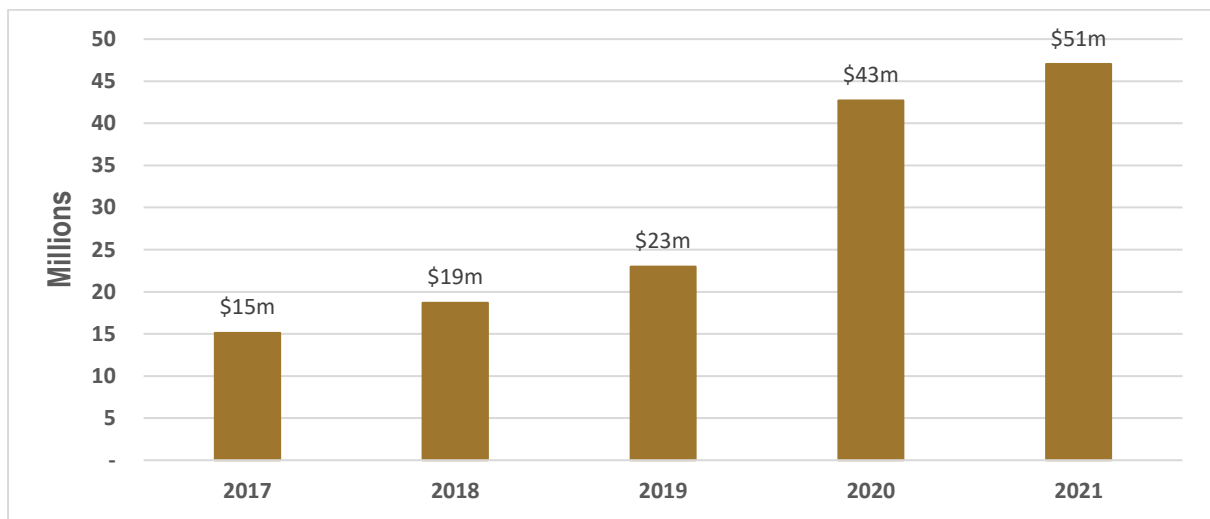
This increase was highlighted by:

- Investment properties increasing from \$12,915,000 in 2020 to \$20,530,000 in 2021.
- Investments in associates (the Trust's investment in Tai Hekenga) increasing from \$20,587,679 in 2020 to \$24,657,521 in 2021.

## Financial position – last 5 years

|                   | 2017              | 2018              | 2019              | 2020              | 2021              |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assets            | 20,266,954        | 21,244,844        | 25,119,028        | 45,869,657        | 55,310,947        |
| Liabilities       | 5,144,988         | 2,548,529         | 2,119,992         | 3,158,262         | 4,311,515         |
| <b>Net Assets</b> | <b>15,121,966</b> | <b>18,696,315</b> | <b>22,999,036</b> | <b>42,711,395</b> | <b>50,999,432</b> |

## Net Assets – last 5 years



## Cashflow

During the financial year 1 April 2020 to 31 March 2021, the Trust recorded net cashflow of \$184,988, representing an increase of \$4,035,489 compared to last year (\$3,850,501).

This increase in net cashflow was highlighted by:

- Distributions from Tai Hekenga - \$1,223,753 (net distribution excluding admin fees)
- Proceeds from borrowing - \$500,000

## Cashflow & Cash Position – last 5 years

| <b>Cashflow</b>   | <b>2017</b>     | <b>2018</b>    | <b>2019</b>      | <b>2020</b>        | <b>2021</b>    |
|---|-----------------|----------------|------------------|--------------------|----------------|
| Net cash flows from operating activities                    | (1,190,162)     | (1,284,149)    | 2,183,362        | 3,818,712          | (1,482,145)    |
| Net cash flows from investing activities                    | (3,765)         | 1,995,482      | 930,580          | (8,169,213)        | 1,167,131      |
| Net cash flows from financing activities                    | 1,100,000       | -              | (600,000)        | 500,000            | 500,000        |
| <b>Net Cash flow</b>  | <b>(93,927)</b> | <b>711,333</b> | <b>2,513,942</b> | <b>(3,850,501)</b> | <b>184,986</b> |
| <b>Cash Position</b>  |                 |                |                  |                    |                |
| Cash and cash equivalents at 1 April                        | 1,737,361       | 1,643,434      | 2,354,767        | 4,868,709          | 1,018,208      |
| Cash and cash equivalents at 31 March                       | 1,643,434       | 2,354,767      | 4,868,709        | 1,018,208          | 1,203,196      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(93,927)</b> | <b>711,333</b> | <b>2,513,942</b> | <b>(3,850,501)</b> | <b>184,988</b> |

It is important to note the negative cashflow last year reflects the transfer of cash to investment as opposed to operating losses.

**INDEPENDENT AUDITOR'S REPORT****To the Beneficial Owners of Port Nicholson Block Settlement Trust****Opinion**

We have audited the consolidated and separate financial statements of Port Nicholson Block Settlement Trust (the Trust) and its controlled entities (the Trust and Group) on pages 1 to 27, which comprise the consolidated and separate statement of financial position as at 31 March 2021, and the consolidated and separate statement of comprehensive revenue and expense, consolidated and separate statement of changes in net assets/equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Trust and Group as at 31 March 2021, and their financial performance and their cash flows for the year then ended in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

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

Other than in our capacity as auditor we have no relationship with, or interests in, Port Nicholson Block Settlement Trust or any of its controlled entities.

**Information Other Than the Consolidated and Separate Financial Statements and Auditor's Report**

The Trustees are responsible for the other information. Our opinion on the consolidated and separate financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the consolidated and separate financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.



## **Trustees' Responsibilities for the Consolidated and Separate Financial Statements**

The Trustees are responsible on behalf of the Trust and Group for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

### **Restriction on Use**

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

The engagement partner on the audit resulting in this independent auditor's report is Les Foy.

For and on behalf of:

A handwritten signature in purple ink that reads "Crowe".

**Crowe New Zealand Audit Partnership**

CHARTERED ACCOUNTANTS

7 October 2021

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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*Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.*

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## Consolidated Statement of Comprehensive Revenue and Expenses

Port Nicholson Block Settlement Trust

For the year ended 31 March 2021

|  | Note  | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|--|-------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Revenue from exchange transactions</b>  |       |                                 |                                 |                                  |                                  |
| 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                         | -                                | -                                |
| <b>Total revenue from exchange transactions</b>  |       | <b>14,058,604</b>               | <b>8,027,295</b>                | <b>980,000</b>                   | <b>776,287</b>                   |
| <b>Revenue from non-exchange transactions</b>  |       |                                 |                                 |                                  |                                  |
| Capital grant  |       | 452,111                         | 2,183,608                       | 15,000                           | -                                |
| Koha received  |       | -                               | 200                             | -                                | 200                              |
| <b>Total revenue from non-exchange transactions</b>  |       | <b>452,111</b>                  | <b>2,183,808</b>                | <b>15,000</b>                    | <b>200</b>                       |
| <b>Expenses</b>  |       |                                 |                                 |                                  |                                  |
| 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                         | -                                | -                                |
| <b>Total expenses</b>  |       | <b>10,986,980</b>               | <b>2,950,377</b>                | <b>34,343</b>                    | <b>44,242</b>                    |
| <b>Total surplus/(deficit) for the year before share of surplus in investment in associate</b> |       | <b>3,523,735</b>                | <b>7,260,726</b>                | <b>960,657</b>                   | <b>732,245</b>                   |
| Share of surplus in investment in associate  | 21    | 5,305,595                       | 12,386,288                      | -                                | -                                |
| <b>Total surplus/(deficit) for the year before taxation</b>                                    |       | <b>8,829,330</b>                | <b>19,647,014</b>               | <b>960,657</b>                   | <b>732,245</b>                   |
| <b>Taxation expense/(benefit)</b>  | 11,12 | <b>541,293</b>                  | <b>(65,345)</b>                 | <b>152,785</b>                   | <b>78,338</b>                    |
| <b>Total after taxation</b>  |       | <b>8,288,037</b>                | <b>19,712,359</b>               | <b>807,871</b>                   | <b>653,907</b>                   |
| Other comprehensive revenue and expenses   |       | -                               | -                               | -                                | -                                |
| <b>Total comprehensive revenue and expenses</b>  |       | <b>-</b>                        | <b>-</b>                        | <b>-</b>                         | <b>-</b>                         |
| <b>Total comprehensive revenue and expenses for the year</b>                                   |       | <b>8,288,037</b>                | <b>19,712,359</b>               | <b>807,871</b>                   | <b>653,907</b>                   |

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**

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

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

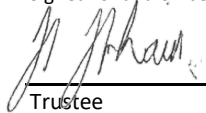
This financial statement should be read in conjunction with the notes to the financial statements.

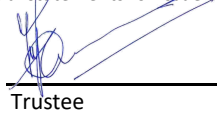


**Consolidated Statement of Financial Position**  
**Port Nicholson Block Settlement Trust**  
**As at 31 March 2021**

|   | Note | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---|------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Current assets</b>                         |      |                                 |                                 |                                  |                                  |
| 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                       | -                                | -                                |
|   |      | <b>6,107,052</b>                | <b>8,997,915</b>                | <b>16,149,152</b>                | <b>15,941,616</b>                |
| <b>Non-current assets</b>                     |      |                                 |                                 |                                  |                                  |
| 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                          |
|   |      | <b>49,203,895</b>               | <b>36,871,742</b>               | <b>1,600,306</b>                 | <b>952,629</b>                   |
| <b>Total assets</b>                           |      | <b>55,310,947</b>               | <b>45,869,657</b>               | <b>17,749,458</b>                | <b>16,894,245</b>                |
| <b>Current liabilities</b>                    |      |                                 |                                 |                                  |                                  |
| 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                       | -                                | -                                |
| <b>Total liabilities</b>                      |      | <b>4,311,515</b>                | <b>3,158,262</b>                | <b>901,712</b>                   | <b>854,370</b>                   |
| <b>Net assets</b>                             |      | <b>50,999,432</b>               | <b>42,711,395</b>               | <b>16,847,746</b>                | <b>16,039,875</b>                |
| <b>Equity</b>                                 |      |                                 |                                 |                                  |                                  |
| Accumulated comprehensive revenue and expense |      | 50,999,432                      | 42,711,395                      | 16,847,746                       | 16,039,875                       |
| <b>Total equity</b>                           |      | <b>50,999,432</b>               | <b>42,711,395</b>               | <b>16,847,746</b>                | <b>16,039,875</b>                |

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

  
 Trustee  
 Holden Hohaia - Chair (Port Nicholson Block Settlement Trust)

  
 Trustee  
 Toarangatira Pomare - Chair (Taranaki Whānui Limited)

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<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|--|------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>          |      |                                 |                                 |                                  |                                  |
| <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>                    |
| <b>Net cash flows from operating activities</b>      |      | <b>(1,482,145)</b>              | <b>3,818,712</b>                | <b>267,256</b>                   | <b>560,300</b>                   |
| <b>Cash flows from investing activities</b>          |      |                                 |                                 |                                  |                                  |
| <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>                         |
| <b>Net cash flows from investing activities</b>      |      | <b>1,167,133</b>                | <b>(8,169,213)</b>              | <b>(289,092)</b>                 | <b>(1,632,928)</b>               |
| <b>Cash flows from financing activities</b>          |      |                                 |                                 |                                  |                                  |
| <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>                         |
| <b>Net cash flows from financing activities</b>      |      | <b>500,000</b>                  | <b>500,000</b>                  | <b>-</b>                         | <b>-</b>                         |
| 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   | <b>1,203,196</b>                | <b>1,018,208</b>                | <b>68,609</b>                    | <b>90,445</b>                    |

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.

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

#### **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.

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

#### 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.

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

#### 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 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 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 |

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

#### **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:

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

#### 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.

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

### 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.

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

|   | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>7) Maintenance costs for properties owned</b>  |                                 |                                 |                                  |                                  |
| 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                           | -                                | -                                |
| <b>Total Rental Costs</b>                         | <b>276,406</b>                  | <b>189,037</b>                  | <b>-</b>                         | <b>-</b>                         |
| <b>8) Interest received from funds on call</b>    |                                 |                                 |                                  |                                  |
| ASB Interest                                      | 42                              | -                               | -                                | -                                |
| BNZ Interest                                      | 105                             | -                               | -                                | -                                |
| KiwiBank Interest                                 | -                               | 4,077                           | -                                | 4,077                            |
| <b>Total interest received from funds on call</b> | <b>148</b>                      | <b>4,077</b>                    | <b>-</b>                         | <b>4,077</b>                     |
| <b>9) Other revenue</b>                           |                                 |                                 |                                  |                                  |
| 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                          |
| <b>Total other revenue</b>                        | <b>501,725</b>                  | <b>695,770</b>                  | <b>220,000</b>                   | <b>618,550</b>                   |

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

### 10) Costs of running the office

|                                 | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Compliance</b>               |                                 |                                 |                                  |                                  |
| 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                               | -                                |
|                                 | <b>112,062</b>                  | <b>120,573</b>                  | <b>1,193</b>                     | <b>-</b>                         |
| <b>Consultancy</b>              |                                 |                                 |                                  |                                  |
| Commercial Advisor              | 146,000                         | 96,000                          | -                                | -                                |
| Consultancy                     | 204,147                         | 256,930                         | -                                | -                                |
| Legal Fees                      | 442,740                         | 559,523                         | -                                | -                                |
| Underwriting fees               | -                               | 45,000                          | -                                | -                                |
|                                 | <b>792,888</b>                  | <b>957,453</b>                  | <b>-</b>                         | <b>-</b>                         |
| <b>Cultural services</b>        |                                 |                                 |                                  |                                  |
| Cultural Services               | 26,650                          | 42,100                          | -                                | 1,600                            |
| Koha given                      | -                               | 100                             | -                                | -                                |
|                                 | <b>26,650</b>                   | <b>42,200</b>                   | <b>-</b>                         | <b>1,600</b>                     |
| <b>Governance</b>               |                                 |                                 |                                  |                                  |
| 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                          | -                                | -                                |
|                                 | <b>197,070</b>                  | <b>148,511</b>                  | <b>-</b>                         | <b>-</b>                         |
| <b>Member engagement</b>        |                                 |                                 |                                  |                                  |
| Database                        | 56,926                          | 57,795                          | -                                | -                                |
| Events                          | -                               | 13,415                          | -                                | 87                               |
| Covid-19 recovery distributions | 30,000                          | -                               | 30,000                           | -                                |
|                                 | <b>86,926</b>                   | <b>71,210</b>                   | <b>30,000</b>                    | <b>87</b>                        |

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

### 10) Costs of running the office (continued)

|  | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|--|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Office Expenses</b>                   |                                 |                                 |                                  |                                  |
| 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                               |
|  | <b>63,135</b>                   | <b>114,737</b>                  | <b>(1,251)</b>                   | <b>6,001</b>                     |
| <b>Personnel</b>                         |                                 |                                 |                                  |                                  |
| 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                           |
|  | <b>432,586</b>                  | <b>356,570</b>                  | <b>-</b>                         | <b>30,617</b>                    |
| <b>Total costs of running the office</b> | <b>1,711,316</b>                | <b>1,811,254</b>                | <b>29,942</b>                    | <b>38,306</b>                    |

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

#### 11) Taxation

##### 11a) Calculation of current tax expense

|   | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| 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)                         | -                               | -                                | -                                |
| <b>Total Timing Differences</b>                         | <b>(1,009)</b>                  | <b>(2,445)</b>                  | <b>(4,035)</b>                   | <b>(45,965)</b>                  |
| <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                           |
| <b>Total Permanent Differences</b>                      | <b>(7,686,226)</b>              | <b>(17,283,874)</b>             | <b>(87,598)</b>                  | <b>(118,064)</b>                 |
| <b>Net Surplus (Deficit) as per Tax Return</b>          | <b>1,142,095</b>                | <b>2,360,695</b>                | <b>869,025</b>                   | <b>568,216</b>                   |
| Tax Losses Brought Forward                              | (3,232,214)                     | (5,592,909)                     | (612,660)                        | (1,180,876)                      |
| <b>Taxable income/(Net Tax Losses to carry forward)</b> | <b>(2,090,119)</b>              | <b>(3,232,214)</b>              | <b>256,365</b>                   | <b>(612,660)</b>                 |
| <b>Current Taxation Expense</b>                         | 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)                              |
| <b>Income tax payable/(refund due)</b>                  | <b>43,123</b>                   | <b>(20,731)</b>                 | <b>44,211</b>                    | <b>(13,034)</b>                  |

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.

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

#### 11) Taxation (continued)

|   | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>11b) Reconciliation of net surplus (deficit) to taxation expense</b> |                                 |                                 |                                  |                                  |
| 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                           |
| <b>Total tax expense</b>  | <b>541,293</b>                  | <b>(65,345)</b>                 | <b>152,785</b>                   | <b>78,338</b>                    |

#### 12) Deferred tax

|                                  | Net balance<br>1-Apr-19 | Recognised in<br>P&L<br>31 March<br>2020 | Deferred tax<br>asset /<br>(liability)<br>31 March<br>2020 | Recognised in<br>P&L<br>31 March<br>2021 | Deferred tax<br>asset /<br>(liability)<br>31 March<br>2021 |
|----------------------------------|-------------------------|--|--|--|--|
| <b>Parent</b>                    |                         |  |  |  |  |
| Provisions and other liabilities | 1,750                   | (1,044)                                  | 706  | (706)                                    | -  |
| Accumulated tax losses           | 184,510                 | (77,294)                                 | 107,216  | (107,216)                                | -  |
| <b>Total deferred tax</b>        | <b>186,260</b>          | <b>(78,338)</b>                          | <b>107,922</b>   | <b>(107,922)</b>                         | <b>-</b>   |
| <b>Group</b>                     |                         |  |  |  |  |
| 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  |
| <b>Total deferred tax</b>        | <b>453,490</b>          | <b>65,345</b>                            | <b>518,835</b>   | <b>(496,429)</b>                         | <b>22,406</b>  |

|   | Group<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ | Parent<br>31 March<br>2021<br>\$ | Parent<br>31 March<br>2020<br>\$ |
|---|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>13) Cash and cash equivalents</b>                        |                                 |                                 |                                  |                                  |
| 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                          | -                                | -                                |
| <b>Total cash and cash equivalents</b>                      | <b>1,203,196</b>                | <b>1,018,208</b>                | <b>68,609</b>                    | <b>90,445</b>                    |

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

### 14) Property, Plant and Equipment

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

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

| <b>31 March 2021</b> | <b>Office<br/>Equipment<br/>\$</b> | <b>Furniture and<br/>Fittings<br/>\$</b> | <b>Leasehold<br/>Imp.<br/>\$</b> | <b>Total<br/>\$</b> |
|----------------------|------------------------------------|--|----------------------------------|---------------------|
| 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              | <b>5,555</b>                       | <b>12,306</b>                            | <b>26,535</b>                    | <b>44,396</b>       |
| <b>31 March 2020</b> |                                    |  |                                  |                     |
| 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              | <b>8,369</b>                       | <b>10,866</b>                            | <b>30,993</b>                    | <b>50,228</b>       |

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

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**

**14) Property, Plant and Equipment (Continued)**

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

**31 March 2021**

|                 | Office<br>Equipment | Total      |
|-----------------|---------------------|------------|
|                 | \$                  | \$         |
| Opening balance | 4,707               | 4,707      |
| Additions       | -                   | -          |
| Disposals       | -                   | -          |
| Depreciation    | (4,401)             | (4,401)    |
| Closing         | <b>306</b>          | <b>306</b> |

**31 March 2020**

|                 | Office<br>Equipment | Total        |
|-----------------|---------------------|--------------|
|                 | \$                  | \$           |
| Opening balance | 10,643              | 10,643       |
| Additions       | -                   | -            |
| Disposals       | -                   | -            |
| Depreciation    | (5,936)             | (5,936)      |
| Closing         | <b>4,707</b>        | <b>4,707</b> |

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

#### 15) Investment properties

|   | Group<br>31 March 2021 | Group<br>31 March 2020 | Parent<br>31 March<br>2021 | Parent<br>31 March<br>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              | -                          | -                          |
|   | <b>20,530,000</b>      | <b>12,915,000</b>      | <b>1,600,000</b>           | <b>840,000</b>             |

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

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

| 31 March 2021                              | Kāumatua<br>Units | 1 - 3<br>Thorndon<br>Quay | Whites Line<br>East<br>Waiwhetu | Wainui. College  | Wainui.<br>Intermediate<br>(Kōhanga Reo<br>Building) | Petone<br>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)<br>development property | 3,007,797         | -                         | -                               | -                | -  | -                 | 3,007,797         |
| Closing                                    | <b>3,855,000</b>  | <b>2,450,000</b>          | <b>1,600,000</b>                | <b>5,250,000</b> | <b>625,000</b>                                       | <b>6,750,000</b>  | <b>20,530,000</b> |
| <b>31 March 2020</b>                       |                   |                           |                                 |                  |  |                   |                   |
| 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                                    | -                 | <b>2,150,000</b>          | <b>840,000</b>                  | <b>3,300,000</b> | <b>625,000</b>                                       | <b>6,000,000</b>  | <b>12,915,000</b> |

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.

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

#### 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.

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**

| <b>Parent</b>  |   |                     |
|--|---|---------------------|
| <b>31 March 2021</b>   | <b>Whites Line<br/>East<br/>Waiwhetu<br/>\$</b> | <b>Total<br/>\$</b> |
| 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   | <b>1,600,000</b>                                | <b>1,600,000</b>    |
| <b>31 March 2020</b>   |   |                     |
| 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   | <b>840,000</b>                                  | <b>840,000</b>      |
| <b>Reconciliation of the carrying amount at the beginning and end of the period:</b> |   |                     |
| <b>31 March 2021</b>   | <b>Whites Line<br/>East<br/>Waiwhetu<br/>\$</b> | <b>Total<br/>\$</b> |
| Opening balance  | 840,000   | 840,000             |
| Net movements  | 760,000   | 760,000             |
| Closing balance  | <b>1,600,000</b>                                | <b>1,600,000</b>    |
| <b>31 March 2020</b>   |   |                     |
| Opening balance  | 686,340   | 686,340             |
| Net movements  | 153,660   | 153,660             |
| Closing balance  | <b>840,000</b>                                  | <b>840,000</b>      |

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

#### 16) Development properties

##### 31 March 2021

|                                   | Mt Crawford    | Wainuiomata<br>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                   | <b>153,567</b> | <b>3,818,059</b>            | -          | <b>3,971,626</b> |

##### 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                   | - | <b>5,906,863</b> | -         | <b>5,906,864</b> |

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        |
|  | - | <b>2,822,054</b> | - | <b>2,822,054</b> |

###### Non current

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

##### 31 March 2020

###### Current portion

|                          |   |                  |   |                  |
|--------------------------|---|------------------|---|------------------|
| Wainuiomata Intermediate | - | 5,906,863        | - | 5,906,863        |
|                          | - | <b>5,906,863</b> | - | <b>5,906,863</b> |

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.

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

#### 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<br>31 March<br>2021<br>\$ | Group<br>31 March<br>2020<br>\$ |
|--|---------------------------------|---------------------------------|
| <b>Remuneration of Key Management Personnel (excluding trustees)</b> |                                 |                                 |
| Total Remuneration   | 396,096                         | 312,519                         |
| Total Number of persons  | 3 FTE                           | 3 FTE                           |
| <b>Trustee Remuneration</b>  |                                 |                                 |
| 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                           |
|  | <b>59,250</b>                   | <b>22,750</b>                   |

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

#### 18) Related party transactions (continued)

##### FAAR Committee Remuneration

|                 |              |          |
|-----------------|--------------|----------|
| Paora Mephram   | 1,750        | -        |
| Te Aroha Hohaia | 1,750        | -        |
| Peter Allport   | 1,750        | -        |
|                 | <b>5,250</b> | <b>-</b> |

##### 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        |
|                                | <b>70,000</b> | <b>45,000</b> |

##### 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.

|                                 |               |              |
|---------------------------------|---------------|--------------|
| <b>Total other remuneration</b> | <b>12,000</b> | <b>7,000</b> |
|---------------------------------|---------------|--------------|

#### 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:

|   | <b>Group<br/>31 March<br/>2021<br/>\$</b> | <b>Group<br/>31 March<br/>2020<br/>\$</b> | <b>Parent<br/>31 March<br/>2021<br/>\$</b> | <b>Parent<br/>31 March<br/>2020<br/>\$</b> |
|---|---|---|--|--|
| <b>Financial assets</b>                                   |   |   |  |  |
| <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-entity advances                                     | -   | -   | 16,016,717                                 | 15,727,625                                 |
|   | <b>4,995,992</b>                          | <b>4,835,998</b>                          | <b>16,149,152</b>                          | <b>15,928,583</b>                          |
| <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                                 | -  | -  |
|   | <b>4,268,392</b>                          | <b>3,158,262</b>                          | <b>850,514</b>                             | <b>849,352</b>                             |

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.

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

#### 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.

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

#### 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.

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





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Motu Kairangi

## PORT NICHOLSON BLOCK SETTLEMENT TRUST

# Annual General Meeting Resolutions and Notes

Pipitea Marae

26 September 2020

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### Attendees

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Alanna Puketapu          | James Scandlyn          | Nardine Gourlay         |
| Anaru Thompson Adams     | James Wheeler           | Ngatau Puketapu         |
| Ani Parata               | John Coffey             | Patrick Gallagher       |
| Anne Sidwell             | Josephine Coffey        | Paul (Paora) Mephram    |
| Arahina Ormsby-Matehe    | Joy Mephram             | Peggy Luke-Ngaheke      |
| Aroha (Alysha) McVeigh   | Juliet Robertson        | Pekaira Rei             |
| Catherine Love           | Kelvin Kipa             | Peter Allport           |
| Christina Ormsby         | Kenney-Jean Sidwell     | Peter Jackson           |
| Cynergy King             | Kura Moeahu             | Peter Moeahu            |
| David Tawhai-Bodsworth   | Lee Hunter              | Rata Sidwell            |
| Dinnie Moeahu            | Lenny Tamarapa          | Scott Bailey            |
| Filma Phillips           | Linda Aroha Olsen       | Shania Bailey-Edmonds   |
| Georgina Beyer           | Maiora Puketapu-Dentice | Sydney Mephram          |
| Gladys Maire Ormsby      | Marama Puketapu         | Te Aroha Hohaia         |
| Grant Knuckey            | Marina Mason            | Te Herekieke Herewini   |
| Hannah Buchanan          | Marlin Elkington        | Te Rira (Teri) Puketapu |
| Helen Kipa               | Martha Gilbert          | Tony Short              |
| Hemi Tahurangi           | Mary-Ann Ormsby         | Vaughan Puketapu        |
| Horowai Moeahu           | Megan Somerville        | Whareahuru Gilbert      |
| Ihakara Puketapu-Dentice | Mynetta Erueti          | Wikitoria Love          |
| Jacquleen Bush           | Myra Hunter             | Wikitoria Ratu          |

### Attendees (virtual)

|                                     |                              |                                  |
|-------------------------------------|------------------------------|----------------------------------|
| Allison Waiwiri Rautao              | Grace Coffey                 | Owen Keenan                      |
| Alma Andrews                        | Hineataura Wilkinson         | Pearl Sidwell                    |
| Amiria Tomoana                      | Honiana Love                 | Philippa Fairclough              |
| Amokura Panoho                      | Iris Hapai Potaka-Osborne    | Rerewha-i-te-rangi Pita          |
| Ana-Lisa Puawaitanga Randall        | James Peter Rona             | Robert Bruce Gaylard             |
| Andrew Mephram                      | Janica Huia Herlihy          | Rona Margaret Emia               |
| Apihaka Mack                        | Jennifer Angela Dittmee      | Rosalee Fitisemanu               |
| Aroha (Alysha) Rangi Marama McVeigh | Jerome Fitisemanu            | Rubina Bishop                    |
| Blaine Hoete                        | Kararaina Hina Luke          | Samuel Wallis Kahui              |
| Bonita Bigham                       | Karepa Wall                  | Scott Thomas Hemi Bailey         |
| Cameron Lim                         | Kelvin Tematauwowhiti Kipa   | Sean Bradley Paranihi            |
| Conrad Bernard Gian Whānau          | Kristine Evelyn Marsh        | Shamia Shariff                   |
| Darlene Weston                      | Larry Douglas Coffey         | Sharon Patricia May Wikairakingi |
| David Barry O'Brien                 | Lisa Dorothy Shapcott        | Stephen Mark Hanford             |
| David Edward Raukawa Park           | Lynda Edith Webb             | Susan Luke                       |
| Debbie Ann Broughton                | Lynne Raumati                | Tahu Rawiri                      |
| Dominick Kaiwhata                   | Marie Paewhiti Winitana      | Takiri Ann Cotterill             |
| Donna Maraea Te Tai                 | Mahina Puketapu              | tania rangiwhetu                 |
| Edward Rihari Churton               | Marama Broughton             | Tanya Kim Skelton                |
| Eldon Robert George Sawyers         | Marie Leef                   | Te Puata Karl Burrows            |
| Elizabeth Paula Love                | Mark Ormsby                  | Thomas Shorrock                  |
| Ella Kamana                         | Martyn Frost                 | Tiri Moana Porter                |
| Erina Okeroa                        | Matehuria Limmer             | Tirimoana Ann Tuarea-Fletcher    |
| Florence Amelia Trotter nee Keenan  | Maxine Graham                | Tuparahuia Porikapa Pita         |
| Florence Karaitiana                 | Moana Michelle Lake-Steelman | Vern Winitana                    |
| Gabrielle Miri Pleisch              | Morris Te Whiti Love         | Vincent Robertson                |
| Gavin Faull                         | Nardine Terisa Gourlay       | Wikitoria Harris-Peck            |
| Glenn McConnell                     | Ngahuia Wright               | Zara Taakiwaiora Wills (Time)    |

### Trustees & Directors

|               |               |            |
|---------------|---------------|------------|
| Huia Puketapu | John Coffey   | Toa Pomare |
| Paora Mephram | Peter Allport |            |

**Support Team (Management & Registration Desk)**

|                |                 |                 |
|----------------|-----------------|-----------------|
| Kirsty Tamanui | Lisle McErlane  | Willy Makea     |
| Kaleb Rongokea | Marama Puketapu | Les Foy (Crowe) |

**Apologies**

|                          |                                      |                              |
|--------------------------|--------------------------------------|------------------------------|
| Anaru Mephram            | Florence Amelia Trotter (nee Keenan) | Mary Wakefield               |
| Anne Sommerville         | Gavin M Faull                        | Matu Mullen                  |
| Anthony Bishop           | Georgina Manaia                      | Maureen Collis               |
| Anthony Gerald Patete    | Holden Hohaia                        | Moana Steedman               |
| Anthony John Bishop      | Jacob Waitere                        | Moetatua Turoa               |
| Ariana Randall           | Jeremy Wheeler                       | Morris Te Whiti Love         |
| Brent Anthony Lindsay    | Josephine Palmer                     | Neihana Randall              |
| Caress Chantelle Dittmer | Judith Browne                        | Niwa Rangiwhetu              |
| Charmaine Horiwia Puru   | Jule Temple                          | Owen Anthony Keenan          |
| Christopher Audain       | Junita Randall                       | Pearl Sidwell                |
| Dallas Ratu              | Kararaina Hina Luke                  | Rawiri Keenan                |
| Dallas Ratu-James        | Karl Randall                         | Sherryn Gaye Lancaster-Mehta |
| Daniel Harrison          | Kayla Randall                        | Sian Andrews-Warmuth         |
| Daphne Williams          | Kirsty Rochelle Dennis Skipper       | Tautoko Ratu                 |
| Deborah Mclvor           | Larry Coffey                         | Teria Smiler                 |
| Dorothy Andrews          | Lilian Marama Burgess                | Terina Randall               |
| Elizabeth Palmer         | Linda Olsen                          | Timothy Wheeler              |
| Evelynne Suzanne Keenan  | Lois McNaught                        | Tui Moana MacDonald          |
| Felicity Jane Buchanan   | Luke Randall                         | Wikitoria Randall            |
|                          |                                      | Zayne McVeigh                |

**Peter Jackson opened the proceedings with a karakia.**

Agenda, housekeeping and tikanga for the day were agreed. Members were invited to register their attendance, note apologies, update their contact information and for those who had yet to vote, invited to vote at the Elections Desk with Isiah Roberts (Electionz.com).

Trustees, Taranaki Whānui Limited and Trust Office Management introduced themselves.

Apologies were noted and received.

**Minutes of 2019 Annual General Meeting**

It was noted by the Chair John Coffey that, with respect to requests to amend the previous AGM minutes, that they are in print and so requests can only be noted in the current minutes.

John Wheeler noted the correction of the spelling of his name. Chair noted John’s comments.

David Tawhai-Bodsworth noted that he did not appreciate the comments from the floor at the previous AGM in respect of those who acquired Shelly Bay as commercial redress. Chair noted David’s comments.

Aroha Puketapu noted that it was her belief that Te Puna Wai as described on pg 52 of the Annual Report was not an accurate reflection of what actually occurred. Chair noted Aroha’s comments.

Motion 1: Receive and adopt the 2019 Annual General Meeting minutes.

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| Peter Moeahu – moved / Ani Parata – seconded<br>Motion is moved |
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**Trustee Remuneration**

The Chair outlined that the Trust is seeking a resolution from uri to approve the total Trustee remuneration package of \$53,000 per annum. The Chair noted that the distribution of fees by role, will be discussed and resolved by Trustees.

Motion: It was recommended by Peggy Luke that Trustees shift the Trustee Remuneration discussion to the end of the agenda so as uri could better understand the financial position of the Trust prior to moving the resolution.

The Chair called for a vote, which was agreed by majority that the item be addressed as part of the Financial Report.

**2020 Trustee Election**

The Chair gave notice of the 2020 Trustee Election and that a vacancy has become available due to the resignation of Kim Skelton.

Catherine Love raised concern about the total number of trustees being reduced from 11 to 8 and that the Trust is at risk of not having quorum at Trustee meetings. She also asked why the Trust is only going to election for one additional trustee.

The Chair reminded uri that the Trust was acting on the direction of The Māori Land Court where it had directed the Trustees of PNBST to undertake an Election for the one current vacancy. This was one of the recommendations of Sir Wira Gardiners’ independent report.

Catherine further questioned the Chair whether the Trust had a view to increase its Trustee numbers in the near future.

The Chair noted that it would be ideal to have a healthy board, a quorum, and that Trustees would consider Trustee numbers at the next Election.

Kura Moeahu asked the Chair if the Trust would at some point review and refresh the Trust Deed.

The Chair noted that it would commence with its own internal review to understand the Trust Deed and whether it had sufficient provisions to guide Trustees, or whether it required a refresh or replacement.

### Chair Report

The Chair presented the Chair Report for 2020.

The Chair acknowledged the various Taranaki Whānui members who represent the iwi across many different forums such as council, local government along with the Trustees, TWL Directors, Management, contractors and the Taranaki Whānui representatives of the various boards.

Catherine Love and Peter Moeahu provided their supportive comments on the Trust acknowledging the past, the mistakes and that the Trustees noted they are now looking forward to a brighter future and will continue to listen and learn. Catherine noted that the AGM was a well organised event with particular point on the release of the Annual Report and Accounts.

Motion 3: Receive and Adopt the Chair Report 2020

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Peter Moeahu – moved / Peter Allport – seconded  
Motion is moved

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### Taranaki Whānui Limited Chair Report

Toa Pomare presented the Taranaki Whānui Limited Chair report for the financial year ending 31 March 2021.

Toa explained the role of TWL and introduced his fellow board members.

Toa outlined the key commercial activities of the year, being:

- Te Puna Wai housing development;
- The partnership with the Wellington Company on the Paetutu and Monark housing developments; and
- The Tai Hekenga consortium and the execution of the Trust's sale and leaseback properties.

Catherine Love raised her concerns around The Wellington Company and their involvement with the Trust and Taranaki Whānui Limited, in particular at Shelly Bay. She further questioned what did the Trustees have in place in terms of the financial and land decisions.

Paora Mephram, Trustee, responded noting the existence of the Financial Audit and Risk Committee, of which he is Chair and together with Peter Allport (TWL Director) and Aroha Hohaia (uri) met quarterly to examine the Trusts' decisions. This was a mechanism that provided a watchdog in terms of the operations of the Trust, ensuring that the activities of TWL, PNBST and operations lined up with the policies and procedures that the Trust board had established.

Motion 4: Receive and Adopt the Taranaki Whānui Limited Chair Report 2020

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Peter Moeahu – moved / Kura Moeahu – seconded  
Motion is moved

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### Financial Report

Willy Makea (Finance Manager) presented the financial report for 2021.

Willy outlined the key figures of the financial report, being:

- The Trust generated a \$19 million profit during the year.
- The Trust has increased its net assets by \$27.6m since 2017.

Willy provided a more detailed breakdown of the key figures and what they are comprised of.

Willy provided answers to the following questions:

*Why did total rent decrease since last year?*

Rent decreased due to the sale of Shelly Bay. With this property being sold, the Trust no longer receives any rent from this property.

*What was the item "sale of development property"?*

This was for the sale of the last unit of the Muritai development in Eastbourne.

*What was the capital grant?*

That was the grant funding received predominantly for the Te Puna Wai Development.

*What was item "advance from Raukawa" for \$1m and what was the interest rate?*

Due to the Trust wanting to invest as much money as possible into Tai Hekenga, the Trust obtained loan from Raukawa ki te Tonga for \$1m. The interest rate for this loan was broken into two components:

- \$500,000 at 5.1% per annum
- \$500,000 at the greater of 6.5% or the returns the Trusts received from Tai Hekenga, which ended up being 11%.

*What makes up \$214,000 memorandum of understanding revenue?*

This is made up of Wellington City Council (\$90,000), Greater Wellington Regional Council (\$35,000), Hutt City Council (\$40,000) and Wellington Water Limited (\$50,000).

*What makes up the expenditure on the database?*

This was money spent updating the records held in the member database.

*What is subcontractor made up of?*

This is made up of the two caretakers from the Wainuiomata Intermediate site and contractors that have been engaged on cultural matters of the Trust.

*Do you have any idea of the legal costs that will be incurred going forward?*

This depends on how the case goes but we have budgeted \$400,000 for legal fees.

*Regarding the loan from Raukawa, did the Trust look to getting that funding from any of the Taranaki iwi?*  
The Trust initially had an offer from Ngati Maru, but in our view, the deal from Raukawa was more favourable.

*Where did the MoU with Hutt City Council come from?*  
I'm not 100% sure, but it has been in place since at least 2014.

*Who brokered the Raukawa loan?*

The loan was brokered between Lisle and Ngati Raukawa. As context, the Trust really struggled to get any bank funding due to our reputation. The Trust actually had a loan with ASB for \$500,000 and initially approached them first to get an extra \$500,000, as they would be able to offer a better rate. However, based on the risk they were perceiving through what they were hearing about the Trust in the media, ASB made us pay back the \$500,000 loan we had with them in a very short amount of time. Due to the short timeframe, the Ngati Raukawa deal was the best deal we could do at the time.

Motion 5: Receive and adopt the Group Financial Audited Accounts and Annual Report 2019/20

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Kura Moeahu - moved / Lee Hunter-seconded  
Motion is moved

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## Audit

The Chair called for uri to move that Crowe be reappointed as the Trusts' Auditor for FY 2020/21.

Motion 6: Re-appoint Crowe as Auditor 2020/21

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Kura Moeahu – moved / Lee Hunter - seconded  
Motion is moved

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## Tai Hekenga

TWL Chair, Toa Pomare, provided uri with an overview of the properties that had been acquired under the Tai Hekenga Consortium and how this provided iwi of Taranaki who were participating, annuity income from Crown for 21 years.

Kura Moeahu commended Taranaki Whānui Limited and how they were progressively moving forward and executing their rights under the Settlement, and that he is looking forward to the next 21 years of secured revenue the Trust will receive as a result, on behalf of uri of Taranaki Whānui.

## Te Puna Wai

PNBST Chair, John Coffey, provided uri an overview of Te Puna Wai noting that the Trust in 2017 had inherited a situation where the Trust had a 'loan' from Te Puni Kōkiri to develop housing on the whenua at Moohan Street, Wainuiomata. After discussion across both the PNBST and TWL Boards' it was agreed that the Trust would proceed with the development as it was viewed that providing affordable housing to uri was a priority. The aspiration was to be able to provide some affordable housing for uri and so 'Te Matehou' was launched. That however received some resistance at the AGM as to how the Trust was progressing, so the Trustees stopped and went out to uri to better understand the uri aspiration for the land. That discussion concluded after some 9 months and Te Puna Wai was launched where it would provide 30 whare for uri. This would be made up of 11 affordable, 6 shared equity and 11 kaumātua social rental whare.

Te Puni Kōkiri Grants - The Trust had received an infrastructure grant of 2.4m, a shared equity grant of 1.5m and the ability to provide a financial literacy programme run by Peter Jackson (uri).

Shared Equity – this enabled the Trust to provide up to 100k to uri who met the criteria to proceed to purchase whare at Te Puna Wai. As an example, if the whare were 570k, and the purchaser attracted the Shared Equity portion of 100k, the cost to uri for that whare would be 470k because the Trusts' share of 100k. The Trust would be a 'silent owner' and their contribution attracted no interest – it was another way in which the Trust could make homes affordable and enable uri into homeownership.

Kaumātua Units – the view is for these units to be managed by an independent community housing provider which will attract subsidised rent from Crown in an arrangement that would last 25 years.

The following questions were answered:

*Can purchases of the whare at Te Puna Wai, buy then sell to the open market?*

No, the Trust put in place an encumbrance on the title that if uri were to sell, they had to offer back to the Trust first.

*Are the whare up to current building standards and accessibility code?*

The whare were built with full consent, which requires meeting all relevant building codes.

*The original plan saw 89 homes to be provided, however, this has been significantly reduced to 30. What caused the Trust to stop at 30 whare?*

The Trust found that there was not the demand for the whare as first indicated to them by a small group of uri whom they had been in discussions with over a number of months. Another agency was brought in to assist with the sales, which was not met favourably by the small group of uri. Said group hold a narrower view of who should be able to purchase at Te Puna Wai, even though the Trust had agreement from this group at the outset as to how the development would proceed.

*Do you have an assessment on the financial impact this delay has had on the Trust?*

The starting point for the Trust was that it entered the project wishing to make some money, but that needed to be balanced with enabling uri into affordable homeownership and not losing any money for the Trust. We will have a better assessment of the financial impact once the project is completed.

*Is it true that a current Trustee has presented to the Trust, the wish to take the development of the balance of the land, away from the Trust?*

Yes there is a small group who are a subset of uri who have presented to the Trust and indicated that they would like to develop the bare 18 lots that remain at Te Puna Wai. These lots have all infrastructure, are on their own title and therefore attract rates. What we can say is that at this point, that is an on-going discussion.

*Are you able to confirm that a current Trustees has threatened occupation?*

We can confirm that this has occurred, however we also confirm that this did not come from a current Trustee, but from a small group of uri.

*Is the original working/advisory group on Te Puna Wai, still active?*

The project is on hold, therefore there is nothing currently to advise on.

*Who established the uri steering group – it is my understanding that it was the developers that established it?*

No, it was a combination of the Trust and the developer speaking with uri and much like the Uri Working Group, somewhat self selective. The Trust wanted to ensure it had representation from uri who would be advisors to the developer and the Trust and believed it had a good selection across the board.

*Can you help us understand why uri were only given 24 hours to take up the Paetutu, Petone opportunity?*

The Trust found themselves committed to the purchase of land on Jackson Street, Petone (via RFR), but unable to complete the transaction as it did not have the capital. The Trust nominated its rights to The Wellington Company who purchased the land and provided a profit share to the Trust on completion of the development. Prior to the properties going to the open market, the developer indicated to the Trust that they would like to offer uri of Taranaki Whānui a pre-market opportunity to purchase at Paetutu – a development that we had participated in terms of the naming and narrative. We had 14 whānau take up the opportunity and over-night had increased the value of the homes. This was never part of the sale to The Wellington Company, but the Trust welcomed that invitation as it was another way our uri would be enabled into home ownership.

Due to time restrictions, the hui was closed with a number of agenda items not addressed:

- Rōpu Tiaki presentation
- Uri Engagement Update
- Database Project Update

The Trust will endeavour to provide uri with updates on these matters via Te Kawekawea over the coming months.

**Kura closed proceedings.**



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# Notes



*Photo credit Alan Bengt*

Te Awa Kairangi / Hutt River



TARANAKI WHĀNUI  
KI TE UPOKO O TE IKA