



# Annual Report

## 2018/19

I ngā tupuna i te mana o ō rātou  
hapū,

o rātou iwi o te hau kāinga ki Te  
Whanganui-a-Tara.

Kei te rere tonu te toto i roto i a tātou.

E pāorooro ana te mita o Taranaki i  
ngā riu me ngā pae maunga o  
Pōneke nei.

E mau tonu ai te mana i a Taranaki  
Whānui ki te Upoko o te Ika.

Hau pai mārire.

# Port Nicholson Block Settlement Trust Deed

## Clause 10. Annual Reports, Accounts and Auditor

### 1 PREPARATION OF ANNUAL REPORT

The Trustees must, within four months after the end of each Income Year, cause to be prepared an annual report on the affairs of the Taranaki Whānui ki Te Upoko o Te Ika Group covering the accounting period ending at the end of that Income Year. The report shall include a comparison of performance against the Annual Plan and Consolidated Financial Statements including a balance sheet and income and expenditure statement and notes so as to give a true and fair view of the financial affairs of the Taranaki Whānui ki Te Upoko o Te Ika Group for that Income Year. The financial statements shall include as a separate item details of any remuneration or fees paid to any Trustee or any Trustee's firm and details of any premiums paid in respect of Trustees' indemnity insurance.

### 2 AUDIT OF FINANCIAL STATEMENTS

The Trustees must also ensure that the Consolidated Financial Statements for each Income Year are audited by a chartered accountant in public practice prior to the date for giving notice of the annual general meeting of the Trust for the Income Year immediately following the Income Year to which the financial statements relate.

### 3 APPOINTMENT OF AUDITOR

The auditor shall be appointed by the Trust prior to the end of the Income Year to which the audit relates and, where possible, the fee of the auditor shall also be fixed at that time. No Trustee or employee of the Trust (including any firm of which such a person is a member or employee) may be appointed as the auditor.

*"The purposes for which the Trust is established are 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 this Trust Deed"*

Trust Deed : Clause 2.3

**Objects the purposes of the Trust**

# Contents

2	3
Trustees & Directors	Port Nicholson Block Settlement Trust Chairs Report
6	8
Taranaki Whānui Limited ('TWL') Chairs Report	Performance at a Glance
9	13
Our Presence & Identity	Financial Statements and Notes
37	40
Auditor's Letter	2018 Annual General Meeting - Minutes

# Trustees

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**Wayne Mulligan**  
Chair



**Mahina Puketapu**  
Deputy Chair



**Neville Baker**



**Kara Puketapu-Dentice**



**Holden Hohaia**



**Toa Pomare**



**John Coffey**  
Chair – Finance,  
Audit, Assurance and  
Remuneration  
Committee



**Morrie Love**  
Retired

# TWL Directors

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**Toa Pomare**  
Chair



**Jamie Tuuta**



**Peter Allport**



**Bryan Jackson**

# Management

**Lisle McErlane**  
Commercial Advisor

**Kirsty Tamanui**  
GM Business & Operations

**Willy Makea**  
Finance Manager

# Chair's Report



On behalf of the Board of Trustees, we present this year's 2018/19 Annual Report.

This annual report illustrates that the foundations for change have been put in place. The focus for the Trustees for the last period has been the restoration of the financial viability of the Trust whilst also looking to re-engage with uri and to engage in projects that are for their benefit.

The best evidence of this change of focus is of course the fact that we are for a second successive year able to report a profit, whilst also being fully engaged on a housing project – Te Puna Wai – for the benefit of uri.

We are able to confirm we've built on last year's profit of \$3.5m, with a profit of \$4.3m this financial year. This has also occurred at a time when net annual assets have grown by 52% in the last 24 months - from \$15.1 to a shade under \$23m.

We are hopeful of being able to provide more programmes that benefit the iwi moving forward now that we have established a solid financial platform.

To be clear, finance is a means to enable the Trust to create choices and opportunities. The Trust aims to assist iwi whanau in financial education, housing options and other opportunities for uri.

Here's a summary, we have a focused growth strategy for land acquisition, property development, trade training and employment opportunities, financial education and commercial sustainability.

## Tai Hekenga – Sale & Leaseback

This year the Trust in partnership with some of our Taranaki kin entities concluded the purchase of the Ministry of Education properties through Tai Hekenga consortium. This sees 11 hectares of central Wellington land being returned to the Consortium, which is then leased back to the Crown.

For the first time in the Trust's history, commencing late 2019 the Trust will have guaranteed annual income arising from the lease back properties that enables operations to be covered and programmes for members to be developed.

This investment sees the Trust hold 20% of \$118 million land.

## Te Puna Wai

Phase 1 of our affordable healthy homes in Wainuiomata is well underway. This is where 89 new, warm homes are being built. There will be a mixture of rentals, kaumatua housing, shared equity between the Trust and whānau, as well as homes whānau can purchase.

A big thank you to the iwi members on Te Puna Wai Advisory Group who have driven this project alongside Management.

## Financial Literacy & Education

In partnership with the Commission for Financial Capability and Te Puni Kōkiri, the Trust is able to provide whānau with education around financial literacy. This programme - Šorted Kāinga Ora - also assists whānau through programmes such as the Governments' Home Start and Ara Mau Whare - Papakāinga related programmes.

## Iwi Member First Purchase Mechanism

The Trust has developed mechanisms with our property development partner, The Wellington Company. These mechanisms provide for iwi members an exclusive opportunity to purchase apartments or housing prior to any public listing. This model will be further developed and alongside Te Puna Wai – provides scope for housing – not previously provided.

## Opportunities

**Paetutu** – PNBST were able to obtain a pre-market offer to members which saw 14 whānau obtain houses within this project.

**Monark** - PNBST were able to obtain a pre-market offer to members which saw 8 whānau obtain houses within this project.

**Trade Training** – we are across projects of our own, such as Te Puna Wai, along with projects which we are associated with looking to provide Trade Training and Apprenticeships and Employment generally.

## Tribal Matters

The Trust is pleased that many iwi members celebrated and up-held mana-whenua status across a range of events. Big thank you to all those involved who are each supportive and active:

- He Raa mo Taatau – our celebration to honour our tupuna who signed the Treaty in 1840 on our harbour
- Matatini Kapa Haka
- Matariki – Te Ahi Kaa – Sky-Show
- Kaiwharawhara
- Matiu Island
- Parangarahu Lakes
- Te Raa o te Raukura
- Zealandia
- Predator Free & Capital Kiwi.

The Trust is now on a sound operational and business setting. It can't be understated that the quality of work undertaken by our small management team of Lisle, Kirsty and Willy has been fabulous. Under trying circumstances too. Also, to our Commercial Board who along with management are driving performance. To our fellow Trustees, this has been another challenging year, yet satisfying. To our retiring Trustees, Morrie Love and Neville Baker, thank you for your years of commitment. To Trustees re-standing – thank you.

As a collective, with our continued commitment for our iwi may the Trust continue to focus on the future and creating better prosperous opportunities so that our iwi members are inspired and have their own success.

## Shelly Bay

The Trust has used the proceeds from these sites to activate Te Puna Wai development, to secure 20% of the \$118m investment at Tai Hekenga and develop Te Puna Wai.

The Trust is working to secure further lands and opportunities across the region and in this regard, we have effectively entered into a landbank arrangement with Mt Crawford to ensure the RFR was not lost.

It is worth noting that an RFR opportunity is one where we receive 30 days to purchase the property and in the event we do not purchase, then the opportunity to purchase is lost to the Trust forever.

## Memberships

A huge development push has been undertaken to connect with uri to update their contact details (323), transition dependents who have now turned 18 to adult membership (6,443) and confirm new members (189). Ngā mihi to our Whakapapa Kōmiti who assist the office and verify all membership applications.

## Audited Accounts

- › The audited accounts are completed on the same policy setting as last year.
- › It is pleasing to again see that we have an operating profit and an uplift on the balance sheet of assets.
- › We are excited that the Trust is again, able to continue the trend in terms of profitability.



Ngā mihi  
Wayne Mulligan  
Chair, Port Nichols Block Settlement Trust

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# Chair's Report

Tēnā tātou i roto i ngā tini ahuatanga o te wā.

This report covers commercial activities during the financial year 1 April 2018 to 31 March 2019.

In accordance with the Port Nicholson Block Settlement Trust (the Trust) Deed and a resolution at the inaugural AGM the commercial assets are to be administered by a wholly owned subsidiary of the Trust – Taranaki Whānui Limited.

We as a board are excited to report that we have been able to realise some of the goals we set ourselves in 2017:

- > established a Taranaki based iwi consortium to purchase land within Wellington CBD which was enabled through our Settlement (Tai Hekenga – Sale & Leaseback), and, along with Taranaki Whānui, includes:
  - Ngāti Mutunga (Taranaki),
  - Ngāti Mutunga (Wharekauri),
  - Ngāti Maru,
  - Ngāti Ruanui,
  - Ngā Rauru,
  - Ngaruahine,
  - Parininihi ki Waitotara Incorporation,
  - Te Atiawa, and
  - Taranaki Iwi.

- > advanced the acquisition of whenua and have completed the arrangements between ourselves and the consortium, lodging a notice of election with the Crown for the purchase of 11.5 hectares of land from the Ministry of Education:

- Wellington Girls' College
- Hutt Valley High School
- Northland School
- Te Aro School

- > continuing discussions regarding land at Miramar South School regarding our ability to access this RFR on behalf of uri;

- > in partnership with Te Puni Kōkiri and The Wellington Company, about to deliver housing at Te Puna Wai (Wainuiomata):

- 25 rental houses – of which 11 will be for Kaumātua and 14 available as social rentals;
- 15 shared equity houses; and
- a number of houses for uri to purchase



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# Taranaki Whānui Limited (‘TWL’)

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- > offering a financial literacy course to uri, the purpose of which is to tautoko uri with education around financial literacy and budgeting practices;
- > ability to offer uri employment opportunities, providing trade contracting opportunities in partnership with The Wellington Company

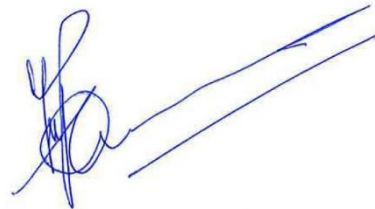
We continue to work alongside our development partner, Ian Cassels and The Wellington Company, who have enabled the Trust and TWL to assist uri to advance their aspirations of home ownership. The Board of Directors acknowledge and support this relationship.

Lastly, I wish to again thank those who sit beside me as Directors - Peter Allport, Bryan Jackson, Jamie Tuuta who each provide valuable commercial thought leadership and expertise.

We would also like to acknowledge the Management Team of Lisle McErlane, Kirsty Tamanui and Willy Makea.

Ngā mihi ki a koutou katoa, nā

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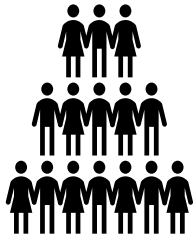
Toarangātira Pomare  
Chair, Taranaki Whānui Limited

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*Wellington Girls' College, Hutt Valley High School, Northland School and Te Aro School*

## Performance At A Glance



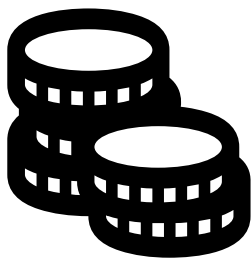
19,046

Current Membership  
PNBST Database



\$22,999,036

Net Asset Group Position



2018/19

Performance

\$4,302,721 operating profit



\$4,302,721 (23%)

Asset Growth since 2018

Parangarahu Lakes,  
Pencarrow Point

Annual Planting Day



Bringing the Rōwī  
back to Pōneke

Kiwi transfer from  
Okārito to Pōneke

## Creating Opportunities



- > Te Puna Wai Papakāinga, Wainuiomata
- > Paetutu, Petone
- > Monark, Mount Cook
- > Employment / Trade Training / Apprenticeships
- > Financial Education & Literacy

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# Our Presence & Identity

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## Tai Hekenga – Sale & Leaseback

Tai Hekenga is a hononga/unification of a Taranaki based iwi consortium which, which along with Taranaki Whānui ki Te Upoko o Te Ika, includes:

- Ngāti Mutunga (Taranaki),
- Ngāti Mutunga (Wharekauri),
- Ngāti Maru,
- Ngāti Ruanui,
- Ngā Rauru,
- Ngaruahine,
- Parininihi ki Waitotara Incorporation,
- Te Atiawa, and
- Taranaki Iwi.

This approach speaks to our collective responsibility to all uri who whakapapa back to Taranaki Maunga. Tai Hekenga strengthens our relationship, enables us to grow our land ownership and feed our financial well-being, as it will provide the consortium with annual income for the next 21 years.

## Te Puna Wai Papakāinga Housing Project - Wainuiomata

The housing of our people was identified as a key priority early on in our Treaty Settlement negotiations. Housing, as we know, has a major impact on our people through enabling quality of life, health and the ability for our whānau to take responsibility for their wellbeing.

With this in mind, Te Puna Wai has been jointly developed and led by Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement Trust), uri of Taranaki Whānui, Te Puni Kōkiri and The Wellington Company.

Te Puna Wai is iwi bringing housing and financial education to its' people and employment to its Takiwā, and will deliver

- 25 rental houses – of which 11 will be for Kaumātua and 14 will be available as social rentals;
- 15 shared equity houses;
- A number of houses for uri to purchase; and
- Financial Literacy & Education courses.

## Why 'Te Puna Wai'?

Gifted to the Trust by the Taranaki Whānui Naming Kōmiti, Te Puna Wai draws direct connection to Te Puna Wai on site.

Te Puna Wai provides life and vitality to the whenua and also to those who reside there now and into the future and is an affirmation of our permanency as Taranaki Whānui within Wainuiomata and our wider tribal boundary.

## *Te Puna Wai*

No te kawa ora te mouri o Te Puna Wai me Te Whenua  
From the ultimate life principles is the vitality of water and land

Ka tupu te Raukura o te iwi  
From this the nourishment of the iwi is originated

Ka toka tū te hapori, te arohanui ki ngā tāngata katoa  
This affirms the permanency of the community which embodies love to all mankind

Nā tō tātou tūpuna i miromiro i te whenua nei  
For this is where our ancestors worked and seeded the land

Nā tātou a ngākau māhaki nei, ka ki, he uri, he uri, he ruranga!  
With humility we say we are descendants of this place, this is our home!

From this pepeha we have drawn three key Matāpono or principles which will be threaded throughout this awesome kaupapa:

**Kawa Ora:** Our connection to the ultimate life principles is upheld

**Raukura:** Our peace and prosperity is nurtured

**Toka Tu:** Our permanency is without question

The Trust and our partners in Te Puna Wai see this kaupapa as something far more than the provision of housing. Te Puna Wai is a foundation from where we, as a people, can grow and nurture our aspirations whether socially, culturally or environmentally in order to support our uri and ruranga in a manner which is consistent with our values and traditions.

Te Puna Wai aims to ensure our land is protected and will offer a range of housing opportunities - from kaumātua housing, rentals, shared equity, affordable homes and homes for whānau who may already be established or wanting to buy a new whare.

Uri look to celebrate the opening of the Papakāinga on 10 September which is a date which is highly significant as it links the whakapapa back to the original 22 owners from Waiwhetū and shares the same 'rā whakanuia' with other important buildings within our rohe:

- 1960 Opening of Arohanui ki te Tangata wharenui, Waiwhetu Marae,
- 1982 Arohanui ki te Tangata - Wharekai
- 1988 Pukeātua whare, Wainuiomata Marae, Wainuiomata
- 1991 Waiwhetu Medical Centre and Te Aroha Sports Complex, Waiwhetu
- 2005 Te Māori Cultural Centre; housing our Waka Taua, Atiawa Toa FM, Runanga office and art gallery

## Te Puna Wai Mātau Ahumoni | Financial Literacy & Education (\$orted Kainga Ora)

Te Puna Wai Mātau Ahumoni provides uri with education around financial literacy and budgeting practices. Additionally, it aims to prepare those who wish to purchase property on the Papakāinga, or elsewhere, with the financial 'know how' necessary to purchase a home.

The course has been jointly designed by Te Puni Kōkiri and the Commission for Financial Capability and sees former Trustee Peter Jackson delivering this to uri commencing September 2019.

## Keeping Ourselves Connected | Updating the Database

At our last AGM, uri sought commitment from the Trust to address concerns held regarding the status of the database, including the accuracy of information held and how we communicate with uri.

Management undertook an interval review of database management system which resulted in two key outputs:

- Look at what a fit for purpose database for Taranaki Whānui may look like, and seek to engage a specialist to assist in building a new database; and
- Engaging uri to assist in the updating of member contact information.

We can report that, in 2019, we have

- Verified **189** new members;
- transitioned **6,443** dependents who are now 18, into adult members;
- Updated **323** member files with new contact information.

## Pou Kōrero Panels | Matiu-Somes Island

Matiu-Somes Island was provided back under the Settlement as cultural redress land, and is governed by the Harbour Island Kaitiaki Board and managed by Department of Conservation (Doc). It has a rich cultural heritage, and is a conservation haven of which we are proud to support.

Taranki Whānui in partnership with DoC, collated its' stories which described our history and relationship with the wider harbour, Matiu-Somes, Mākaro and Mokopuna islands.

In May of this year, these pou were unveiling in the presences of uri of Taranaki Whānui ki Te Upoko o Te Ika, the Minister of Conservation and representatives from DoC. They now sit alongside the waharoa that was unveiled in 2018 and stand proud at the entrance to welcome all manuhiri to the island.

Our thanks to Morrie Love who collated the stories and worked tirelessly alongside his Harbour Island Kaitiaki Board peers to produce and install these panels, funded kindly by DoC.

## He Rā mo Tātou

For the second year, the Trust hosted uri from across Taranaki Whānui at Te Puna Wai to celebrate the signing of Te Tiriti o Waitangi by our Rangatira in 1840 and whanaungatanga.

He Rā mō Tātou is a day where we, as Taranaki Whānui, came together to whakawhānaungatanga – about our current and future state and also just to be together as whānau.

This year the event was held at the site our Te Puna Wai Papakāinga Housing Project is to stand on within Wainui-o-mata. It was an honor to be able to share with uri what the future of this site will look and feel like.

## Engaging Uri

The Trust also made a commitment to, wherever possible, seek opportunities to engage uri. Currently, we have uri engaged within the Te Puna Wai Papakāinga Housing Project, including a number of trade training and apprenticeships through Friday Homes.

Our thanks to Anania Randall, The Wellington Company, Friday Homes and Egmont Dixon.



# Consolidated Statement of Comprehensive Revenue and Expenses

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

	Note	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Revenue from non-exchange transactions</b>					
Capital grant		691,093	-	691,093	-
Koha received		-	8,234	-	1,310
<b>Total revenue from non-exchange transactions</b>		<b>691,093</b>	<b>8,234</b>	<b>691,093</b>	<b>1,310</b>
<b>Revenue from exchange transactions</b>					
Rent received from properties owned		470,312	476,871	-	-
Lease revenue Rymans agreement		100,000	100,000	-	-
Other revenue	9	623,668	1,019,128	266,315	1,015,688
Fair value adjustment - investment properties	15	652,516	3,960,188	146,340	105,000
Interest received from funds on call	8	37,649	55,404	35,610	34,894
Gain on investment properties sold		2,414,259	-	-	-
Sale of development property		1,885,583	3,000,000	-	-
<b>Total revenue from exchange transactions</b>		<b>6,183,988</b>	<b>8,611,591</b>	<b>448,265</b>	<b>1,155,582</b>
<b>Expenses</b>					
Costs of running the office	10	783,819	1,156,175	390,848	849,518
Depreciation		10,724	24,460	4,197	-
Loss on disposal of fixed assets		121,736	-	-	-
Loss on investment properties sold		-	1,558,776	-	-
Maintenance cost for the properties owned	7	215,182	170,051	5,117	19,424
Interest expense		73,990	56,600	-	-
Cost of development property sold	16	1,820,399	2,079,414	-	-
<b>Total expenses</b>		<b>3,025,850</b>	<b>5,045,476</b>	<b>400,162</b>	<b>868,942</b>
<b>Total surplus/(deficit) for the year before taxation</b>		<b>3,849,231</b>	<b>3,574,349</b>	<b>739,196</b>	<b>287,950</b>
<b>Taxation expense</b>	11,12	<b>(453,490)</b>	<b>-</b>	<b>(186,260)</b>	<b>-</b>
<b>Total after taxation</b>		<b>4,302,721</b>	<b>3,574,349</b>	<b>925,456</b>	<b>287,950</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>4,302,721</b>	<b>3,574,349</b>	<b>925,456</b>	<b>287,950</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 2019

Group	Note	Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2018		18,696,315	18,696,315
Surplus for the year		4,302,721	4,302,721
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2019</b>		<b>22,999,036</b>	<b>22,999,035</b>
Opening balance 1 April 2017		15,121,966	15,121,966
Surplus for the year		3,574,349	3,574,349
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2018</b>		<b>18,696,315</b>	<b>18,696,315</b>

Parent		Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2018		14,460,512	14,460,512
Surplus for the year		925,456	925,456
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2019</b>		<b>15,385,968</b>	<b>15,385,968</b>
Opening balance 1 April 2017		14,172,562	14,172,562
Surplus for the year		287,950	287,950
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2018</b>		<b>14,460,512</b>	<b>14,460,512</b>

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



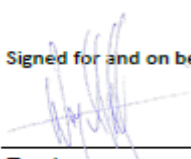


# Consolidated Statement of Financial Position

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

	Note	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Current assets</b>					
Cash and cash equivalents	13	4,868,709	2,354,767	1,163,073	1,176,285
Receivables from exchange transactions	19	4,134,092	1,108,478	129,918	108,058
Deposits from sales held on Trust account	19	87,000	306,256	-	-
Inter-entity advances	19	-	-	14,405,345	13,626,384
Development property	16	807,330	2,152,942	-	-
Goods and services tax receivable		35,197	71,717	9,393	9,224
Income tax refund due	11	19,999	12,493	12,321	6,206
		<u>9,952,327</u>	<u>6,006,653</u>	<u>15,720,050</u>	<u>14,926,157</u>
<b>Non-current assets</b>					
Investment properties	15	6,722,516	13,913,756	686,340	540,000
Investment in joint venture	20	950,000	-	-	-
Property, plant and equipment	14	59,409	171,779	10,643	-
Development property	16	3,281,286	-	-	-
Non-trade receivables	19	3,700,000	1,152,656	-	-
Deferred tax asset	12	453,490	-	186,260	-
		<u>15,166,701</u>	<u>15,238,191</u>	<u>883,243</u>	<u>540,000</u>
<b>Total assets</b>		<u><b>25,119,028</b></u>	<u><b>21,244,844</b></u>	<u><b>16,603,293</b></u>	<u><b>15,466,158</b></u>
<b>Current liabilities</b>					
Trade and other creditors	19	590,290	345,234	57,326	47,036
PNBC Limited	19	-	-	365,717	365,717
PNBST Investments Limited Partnership	19	-	-	483,635	483,635
Advance from Ryman Healthcare	19	632,038	693,504	-	-
Loan due to ASB	19	500,000	1,100,000	-	-
Deposits held on Trust account	19	87,000	300,518	-	-
Conditional grant money received	19	310,664	109,273	310,648	109,257
		<u>2,119,992</u>	<u>2,548,529</u>	<u>1,217,325</u>	<u>1,005,645</u>
<b>Total liabilities</b>		<u><b>2,119,992</b></u>	<u><b>2,548,529</b></u>	<u><b>1,217,325</b></u>	<u><b>1,005,645</b></u>
<b>Net assets</b>		<u><b>22,999,036</b></u>	<u><b>18,696,315</b></u>	<u><b>15,385,968</b></u>	<u><b>14,460,512</b></u>
<b>Equity</b>					
Accumulated comprehensive revenue and expense		22,999,036	18,696,315	15,385,968	14,460,512
<b>Total equity</b>		<u><b>22,999,036</b></u>	<u><b>18,696,315</b></u>	<u><b>15,385,968</b></u>	<u><b>14,460,512</b></u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 11 September 2019:

  
Trustee  
Wayne Mulligan - Chair

  
Trustee  
Mahina Puketapu - Deputy Chair

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 2019

	Note	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Receipts from non-exchange transactions		892,484	8,234	892,484	1,310
Receipts from exchange transactions		3,953,730	2,904,160	244,287	998,409
Income tax receipts		-	29,249	-	33,360
Interest received		30,144	55,404	29,495	34,894
		4,876,358	2,997,047	1,166,266	1,067,973
<i>Payments</i>					
Payments to suppliers		2,657,541	4,224,596	385,675	1,033,350
Interest paid		35,455	56,600	-	-
		2,692,996	4,281,196	385,675	1,033,350
<b>Net cash flows from operating activities</b>		<b>2,183,362</b>	<b>(1,284,149)</b>	<b>780,591</b>	<b>34,623</b>
<b>Cash flows from investing activities</b>					
<i>Receipts</i>					
Sale of property, plant and equipment		-	2,406	-	-
Sale of investment property		1,900,671	2,000,000	-	-
Net funds received from / (paid to) related parties		-	-	(778,961)	-
		1,900,671	2,002,406	(778,961)	-
<i>Payments</i>					
Purchases of property, plant and equipment		20,091	6,924	14,841	-
Net funds received from related parties		-	-	-	435,712
Investment in joint venture		950,000			
		970,091	6,924	14,841	435,712
<b>Net cash flows from investing activities</b>		<b>930,580</b>	<b>1,995,482</b>	<b>(793,802)</b>	<b>(435,712)</b>
<b>Cash flows from financing activities</b>					
<i>Receipts</i>					
Proceeds from borrowings		-	-	-	-
		-	-	-	-
<i>Payments</i>					
Repayment of borrowings		600,000	-	-	-
		600,000	-	-	-
<b>Net cash flows from financing activities</b>		<b>(600,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		2,513,942	711,333	(13,212)	(401,089)
Cash and cash equivalents at 1 April		2,354,767	1,643,434	1,176,285	1,577,374
Cash and cash equivalents at 31 March		4,868,709	2,354,767	1,163,073	1,176,285

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 2019

## 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"):

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

All subsidiaries have a reporting date of 31 March 2019.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group represents the descendants of Taranaki, Te Atiawa, Ngati Ruanui and Ngati Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whanui ki Te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, 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 all entities within the Group have elected to be Maori 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 11 September 2019.

## 2) Statement of compliance

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

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## **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.

### ***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***

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

##### ***Other Revenue***

Other revenue is recognised on an accruals basis.



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## *Revenue from non-exchange transactions*

### *Koha*

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

### *MHN Capital grant*

Port Nicholson Block Settlement Trust receives grant funding from Maori Housing Network to assist the development at Wainuiomata Intermediate. Grant funding is recognised within surplus and deficit in the statement of Comprehensive Revenue and Expenses when outputs in the funding agreement are satisfied.

## **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.

### *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.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 3.5 Financial instruments (continued)

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

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

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

## Financial liabilities

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

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

## 3.6 Cash and cash equivalents

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

## 3.7 Property, plant and equipment

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

Land	0% SL
Office equipment	8% - 40% SL
Leasehold improvements	7%-13.5% SL
Furniture and fittings	6% - 10.5% SL

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

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## **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.

## **3.9 Leases**

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

## **3.10 Employee benefits**

### *Wages, salaries and annual leave*

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

## **3.11 Income Tax**

### *Current Income Tax*

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

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

### *Deferred Income Tax*

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

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

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

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

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



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust

For the year ended 31 March 2019

## **3.11 Income Tax (continued)**

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.

## **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 2019

## **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.

### **Estimates and Assumptions**

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

### **Useful lives and residual values**

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

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

The estimated useful lives of the asset classes held by the Group are listed in Note 3.7.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 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	Commercial Rental	NZ
The Lodge at Shelly Bay Limited	Commercial Rental	NZ
Taranaki Whanui Limited	Operations Management	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
Lowry Bay Section One Limited	Commercial Rental	NZ
Port Nicholson Block Properties Limited	Commercial Rental	NZ
Education PNBST Limited	Project Management	NZ
Tramways Limited	Shelf Company	NZ
Whites Line East Limited	Shelf Company	NZ
PNBST Investments Limited Partnership	Commercial Rental	NZ
SBL Management Limited	Shelf Company	NZ
Tai-Kuru Limited Partnership	Shelf Company	NZ
Tai-Kuru Trust Limited	Shelf Company	NZ

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

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>7) Maintenance costs for properties owned</b>				
Building WOF	421	539	-	-
Electricity	19,092	13,711	1,328	2,632
Fire Monitoring	4,918	3,047	-	-
Grounds Maintenance	-	3,394	-	-
Health & Safety	-	1,552	-	1,552
Insurance	72,244	58,465	-	11,704
Property Management Fees	-	993	-	993
Rates	45,871	38,148	2,028	1,787
Repairs & Maintenance	44,732	36,375	1,761	756
Security	7,423	4,928	-	-
Water Rates	6,876	8,899	-	-
Valuation Fees	13,605	-	-	-
<b>Total Rental Costs</b>	<b>215,182</b>	<b>170,051</b>	<b>5,117</b>	<b>19,424</b>
<b>8) Interest received from funds on call</b>				
KiwiBank Interest	35,610	34,796	35,610	34,796
Other Interest	-	98	-	98
Interest on Property Transactions	2,040	20,510	-	-
<b>Total interest received from funds on call</b>	<b>37,649</b>	<b>55,404</b>	<b>35,610</b>	<b>34,894</b>
<b>9) Other revenue</b>				
Other Income (Incl. Project Management Fees)	44,103	26,078	41,228	26,078
Grant income	11,087	155,347	11,087	155,347
Memorandum of Understanding	214,000	261,100	214,000	261,100
Nomination Fees	354,478	171,500	-	171,500
Income from Voluntary Disclosure	-	401,663	-	401,663
Other revenue - Ryman	-	3,440	-	-
<b>Total other revenue</b>	<b>623,668</b>	<b>1,019,128</b>	<b>266,315</b>	<b>1,015,688</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 10) Costs of running the office

	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Compliance</b>				
Accounting	53,715	118,109	25,500	101,827
ACC Levies	-	1,821	-	1,720
Annual General Meeting	21,618	28,027	21,618	28,027
Audit	46,000	26,278	43,000	26,278
	<b>121,333</b>	<b>174,235</b>	<b>90,118</b>	<b>157,852</b>
<b>Consultancy</b>				
Commercial Advisor	96,000	96,800	-	-
Consultancy	40,239	13,066	5,000	5,360
Legal Fees	70,015	35,092	668	12,267
	<b>206,253</b>	<b>144,958</b>	<b>5,668</b>	<b>17,628</b>
<b>Cultural services</b>				
Cultural Services	28,237	14,086	28,237	14,086
	<b>28,237</b>	<b>14,086</b>	<b>28,237</b>	<b>14,086</b>
<b>Governance</b>				
Director Fees	45,000	55,000	-	-
Subcommittee expenses	-	87	-	87
Trustee Elections	21,004	-	21,004	-
Trustee Fees	16,000	53,250	16,000	53,250
Trustee Travel Expenses	4,222	3,024	2,678	3,024
	<b>86,226</b>	<b>111,361</b>	<b>39,682</b>	<b>56,361</b>
<b>Matiu Island Expenses</b>				
Matiu Island Expenses	-	90,344	-	90,344
	<b>-</b>	<b>90,344</b>	<b>-</b>	<b>90,344</b>
<b>Member engagement</b>				
Database	1,000	-	1,000	-
Events	7,719	566	7,719	566
	<b>8,719</b>	<b>566</b>	<b>8,719</b>	<b>566</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

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

	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Office Expenses</b>				
Bank Fees	1,156	387	136	221
Bad debt	10,000	-	10,000	-
Catering	2,300	446	1,838	419
Cleaning	9,740	9,646	3,345	3,994
Computer Expenses	13,387	11,867	13,387	11,867
Copying & Printing	5,689	5,566	4,962	5,566
Entertainment	-	702	-	702
File storage & destruction	2,359	1,703	2,359	1,703
General Expenses	560	13,182	560	11,054
Hui costs	-	481	-	429
IRD penalties	250	-	-	-
Low value assets	2,559	-	2,559	-
Office expenses	2,186	2,458	2,186	2,458
Postage	352	3,072	352	3,072
Software	-	120	-	120
Sale and leaseback	-	10,800	-	10,800
Stationery	204	2,308	204	2,308
Subscriptions	178	11,121	178	11,121
Telephone	5,395	13,654	3,941	11,494
Travel Expenses	15,342	4,935	4,315	2,830
Valuation fees	-	11,130	-	-
Website	360	2,010	360	1,968
Prior period adjustment	-	(5,024)	-	(5,024)
	<b>72,016</b>	<b>100,564</b>	<b>50,682</b>	<b>77,102</b>
<b>Personnel</b>				
Kiwisaver - employer contributions	1,848	4,831	1,155	4,553
Staff training	-	669	-	669
Staff expenses	-	258	-	258
Sub-contractor	70,610	41,181	1,088	-
Wages/salaries	188,577	473,124	165,500	430,100
	<b>261,035</b>	<b>520,062</b>	<b>167,742</b>	<b>435,580</b>
<b>Total costs of running the office</b>	<b>783,819</b>	<b>1,156,175</b>	<b>390,848</b>	<b>849,518</b>

The expense accounts from previous years have been reclassified into the above categories for presentation.

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust

For the year ended 31 March 2019

	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>11) Taxation</b>				
Net surplus (deficit) as per Financial Statements	3,849,231	3,574,349	739,196	287,950
<i>Timing differences</i>				
Add Back - Closing Balance Audit Accrual as at 31 March	40,000	40,000	40,000	40,000
Less: Opening balance Audit Accrual as at 1 April	(40,000)	(36,500)	(40,000)	(36,500)
Add back - provision for doubtful debt	10,000	-	10,000	-
<b>Total Timing Differences</b>	<b>10,000</b>	<b>3,500</b>	<b>10,000</b>	<b>3,500</b>
<i>Permanent differences</i>				
Fair value adjustment - investment properties	(652,516)	(3,960,188)	(146,340)	(105,000)
Adjustment for tax cost base of Shelly Bay	895,188	-	-	-
Deduct - Accounting profit from PNBST Investmt Pship	(61,466)	-	(61,466)	-
Non Deductible Entertainment	-	702	-	702
Non Deductible Legal	-	7,035	-	4,401
Income allocated from Group LP's to Parent	-	-	3,367,426	-
<b>Total Permanent Differences</b>	<b>181,207</b>	<b>(3,952,451)</b>	<b>3,159,620</b>	<b>(99,897)</b>
<b>Net Surplus (Deficit) as per Tax Return</b>	<b>4,040,437</b>	<b>(374,602)</b>	<b>3,908,816</b>	<b>191,553</b>
Tax Losses Brought Forward	(9,633,346)	(9,258,744)	(5,089,692)	(5,281,245)
<b>Net Tax Losses to carry forward</b>	<b>(5,592,909)</b>	<b>(9,633,346)</b>	<b>(1,180,876)</b>	<b>(5,089,692)</b>
<b>Taxation Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening Tax Balance	12,493	41,742	6,206	39,566
Tax Refunds Received	(1,264)	(39,510)	(117)	(39,510)
RWT Paid	8,769	10,200	6,231	6,089
Use of money interest received	1	61	-	61
<b>Taxation Refund Due</b>	<b>19,999</b>	<b>12,493</b>	<b>12,321</b>	<b>6,206</b>

Tax losses amounting to \$1,180,876 (2018: \$5,089,692) are to be carried forward to be offset against future taxable income by the Parent. The Group has \$5,592,909 (2018: \$9,633,346) 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. Previously due to net losses incurred during the preceding periods and uncertainty of future results the Group and Parent had not recognised a deferred tax asset in relation to unused tax losses. Due to the Group utilising significant tax losses in the current year and future profits being anticipated, management expect all tax losses will be used and have chosen to recognise deferred tax for the year ended 31 March 2019.

## Reconciliation of net surplus (deficit) to taxation expense

Net surplus (deficit) per financial statements	3,849,231	3,574,349	739,196	287,950
Tax expense using the Group's tax rate 17.5%	673,615	625,511	129,359	50,391
- Adjustment for temporary differences	1,750	613	1,750	613
- Adjustment for permanent differences	31,711	(691,679)	552,933	(17,482)
- Utilisation of tax losses	(707,077)	65,555	(684,043)	(33,522)
Current tax expense	-	-	-	-
Deferred tax adjustments				
- Change in recognised Temporary differences	(453,489)	-	(186,260)	-
<b>Total tax expense</b>	<b>(453,489)</b>	<b>-</b>	<b>(186,260)</b>	<b>-</b>



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 12) Deferred tax

	Net balance 1 April 2017	Recognised in P&L 31 March 2018	Deferred tax asset / (liability) 31 March 2018	Recognised in P&L 31 March 2019	Deferred tax asset / (liability) 31 March 2019
<b>Parent</b>					
Provisions and other liabilities	-	-	-	1,750	1,750
Accumulated tax losses	-	-	-	184,510	184,510
<b>Total deferred tax</b>	-	-	-	<b>186,260</b>	<b>186,260</b>

## Group

Provisions and other liabilities	-	-	-	1,750	1,750
Investment property	-	-	-	(322,000)	(322,000)
Development property	-	-	-	(208,250)	(208,250)
Accumulated tax losses	-	-	-	981,990	981,990
<b>Total deferred tax</b>	-	-	-	<b>453,490</b>	<b>453,490</b>

<b>Group</b> 31 March 2019 \$	<b>Group</b> 31 March 2018 \$	<b>Parent</b> 31 March 2019 \$	<b>Parent</b> 31 March 2018 \$
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## 13) Cash and cash equivalents

Cash and cash equivalents include the following components:

Kiwibank Bank Accounts	54,220	120,521	54,220	96,736
Kiwibank Investment Accounts	1,108,853	1,079,549	1,108,853	1,079,549
ASB Bank Accounts	20,269	60,627	-	-
BNZ Bank Accounts	2,862,285	48,257	-	-
Brookfield Trust Account	823,082	1,045,813	-	-
<b>Total cash and cash equivalents</b>	<b>4,868,709</b>	<b>2,354,767</b>	<b>1,163,073</b>	<b>1,176,285</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 14) Property, Plant and Equipment

Group								
31 March 2019	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation	99,143	31,814	44,818	-	-	-	-	175,774
Accum. Depn	(86,410)	(17,067)	(12,889)	-	-	-	-	(116,366)
Net book value	12,733	14,747	31,929	-	-	-	-	59,409
31 March 2018								
Cost	84,909	43,584	172,022	19,085	26,281	10,225	21,484	377,588
Accum. Depn	(82,228)	(22,693)	(58,712)	(19,085)	(5,756)	(8,637)	(8,699)	(205,810)
Net book value	2,681	20,891	113,309	-	20,525	1,587	12,784	171,779
1 April 2017								
Cost	102,966	55,086	172,022	19,085	26,281	10,225	21,483	407,147
Accum. Depn	(95,675)	(34,005)	(46,214)	(19,085)	(4,967)	(8,284)	(7,195)	(215,426)
Net book value	7,291	21,080	125,808	-	21,314	1,941	14,288	191,722

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

31 March 2019	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	2,681	20,891	113,309	-	20,525	1,587	12,784	171,778
Additions	14,841	-	5,250	-	-	-	-	20,091
Disposals	-	(3,611)	(83,228)	-	(20,525)	(1,587)	(12,784)	(121,736)
Depreciation	(4,789)	(2,533)	(3,402)	-	-	-	-	(10,724)
Closing	12,733	14,747	31,929	-	-	-	-	59,410
31 March 2018								
Opening balance	7,291	21,080	125,808	-	21,313	1,941	14,289	191,721
Additions	-	6,925	-	-	-	-	-	6,925
Disposals	(188)	(2,218)	-	-	-	-	-	(2,406)
Depreciation	(4,421)	(4,896)	(12,499)	-	(788)	(354)	(1,504)	(24,462)
Closing	2,681	20,891	113,309	-	20,525	1,587	12,784	171,779

Parent		
31 March 2019	Office Equipment	Total
	\$	\$
Cost/Valuation	14,841	14,841
Accum. Depn	(4,197)	(4,197)
Net book value	10,643	10,643

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

31 March 2019	Office Equipment	Total
	\$	\$
Opening balance	-	-
Additions	14,841	14,841
Disposals	-	-
Depreciation	(4,197)	(4,197)
Closing	10,643	10,643



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 15) Investment properties

	Group 31 March 2019	Group 31 March 2018	Parent 31 March 2019	Parent 31 March 2018
	\$	\$	\$	\$
1 - 3 Thorndon Quay, Wellington	1,906,176	2,000,000	-	-
Whites Line East, Waiwhetu	686,340	540,000	686,340	540,000
Shelly Bay Road	-	6,033,756	-	-
Wainuiomata College	3,000,000	2,400,000	-	-
Wainuiomata Intermediate (Kohanga Reo Building)	650,000	2,460,000	-	-
Petone College	480,000	480,000	-	-
	<b>6,722,516</b>	<b>13,913,756</b>	<b>686,340</b>	<b>540,000</b>

Group 31 March 2019	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay	Wainui. College	Wainui. Intermediate (Kohanga Reo Building)	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation	1,906,176	686,340	-	3,000,000	650,000	480,000	6,722,516
Accum. Depn	-	-	-	-	-	-	-
Net book value	<b>1,906,176</b>	<b>686,340</b>	<b>-</b>	<b>3,000,000</b>	<b>650,000</b>	<b>480,000</b>	<b>6,722,516</b>
<b>31 March 2018</b>							
Cost/Valuation	2,000,000	540,000	6,033,756	2,400,000	2,460,000	480,000	13,913,756
Accum. Depn	-	-	-	-	-	-	-
Net book value	<b>2,000,000</b>	<b>540,000</b>	<b>6,033,756</b>	<b>2,400,000</b>	<b>2,460,000</b>	<b>480,000</b>	<b>13,913,756</b>

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

31 March 2019	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay Road	Wainui. College	Wainui. Intermediate (Kohanga Reo Building)	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	2,000,000	540,000	6,033,756	2,400,000	2,460,000	480,000	13,913,756
Fair value adjustment	(93,825)	146,340	-	600,000	-	-	652,516
Disposal	-	-	(6,033,756)	-	-	-	(6,033,756)
Transfer to development property	-	-	-	-	(1,810,000)	-	(1,810,000)
Closing	<b>1,906,176</b>	<b>686,340</b>	<b>-</b>	<b>3,000,000</b>	<b>650,000</b>	<b>480,000</b>	<b>6,722,516</b>
<b>31 March 2018</b>							
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Fair value adjustment	430,000	105,000	895,188	1,240,000	1,190,000	100,000	3,960,188
Disposal	-	-	(4,711,432)	-	-	-	(4,711,432)
Closing	<b>2,000,000</b>	<b>540,000</b>	<b>6,033,756</b>	<b>2,400,000</b>	<b>2,460,000</b>	<b>480,000</b>	<b>13,913,756</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.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 15) Investment properties (Continued)

### Shelly Bay

The remaining title at Shelly Bay Road was sold on 29 March 2019 for consideration of \$10m.

### 1 - 3 Thorndon Quay

1-3 Thorndon Quay has been valued using capitalisation of rental income and discounted cash flow approaches as at 25 June 2018 by Reuben Blackwell (MPINZ) of Colliers International. The significant assumptions in the valuation are (1) a capitalisation rate of 7.66%; (2) a discount rate in the discounted cash flow approach of 9.00%; and (3) a terminal yield in the discounted cash flow approach of 8.00%. Management have assessed market movements from industry information during the year and have adjusted the valuation accordingly.

### Wainuiomata Intermediate and College

Wainuiomata College has been valued using hypothetical subdivision as at 31 March 2019 by Reuben Blackwell (MPINZ) of Colliers International. Residential subdivision work has begun on the Wainuiomata Intermediate site and therefore the land cost has been transferred to development property per note 16. The Kohanga Reo component of Wainuiomata Intermediate is separately identifiable and therefore has remained as investment property.

### Other properties

Management have determined that the QV statistics valuation for Whites Line East is reflective of fair value of the property at 31 March 2019. Management have also assessed the fair value of Petone College based on the residual land value in conjunction with the ratings valuation and the current lease agreement.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 15) Investment properties (Continued)

Parent	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Total \$
<b>31 March 2019</b>			
Cost/Valuation	-	540,000	540,000
Fair value adjustment at 31 March 2019	-	146,340	146,340
Transferred to Group during the year	-	-	-
Accum. Depn	-	-	-
Net book value	-	686,340	686,340
<b>31 March 2018</b>			
Cost/Valuation	1,570,000	435,000	2,005,000
Fair value adjustment at 31 March 2018	-	105,000	105,000
Transferred to Group during the year	(1,570,000)	-	(1,570,000)
Accum. Depn	-	-	-
Net book value	-	540,000	540,000

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

	1 - 3 Thorndon Quay \$	Whites Line East Waiwhetu \$	Total \$
<b>31 March 2019</b>			
Opening balance	-	540,000	540,000
Net movements	-	146,340	146,340
Closing balance	-	686,340	686,340
<b>31 March 2018</b>			
Opening balance	1,570,000	435,000	2,005,000
Net movements	(1,570,000)	105,000	(1,465,000)
Closing balance	-	540,000	540,000

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 16) Development properties

	Wainuiomata			
	Intermediate	Muritai Rd	Jackson St	Total
	\$	\$	\$	\$
31 March 2019				
Opening balance	-	2,152,942	-	2,152,942
Development costs capitalised	1,471,286	474,787	-	1,946,073
Transfer from investment property	1,810,000	-	-	1,810,000
Cost of development property sold	-	(1,820,399)	-	(1,820,399)
Closing balance	3,281,286	807,330	-	4,088,616
31 March 2018				
Opening balance	-	1,209,625	2,051,687	3,261,312
Development costs capitalised	-	943,317	27,727	971,044
Cost of development property sold	-	-	(2,079,414)	(2,079,414)
Closing balance	-	2,152,942	-	2,152,942

Development property is measured at cost and held for sale in the ordinary course of business. Three of the four Muritai units were sold during the year and the development costs capitalised in relation to these units were transferred to the surplus and deficit.

## 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.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 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 \$13,555,994 (2018: \$12,777,032) 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 Whanui Limited. Remuneration of key management personnel is as follows:

	Group 31 March 2019	Group 31 March 2018
<b>Remuneration of Key Management Personnel (excluding trustees)</b>	<b>\$</b>	<b>\$</b>
Total Remuneration	222,961	96,000
Total Number of persons	2 FTE	1 FTE
<b>Trustee Remuneration</b>		
Neville McClutchie Baker	-	3,750
Toarangatira Pomare	-	3,750
Wayne Mulligan	16,000	22,083
Howard Kevin Tamati	-	(3,000)
Morris TeWhiti Love	-	3,750
Holden Hohaia	-	3,750
Peter Jackson	-	6,500
Hannah Buchanan	-	1,417
John Coffey	-	3,750
Kara Puketapu-Dentice	-	3,750
Mahina Puketapu	-	3,750
	<b>16,000</b>	<b>53,250</b>
<b>Directors Remuneration (for Taranaki Whanui Limited)</b>		
Toarangatira Pomare (Chairman)	15,000	15,000
Peter Allport	10,000	12,500
Jamie Tuuta	10,000	17,500
Bryan Jackson	10,000	10,000
	<b>45,000</b>	<b>55,000</b>

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

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

Total other remuneration	-	-
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# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## 19) Categories of financial assets and liabilities

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

	Group 31 March 2019 \$	Group 31 March 2018 \$	Parent 31 March 2019 \$	Parent 31 March 2018 \$
<b>Financial assets</b>				
<i>Loans and receivables</i>				
Cash and cash equivalents	4,868,709	2,354,767	1,163,073	1,176,285
Receivables from exchange transactions	4,134,092	1,108,478	129,918	108,058
Non-trade receivables	3,700,000	1,152,656	-	-
Deposits from sales held on Trust account	87,000	306,256	-	-
Inter-entity advances	-	-	14,405,345	13,626,384
	<b>12,789,801</b>	<b>4,922,157</b>	<b>15,698,337</b>	<b>14,910,727</b>
 <i>At amortised cost</i>				
Trade and other creditors	590,290	345,234	57,326	47,036
Advances from related entities	-	-	849,352	849,352
Advance from Rymans	632,038	693,504	-	-
ASB loan	500,000	1,100,000	-	-
Deposits held on Trust account	87,000	300,518	-	-
Conditional Grant Funding	310,664	109,273	310,648	109,257
	<b>2,119,992</b>	<b>2,548,529</b>	<b>1,217,326</b>	<b>1,005,645</b>

The ASB loan is secured over the property at 1-3 Thorndon Quay.

Lowry Bay Section One Limited has received \$1m in grant funding from TPK at 31 March 2019. This funding is to assist the entity in developing 23 house sites and construction of 8 rental units on the Wainuiomata Intermediate site. This funding is held as a liability until satisfaction of the repayment terms being completion of the work, where the funding will be recognised as revenue.

## 20) Joint venture

In March 2019, Taranaki Whanui Limited has entered into a partnership for ongoing property development. Taranaki Whanui 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 2019 the joint venture has had no activity and therefore the joint venture is held at the Groups equity investment of \$950,000.

## 21) Capital commitments

During the year Lowry Bay Section One Limited entered into a development agreement with a developer committing \$2,819,489 to complete stage one of the development on the Wainuiomata Intermediate site. As at 31 March \$905,049 has been paid.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2019

## **22) Contingent assets and liabilities**

There are no contingent liabilities or commitments as at 31 March 2019.

## **22) Events after the reporting date**

On 8 April 2019 the Lowry Bay Limited Partnership was incorporated with the Port Nicholson Block Settlement Trust as the Limited Partner. The Limited Partnership has entered into an agreement to acquire the Wainuiomata College and Wainuiomata Intermediate land.

In June 2019 Port Nicholson Block Settlement Trust entered into partnership agreement to form Tai Hekenga Limited Partnership and has committed \$8.5m for 19.87% interest.

On 21 February 2019 the Port Nicholson Block Settlement Trust (PNBST) Trustees resolved to appoint Taranaki Whānui Limited as manager of PNBST effective 1 April 2019.

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

We have audited the consolidated financial statements of Port Nicholson Block Settlement Trust and its controlled entities (the "Trust and Group") on pages 1 to 25, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust and Group as at 31 March 2019, their financial performance and their cash flows for the year then ended in accordance with Public Benefit Entity 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 Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 and will 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.



## **Responsibilities of the Trustees for the Consolidated Financial Statements**

The Trustees are responsible on behalf of the entity for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Public Benefit Entity 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 those charged with governance 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 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 Trust and Group to express an opinion on the consolidated and separate 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 our audit.

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

11 September 2019

# Annual General

## Meeting Minutes

Pipitea Marae  
22 September 2018

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### Attendees

June Jackson, Grace Coffey, Ohomairangi Love, Henry Skipper, Viana Tuhimareikura Skipper-Saena, Hannah Buchanan, Tania Rangiwhetu, Ngawai Albert, Watson Pita, Carolyn Higgs, Turuhira Mohi, Mere Coombs, Josephine Melice Coffey, Shona Coffey, Susan Luke, Ngapera Moeahu, Paula Cuff, Cameron Cuff, Takiri Cotterill, Anne Sidwell, Kararaina Luke, Martha Luke, Bill Nathan, Ihaia Porutu-Puketapu, Kenney-Jean Sidwell, Kahu Mulligan, Stephanie Curran, Mary-Anne Crompton, Sian Andrews-Warmuth, Amohia Love, Ava Riwaka, Shamia Shariff, Ruhina Rangi, Marth Reriti, Diana Stirling, Patrick Gallagher, Pauline Gallagher, Pekaira Rei, Narida Hooper, Mynetta Erueti, Tom Ngaheke, Florence Trotter, Ngaire Stewart, Anania Randall, Lennox Love, Poiria Love Erskine, Te Rira Puketapu, Lee Hunter, Patricia Tomoana (Puketapu), Tuparahuia Porikapa Pita, Margaret Timoko, Venus Te Huriwai Hohaia-Hori, Ani Parata, Karena Efaramo, Rachael Leafe, Les Foy (for Crowe Horwath), Ngaire Stewart, Samuel Kahui, Turoa King, Tania Takurua, Julia Robertson, Hemi Rangiwhetu, Roberta Hemi-Rangiwhetu, Tahliah Hemi-Rangiwhetu, Sydney Mephram, Raima Pahaa Hare-Moeahu, Hinehau Moeahu, Kit Peter Tararua Sidwell-Arangi, Linda Te Puni, Erina Okeroa, James Wheeler, Amiria Tomoana, Catherine Love, Phenessa Cosgrove, Ngahuia Puketapu, Tira Putiputi Puketapu, Teina Puketapu, Marissa Edmonds-Puketapu, Pauline Owen, William Owen, Rata Sidwell, Marama Puketapu, Wikitoria Peck, Jody Peck, Liz Mellish, Jacob Myhre, Gay Puketapu-Andrews, Aroha Puketapu, Megan Somerville, Jack Rikihama, John Aratema, Ria Tomoana, Paritia Rigby, John Coffey, Hera Hailwood, Hera Takarangi-Hemana, Richard Hailwood, Raita Tukia Bailey Tomlinson, Kataraina Millin, Leigh-Ann Volwek, Sydney Wipaki, Estter Garland, Kamira Mullen, Tuaine John, Taonga Richards, Okawa Priest, Emai Owen, Liz Winitana, Anahora Dahm Taripo, Ramiera Puketapu, Mohi Aupouri, Anne Phillips, Sharon Wright, Myra Hunter, Ada Wright, Gemma Wright, Scott Bailey, Wikitoria Ratu, Apihaka Mullen-Mack, Konga Henare Reriti, Robert Bruce Gayland, Te Wainaihi Thomas-Higgs, Ina Holmes, Myra Hunter, Wayne Mulligan, Lisle McErlane, Kirsty Tamanui, Willy Makea, Kara Puketapu-Dentice, Bryan Jackson, Jamie Tuuta, Mahina Puketapu, Morrie Love, Peter Jackson, Neville Baker, Holden Hohaia, Paea Dentice, Ihakara Porutu Puketapu, Maire McLean, Christine Sullivan, Ron Butler, Lois Oneroa, Leslie Brown, Honiana Love, Sharon Williams, Russell Cook, Anne Reweit, Charmaine Puru, Heemi Wiripo, Ngai Wikatea Bailey, Hina Luke, Hinemoa Priest, Kim Skelton, Maraea, Peggy Luke-Ngaheke, Tom Tame Ngaheke, Niki Luke, Huia Puketapu, E'Mere Dahm, Mei Winitana, Dan Love, Waikaramu Takiwa, Juliet Kellett, Mahina-a-rangi Baker, Connie Brown, Mereana Brown, Matiu Baker, Alice Sionetama, Duncan Tamati, Owhiti Kanaratoa, Hariesa Sarona, Lorna Kanavatoa

### Apologies

Huia Kirk, Tony Manu, Richard Manu, Terri Manu, Andrew Mephram, Soni Kararatoa, Owen Sidwell, Kane Sidwell, Gabriel Sidwell Anitpas, Pearl Sidwell, Amelia Sidwell, Tess Haigh Ven Bark, Matt Haigh, Alex Haigh, Andre Baker, Matau Baker, Allana Baker, Anne Somerville, Alice Te PUnga Somerville, Felicity Buchanan, Joseph Buchanan, Marama Broughton, Takaterangi O'Sullivan, Sasirse O'Sullivan, Amokura Panoho, Abe William Porikapa Pita, Beverley Coffey, Monty Manu, Mutu Puketapu, Maarire Puketapu, Matene Love, Addy Love, Hamiora Love, Ihaka Love, Josh Love, Danni Love, Wiriwaka Love, Moia Love, Te Rahui Love, Takarangi Love, Reina Puketapu, Hapi Puketapu, Ray Puketapu, Louise Puketapu-Hopkins, Wirangi Luke, Matau Matenga Baker, Andre Baker, Mahutonga Blakensop, Alana Prestney, Manahi Baker, Vincent Robertson, Stella Robertson, Karin Apihaka Tucker, Kura Moeahu, Amokura Panoho, Waiana Mulligan, Wikitoria Randall, Vernon Winitana, Marina Mason, Rerewha Pita, Dana Makoare Love, Mohi Tomoana, Kihareka Rigby, Mana Jenkins, Michael Rigby, Neihana Randall, Juanita Randall, Hawea Tomoana, Teri Tomoana, Harley Tomoana, Kelvin Tematauwahiti Kipa, Helen Kipa, Kayla Randall, Crystall Randall, Ariana Randall.

The AGM was opened with karakia and mihi whakatau.

Apologies were noted and received.

***Resolution : The minutes of the 2018 Annual General Meeting were received and resolved by those in attendance.***

## **Chair Report**

The Chair, Wayne Mulligan, provided introductions to the Taranaki Whānui Limited ("TWL") Directors and Port Nicholson Block Settlement Trust Board of Trustees and an overview of the days' proceedings.

The Chair presented his Chair Report addressing the financial history of the Trust since its establishment, an overview of some of the commercial projects the Trust, alongside TWL, had in motion which included Shelly Bay – Taikuru and Te Matehou Housing Project, Wainui-o-mata and provides members with detail on each of these projects, the partnership and involvement held with The Wellington Company and the opportunities that were in front of the Trust, and its' members.

### *Governance Structure and Relationship*

Explanation of the Governance structure and relationship of PNBST Trustees and TWL Directors is provided.

The Chair is presented with several commercial and financial questions and invites Lisle McErlane, TWL's Commercial Advisor to respond – a member (Huia Puketapu) seeks the Chair's response to tabled questions as it is felt that the Chair holds a position whereby he should be able to answer all questions – either business, operational or commercial of nature. The Chair and Deputy advise that Lisle is a specialist in the commercial and financial arena, and that he is in a position to provide clarity around some of the questions Trustees and/or Directors aren't able to themselves, and in lieu of the TWL Chair who is absent. The Chair apologises for not formally introducing Lisle, and notes that the Trusts' Governance (PNBST and TWL), may from time to time defer to Lisle for clarity around Commercial matters.

### *Te Matehou*

There is lengthy discussion around the Te Matehou Housing Project, and lack of engagement by the Trust with uri, which has resulted in issues with pricing, naming and a lack of understanding within the uri as to what benefit there is for them. Concern is that there is no 'iwi' dollar being made, but only 'developer' dollar.

A member (Ihaia Puketapu) reminds the Trustees that the land at Wainuiomata (Moohan St), was that of cultural redress and that those who whakapapa to this land should be involved in how it is used and developed.

The Chair announces that there will be further opportunity later in the day for discussion around TWL's commercial ventures and thanks the members for their questions.

***Resolution : The Chair Report is received and resolved by those in attendance (names of mover and seconder were inaudible)***

## **Financial Report**

John Coffey, Trustee and Chair of the Finance, Audit, Assurance and Remuneration Committee (FAAR), provides an overview of the financial processes, decision-making practices and policies the Committee and the Trust Management has put in place to ensure and protect the financial integrity of the Trust.

With reference to FAAR, John explains his role as Chair and the role of the Committee being 'to monitor how decisions are made and to ensure there is no corruption, fraud and that all policies and processes are transparent, recorded and managed appropriately'. Also noted the engagement of KPMG who provide financial advice.

John explains the structure and makeup of the Trust and that it is operating on 'bare bones' as it currently employees/contracts Willy Makea, Financial Manager (employed), Kirsty Tamanui, Interim Business Manager (Contracted) and Lisle McErlane, Commercial Advisor (Contracted).

John walks members through the profit, expenses, bottom line and revenue for the year noting that TWL and the Trust report a significant increase/uplift, as well as a loss but this is the first year in the history of the Trust there has been a significant decrease in the losses.

John invites Lisle to work through the accounts and respond to questions from members:

Q (Martha Gilbert) : (ref Pg 21 – reporting entities) Whites Line East Ltd, Tai-Kuru Limited Partnership and Tai-Kuru Trust Limited – who are they and what is their role/s?

A (Lisle) : Explains that all individual land/assets are grouped into companies... e.g. the land at Shelly Bay is 'Shelly Bay Limited', the land at Whites Line East is 'Whites Line East Ltd' (which was formed before Lisle commenced working for the Trust), and so forth.

Trustees noted that there are no new land holdings, that all 'entities' listed are reflective of land that has belonged to the Trust for many years.

Q : What about Tai-Kuru Limited Liability Partnership?

A (Lisle) : Explains that this entity was established after seeking advice from tax accountants, and noting that it is quite common across New Zealand that Limited Liability Trusts get taxed at a better rate – therefore the Trust took the advice and started to shift assets into LLP's for good business practice, not in an attempt to hide anything.

Q (Liz Mellish) : (ref Pg 29) Seeks clarity of the separation of roles of the Accountant KPMG and Willy Makea (Administration); when and why did the Trust undertake an operational review; is the payment of \$96,000 for Commercial Advisor; what is the direct expense relating to Matiu Island of \$90,000; what is the direct expense relating to Directors of \$55,000.

A (Lisle) : Confirmed that KPMG are the Trusts Accountants, whereas Willy is employed as the Financial Manager. Confirmed that he is the Commercial Advisor and receives \$96,000 through contract for service with the Trust. The Matiu Island expense relates to a contract for services. The Director expense relates to the Directors remuneration.

Q (Anne Phillips) : Why is there no valuation on the island the Trust owns – experts' opinion, not my own, is that this is a very unusual practice within accounting.

A (Lisle) : Notes that these have been re-valued at market value, but the Trust has only done this to assets that you can use. As Morrie indicated, Matiu has been given back in cultural redress and is under Department of Conservation Management and is effectively a scenic reserve so no point in valuing it as it cannot be used commercially.

Q (Anne Phillips) : Is Tai-kuru Limited Trust under the control of the Trust?

A (Lisle) : Correct.

Q (Anne Phillips) : Who are the members?

A (Lisle) : PNBST Chair (W Mulligan), PNBST Deputy Chair (Peter Jackson) and Trustee (Toa Pomare) who own the entity and have signed a declaration of trust of ownership, as Trustees, on behalf of the Trust. The rationale for the structure is so that you can distribute money from the Limited Partnership up to the Trust.

Q (Anne Phillips) : What is Muritai and do we still own it?

A (Lisle) : Muritai is a development of sections in Eastbourne Lower Hutt which have been sold.

Q (Sydney Mephram) : What is the change management as referred to on Pg 29?

A (Lisle) : What occurred is a situation that has been described several times, where our short-term assets didn't cover our short-term liabilities so financial advice from KPMG was sought to look at this. Part of that process also meant we had to get some interim management in place to hold the Trust together at that time and the first person to hold this role was Hannah Buchannan, followed by Paula Cuff. I then became involved with PNBST and that was the cost and also some legal cost as we had to ensure assets sat within the correct entities as up until that time, they remained in the Trust. There was also some tax advice obtained, all of which would fall under 'change management'.

Q (Sydney Mephram) : It's confusing to call it change - as a member, there doesn't seem to be much change. Can you explain what has actually changed?

A (Lisle) : The \$3.6m in profit the Trust had reported is a way in which to identify 'change'.

Q (Anania Randall) : On Page 24 under the consolidated notes – who provided the definition '3.8 financial investment properties'?

A (Lisle) : KPMG prepared this report.

Q (Anania Randall) : Why then is Wainui College referred to as an investment property when it was given back as cultural redress?

A (Lisle) : That is just the methodology by which to value a property.

Anania Randall notes that the current structure – TWL – as iwi see it, does not currently work and recommends that the Trust looks at how the Commercial Board is structured, and that they need to have better understanding of the cultural and historical association to land (e.g. Whites Line East).

Q (Anne Sidwell) : Why have all the Trust's assets increased in value, but Shelly Bay was sold for \$6m?

A (Lisle) : Shelly Bay has not been sold for \$6m.

Q (Anne Sidwell) : Have the 3 parcels of land at Shelly Bay been sold for \$2m each Lisle?

A (Lisle) : The parcels of land sold for \$2m total, plus a profit share, not for \$6m total.

Q (Anne Sidwell) : Why is it noted in the report that the Shelly Bay property has a net value of \$6m.

A (Lisle) : That is the largest title at Shelly Bay, which we've retained ownership of.

Q (Anne Sidwell) : What is the grant income on page 28 in relation to?

A (Lisle) : This refers to income received by Councils in that the Trust has a Memorandum of Understanding and receives quarterly payments in respect to this MoU.

A (A Tomoana) : Interests received on funds on-call – states the Trust received \$55,000. What is the \$1m under Brookfields?

Q (Lisle) : The \$1m you refer to is the proceeds of the sale of the 3 titles at Shelly Bay and the interest is Interest Bearing Account, so the interest is the interest earned of that \$1m. Brookfields is our law firm.

A (A Tomoana) : Why can't I see the connection between the Brookfield Account and Interest?

Q (Lisle) : as per Note 8 on pg 28, interest on the Property Transactions.

A Tomoana thanks the Chair and Lisle.

Q (Catherine Love) : My understanding is that Brookfields, the Auckland based Lawyers, are also the Lawyers who represent Ian Cassels and Taikuru Limited Partnerships. We had to

A (Lisle) : Brookfield's established a Limited Liability Partnership for the Trust. What you're talking about is the interim application for an injunction which you attempted to take, which was denied as the Judge didn't believe you had a case.

Q (Catherine Love) : I think you are incorrect as this is still in train. I would like an answer please, the lawyers who represented Cassels and established Taikuru Partnerships.

A (Lisle) : No, Brookfields were acting on behalf of the Trust. They were not acting on behalf of Ian Cassels, but confirming that he did not own an interest in the Partnership and this was provided as Lawyers to the Trust. Brookfields were confirming who owned the Limited Partnership, that is not acting for Ian Cassels.

Q (Catherine Love) : The 4<sup>th</sup> section out of the 4 sections at Shelly Bay there is an agreement under the transfer of that land to Taikuru Limited Partnership which gives an option to a third party to purchase part of that land. So in effect, a delayed sale.

A (Lisle) : no incorrect.

Q (Catherine Lover) : We have it in writing that Cassels and Co can purchase parts of the land.

A (Lisle) : Part is different to all, which you stated in your earlier question.

***Resolution : The Audited Accounts, Annual Report and Re-appointment of Crowe Horwath as Auditor are received and resolved by those in attendance (Mahina Puketapu moved | Morrie Love Seconded | Carried). No further considerations received.***

Morrie Love spoke to the 'reserved' lands that we, as Taranaki Whānui, will hold, forever. Morrie also provided overview of the Matiu Island projects and the development of telling our stories via the installation of panels on Matiu, and promoted the use of Whare Mahana by uri. Thanks were given to Department of Conservation.

Huia Puketapu interjected noting the time constraints and her, and others, wish to speak to land at Wainuiomata.

Morrie noted this, and concluded his kōrero on Opau Urupa, cycleway which is in development (NZTA), adjacent to Honiana Te Puni reserve, Wi Tako Ngata Reserve and the Lakes.

Kara Puketapu-Dentice noted that our obligation as kaitiaki on these lands, but noted that we lack resources on the ground and provided a brief on the kaupapa each of the established Kōmiti (Takiwā, Tangata).

Peter Jackson thanked members of the Whakapapa Kōmiti and the Naming Kōmiti members and provided attendees with copies of the Annual Accounts for the Pipitea Marae Trust.



## *Te Matehou*

Teri Puketapu opened to talk about the land at Wainuiomata, and the intent of the Trust to sell this land to the open market at some time. Teri expressed his concern, and that of others who come under the hapū name.

There is concern over the proposal that was recently distributed via four hui held by the Trust, namely the pricing and shared equity without further information or explanation and that the delivery of the homes may change at the discretion of the developer. This is concerning as this is seen as an area where the developer could increase pricing to increase his/her own profit.

Where is the right of the people who the land really belongs to – the original 22? When we talk about our land, it is very important as there is little land now.

Teri acknowledges the difficulty the Trustees have in matters like this, but there is a better approach and that is to start working with uri, and offered to work alongside the Trustees to ensure it is done right and without argument. The answers here are rational and achievable.

The Chair referred to the continuation of discussions around this development, and thanked Teri for his kōrero and offer of support. Invited attendees to review the information surrounding Te Matehou.

Catherine Love asked if anyone was being paid by The Wellington Company to provide resource consents or cultural assessment reports, to which the Chair confirmed with Trustees as no, there were not as far as they were aware.

Teri Puketapu came back to the floor to address some comments he omitted in his earlier address regarding Wainuiomata – WelTec are able to build homes for much less than \$200k and invited the Trustees to look into this more thoroughly.

Kenney Jean Sidwell – put the question of removed members from the database to the floor. What were the number of members prior to this mishap, what were the numbers who ‘fell off’ and what are the actions the Trust has in place now.

Lisle responded noting that Willy and Kirsty are aware that the database is fragmented, and therefore can not answer the questions, but there is a remedial project in place to address these issues.

Honiana Love, as member of the Whakapapa Kōmiti, clarified that members of the Kōmiti were unable to answer Kenney Jean’s questions as the Kōmiti do not maintain or manage the database.

(unknown) and Kenney Jean sought to understand why the Trust and TWL seek to partner with companies such as The Wellington Company, who do not want to develop land for iwi, but for profit.

Kenney Jean asked Morrie Love how many times he’s been paid, into his own company, for cultural assessments.

Morrie confirmed that applicants, who engage him independently, pay him via his company – he is not paid by the Trust for this work, and to confirm, any MoU monies received by the Trust from Councils is not for this type of engagement.

Kenney Jean asks if Morrie has ever done work for Ian Cassels or The Wellington Company, to which he answer yes, it was small, it was unpaid and he was happy to do this as iwi benefit from this knowledge. Any reports he provides are made available to both The Wellington Tenth Trust and Port Nicholson Block Settlement Trust.

The Chair re-introduces the kōrero regarding land at Wainuiomata.

Kara re-capped the work that has been done surrounding Te Matehou (phase 1), the potential outcomes and opportunities that are in front of the iwi.

He addressed the concerns around open market sales and encouraged whānau to work alongside the Trust to ensure this didn't happen. That said, there would have to be some sales as the Trust needs to make a profit and the development had to be viable, with any profit made by the Trust re-invested into the development.

Unfortunately, the lease hold structure would not enable uri to obtain a mortgage, so the Trust was continuing to explore mechanisms to enable uri to purchase land and houses, below market and the provision of Kaumātua and social rentals. Discussions around iwi preferencing was on-going, and a priority.

Anania Randall addressed the audience and Trustees, acknowledging Uncle Teri and his whānau for their mahi (in terms of housing) as well as the Kōhanga. Ngā mihi. Anania states that the key thing whānau don't want is to lose more land – much has already been lost. This needs to be at the centre of the Trustees thinking at all times.

Sharn Andrews-Howarth (spelling?) moved a motion that the Trust engages uri within two months regarding the future of Te Matehou and Shelly Bay. It was undecided as to whether the ayes or nays won, no motion passed.

Huia Puketapu speaks to matters and concerns regarding Te Matehou. Huia notes that Te Matehou pricing was set by the Trust, without engagement of the uri. Uri should not have to buy their land back, and have the choice on what to build on their land.

Huia moves a motion – tino rangatiratanga and kaitiakitanga as this is about our people and providing for our uri in the future. This is not a commercial motion. The motion is that 'we will never sell the land known as Lowry Bay Section 1 & 4 (commonly known as Wainui Intermediate and College) which was given back to us as cultural redress land which effectively removes these two sections from the commercial arm (TWL) portfolio.

Morrie noted that the motion could not be sustained as PNBST does not own Sections 1 & 4.

Peggy asks that the motion Huia moved be noted. Extended thanks to the Trustees in regards to the presentation provided (Te Matehou), and their undertaking that the Trust ensures there is a preferencing applied so as homeownership is achievable, but that the land is not lost.

Huia notes that there is a motion on the floor.

The Chair acknowledges Peter Jackson's retirement as Trustee.

Huia reminds the Chair that there is a motion on the floor and continues her kōrero and call for the motion to be put to a vote.

The Chair asks Uncle Bill to close the hui.

On-going audience discussion, however this is inaudible as the microphones are turned off.

Whānau protesting the land development Te Matehou remain on the floor with others depart for the wharekai.

End of recording.

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# Notes



