

TARANAKI WHĀNUI KI TE UPOKO O TE IKA

# Annual Report 2016/17





I whakatō ngā tūpuna 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

#### 10.1 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.

#### 10.2 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.

#### 10.3 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 and purposes of the Trust

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# Trustees



**Wayne Mulligan**  
Chair

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**Hannah Buchanan**  
Deputy Chair

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**Peter Jackson**

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

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**Mahina Puketapu**

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**Kara Puketapu-  
Dentice**

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**Holden Hohaia**

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**Toa Pomare**

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**Morrie Love**

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**Howie Tamati**

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**Neville Baker**

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# TWL Directors



**Toa Pomare**  
Chair

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**Jamie Tuuta**

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**Peter Allport**

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**Bryan Jackson**

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# Chairs Report

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On behalf of the Board of Trustees, I present this year's Annual Report. Whilst the Trustees are not thrilled with the financial result or status of the services Iwi Members receive, Trustees are now confident that we have a realistic picture of the Trust and its financial situation.

Gaining a clear picture of the Trust's financials and management capability has been a necessary step in commencing a new approach. So, let's put this year's results in context of the decade. Furthermore, it is important that we, the Trustees and you the Iwi Members have an honest and frank commentary. We all need to take responsibility and accept the past results, as we can't change these. Let us not dwell any further or relitigate who or what is to blame. The situation is what it is. And let us put a full stop to these past results and focus on moving forward, collectively and successfully.

Last year, Members voted for change. The Trust has changed, and Trustees will drive more change over the coming two years to set and secure a more prosperous pathway forward, for all of us as uri of Taranaki Whānui.

## The Settlement Trust Context

The Trust has had deep and systemic failings since establishment, such as:

- › poor financial results (for 10 years);
- › re-stated audit (2016);
- › declining assets (over 10 years);
- › service and database issues (years);
- › strained management and governance relationships;
- › disgruntlement at AGMs;
- › poor stakeholder relationships;
- › inter-iwi litigation; and
- › public spats.

These items are symptoms of a much deeper cause. They are not the problem – they are products of the problem.





## Change Starts with Addressing Leadership

The Trustees commenced a positive programme of change to address the fundamental issues affecting our leadership within the Trust. Leadership that is honest, transparent and sufficient to build new organisational capability with effective relationships is essential. The Trust now has this coherent leadership. Importantly, this leadership is not reliant on an individual or a few individuals, it is inclusive and has set high expectations. This leadership requires total commitment from all Trustees. A commitment to act in the best interest of all Iwi Members and to move forward with a new sense of purpose. Central to the change is resetting the Trust with our marae, with our other iwi related enterprises and more fundamentally earning the trust and respect of Iwi Members. The settlement Trust is not the iwi – it is a resource and organisation that has a fiduciary obligation to our iwi, you, individually and us, collectively.

Trustees want an organisation that is connected back with the Iwi. Our plan moving forward will be framed on three programmes, and we invite you to work with us over the coming year to contribute to better performance through:

- › Tāngata - Support Our People
- › Takiwā - Protect Our Place
- › Tūāpapa - Increase Our Putea

**Since the 2016 AGM, the refocused board has:**

### GOVERNANCE

- › Appointed a new chair and deputy chair;
- › Established governance committees with clear accountabilities;

- › Appointed an independent (non-Trustee) member to the Finance Audit Assurance Committee;
- › Adopted the Code of Conduct; and
- › Gained role clarification and expectations in the best interest of all.

### MANAGEMENT

- › Achieved clarity regarding performance of management operations;
- › Initiated a comprehensive review to reduce spending immediately and overhaul existing policies, systems and procedures to better manage risks and opportunities, and create efficiencies;
- › Introduced clear delegations and no-surprise policy; and
- › Insisted on relevant reports and resource allocation cases.

### FINANCIAL & LEGAL REVIEW OF STRUCTURES

- › Undertaken analysis and probe into all costs and commitments;
- › Undertaken a review of delegations and adherence to financial parameters;
- › Undertaken a deep dive into all our financial transactions, policies and past audit.
- › Reviewed cash-flows and bank reconciliations; and
- › Initiated an organisational review of structures, tax matters and asset location.

### STAKEHOLDER RELATIONSHIPS

- › Focus relationships with marae and marae leadership;
- › Focus communication with members;
- › Focus relationships with our other important iwi enterprises;
- › Focus on improving the integrity of our data and database management; and
- › Focus on relationships with the wider community.



## 2016 Performance

**\$775k Operating Loss**



**\$15.1M**

**Net Asset  
Group Position**



**Audit**

**Restated**

### Post Financial Year Transition

Change has increased in pace since the end of the financial year. We acknowledge the departure of the previous CEO and the management team. We thank them for their services, and wish them well. We have since put in place a smaller highly focused interim management team and together with independent accountancy firm KPMG, who undertook a deep dive into our systems, processes, financials, contract commitments, data and assisted in the preparation of material for the audited accounts.

### Audited Accounts

Two things are important here:

- › You will note that last years (2015/16) audited account has been restated. After much analysis and debate we believe the restated audit is now a far more realistic picture of the financials. You will note that a loss was made in the restated accounts, as opposed to the slight profit that was reported.
- › This year's audited accounts again show another loss. This is a result of three key things:
  - › Over ten years the Trust has failed to build reliable income streams from its assets and relationships;
  - › Over ten years the Trust has spent more on operations than income received; and
  - › In the past, the Trust has used an operating model that did not prioritise commercial discipline and fiscal controls.

In closing, the Trustees are working to drive more improvements and using our Tāngata, Takiwā and Tūāpapa as the framework moving forward. Iwi and Member input is also essential to the success of this framework. The future is going to be very beneficial. We have two important stages to navigate: firstly the short term (2-4 years) requires strong discipline, dedication and tight management. Secondly, the mid-term (5-10 years) is looking extremely positive as we grow the assets and start to provide more benefits back to Iwi Members. We can do this and we plan to succeed. Our new model will see this Trust working more collaboratively with our related iwi entities. Whilst the Whole of Government relationship is fine, the most important thing we can do is provide leadership for Whole of Iwi – Taranaki Whānui.

Together, as Taranaki Whānui ki te Upoko o te Ika.

Ngā mihi  
Wayne Mulligan  
Chair  
Taranaki Whānui Ki  
Te Upoko o Te Ika  
Port Nicholson Block  
Settlement Trust







# Chairs Report



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

This report covers commercial activities during the financial year 1 April 2016 to 31 March 2017 and board meetings on 14 occasions.

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

In 2015, the Trustees incorporated Taranaki Whānui Limited (TWL) and appointed a Commercial Board with business acumen and experience. This recognised best practice approach will provide clear separation between the Trust and TWL, maximising the economic return from its commercial assets.

Since 2015 no assets had been transferred to TWL. In March 2017, the TWL Board moved to appoint an interim manager with specific instruction to transfer the commercial assets from PNBST to TWL and provide clear separation between the entities. As at the time of writing this report, the majority of assets had been transferred.

Further to the work outlined above, the joint venture at Shelly Bay with The Wellington Company is moving towards its structural commencement subject to local political consultation. In addition, purchase negotiations of crown leases concerning Ministry of Education, Ministry of Justice, and Department of Internal Affairs are nearing completion.

The 2017/18 year will be the first year of TWL operations. There are a large number of projects to be analysed and assessed as to whether they fit our cash flows and capital objectives.

A sincere thank you to all who have stepped into the breach and have worked tirelessly to execute the initial transfer of assets from PNBST to TWL. To Bryan Jackson, Peter Allport and Jamie Tuuta – many thanks for the commitment under trying circumstances.

Ngā mihi ki a koutou katoa, nā

Toarangātira Pomare  
Chair  
Taranaki Whānui Limited

# Taranaki Whānui Limited ("TWL")



## Investment focus

The core function of TWL is to convert the rights, which Port Nicholson Block Settlement Trust (PNBST) obtained pursuant to its settlement with the Crown.

The focus has to be on creating annuity income in order that TWL can fund its own activities, participate in activities that grow the balance sheet of PNBST and in time provide funds that can be reinvested for the benefit of members.

Moving Forward TWL are currently engaged in the following:

- (a) a joint venture concerning the development of Shelly Bay;
- (b) a joint venture concerning the development of property in the Newtown area;
- (c) working with the Crown, Wellington City Council, Hutt City Council, Upper Hutt City Council and commercial parties around the development of social housing opportunities;
- (d) participating in a consortium in order to obtain ground leases in respect of land situated in the greater Wellington region where the tenant is the Crown;
- (e) working with Te Puni Kōkiri on a Papakāinga project in Wainuiomata;
- (f) growing the relationships with commercial and non-commercial entities that have an interest in the evolution of the Greater Wellington Region for the benefit of all members of the community whilst growing the role of PNBST.

## SALE AND LEASEBACK

TWL has an agreement with Iwi in Taranaki who are able to invest and with PKW and Ngāti Mutunga in the Chatham Islands and the Māori Trustee to pursue the sale and leaseback rights vested in Port Nicholson Block Settlement Trust from its settlement with the Crown. We are proud to be able to stand with our fellow Taranaki Iwi along with PKW and the Māori Trustee as this represents an alignment of values, as much as a potential investment opportunity.

Our future is bright however it will take time to make tangible progress but you can be assured we are focused on the money to grow the culture.

"The poor financial position over the past years been one of our greatest hindrances to growth. The Board wish to see a strong Tūāpapa that enables us to support our obligations and commitment to our Tāngata and Takiwā."

KARA PUKETAPU - DENTICE

## SHELLY BAY

Below is an opinion piece regarding Shelly Bay, submitted to the DomPost (September 2017) and provided to Wellington City Councillors.

As Chairman of the settlement trust that purchased Shelly Bay from the Government for \$15.5 million, I feel compelled to provide comment and facts for those with questions around the land at Shelly Bay and the Wellington City Council (WCC) consultation process. Firstly, only a small portion of land belongs to WCC, and secondly, the consultation was about what the WCC should do with its portion of land. I will provide some context for clarity:

- › The majority of land at Shelly Bay belongs to the Taranaki Whānui iwi – this was purchased for \$15.5 million from the Crown;
- › WCC owns a small portion of land;
- › The Crown gifted that land to WCC for \$0.00
- › The iwi has been paying rates for 9 years and WCC is responsible for existing infrastructure – and the existing WCC owned buildings are in need of repair;
- › WCC expects its cost of maintaining its existing land and buildings will be around \$5 million over the next 5 -7 years – with certain areas having restricted access to the public. This is not sustainable.
- › Under the proposed plan WCC will sell or lease its land to the joint venture development company (Shelly Bay Limited) for \$8 million.
- › Both WCC and Shelly Bay Limited will contribute \$10 million each toward the infrastructure upgrade.
- › The \$8 million Shelly Bay Limited pay the WCC for their land would offset the actual WCC contribution. The net cost to the WCC would therefore be \$2 million. This is less than the \$5 million forecast for existing infrastructure obligations to maintain Shelly Bay in its current undeveloped and dilapidated state.
- › The expected WCC rate income is forecast at \$500,000 p.a. for commercial and \$1.5 million p.a. for residential, with expectations of growth.
- › Under the master plan for Shelly Bay – Taikuru, the iwi has allocated approximately 55% of the total area for recreational and public use.

For me, this decision is about whether the WCC wishes to forge a strong partnership with the iwi of Wellington, which will benefit all of Wellington regardless of the Council's decision. The iwi, like all other private land owners are entitled to develop their land. The iwi wants to develop Shelly Bay in partnership with WCC. But the decision of the iwi to develop their property at Shelly Bay will not be affected if WCC choose to leave their land undeveloped and dilapidated state.

How the land will be used is ultimately the decision of its owners. Our aspiration is to invest in new facilities in what is an underutilised and underwhelming area of Wellington – with the aim of creating a new and transformative space for residential, commercial and recreational use for all Wellingtonians and our visitors.

We hope WCC chooses to be our partner and share our vision of a more prosperous Wellington.

Shelly Bay is not just about one deal or transaction, it is a stepping stone toward building a true partnership with iwi after 177 years of engagement. In a post-Treaty Settlement era, where local iwi hold rights of first refusal to significant amounts of Crown land in Upper Hutt, Hutt City and Wellington, the WCC has an opportunity to demonstrate true leadership, by working in partnership with iwi to invest in Wellington for all its residents.

We are ready for it. We hope WCC and its constituents are too. Let's build a new legacy, together. Anei nga kupu whakamutunga – my closing words. Kei konei matou ake tonu. We are here for ever.

Taranaki Whānui. In business, for community.



Wayne Mulligan  
Chair  
Taranaki Whānui Ki  
Te Upoko o Te Ika  
Port Nicholson Block  
Settlement Trust

*Note: Shelly Bay Limited is a joint venture company owned by Taranaki Whānui Limited.*



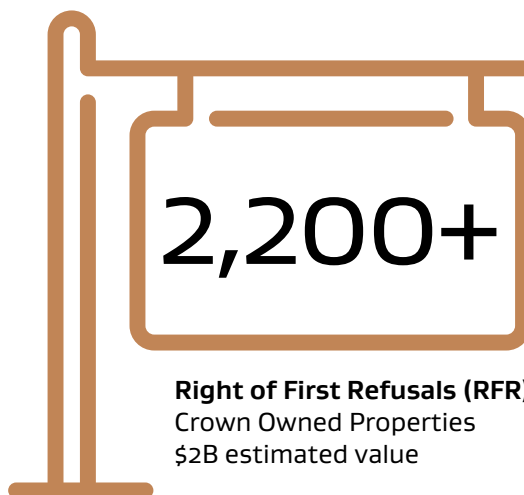
## At a Glance



**18,684**  
Current Membership  
PNBST Database



**\$200M**  
Potential  
10% Return on  
RFR policy



**Right of First Refusals (RFR)**  
Crown Owned Properties  
\$2B estimated value



**\$20.2M**  
Total Asset Group Position

### DEVELOPMENT



**Uri Engagement Hui**  
New Plymouth, Nelson, Auckland,  
Wellington. January 2017



**In Progress**  
Papakāinga  
Housing project  
Wainuiomata

### SUCCESES



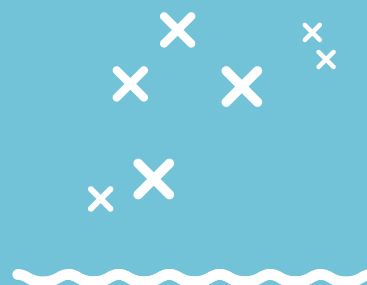
**Matiu Island**  
Research Project &  
Educational website completed  
[www.wakahuiaomatiu.com](http://www.wakahuiaomatiu.com)



**Annual Planting Day**  
Parangarahu Lakes,  
Pencarrow Point



**16**  
Stakeholder Relationship  
Agreements and MOU's



**Opau Urupa NEW**  
361 Makara Road, Makara

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# Strategic Plan

"The Board has re-aligned our operations and costs to allow us the right to grow. This enables the Trust to refocus its core business so we can deliver meaningful initiatives to our whānau. We will engage with our whānau to develop our Trust strategy. This will focus on growing opportunities that are aligned to our Tūāpapa, Takiwā and Tāngata. Through this strategy we endeavour to act with a purpose by seeking leverage from our partnerships, government, local councils and whānau. This is an exciting time for the Trust and I invite everyone to actively join us as we take our next steps."

MAHINA PUKETAPU

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## UNDER REVIEW

Following the AGM Trustees will be inviting Iwi Members to work with the Trust to develop our strategic plan. We thank the Iwi Members that have already come forth with ideas and commitment to participate.

### Whole of Iwi



There is much talk about the Whole of Government and this process is important. Equally important is getting a Whole of Iwi approach going forward. Whole of Iwi in terms of exploring shared management, shared communications, technologies and databases, shared approach to environmental, education, social and health as well as business opportunities.

When we are strong, as Iwi we can be stronger at the Whole of Government and with the four local authorities: Greater Wellington, Wellington City, Hutt City and Upper Hutt. As well we can be strong with the business and NGO sector. So, one of our first commitments is to invite our related iwi entities to share their ideas.

### Whole of Government

This provision within the Deed of Settlement provides Taranaki Whānui ki Te Upoko o Te Ika (Taranaki Whānui) and the Crown the opportunity to deal directly with government agencies and senior officials to discuss matters of mutual

interest concerning the enhanced wellbeing, revitalisation and protection of Taranaki Whānui. In April 2017, the sixth forum hui was held between Taranaki Whānui and the Crown. Items that were addressed included: housing, whānau, innovation, and property. The key takeaways were: commitments to progress social housing objectives, opportunities to work on whānau focussed proposals and make connections with the Trade Agenda 2030 initiative, address matters regarding Victoria University and Miramar School, and engage further with the Crown over Innovation and Justice programmes.

### Strategic Relationship Agreements

Strategic Relationship Agreements have been signed with:

- › Ministry of Social Development
- › Department of Corrections
- › Ministry for Environment
- › Te Puni Kōkiri
- › Ministry of Foreign Affairs and Trade
- › Housing New Zealand
- › Museum of New Zealand Te Papa Tongarewa
- › Department of Internal Affairs
- › Ministry of Education
- › Land Information New Zealand

### Memorandum of Understandings

Memorandum of Understandings have been signed with:

- › Families Commission / Socail Policy Evaluation & Research Unit (SUPERU)
- › The New Zealand Police, Wellington District
- › Wellington City Council
- › Greater Wellington Regional Council
- › Hutt City Council
- › Meridian Energy Limited

# Strengthening our Relationships

"Since last year's election Trustees have worked hard to bring greater transparency and openness to our engagement with members; to rebuild relationships and credibility with broader stakeholders; to build a strategic framework (Tāngata, Takiwā, Tūāpapa) to guide our efforts."

HANNAH BUCHANAN

Our commitment is to build on strengthening relations with our Taranaki Whānui group entities and other associated entities. These include:

- › Te Runanganui o te Atiawa ki te Upoko o te Ika a Maui Inc
- › Te Atiawa Nui Tonu Te Kōhanga Reo
- › Palmerston North Māori Reserve Trust
- › Wellington Tenth's Trust
- › Pipitea Marae
- › Te Tatou o Te Pō Marae
- › Waiwhetū Marae
- › Te Aro Trust
- › Te Atiawa Whakarongotai
- › Te Atiawa Taranaki
- › Te Atiawa Te Tau Ihu
- › Ngāti Tama (Taranaki and Te Tau Ihu)
- › Ngāti Mutunga (Wharekauri and Taranaki)
- › Taranaki (Tuturu Taranaki)
- › Ngāruahine (Taranaki)
- › Ngāti Ruanui (Taranaki)
- › Taranaki Māori Trust Board
- › Parininihi Ki Waitotara
- › Wakatu Incorporation
- › Ngāti Rarua Atiawa Trust

"Getting the platform right for growth and a sustainable future, has been what this last 12 months have been about for current trustees."

"Your ongoing support and trust is essential. Thank you for your patience. The next 12 months will be telling."

JOHN COFFEY



## Te Atiawa Nui Tonu Te Kōhanga Reo

Te Atiawa nui tonu Te Kohanga Reo continues the vision and legacy of its tuakana and first Kōhanga Reo in Aotearoa – Pukeatua te Kōhanga Reo: kia kōrero te reo, kia Māori te reo!

Te Atiawa nui tonu Te Kōhanga Reo opened in 2011 and resides at the previous Wainuiomata Intermediate site, which was returned to our people through our settlement. Now under the Ministry of Education, the Kōhanga is one of the largest in the country, licensed for 95 tamariki descending from all our Tupuna waka and is led by 20+ amazing kaiako and kaiawhina committed to upholding the mantle of Māoritanga within our tamariki, whānau, community and our iwi.

The Kōhanga provides a crucial heart beat to the community of Wainuiomata and is playing a significant role in developing and growing our people - ahakoa nō hea, ahakoa a wai! Keep up the awesome mahi Te Atiawa nui tonu Te Kōhanga Reo – ka mau te wehi!



# Engaging with Uri

"The Trust is optimistic about its future, because collectively as a people we are strong. This is our Takiwā - our place to stand tall and over the next coming years we want to start focusing more on our Tāngata and work alongside our iwi and whanaunga entities to ensure that all our people have the opportunity to grow and flourish."

KARA PUKETAPU - DENTICE



Tāngata



## Website

[www.pnbst.maori.nz](http://www.pnbst.maori.nz)



## Facebook

[www.facebook.com/pnbst](http://www.facebook.com/pnbst)



## YouTube

Taranaki Whānui  
Youtube channel



## Electronic newsletter

Kawekawea



## Annual General Meeting

16 September 2017



## Coming soon

Podcasts



## Office

Ground floor  
Tramways Building  
1-3 Thorndon Quay  
Freepost 166974  
Wellington 6144



## 0800 number

0800 767 864



## Email

[reception@portnicholson.org.nz](mailto:reception@portnicholson.org.nz)



"Our Settlement Trust is now in a position, with a team and vision to move past the legacy of nearly a decade of mismanagement and overspending. To get steady growth of income and assets, careful planning and implementation is needed. For the cultural and social strength of the iwi significant contributions are called for from all the iwi entities working together along with strong individual contributions. I personally pledge my support in whatever roles I play, to see the fruits of the Treaty of Waitangi claim settlement providing widespread benefits to the iwi."

MORRIE LOVE

## Upcoming

This financial year is about resetting - consolidating and redefining our core business and growing our revenue. Whilst we're doing that, here are some of the key things we'll also be focused on:

### Database drive

We have completed a review of the member database. In October we will be undertaking a membership drive. You can help by getting in contact with us (not all at once!) to check your details. In time you will be able to check and update your own details via the website.

### Ongoing Engagement

Our engagement won't stop at the review of the 5 Year strategic plan. We will be better at engaging with you all year round. Our electronic Kawekawea newsletter is set to become monthly and will feature snippets of event happenings, key messages and dates.

We want to talk with you about ways you can contribute to the different kaupapa and activities. If you have a particular interest and want to put your hand up to assist, please get in contact with the office.

### Taranaki Education programme

You've told us that Taranaki Reo education and training is a priority. So to assist us to move forward as Iwi of Taranaki Whānui and our collective entities we want to provide opportunities for both Te Reo o Taranaki me ngā Tikanga to further enhance and enrich the region. This will happen through an array of educational opportunities targeting "ngā uri me ngā uki" from those who currently provide cultural support to the marae and trusts; to our people who work in both the private and public sector, Parliament, central and local government, schools, colleges, Kura Kaupapa within our tribal boundary. It is time for all of us to take responsibility in protecting our Reo me nga Tikanga within our tribal boundary. In the words of Ruka Broughton Snr:

"Tū mai Taranaki e, tiketike mai rā  
tātou roto i te kawa tapu hapainga  
tō mana toro tika tika rangi e"

Expect to hear from us about upcoming wananga!

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"The new Board has focussed on truly trying to turn the fortunes of the Trust around. Projects are now being managed in a logical, financially sound and politically savvy way."

"The short-term prospects require absolute discipline and regular monitoring. The mid-term prospects are looking quite good and the long-term prospects are very exciting and positive. Will this Trust become a financial powerhouse? Yes it will. It will just take time."

PETER JACKSON

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## Major Events

We are gearing up for providing support to host some big events in our Wellington region – the **New Zealand Festival 2018** and waka showcase, **Matariki, Te Matatini 2019** and many sporting, cultural and business events.

### Te Matatini 2019

We will be working with the Chief Executive of Te Matatini and government agencies, as well as other invested and interesting parties, in supporting our country's largest Māori cultural event on the national calendar to take place in Wellington in 2019. Wellington is known to be the arts capital of New Zealand, and Te Matatini 2019 is on track to be the best yet. Following on from a successful festival held in Hastings in February 2017, Te Matatini contributed significantly to the Hawkes Bay regional economy and the well-being of Māori that attended, contributed, and participated in the festival. The Trust is gearing up to partner with the rest of Wellington to showcase and grow our region.

If you are interested in being involved here's a few ways you can help: attend planning hui and give your inputs, become an event volunteer, spread the word.

"You've got focused and skilled trustees sitting around the table. We all remain absolutely committed to getting our waka running more smoothly for you the people. "

HOLDEN HOHAIA



*Te Matapihi, Te Matatini 2015*



# Independent Auditor's Report

**Audit**  
**Grant Thornton New Zealand Audit**  
**Partnership**  
Level 15, Grant Thornton House  
215 Lambton Quay  
PO Box 10712  
Wellington 6143  
T +64 (0)4 474 8500  
F +64 (0)4 474 8509  
[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

## To the Members of Port Nicholson Block Settlement Trust

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Port Nicholson Block Settlement Trust (the "Group") on pages 18 to 39 which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the 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 Group as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) 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 Group 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.

Our firm carries out other assignments for the Group in the area of taxation advice and other advisory services. The firm has no other interest in the Group.

#### Other Information

The Trustees are responsible for the other information. The other information comprises the PNBST Board, PNBST Chair report, TWL Chair report, At a glance, Strategic Plan, TWL, Strengthening relationships, Uri, Upcoming engagement with uri, Te Matatini article, and NZ festival announcement but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

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

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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 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 economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

#### **Restriction on use of our report**

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

#### **Grant Thornton New Zealand Audit Partnership**

A handwritten signature in blue ink that reads "Grant Thornton".

**B Kennerley**

# Consolidated Statement of Comprehensive Revenue and Expenses

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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



# Consolidated Statement of Changes in Net Assets

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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

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

# Consolidated Statement of Financial Position

Port Nicholson Block Settlement Trust  
As at 31 March 2017

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

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



**Wayne Mulligan**  
Chairman



**John Coffey**  
Deputy Chairman

# Consolidated Statement of Cash Flows

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 1. REPORTING ENTITY

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

Shelly Bay Limited

The Lodge at Shelly Bay Limited

Taranaki Whanui Limited (previously Port Nicholson Block Management Limited)

PNBC Limited

Lowry Bay Section One Limited

Port Nicholson Block Properties Limited

Education PNBST Limited

Tramways Limited

Whites Line East Limited

PNBST Investments Ltd Partnership

SBL Management Limited

Tai-Kuru Limited Partnership

Tai-Kuru Trust Limited

All subsidiaries have a reporting date of 31 March 2017.

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

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

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

## 2. STATEMENT OF COMPLIANCE

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

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



# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 3. STATEMENT OF ACCOUNTING POLICIES

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

### ***3.1 Basis of measurement***

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

### ***3.2 Functional and presentational currency***

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

### ***3.3 Basis of consolidation***

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

### ***3.4 Revenue***

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

#### ***Revenue from exchange transactions***

##### ***Rendering of Services***

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

##### ***Interest***

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

##### ***Rental income***

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

##### ***Lease Premium***

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

##### ***Sale of Property***

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

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

Other revenue is recognised on an accruals basis.

#### ***Revenue from non-exchange transactions***

##### ***Koha***

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## **3.5 Financial instruments**

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

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

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

### *Financial Assets*

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

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

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

### *Loans and receivables*

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

### *Impairment of financial assets*

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

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

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.

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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

## *Financial liabilities*

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

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

## **3.6 Cash and cash equivalents**

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

## **3.7 Property, plant and equipment**

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

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

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

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

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

## **3.8 Investment properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not 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 cost less accumulated depreciation and impairment losses. Depreciation is not charged on land. Building depreciation rate is 2%SL however no depreciation has been provided on investment buildings as the residual value and cost is considered to be the same

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## **3.9 Leases**

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

## **3.10 Employee benefits**

Wages, salaries and annual leave

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

## **3.11 Income Tax**

### *Current Income Tax*

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

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

### *Deferred Income Tax*

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

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

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

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

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

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



# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## **3.12 Goods and services tax (GST)**

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

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

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

## **3.13 Equity**

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

### *Accumulated comprehensive revenue and expense*

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

## **3.14 Development properties**

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

## **4. CHANGES IN ACCOUNTING POLICY**

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

## **5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

### **Judgements**

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

### **Estimates and Assumptions**

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

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

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

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 6. GROUP INFORMATION SUBSIDIARIES

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

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

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

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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



# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

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

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 13. PROPERTY, PLANT AND EQUIPMENT

<b>Group</b>								
<b>31 March 2017</b>	<b>Office Equipment</b>	<b>Furniture and Fittings</b>	<b>Leasehold Imp.</b>	<b>Fit Out costs</b>	<b>Corporals Club</b>	<b>Commander Residence</b>	<b>Seminar Facility</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost/Valuation	102,966	55,086	172,022	19,085	26,281	10,225	21,483	407,147
Accum. Depn	(95,675)	(34,005)	(46,214)	(19,085)	(4,967)	(8,284)	(7,195)	(215,426)
<b>Net book value</b>	<b>7,291</b>	<b>21,080</b>	<b>125,808</b>	<b>-</b>	<b>21,314</b>	<b>1,941</b>	<b>14,288</b>	<b>191,722</b>

<b>31 March 2016</b>								
Cost	101,922	55,086	169,300	19,085	26,281	10,225	21,483	403,382
Accum. Depn	(81,717)	(29,274)	(33,780)	(17,573)	(4,179)	(7,766)	(5,691)	(179,980)
<b>Net book value</b>	<b>20,205</b>	<b>25,811</b>	<b>135,519</b>	<b>1,512</b>	<b>22,102</b>	<b>2,459</b>	<b>15,792</b>	<b>223,402</b>

<b>1 April 2015</b>								
Cost	94,448	47,924	144,824	19,085	26,281	10,225	21,483	364,270
Accum. Depn	(69,819)	(28,378)	(19,076)	(17,841)	(3,473)	(7,774)	(2,701)	(149,062)
<b>Net book value</b>	<b>24,629</b>	<b>19,546</b>	<b>125,748</b>	<b>1,244</b>	<b>22,808</b>	<b>2,451</b>	<b>18,782</b>	<b>215,208</b>

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

<b>31 March 2017</b>	<b>Office Equipment</b>	<b>Furniture and Fittings</b>	<b>Leasehold Imp.</b>	<b>Fit Out costs</b>	<b>Corporals Club</b>	<b>Commander Residence</b>	<b>Seminar Facility</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance	20,205	25,811	135,520	1,512	22,102	2,459	15,792	223,402
Additions	1,044	-	2,722	-	-	-	-	3,766
Disposals	-	-	-	-	-	-	-	-
Depreciation	(13,959)	(4,732)	(12,434)	(1,512)	(788)	(518)	(1,504)	(35,446)
<b>Closing</b>	<b>7,291</b>	<b>21,080</b>	<b>125,808</b>	<b>0</b>	<b>21,313</b>	<b>1,941</b>	<b>14,289</b>	<b>191,722</b>

<b>31 March 2016</b>								
Opening balance	24,629	19,547	125,748	1,244	22,808	2,451	18,782	215,209
Additions	7,474	7,162	24,476	-	-	-	-	39,112
Disposals	-	-	-	-	-	-	-	-
Depreciation	(11,898)	(897)	(14,704)	268	(706)	8	(2,990)	(30,919)
<b>Closing</b>	<b>20,205</b>	<b>25,811</b>	<b>135,520</b>	<b>1,512</b>	<b>22,102</b>	<b>2,459</b>	<b>15,792</b>	<b>223,402</b>

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 14. INVESTMENT PROPERTIES

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

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

<b>31 March 2016</b>							
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
<b>Net book value</b>	<b>1,570,000</b>	<b>435,000</b>	<b>9,850,000</b>	<b>1,160,000</b>	<b>1,270,000</b>	<b>380,000</b>	<b>14,665,000</b>

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

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

<b>31 March 2016</b>							
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Net movements	-	-	-	-	-	-	-
<b>Closing</b>	<b>1,570,000</b>	<b>435,000</b>	<b>9,850,000</b>	<b>1,160,000</b>	<b>1,270,000</b>	<b>380,000</b>	<b>14,665,000</b>



# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 14. INVESTMENT PROPERTIES (CONTINUED)

<b>Parent</b>			
<b>31 March 2017</b>	<b>1 – 3 Thorndon Quay \$</b>	<b>Whites Line East Waiwhetu \$</b>	<b>Total \$</b>
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
<b>Net book value</b>	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

<b>31 March 2016</b>			
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
<b>Net book value</b>	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

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

<b>31 March 2017</b>	<b>1 – 3 Thorndon Quay \$</b>	<b>Whites Line East Waiwhetu \$</b>	<b>Total \$</b>
Opening balance	1,570,000	435,000	2,005,000
Net movements	-	-	-
<b>Closing</b>	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

<b>31 March 2016</b>			
Opening balance	1,570,000	435,000	2,005,000
Net movements	-	-	-
<b>Closing</b>	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 15. FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

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

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

## 16. HERITAGE ASSETS

The Group holds the following heritage assets:

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 17. RELATED PARTY TRANSACTIONS

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

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

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

### b. Other related parties

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

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

Pipitea Marae Charitable Trust

Group 31 March 2017 \$	Group 31 March 2016 \$
-	1,590

### c. Key management personnel

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 17. RELATED PARTY TRANSACTIONS (CONTINUED)

	Group 31 March 2017 \$	Group 31 March 2016 \$
<b>Directors Remuneration (for Taranaki Whānui Limited)</b>		
Toarangatira Pomare (Chairman)	15,000	12,500
Peter Allport	7,500	8,333
Jamie Tuuta	6,667	4,167
Bryan Jackson	10,562	8,458
	<b>39,729</b>	<b>33,458</b>

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

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

<b>Total other remuneration</b>	<b>12,570</b>	<b>12,738</b>
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## 18. LEASES

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

## 19. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

# Consolidated Notes to the financial statements

Port Nicholson Block Settlement Trust  
For the year ended 31 March 2017

## 20. CAPITAL COMMITMENTS

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

## 21. CONTINGENT ASSETS AND LIABILITIES

*Shelly Bay Limited (SBL) - Potential Lessor Liability*

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

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

## 22. PRIOR YEAR ADJUSTMENT

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

The changes to comparatives are as follows:

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

## 23. EVENTS AFTER THE REPORTING DATE

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



# 2016 Annual General Meeting Minutes

**PIPITEA MARAE**  
**15TH OCTOBER 2016**

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## Attendees

Peter Allport, Betty Anderson, D L Andrews, J Aratema, Nathan Henare Astwood, Scott Bailey, Turuhira Bailey Moki, Raitatukia Bailey Tomlinson, Charmaine Bailey-Puru, Brendan Baker, Matiu Baker, Tracey Banker, Watene Bell, Rae T Belton, Janet Bowen, Carrisha Broughton, George Broughton, Minnie Broughton, Raewin Broughton, Erueti Brown, Leslie Brown, Hannah Buchanan, Leo Buchanan, Ron Butler, Edward Churton, Melvyn & Marama Cock, Joshephone Coffey, Shona Coffey, Russell Cook, Paea Dentice, Michael Duncan, Vanessa Ede, Ashley Ede, Mike Ede, Robynne Edmonds, Kiua Eraeti-Newman, Judy Erb, Mynetta Erueti, William Flanagan, Ranginui Flavell, Beulah Kahu Fox, Alexa Fraser, Esther Garland, Barbara Goodman, Nardine Goulay, Ripeka Harper, Kelly Hason-White, Karen Herbert, Deborah Heremaia, Pam Herlihy, Tehangairoa Herlihy, Para Hiroti, Holden Hohaia, Grant Hooper (Rei), Narida hooper (Rei), B M Aroha Houston, Myra Hunter, Sarah Hunter-Love, Virginia Innes-Janes, June Jackson, Leigh Jackson, Peter Jackson, John Jenkins, Mana Jenkins, Juliet Kellett, Brent Kennerly, Helen Kipa, Kelvin Kipa, Maree Leef, Takiri Lotterill, Catherine Love, Elizabeth Paula Love, Hama Love, Honiana Love, Iawa Love, Josephine Love, Karen Love, Lennex Love, Peter Love, Tyron Love, Whitioria Love, Poiria Love-Erskine, Matthew Love-Parata, Kararaina Luke, Niki Luke, Robyn Luke, Wikitoria Luke, Peggy Luke-Ngahere, Siobhan & Jack Lynch, Apihaka Mack, Fiona Mako, Koha Mako, Marama mako, Miria Mako, James Makowharemahihi, Ngaere Makowharemahihi, Monty Manu, Terri Manu, Kristine Marsh, Toumairangi Marsh, Alamaine McGregor, Johnny McGregor, Tuhipo McGregor, Tracey McKenna, Lois McNaught, Rosemary McNaught, Carrol McPhee, Liz Mellish,

Andrew Mephram, Hirini Jankima Mephram, Melissa Mephram, Paora Mephram, Wikitoria Merehu, Wikitoria Michalanney, Kataraina Millin (Bailey), Kura Moeahu, Elliot Mollet-Wright, Kamiria Mullen, Jacob Myhre, Bill Nathan, Donas Nathan, Te pae Ngaheke, Lois Oneroa, Debbie Papera, Tuia Papera, Taki / Taku Para, Ane Parata, Hikitoria Peck, T Peck, Maara Peters, Wayne Peters, Tuparahuia Pita, Erueti Pomare, Hinemoa Priest, Winstone Priest, Huia Puketapu, Ihaia Puketapu, Ihakara Puketapu, Mahina Puketapu, Marissa Puketapu, Te Awa Puketapu, G Puketapu-Andrew, Kara Puketapu-Dentice, Ngahaka Puketapu-Deys, Anania Randall, Ruhina Rangi, Tommy Rangitonga, Ina Rangiwetū, Ngahuia Raven, John Rei, Konga Reriti, Tuauri Reriti, Tuauri Reriti, Ann Reweti, Syd Reweti, Jack Rikihana, Makere Riwaia-Love, Julia Anne Robertson, Vince Robertson, Ngaire Robinson, Russell Rodger, Hokiopera Ruakere-Papuri, Shamia Shariff, Anne Sidwell, Kenney-Jean Sidwell, Rata Sidwell, Kim Skelton, Warren Skerrett, Warren Skerrett, Andrew Smiler, Anne Somerville, Megan Somerville, Mereana Storey, Te Oiti Taeia, Laura Taepa, Hemi Tahurangi, Waikaramu Takiwa, Aroaro Tamati, Hariri Tamati, Brian Te Puni, Linda Te Puni, Ben Terry, Christina Thomas, Graeme (Kapara) Tito, Graeme Bill Tito, Johnny Tito, Jacqui Turoa-Brown, Wai Turoa-Morgan, Evelyn Tuuta, Jamie Tuuta, Leigh-Ann Volwerk, John W, Adrian Tangaroa Wagner, Teokanga Wagner, Whi Wagner, Grant Waitara, Dannie Warren, Joan Warren, John Warren, Alexander Watson, Pita Watson, James Wheeler, Zara Wills, Ngahuia Wright, John McLeod-Ruaken, Neville Baker, Toa Pomare, Howie Tamati, Sam Kahui, Teri Puketapu, Jason Fox, Lee Rauhina-August, Ripeka, Hoerara, Lily Ng, Aaria Dobson-Waitere.

## Apologies

Anthony John Bishop, Florence Karaitiana, Christine Kidwell, Martha Gilbert, Mike Gilbert, Hinehau Moeahu, Raima Moeahu, Poiria Love Ersking, Alice Te Punga Somerville, Ann Innes-Jones, Mark Innes-Jones, Saoirse O'Sullivan, Kuia Pakiliata, Kuini Puketapu, Raukura Maxwell, Raakai Maxwell, Callum Peters-Pope, Wayne Herlihy, Ocean Robinson-Mepham, Matiu Cooper-Mepham, Kahuranaki Cooper-Mepham, Anna Mepham, Malia Mepham, Jodie Mepham, Te Huia Cooper-Mepham, Tim Mepham, Alana Prestneo, Jackie Pamata, Anaru Baker, Tessa Haigh, Pearl Sidwell, Mahiorangi Baker, Jodi Rangitaawa, Eziah Tetata Sidwell, Samantha Louise Bishop, Erini Shephard, Teremoana McBride, Maria Tangiora, Ruakere Hond, Warrick McNaught, Michelle McNaught, Jun Katahira, Ryoko Itagaki, Rie Yamakoshi, Spencer Carr, Geoff Carr, Paula Cuff (Carr), Charlotte Carr, Rewatu Carr, Lucy Carr, Damien Louis Bishop, Hohepa Karaitiana, Lani Redward, Kathleen Redward, Finley Peters-Pope, Roena Ruakere-Te Uira, Erana Hand-Flavell, Hinewaito Bigham, Hine Love Thompson, Tui Love, David Love, Marama Love, Tuti Wetere, Margaret Smiler, Arana Taepa, Aroha Morehu, Tracey Wairau, Owen Sidwell, Kane Sidwell, Gabriel Antipas, Alma Andrews, Tim Wheeler, Koropapa-Haria Matoe, Hope Nicole Matoe, Ana-Lisa Randall, Blair Knuckles, Jared Knuckles, Karen Southern, Wayne Kingi, Wi-tako Love, Alastair Love, Renee Love-Paul, Michael Jenkins, Petal McNaught, Karene Eketone, Janica Herlihy, Terrance Herlihy, Gina Rangiwhetu, Ngapera Moeahu, Jason Warren, Trevor Warren, Michelle Warren, Jule Temple, Jeremy Wheeler.

1. Kura Moeahu opened the AGM with a karakia and mihi whakatau.
2. Kura Moeahu spoke about the tikanga for the meeting and also mentioned the housekeeping matters.
3. Neville Baker welcomed all those in attendance and supported Kura's comments regarding tikanga and the importance of all in attendance respecting each other. He then introduced the Taranaki Whānui directors and the Port Nicholson Block Settlement Trust trustees.

## 2015 AGM Minutes

4. The 2015 AGM Minutes were received.

### Resolved

It is hereby resolved that members approve the minutes from the 2015 Annual General Meeting.

*Huia Puketapu / Ihaia Puketapu*

## Matters Arising

5. Lennox Love acknowledged that the Trust had included the Trustee Register of Interests as requested two years ago.
6. Jean Ruakere stated that she did not receive an Annual Report in the mail. Neville Baker replied as with the previous three years, these were not sent out to members due to the costs involved.
7. Mana Jenkins and several others agreed with the cost-saving measure and said those members that really need them should contact the office.

## Annual Reports

### Resolved

That members wanting a copy of the Annual Report write their names down on a list or contact the Trust's office and they will be sent a copy.

*Jean Ruakere / Apihaka Mack (inaudible)*

## Chairman's Report

8. Neville Baker stated that it is had been a challenging year. He thanked his fellow Trustees, the Commercial Board, and Management for their ongoing work to achieve a positive result for the year.
9. Neville Baker then presented his Chairman's Report.
10. When questions regarding Shelly Bay were raised, Neville Baker said that Toa Pomare will provide an update on this in the Commercial Board Report. He mentioned that there will be a chance for members to discuss this matter at that time.
11. There was an uproar from the members and Kura stood and reaffirmed the tikanga of the meeting and stated that all members will have an opportunity to speak.
12. Paora Mepham asked Neville Baker where the \$1,045,243 transferred from PNBST to PNBML in 2013 and 2014, went and how it was spent. He also asked how the Trust in 2013 spent over \$2m in office expenses and management fees. In 2014 the Trust \$1,737,000 on management fees again, transferred to PNBML. There is no information on how this was spent, and it is a legal requirement for this to be documented appropriately. Neville Baker thanked Paora for his question and said this will be covered in the financial section of the AGM.
13. James Wheeler stated that it appears Shelly Bay is to be moved across to another entity. He asked members opposed to the sale to stand to demonstrate the extent of opposition to it. A large proportion of the assembled members stood up.

14. Gay Puketapu said that she does not need a 'flash' Annual Report regarding expenditure. In reference to Shelly Bay she said it was clear there was a large number of members who opposed the sale.
15. Hirini Mepham said that he is pleased that Neville Baker has stated there will be complete transparency on all matters. He then mentioned that he has a list of breaches of the Trust Deed that have trustees and management have allowed to happen. Neville Baker replied that there is a process underway between the Trust and Hirini, and these comments will be recorded for that matter.

### Serious Fraud Office (SFO)

16. A number of members talked about the SFO case and asked why there wasn't a hui for all members to discuss the matter.
17. Kamiria Mullins referred to Lorraine Skiffington and asked why she was not charged in the SFO case. She also stated that the trustees need to perform better.
18. Neville Baker thanked Kamiria for her comment and said that the matters before the court relate to the Wellington Tenths Trust and not the Port Nicholson Block Settlement Trust. He was considering taking a civil action against Lorraine and said this will be covered later in the meeting.
19. A comment from the floor was if members have no trust in the trustees that they affect change by voting for good trustees.
20. Ngapera Moeahu referred to the SFO case and said this should not be raised at this meeting and asked members and trustees to show a sign of respect to Ngatata in some way whether it be a letter or something of that nature.
21. It was stated that this is not the right place to talk about Ngatata, it is not on the agenda. Neville Baker replied that this was raised under his Chairman's Report.
22. Liz Mellish said that she is disappointed that Neville Baker is still blaming Ngatata for all the things that the Trust has not been able to achieve in recent times. She said that PNMRT and WTT are doing well and have been paying its members dividends now for several years. She stated that she does not appreciate Neville Baker and the CEO pulling WTT and PNMRT members into the 'blame game'. Neville Baker replied that it has been very difficult for the Trust to engage with the Crown and other key stakeholders for the last four years while the SFO case was going on.

### Resolved

It is hereby resolved that Neville Baker's Report for 2016 be accepted.

*Huia Puketapu / Warren Skerrett*

23. Neville Baker then thanked those in attendance for their input and handed over to Toa Pomare for the Commercial Board update.

### Commercial Board Report

24. Toa Pomare introduced himself and thanked everybody for their attendance. Toa then read his report that was included in the Annual Report.
25. Toa also said that after 20 years as a Trustee of Te Runanganui o Taranaki Whānui, and 4 years as a Trustee on PNBST that he is in the position to say that there is no place in a modern iwi structure for greed, self-service and nepotism. The leaders of any post-settlement entity must know the difference between right and wrong, and they need to act in the best service of the Trust and its members. This is not negotiable. The immediate past leadership has sullied and soiled the aspirations of Taranaki Whānui's youth, who in years to come will be the judge of their behaviour, and not the peers who have been misguided, in his opinion, with their support.
26. However, such leadership practices are unfortunately not the sole domain of those bought before the judiciary. The SFO brought forward two charges that were just the tip of the iceberg. He said that those believing that the charges are the sole responsibility of the Wellington Tenths Trust, are naïve. PNBST lost circa \$750,000 in one transaction from an advance to the Redwood Group which was unauthorised and undertaken without the knowledge of the Board. In a separate transaction, \$100,000 was paid to Mahon Investments who subsequently partnered with Lorraine Skiffington which was again unauthorised and without board knowledge. However, he asked if these transactions were tacitly approved by certain board members at that time.
27. In his first year as Trustee, the Ellison Report was initiated for change. There was unanimous support for the recommendations in that report, however in 12 months, there was little change and on close scrutiny, certain Trustees wanted to protect the status quo for reasons only known to them. However, it eventuated that the trustees were given the mandate to initiate change. This was a defining moment for the Trust.

28. Those incumbents who were a roadblock to change subsequently moved on to other Taranaki Whānui entities, and with the help of a cloak of judicial suppression, they were able to continue to sabotage the goals and aspirations of the majority. The people who have supported the convicted fraudsters, are in his opinion, just as guilty. As earlier stated, time will be the judge of their behaviour too.
29. For Taranaki Whānui to move forward and heal, it requires united support, which is so often missing within our iwi. The saying “there is strength in numbers” has never been so true, we are limited only by our division. I would like to say to the people who knew what was going on, you are on notice. It is not acceptable to undertake fraudulent activities. Before we can move on, we must acknowledge the wrongdoings and stop making excuses. We need to unite in order to advance the aspirations of our young. We owe it to them.
30. Toa took the opportunity to personally acknowledge the leadership and tenacity shown by Neville Baker. He expressed his huge respect for the work Neville has done during his time as the Chair of the Port Nicholson Block Settlement Trust and has valued the opportunity to work beside him as Deputy Chair.
31. Liz Mellish sought clarification around whether whoever undertakes the Muritai development will be paying the normal commercial tax rate. This was confirmed by Toa.
32. Apihaka Mack expressed her feeling of insult for being accused of being fraudulent. She states that the Cultural Impact Report written for Shelly Bay is an example of rewriting her whakapapa and supports the ART confederation to take the coastal fishing rights away.
33. Grant Knuckey reminded the Board of the importance of confidence among our people and the people we choose to go into business with. Annoyed with second part of Toa’s verbal report that puts to trial Ngatata. Asks that Trustees stop talking about our whānau personal business in the public forum.
34. Wikitoria Michalaney wanted clarification around the statement made about the Sale & Leaseback that Taranaki Whānui Limited are working with Taranaki Iwi. Toa confirms that it is referring to a collaborative number of iwi: Taranaki, Te Āti Awa, Ngāti Mutunga, Ngāti Ruanui, PKW, Ngāruahine.
35. Kararaina Luke stated that there seemed to be an addition to Toa’s report. She wondered why this verbal report was not included in the Annual Report. Kararaina suggested that Toa’s verbal report is not taken as part of the report, but as a personal opinion.

## Resolved

That we accept the Taranaki Whānui Ltd Chairman’s Report as presented in the annual plan and not the added verbal report.

*Huia Puketapu / Seconded not recorded*

## Chief Executive Report

36. Jason Fox referred to the past financial year as a Tau wehe and Tau miharo. He said that this is a time to focus on the positives, while also an opportunity to have the brutally honest discussions.

Positives:

- a. Being back in the black, a success supported by the Commercial Board.
- b. Sale and Lease Back. Working with Taranaki Iwi: Te Āti Awa, Ngāti Mutunga, Ngāti Ruanui, Taranaki, Ngāruahine, PKW and the Māori Trustee.
- c. Muritai Road development. The first development for Taranaki Whānui made up of 4 homes, small development however testing capacity and relationships. Waiting on the resource consent. The build will start in next couple of months.
- d. Jackson Street, a mid-sized development of 30-40 homes. Completion expected to be 2017-2018. We will ensure a percentage are offered to Taranaki Whānui members.

## Papakāinga Development

37. Jason mention that in the past, the Trust hasn’t been able to achieve a lot in terms of whānau housing and he saw this the Papakāinga development as an opportunity to rectify this. The Trust has acquired Government funding of \$2.6m for 6 kaumātua homes. Another 15 sections will be developed for whānau, with an overall potential of up to 52 homes.
38. In answer to a the question of who will undertake the development and what arrangements are being made around risk mitigation against our assets, Jason introduced Andy Bogaski as Project Manager and the appointed architect, John Mills. The meeting was advised that they manage the risk around the Wainuiomata site by strict management of the infrastructure and the build.
39. Wikitoria Michalaney had a question around funding for the 8 kaumātua homes. Jason confirmed 6 homes will be funded by the Crown, and 2 funded by the Trust.

40. Liz Mellish reminded everybody that the land that the Papakāinga is being built on its Palmerston North Māori Reserve Trust land. She wants to know when these original owners will be consulted. Jason agreed that now is the time to start rebuilding those relationships.
41. Te Awa Puketapu asked whether other community groups currently utilizing the Wainuiomata space will be consulted re the changes. Jason assured that engagement with those community groups, and in particular the kōhanga reo, will be integral to the process going forward. He wanted to have draft designs developed to have something tangible to show the community.
42. Kara Puketapu-Dentice questioned whether any of the houses at Muritai Road had been offered to the Uri. Jason confirmed that this had not occurred. Wanting to target at a lower rate for whānau at Wainuiomata.
43. Comment and resolution did not occur at this point – refer to Para 89-91, including noted resolution.
50. Peter Love stated that he has no confidence in the current Commercial Board. They received a clear 'No' at the last AGM to develop Shelly Bay. Despite this they continued to deal with Mr Cassels.
51. Johnny McGregor questioned why the Board has continued to engage in confidential conversations with Ian Cassels despite the fact that at the February meeting members had clearly expressed their desire to stop any further conversations. In his view it is time for a change.
52. Louise Tirohino McNaught supported Johnny's korero. She wanted to further explore interest from other Māori developers for Shelly Bay. Louise also raised ongoing database issues.
53. There was a question around who paid for the Cultural Impact Assessment for Shelly Bay. Jason confirmed that the Wellington Company paid, as part of the resource consent application.
54. Tuia Papera had no trust in the current Board. When they went to consultation and the people said 'No', they continued with the Joint Venture.

## Shelly Bay

44. Jason Fox outlined the main parameters of Shelly Bay. He then opened the floor for questions.
45. Peter Love expressed concerns over Ian Cassels as the developer for Shelly Bay, and stated that he wants to see Māori developers. Jason said that they have approached other large development tribes, such as Tainui and Ngāi Tahu, however they didn't want to get involved.
46. Andrew Mepham wanted to know whether the Trust are selling land in parcels so as not to trigger the major transaction clause. Jason replied that they are entering a 50/50 Joint Venture. Andrew reminded Jason of the commitment he made to communicate with members and feels that the Trust has entered into this deal without adequate communication with members. Jason agreed to continue to find solutions for Shelly Bay and communicate with members.
47. Andrew Mepham then questioned Neville around the statement he made that Shelly Bay was not a culturally significant site. However in the Cultural Impact Report written by Kura Moeahu and others, Omarukaikuru Bay has high significance to our people which was a direct contradiction to what Neville had said.
48. Liz questioned the Boards decision to not invite Ian Cassels to the AGM. She felt that the people had a right to meet him if they are going to get into a Joint Venture together.
49. James Wheeler asked a question about whether the Trust was considering moving the ownership of Shelly Bay out of ownership of the owners assembled here?
55. Someone from the floor asked everybody to step back and look at the reason why Shelly Bay was purchased. The Trust was in a similar position that the Wellington Tenth Trust was once in, a position where assets were not returning income, therefore there is a need to look for opportunities to grow our asset base.
56. Takeri Cottrell asked whether we are legally committed to the deal that's already occurred. Jason said that there are parameters of the deal that are still subject to agreement.
57. Kara Puketapu spoke on the commitment made to the Government that the land was for our people. He talked about the whānau connections to the land in Wainuiomata.
58. Liz Mellish seeking clarity over the ownership of Shelly Bay today. Jason informed that effectively it is a Limited Liability Partnership and owned of the trustees.
59. Leo Buchanan asked to hear from the Commercial Board and wanted to know why they think this proposition is important for the development of this Trust.
60. Jason invited Toa and directors to say a few words.
61. Toa said that firstly, we must look at where we have come from with Shelly Bay. It was costing this Trust over \$1m every year just to hold. So we entered an agreement with the Wellington Company to turn this around. This was presented as a special resolution earlier this year. The Commercial Board has not finalised any transactions.

62. Jamie Tuuta provided context around the Commercial Board and its role over the past year. He then spoke on his reasons for becoming involved because of his obligation to our tūpuna and generations before us who have fought to get to where we are today. He discussed the importance of separating the political and commercial arms of the Trust. This was the reason why Taranaki Whānui Ltd was established.
63. Taranaki Whānui Ltd Board Members introduced themselves.
64. Sam Kahui introduced himself and offered an apology – inaudible.
65. Gay Puketapu-Andrews asked that the motion be put to the vote.
66. Kim Skelton spoke passionately against the motion.

### Not Resolved

That the Commercial Board be disestablished effective immediately.

*Liz Mellish / Peter Love*

67. Jason to clarify, Special resolution on Shelly Bay in terms of members having final say. He noted that a special resolution was only required if the major transaction clause was triggered.
68. Kenny Jean expressed concern over the rushed vote to remove the Commercial Board. She also wanted to know what FUA's involvement at Shelly Bay was. Jason confirmed that FUA was not involved.
69. Kara Puketapu-Dentice stated that for him, the most important point is the lack of real engagement with whenua.

### Resolved

That the Trust stops all activity regarding Shelly Bay and reports back to the members and let them decide what happens.

*Te Awa Puketapu / Kara Puketapu*

## Lunch Break

### Financials

70. Brent Kennerley from Grant Thornton presented the financials accounts (April 2015 – 31 March 2016).
71. Brent is the auditor that signed the Audit Report. He presented a slideshow and explained the fundamental changes over the last financial year.
72. Question around payments to suppliers. Brent assured this was normal operations in a business.

73. A question received on meaning of other income and new nomination fees. Brent clarified this was refereeing to Rights of First Refusals.
74. Vanessa Eade questioned why there were no disclosure notes around selling property. She said that the purchase and sales of land should be listed. Brent explained that under normal reporting requirements, this is not required. However he likes the idea of creating more of a narrative by listing sales by individual property title. This could be looked into for next year.
75. This is further discussion within this session but it is inaudible.

### Resolved

Accept the financial report.

*Huia Puketapu / Seconded inaudible*

## Discussions opened

76. Huia Puketapu wanted to confirm her understanding around different aspects of the report. Given the motion moved by Te Awa, we can expect figures to increase at travel and accommodation given more consultation with members. Finished by congratulating the Trust on this year's financial report and all the work they had done.
77. James Wheeler asked how does the Trust expect to control expenses. Jason provided an example where the Board passed a resolution to look at reducing numbers in the future.
78. Paora Mephram wanted an explanation why this year's management fees are \$0. Jason explained the change with using the management company as TWL – now comes through that company. Clear separation of governance and management needed and financial transparency.
79. Allamaine McGregor had a question on why entertainment expenses had gone up so much. Jason explained this was the cost of manaaki tangata and the number and larger scale of meetings over the past year.
80. Esther Garland had a question regarding the static asset valuations. Brett explained that the deemed cost was the adopted valuation and the reason for this was around the accounting approach to adopt historical valuations. Esther stated asset values are probably greater now given today's market.

### Resolved

Recommendation to appoint Grant Thornton as auditor for next financial year.

*Te Awa Puketapu / Anaru Smiler*



## General Business

81. A comment was made as to why there was no acknowledgement of where we have come from and no visibility of tīpuna in the Annual Report. Jason assured that this would be answered at the next AGM, as a team is putting together stories of our whakapapa and background.
82. Kara Puketapu-Dentice wanted confirmation in regards to the name change proposal from the Trust. Neville reported that both names have been used since the inception of the Trust. Noted that this year's report used Taranaki Whānui.
83. A member wanted to know the possibility for the Trust to undertake a review from 2009 to today in order to get an overview of where the Trust has come from. Jason confirmed he would look into this further.

### Resolved

That an independent review be done for operations from 2009 through to now.

*Ngaperā Moeahu / Adrian Wagner*

84. Brendon Baker questioned Kara Dentice's use of defamatory language towards the Trustees on the Trusts Facebook page. He asked for an apology from Kara to the current trustees.
85. Kararaina Luke discussed issues re social media. Brendon talking about conversations between individuals. This personal dialogue should be spoken outside of general business. Kura responded to Kararaina. The Bill (legislation) states both names and therefore we have the choice to use either.
86. Huia reflected that she had raised the use of PNBST as a name in general business several AGMs ago. The response at the time was that we could not use Taranaki Whānui as a name at that time because of the Rūnanga. This is not an issue that the people haven't been asked or consulted on it. Jason informed members that in the 5 year plan that is being circulated out to members shortly, there is a survey attached which asks about a name preference from uri.
87. Kara Puketapu invited trustees to Waiwhetu to visit the Tribal Council.
88. Allamaine McGregor requested an update on the database issues. Jason assured her that time had been put into identifying all of the issues and things will begin to get better. Allamaine requested that some hard copies be made available.

89. Tuparahuia Pita noted that the CEOs report was not accepted. Before doing so, he would like the last paragraph if the report to be changed to include all 11 trustees or for Jason to explain himself. Jason spoke on the difficult environment within the Trust Board and that there was an A Team and a B Team. He said that we needed to rebuild trust among the Trustees. Tuparahuia further explained that his issue was with this being a public document and not agree the Trust's private matters being made public. Tuparahuia asking to retract that statement from CEO report.
90. Holden, Kura and Howie all commented on the matter.
91. Johnny McGregor supported taking out the final statement.

### Resolved

That the final paragraph of the CEO's report be removed and that only then should the CEO's report be accepted.

*Tuparahuia Pita / Kara Puketapu-Dentice*

92. Timothy Wagner wanted to know the state of the relationship with Wellington City Council given that a number of our members are getting parking tickets. Jason spoke on the great relationship with the past Mayor, Celia Wade-Brown. And the opportunities to strengthen the relationship with new Mayor, Justin Lester.

## Closing Remarks

93. Neville thanked the existing trustees, all of whom have made a meaningful contribution over their time. He took the opportunity to mihi to the 2 retiring trustees, Hokipera who was on the Board for 3 terms, and Mark Te One who was on the Trust since its inception, and was also one of the negotiators for the settlement. He also thanked everybody for their support over this difficult time.

Kura Moeahu closed the hui with a karakia.

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# Notes

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# Notes



