

TARANAKI WHĀNUI  
KI TE UPOKO O TE IKA

# Annual Report 2017/18





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

#### 1 PREPARATION OF ANNUAL REPORT

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

#### 2 AUDIT OF FINANCIAL STATEMENTS

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

#### 3 APPOINTMENT OF AUDITOR

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

*"The purposes for which the Trust is established are to receive, manage and administer the Trust Fund on behalf of and for the benefit of the present and future Members of Taranaki Whānui ki Te Upoko o Te Ika in accordance with this Trust Deed"*

Trust Deed: Clause 2.3

#### Objects and purposes of the Trust

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## Trustees



**Wayne Mulligan**  
Chair



**Peter Jackson**  
Deputy Chair (Retired)



**Neville Baker**



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



**Mahina Puketapu**



**Kara Puketapu-  
Dentice**



**Holden Hohaia**



**Toa Pomare**



**Morrie Love**

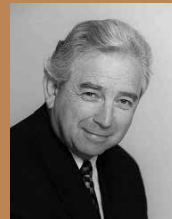
## TWL Directors



**Toa Pomare**  
Chair



**Jamie Tuuta**



**Peter Allport**



**Bryan Jackson**



**Mahina Puketapu**  
Associate Director

## Management

**Lisle McErlane**  
Commercial Advisor

**Kirsty Tamanui**  
Interim Business Operations Manager

**Willy Makea**  
Finance Manager

# Chairs Report



## On behalf of the Board of Trustees, I present the 2017/18 Annual Report.

Firstly, let us reflect on why Port Nicholson Block Settlement Trust (the Trust) was established. At its heart is the recognition of our iwi, of our tūpuna and recognising us in our rohe. It was always envisaged that the Trust would be a platform for our collective future – a mechanism for the iwi. That it would generate pride by creating success and advancement in its social, cultural, environmental and commercial settings. That is why we are here.

Secondly, let us not lose sight of the future. The Trust is transitioning and can become a formidable entity that will create and seize opportunities for our iwi members. The Trust received certain assets and along with these came responsibilities, obligations and opportunities.

Thirdly, the past decade with all its debates, different points of views, assertions about asset use, legal challenges, role as mana-whenua and past operational performance is just that, the past. Let us leave the past, in the past, as it is time for our iwi to create a positive story and future.

Finally, it is time to empower our whānau. The Trust can't do everything, but it can improve and be innovative at how it supports:

**Our People : Tāngata**

**Our Place : Takiwā**

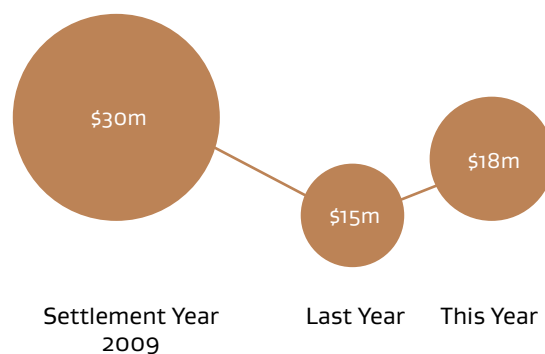
**Our Putea : Tūāpapa**

## A Summary Of What Has Occurred

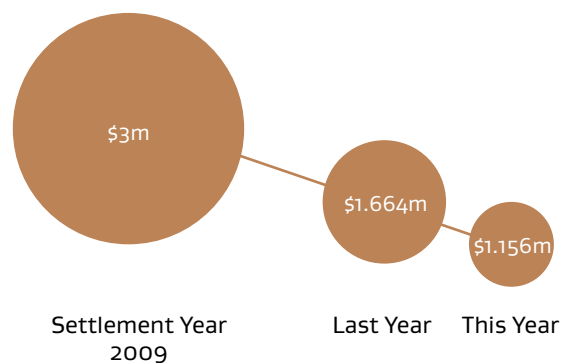
Trustees are confident that we have passed the lowest point in performance, and now transition into recovery mode in terms of stabilising the Trust's finances and asset portfolio. We aim to remain humble, disciplined and will not pretend that we are bigger or more important than we really are.

Trustees have a job to do, to turn this Trust from losses to surplus.

### Equity Re-creating Value for Iwi Members



### Expenses Reducing Annual Operating Expenses







## Whole of Iwi

In terms of staffing, the Trust has gone from some 10 staff/contractors to just over two. Collectively, Trustees have committed many hours, without remuneration, to focus on improving the Trust's performance and relationships. Trustees do this because we believe in the Trust, and the role the Trust can play to advance the iwi.

We thank the iwi members that have also supported the Trust. We understand this time has not been easy. However, together we can better advance our iwi's position environmentally, socially and culturally.

The Trust has worked more collaboratively with our marae leadership, Taranaki Whānui group entities and other associated entities whose understanding and support is truly appreciated. We extend our thanks to :

- › Te Runanganui o te Atiawa ki te Upoko o te Ika a Maui Inc
- › Atiawa Nui Tonu Te Kōhanga Reo
- › Palmerston North Māori Reserve Trust
- › Wellington Tenths Trust
- › Pipitea Marae
- › Te Tatou o Te Pō Marae
- › Waiwhetū Marae
- › Te Aro Trust

## Legacy Matters

As Trustees, we now are in a position to forecast, with more certainty future revenue, future costs, and the future balance-sheet growth. There were four urgent matters which required our dedication and management.

These became our priority and Trustees are pleased with the outcome and now the Trusts can move forward.

Last year the Trust faced near \$4m of immediate liabilities, with only \$1.5m in the bank. Alongside these we had assets not generating adequate revenues:

## Balance-Sheet

A strong balance-sheet and more importantly strong and regular cashflow has been the Achilles heel of our Trust. The Trustees understand that a strong balance-sheet provides more 'choices'.

## Building Financial Resilience

A fundamental obligation as a Trust is to retain the 'real value of capital for current and future members'. In other words, the near \$30m received a decade ago, should have grown, not shrunk. Trustees are determined to see the asset portfolio contributing to the Trust's financial resilience.

Financial resilience enables the Trust to better manage risks and secure better opportunities. This requires optimisation of the Trust's current property assets. Many of these current assets have sat for a decade and not contributed. Yet they have collectively taken millions out of the Trust in expenses, rates, maintenance, repair, upgrade of damage infrastructure, insurance and security, to name but a few.

We also have the fact that our assets (buildings in Wainuiomata, Thorndon Quay and Shelly Bay) are in need of serious upgrading. These properties in their current state, also present high risks associated with earthquake compliance, waterproofing, health and safety. They collectively provide potential liabilities to the Trust.

## Our cultural, social and economic well-being is restored, revitalised, strengthened and enhanced

This is of course our shared vision for the future. It's what we're each striving for and expect to achieve with ongoing support of the Trust. We all know having a strong financial and economic platform is necessary and important for enabling the Trust to help us to get there, but recognising this as a 'means to an end' only is important, doing so means we measure our success based on the meaningful difference we are making for uri, and in real terms. We appreciate our profit &

loss and balance sheet as an important part of the story. Achieving our shared vision aligned to our agreed values however, will always be what matters most, and what our efforts are about.

With having only recently completed the establishment of TWL as our commercial company, it means the job of generating, securing, and managing our commercial assets and income, now rests with our competent and very able TWL Directors. It also means the Trust, and we as Trustees can now better focus our attention on engaging and involving uri in the important job of realising our shared vision. You can rest assured, TWL as the Trust's commercial company, will always remain 100% owned by the Trust.

Trustees, in our capacity as owner and shareholder, exercising our fiduciary duty on your behalf, monitor TWL, its subsidiaries, and their activities, making sure all our interests sit at the heart of TWL's work, and their efforts remain aligned to our values.

As Trustees' our significant focus on structural matters during 2017/2018 meant we were not free to engage with uri at a level you or we might otherwise have desired. Thank you all for your patience.

You might recall In January 2016, the Trustees engaged with uri around the motu to hear what was important to each who attended, and why. What uri told us then has helped guide us in our work over this 2017/2018 period. We'd like to pick that conversation up again, and so look forward to engaging with you all in a more substantive and collaborative way in 2018/2019.

## Tāngata : Our People & Takiwā : Our Place

The Trustees thank the iwi members who are participating in these kōmiti. It is a start and we look forward to these members leading new developments. The Trust has the potential to assist and secure governance, Kōmiti and management roles across many government and local government agencies.

Along with Trustees, our voluntary members are :

**Tāngata** – Noel Woods, Scott Bailey, Erina Okeroa, Huia Puketapu

**Takiwā** – Paul Collings, Ihaia Puketapu, Mahina-rangi Baker, Te Rangimarie Williams and Sam Kahui

**Whakapapa** – Peter Jackson, June Jackson, Honiana Love, Apihaka Mack, Martha Gilbert and Pat Park

The Trust wishes to acknowledge the Wellington

Tenth's Trust, Palmerston North Reserve Land Trust and Te Runanganui o te Atiawa for collaborating on many of the following events and relationships our people have contributed to, in our place:

- › Establishing Opau Urupa
- › Wellington City Te Reo Strategy – Te Tau Ihu
- › Getting the Dompst to change their Masthead
- › He Rā mo Tātau – Our Own Iwi Celebration honour our Tupuna who signed the Treaty in 1840 on Our Harbour
- › Joint Submissions with our iwi kin entities: 10-Year Local Government Plans, Hutt City, Wellington City, Upper Hutt City and Greater Wellington Regional, Lets Get Wellington Moving
- › Matariki – Te Ahi Kaa – The Sky-Show
- › Protection of Matariki – the whale that came to town
- › Kia Mauri Ora Te Kaiwharawhara
- › NZ Festival – Waka Odyssey;
- › Kupe Haka at Waka Odyssey
- › Waitangi Day Celebrations at Wharewaka and Waitangi Park;
- › Welcoming the All Blacks
- › New Relationships with Wellington Regional Economic Development Agency - WREDA
- › Central Government hui and opening of Parliament
- › He Tohu – Exhibition
- › New Relationship with Wellington Community Trust;
- › Te Matatini
- › Parangarahu Lakes
- › Te Rā o te Raukura
- › Zealandia
- › Whole of Government
- › Predator Free & Capital Kiwi
- › Pacifika Fale
- › Te Aro Pa- Redoubt
- › ... and many more

Trustees look forward to illustrating the opportunities from Shelly Bay and Wainui-o-mata.





## 2017 Performance

**\$3,574,349 Operating Profit**



**\$18,696,315**

**Net Asset Group Position**



**Audit**

**Complete**



### Issue



### Action



### Outcome

**\$400k Tax Liability**

**Addressed this with support from KPMG and the IRD**

**Tax Bill removed**

**\$2m land purchase payment due in less than 3 months of identifying**

**Addressed this with assistance from Housing NZ and The Wellington Company (TWC). Created Paetutu, which gave iwi early right to purchase.**

**Liability turned into profit**

**\$1.1m bank mortgage over all assets of the Trust**

**Addressed this by better structuring our assets and removing the mortgage.**

**Liability and mortgage released**

**\$300k potential liability concerning the Papakainga Project.**

**Addressed this by bringing in development experts. Now to launch housing scheme.**

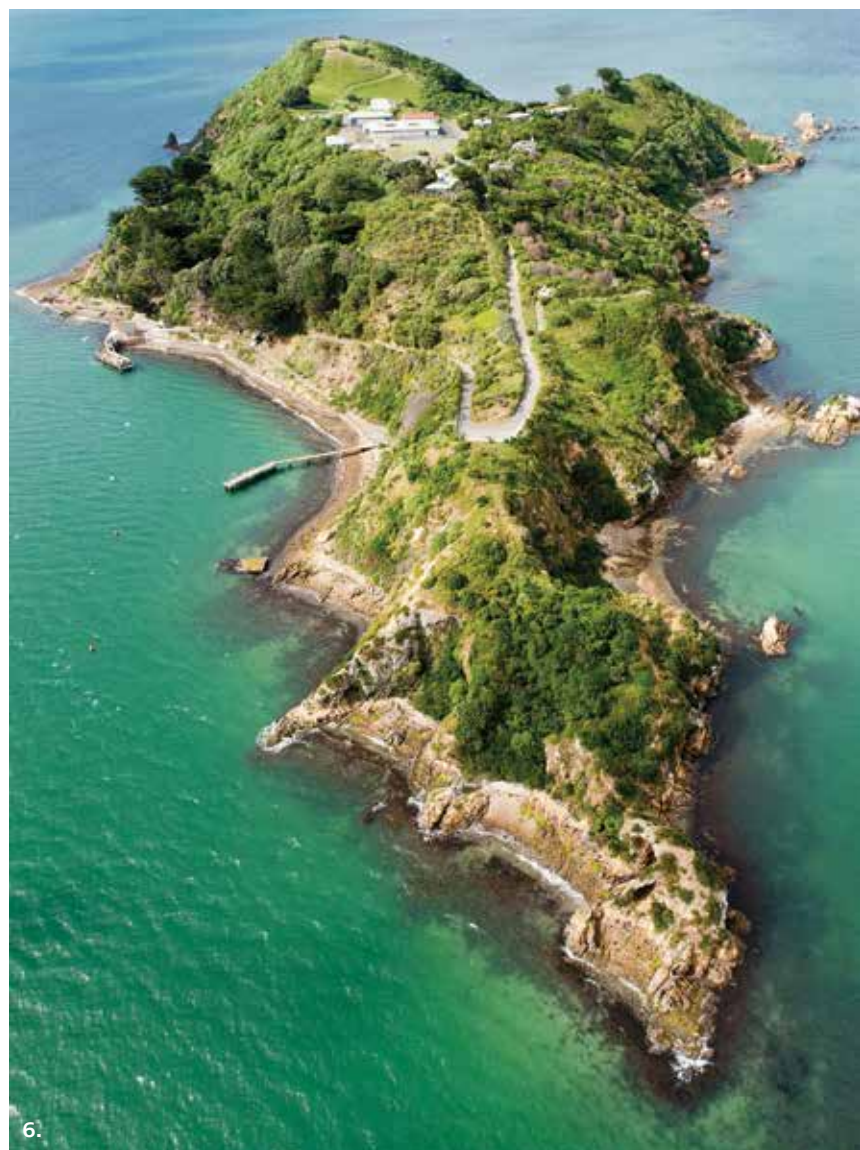
**Liability turned into development**

### Audited Accounts

- › The audited accounts are completed on the same policy setting as last year, with the exception of the fact that we have adopted fair value, as opposed to historical cost in respect of our assets.
- › You will be pleased to see that we have an operating profit and a uplift on the balance sheet of assets.
- › We look forward to continuing the trend that has commenced in terms of profitability.

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





1. Tāne te Ora opening opening on Matiu Island 2017
2. Kākahi Introduction, 2017
3. Kākahi
4. AGM, Waiwheū Marae, 2017
5. Parangarahu Lake
6. Matiu Island

TARANAKI WHĀNUI LIMITED ("TWL")

# Chairs Report



**Tēnā tātou i roto i ngā tini ahuatanga o te wā. This report covers commercial activities during the financial year 1 April 2017 to 31 March 2018.**

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

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.

During the course of 2017 the bulk of the commercial assets were transferred to TWL.

We as a board are happy to report that we have as a result of this transfer, been able to begin to commercialise the assets of the Trust, with the features being

- › the advancement of the Sale & Leaseback negotiations, to the point where the Crown acknowledges that we are entitled to more land;
- › obtaining a reversal of the IRD obligation of \$400k;
- › initiating the development at Shelly Bay, which at the time of writing is subject to an appeal concerning the Judicial Review;
- › the regularisation of business processes with assistance from KPMG;
- › The establishment of monthly reporting against an agreed budget and annual plan;

- › the rebuilding of our relationship with Te Puni Kōkiri, in association with The Wellington Company so as to be able to undertake development of part of the former Wainui-o-mata Intermediate site; and
- › arranging housing opportunities through The Wellington Company and Te Tumu Kainga at Jackson Street, Petone (Paetutu).

We look forward to the evolution of the commercial activities which we are undertaking for the benefit of the members as a whole.

The support provided to date from our development partner, Ian Cassels and The Wellington Company, is immense. The Board of Directors acknowledge and support this relationship.

I extend thanks to my fellow Directors Peter Allport, Bryan Jackson, Jamie Tuuta and Associate Director Mahina Puketapu, who each have provided stability and leadership during this period of change. It is pleasing to report, post balance date, that Taranaki Whānui Limited is operating in alignment to its forecasted budget.

We would also like to acknowledge the Management Team of Lisle McErlane, Kirsty Tamanui and Willy Makea. Together they have implemented the change required and instilled fiscal discipline to operations which will enhance the Trust's position in future years.

Ngā mihi ki a koutou katoa, nā

Toarangātira Pomare  
Chair Taranaki Whānui Limited



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# Taranaki Whānui Limited (“TWL”)

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## 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.

## **SHELLY BAY – AN OPPORTUNITY FOR WELLINGTON IWI TO RISE**

*Dominion Post Opinion Piece : June 2018*

Taranaki Whānui's proposal to develop our land at Shelly Bay has not pleased everyone, and we hear them.

Some don't like the idea of high-density housing, and fair enough too. Apartments aren't for everyone. For others, it's the construction noise and the traffic that goes with it. We acknowledge that.

We also hear those who say no development at all would be a better future for Shelly Bay. All we ask is they consider one more thing. A better future for the iwi, Taranaki Whānui, our children and our families.

No one wants the history lesson, but the past two hundred plus years haven't been easy for us as a collective of iwi. We own less, we earn less and we achieve less than the average New Zealander. In 2009, we saw an opportunity to turn this around. The modest Treaty settlement we'd received several years earlier allowed us to purchase, at full market price, disused Defence Force land at Shelly Bay.

The development of our land is therefore pretty fundamental to creating positive change for our iwi and greater Wellington. For the first time in our history, we have an asset that gives us a fighting chance to get ahead. Developing Shelly Bay will help us tackle the problems that have affected our whanau for generations - by providing better housing, better health, better education and meaningful jobs suited for the twenty-first century.

For us, Shelly Bay is about much more than the apartments, townhouses, village green, rest home, cafes and shops. It's about rebuilding the economic capability needed for us to finally stand on our own feet, by developing our land - just like other Kiwis develop their own land in order to get ahead.

We did the right thing by talking to locals and working with Council on a plan to develop our land for all of Wellington. Our proposal will generate around \$1.5 million in new residential rates each year. It will earn the Council a 100% return on investment once the project is completed, and will continue earning that year after year - a smart deal for all Wellingtonians, by any measure.

But almost a decade on, our hands are tied by litigation backed by a small but vocal opposition. So to those of you who continue to oppose our plans, I say the following:

We share your vision for the future of Shelly Bay, and for Miramar as a whole. The area holds deep significance to Maori, with history referring to explorers Kupe and Ngahue landing on what was then an island in the harbour, around one thousand years ago.

We want this special place to be somewhere we're all proud of. A place with healthy stocks of kaimoana that can continue to be used by generations of all our whanau. A place we can all swim, picnic, cycle and enjoy this jewel in the heart of Whanganui-a-Tara.

So in return, we invite you with respect to share our vision - that of a Taranaki Whānui that stands proudly, independently and lifts itself into an era of financial, social and cultural wellbeing.

You have the power to help us make this a reality. It's time to stop delaying this development and move forward to build a future that's better for all of us.



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.*

**Ko tā te rino i wawahi ai,  
mā te rino ano hei honohono;  
Ko tā Te Matehou i haehae ai,  
mā Te Matehou ano hei tuitui.**

What the pākehā sought to disrupt,  
the pākehā will seek to restore;  
What Te Matehou has lost,  
Te Matehou will strive to regain



# TE MATEHOU

In partnership with The Wellington Company Limited and support from Te Puni Kōkiri and Te Tumu Kainga, the Trust has commenced the exciting new development proposal for the former Wainui-o-mata Intermediate and College site : an integrated housing development known as “Te Matehou”.

Te Matehou will provide members of Te Ātiawa – Taranaki Whānui with improved housing options through an integrated mixed community housing model.

- › a range of housing options and choices are proposed from rental housing, affordable home ownership and market sales.
- › Te Matehou is a mix of housing options including 2, 3 and 4 bedroom freestanding, terraced and compact Kaumātua homes.
- › Some homes will be offered through Te Ātiawa – Taranaki Whānui assisted and market affordable housing programmes.
- › will be made from high quality materials, made affordable through clever urban and housing design.

Uri were invited to engage with the Working Group and Developers to understand and learn more about Te Matehou, and how to advance the housing aspirations of Te Ātiawa – Taranaki Whānui.





## At a Glance 2017 / 18



### Whānau Days

He Tohu, Zealandia  
Ecosanctuary,  
Kākahī introductions

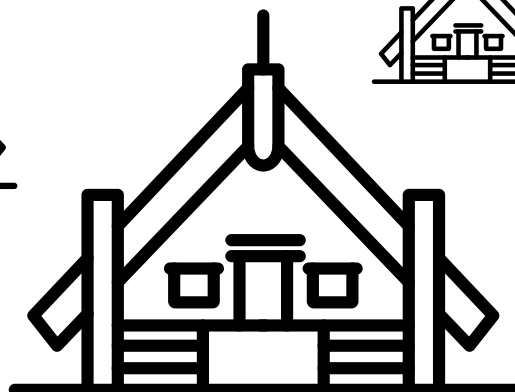
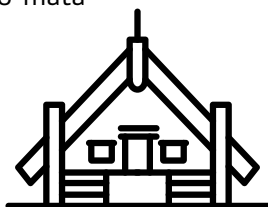
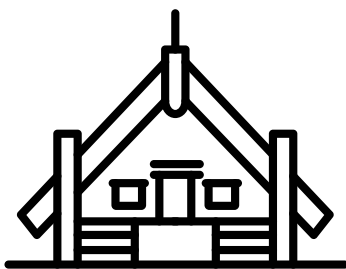


### Annual Planting Day

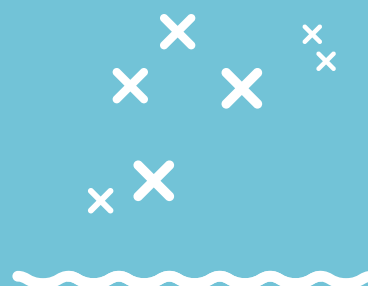
Parangarahu Lakes,  
Pencarrow Point

### Te Matehou Housing Development

82-106 Moohan Street, Wainui-o-mata

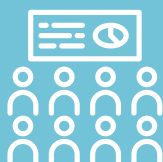


### Matiu Island



### Opau Urupa

361 Makara Road, Makara



### Annual General Meeting

22 September 2018 | Pipitea Marae

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# Engaging with Uri

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Tāngata



## Website

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



## Facebook

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



## YouTube

Taranaki Whānui  
Youtube channel



## Office

Level 3  
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)



## Electronic newsletter

Kawekaweā



## Annual General Meeting

22 September 2018

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Beneficial Owners of Port Nicholson Block Settlement Trust**

#### **Opinion**

We have audited the consolidated and separate financial statements of Port Nicholson Block Settlement Trust ("the Trust") and its controlled entities (the "Group") on pages 1 to 23 which comprise the consolidated and separate statement of financial position as at 31 March 2018, and the consolidated and separate statement of comprehensive revenue and expense, consolidated and separate statement of changes in net assets/equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Trust and Group as at 31 March 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### **Basis for Opinion**

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

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

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

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

In connection with our audit of the consolidated and separate financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.

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

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

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

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

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

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

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

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

#### **Other Matter**

The consolidated and separate financial statements of the Trust and Group for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 8 August 2017.

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

For and on behalf of:



**Crowe Horwath New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS  
30 August 2018



# Consolidated Statement of Comprehensive Revenue and Expenses



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

	Note	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>Revenue from non-exchange transactions</b>					
Koha received		8,234	-	1,310	-
<b>Total revenue from non-exchange transactions</b>		<b>8,234</b>	<b>-</b>	<b>1,310</b>	<b>-</b>
<b>Revenue from exchange transactions</b>					
Rent received from properties owned		476,871	492,684	-	-
Lease revenue Rymans agreement		100,000	66,667	-	-
Cost recovery - Shelly Bay		-	15,000	-	-
Other revenue	9	1,019,128	262,216	1,015,688	262,216
Fair value adjustment - investment properties	14	3,960,188	-	105,000	-
Interest received from funds on call	8	55,404	51,109	34,894	47,624
Sale of development property		3,000,000	3,589,565	-	-
<b>Total revenue from exchange transactions</b>		<b>8,611,591</b>	<b>4,477,241</b>	<b>1,155,582</b>	<b>309,840</b>
<b>Expenses</b>					
Costs of running the office	10	1,156,175	1,664,689	849,518	1,220,133
Increase in provision for impairment		-	-	-	126,024
Deferred selection property expenses		-	33,557	-	-
Depreciation		24,460	35,446	-	-
Maintenance cost for the properties owned	7	170,051	210,151	19,424	-
Interest expense		56,600	18,779	-	176
Loss on investment properties		1,558,776	-	-	-
Cost of development property sold	15	2,079,414	3,289,967	-	12,778
<b>Total expenses</b>		<b>5,045,476</b>	<b>5,252,590</b>	<b>868,942</b>	<b>1,359,111</b>
<b>Total surplus/(deficit) for the year before taxation</b>		<b>3,574,349</b>	<b>(775,348)</b>	<b>287,950</b>	<b>(1,049,270)</b>
<b>Taxation expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total after taxation</b>		<b>3,574,349</b>	<b>(775,348)</b>	<b>287,950</b>	<b>(1,049,270)</b>
Other comprehensive revenue and expenses		-	-	-	-
<b>Total comprehensive revenue and expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expenses for the year</b>		<b>3,574,349</b>	<b>(775,348)</b>	<b>287,950</b>	<b>(1,049,270)</b>

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

# Consolidated Statement of Changes in Net Assets



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

Group	Note	Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2017		15,121,966	15,121,966
Surplus for the year		3,574,349	3,574,349
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2018</b>		<b>18,696,315</b>	<b>18,696,315</b>
Opening balance 1 April 2016		15,897,314	15,897,314
Loss 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>

Parent		Accumulated comprehensive revenue and expense	Total equity
		\$	\$
Opening balance 1 April 2017		14,172,562	14,172,562
Surplus for the year		287,950	287,950
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2018</b>		<b>14,460,512</b>	<b>14,460,512</b>
Opening balance 1 April 2016		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>

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

# Consolidated Statement of Financial Position



Port Nicholson Block Settlement Trust  
As at 31 March 2017

	Note	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>Current assets</b>					
Cash and cash equivalents	12	2,354,767	1,643,434	1,176,285	1,577,374
Receivables from exchange transactions	18	1,108,478	239,120	108,058	238,139
Deposits from sales held on Trust account	18	306,256	215,675	-	-
Inter-entity advances	18	-	-	13,626,384	11,620,672
Prepayments		-	8,950	-	8,950
Development property	15	2,152,942	3,261,312	-	-
Goods and services tax receivable		71,717	-	9,224	108,330
Income tax refund due	11	12,493	41,742	6,206	39,566
		6,006,653	5,410,233	14,926,157	13,593,030
<b>Non-current assets</b>					
Investment properties	14	13,913,756	14,665,000	540,000	2,005,000
Property, plant and equipment	13	171,779	191,721	-	-
Non-trade receivables	18	1,152,656	-	-	-
		15,238,191	14,856,721	540,000	2,005,000
<b>Total assets</b>		<b>21,244,844</b>	<b>20,266,955</b>	<b>15,466,157</b>	<b>15,598,030</b>
<b>Current liabilities</b>					
Trade and other creditors	18	345,234	2,220,840	47,036	159,725
Goods and services tax payable		-	397,279	-	-
PNBC Limited	18	-	-	365,717	365,717
PNBST Investments Limited Partnership	18	-	-	483,635	483,635
Advance to Ryman Healthcare	18	693,504	796,944	-	-
Nomination income received in advance		-	171,500	-	171,500
Loan due to ASB	18	1,100,000	1,100,000	-	-
Deposits held on Trust account	18	300,518	213,518	-	-
Grant money received but not yet spent	18	109,273	244,907	109,257	244,891
		2,548,529	5,144,988	1,005,645	1,425,468
<b>Total liabilities</b>		<b>2,548,529</b>	<b>5,144,988</b>	<b>1,005,645</b>	<b>1,425,468</b>
<b>Net assets</b>		<b>18,696,315</b>	<b>15,121,966</b>	<b>14,460,512</b>	<b>14,172,562</b>
<b>Equity</b>					
Accumulated comprehensive revenue and expense		18,696,315	15,121,966	14,460,512	14,172,562
<b>Total equity</b>		<b>18,696,315</b>	<b>15,121,966</b>	<b>14,460,512</b>	<b>14,172,562</b>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 30 August 2018:

**Wayne Mulligan**  
Chairman

**John Coffey**  
Deputy Chairman

# Consolidated Statement of Cash Flows



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

Note	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>Cash flows from operating activities</b>				
Receipts				
Receipts from other grants	-	397,827	-	397,827
Receipts from non-exchange transactions	8,234	-	1,310	-
Receipts from exchange transactions	2,904,160	4,985,902	998,409	182,812
Income tax receipts	29,249	-	33,360	-
Interest received	55,404	48,952	34,894	47,624
	2,997,047	5,432,681	1,067,973	628,263
<i>Payments</i>				
Payments to suppliers	4,224,596	6,604,064	1,033,350	1,332,545
Interest paid	56,600	18,779	-	176
	4,281,196	6,622,843	1,033,350	1,332,721
<b>Net cash flows from operating activities</b>	<b>(1,284,149)</b>	<b>(1,190,162)</b>	<b>34,623</b>	<b>(704,458)</b>
<b>Cash flows from investing activities</b>				
<i>Receipts</i>				
Sale of property, plant and equipment	2,406	-	-	-
Sale of investment property	2,000,000	-	-	-
Net funds received from related parties	-	-	-	664,368
	2,002,406	-	-	664,368
<i>Payments</i>				
Purchases of property, plant and equipment	6,924	3,765	-	-
Net funds received from related parties	-	-	435,712	-
	6,924	3,765	435,712	-
<b>Net cash flows from investing activities</b>	<b>1,995,482</b>	<b>(3,765)</b>	<b>(435,712)</b>	<b>664,368</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
	-	-	-	72,947
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>1,100,000</b>	<b>-</b>	<b>(72,947)</b>
Net increase /(decrease) in cash and cash equivalents	711,333	(93,927)	(401,089)	(113,037)
Cash and cash equivalents at 1 April	1,643,434	1,737,361	1,577,374	1,690,411
Cash and cash equivalents at 31 March	<b>2,354,767</b>	<b>1,643,434</b>	<b>1,176,285</b>	<b>1,577,374</b>

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 1. REPORTING ENTITY

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

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

All subsidiaries have a reporting date of 31 March 2018.

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, Ngāti Ruanui and Ngāti Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whānui ki Te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, receives the settlement package relating to historical Treaty of Waitangi Claims. The Crown and Port Nicholson Block Settlement Trust signed a Deed of Settlement in Wellington on 19th August 2008. The Trust and all entities within the Group have elected to be Maori authorities under the Income Tax Act 2007 on the basis they received and manage the settlement package received from the Crown.

During the 2017/2018 year, the Group undertook a rationalisation of its trading activities, most operations are now performed under the banner of Taranaki Whānui Limited whilst the daily administration and governance is performed by the Trust, 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 30 August 2018.

## 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 2018

## 3. STATEMENT OF ACCOUNTING POLICIES

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

### **3.1 Basis of measurement**

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

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

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

### **3.3 Basis of consolidation**

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

### **3.4 Revenue**

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

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

##### *Rendering of Services*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date. The Group considers revenue from project management, grants for services, memorandum of understanding and other similar revenue streams as rendering of services as they are considered exchange transactions by the Group and represent services provided by the Group to external parties.

##### *Interest*

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

##### *Rental income*

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

##### *Sale of Property*

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

##### *Other Revenue*

Other revenue is recognised on an accruals basis.

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

##### *Koha*

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

### **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.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

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

(a) the Group has transferred substantially all the risks and rewards of the asset; or

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

## *Financial Assets*

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

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

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

## *Loans and receivables*

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

## *Impairment of financial assets*

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

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

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

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## *Financial liabilities*

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

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

## **3.6 Cash and cash equivalents**

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

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

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

Land	0% SL
Office equipment	8% - 67% SL
Tramways Building: fitout at cost	7%-13.5% SL
Furniture and fittings	6% - 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
LBSO: leasehold improvements	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 fair value with any change recognised in the reported surplus or deficit in accordance with PBE IPSAS 16.

## **3.9 Leases**

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

## **3.10 Employee benefits**

### *Wages, salaries and annual leave*

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## **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.

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

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

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

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

## **3.13 Equity**

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

### *Accumulated comprehensive revenue and expense*

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## **3.14 Development properties**

Development property is specifically held to be developed and subsequently sold as part of the ordinary course of business for the Group. It is measured at cost and recorded on the Statement of Financial Position until such time that development is completed, after which it will be recorded through the Statement of Comprehensive Revenue and Expenses. It is classified as a current asset as they are expected to be sold within one year.

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

Management have voluntarily changed the basis for measuring investment properties to a fair value model as it provides a more relevant basis of valuation for these assets held by the Group. This policy has been applied prospectively from 1 April 2017 as it has been considered impracticable to historically apply the policy to previous years as data was not captured that allows the identification of the specific prior period and cumulative affects upon these assets without significant estimates and the benefit of hindsight. The impact of applying this policy to the 2018 year sees an increase of \$3,960,188 to net assets attributable to the fair value movement of investment properties, and an increase in the surplus and deficit of \$3,960,188 which is disclosed in Note 14. All other 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 have made the following significant judgements.

Management have recognised revenue in relation to the part sale of Shelly Bay that has arisen from entering a profit share agreement with the purchaser of the property over the next 10 years. The profit share agreement stipulates that the minimum receivable amount the Group will receive within 10 years from this arrangement is \$1,500,000. Accordingly, Management have recorded this income as further consideration for the sale of the property and applied a discount rate to record the equivalent present value (\$1,152,656) of this amount as income in the current year. This has been reflected in the Statement of Comprehensive Revenue and Expenses through a reduction of the loss on investment properties.

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

### **Estimates and Assumptions**

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

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

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

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

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



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 6. GROUP INFORMATION SUBSIDIARIES

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

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

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

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>7. MAINTENANCE COSTS FOR PROPERTIES OWNED</b>				
Building WOF	539	1,359	-	-
Cleaning and Pest Control	-	7,226	-	-
Consultancy Fees	-	47,127	-	-
Electricity	13,711	10,286	2,632	-
Fire Monitoring	3,047	3,788	-	-
General	-	10,278	-	-
Grounds Maintenance	3,394	6,869	-	-
Health & Safety	1,552	2,304	1,552	-
Heating Ventilation/Air Conditioning	-	2,624	-	-
Insurance	58,465	30,370	11,704	-
Lift Maintenance	-	7,347	-	-
Property Management Fees	993	140	993	-
Rates	38,148	37,744	1,787	-
Repairs & Maintenance	36,375	21,809	756	-
Security	4,928	2,976	-	-
Water Rates	8,899	14,953	-	-
Valuation Fees	-	2,950	-	-
<b>Total Rental Costs</b>	<b>170,051</b>	<b>210,151</b>	<b>19,424</b>	<b>-</b>
<b>8. INTEREST RECEIVED FROM FUNDS ON CALL</b>				
KiwiBank Interest	34,796	1,627	34,796	1,554
Other Interest	98	89	98	87
Interest on Property Transactions	20,510	3,411	-	-
Interest on Term Deposits	-	45,983	-	45,983
<b>Total interest received from funds on call</b>	<b>55,404</b>	<b>51,109</b>	<b>34,894</b>	<b>47,624</b>
<b>9. OTHER REVENUE</b>				
Other Income (Incl. Project Management Fees)	26,078	73,597	26,078	73,597
Grant income	155,347	-	155,347	-
Memorandum of Understanding	261,100	103,000	261,100	103,000
Other Income - historical adjustment	-	85,620	-	85,620
Nomination Fees	171,500	-	171,500	-
Income from Voluntary Disclosure	401,663	-	401,663	-
Other revenue - Ryman	3,440	-	-	-
<b>Total other revenue</b>	<b>1,019,128</b>	<b>262,216</b>	<b>1,015,688</b>	<b>262,216</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 10. COSTS OF RUNNING THE OFFICE

	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
Accountancy Fees - Annual & Periodic Work	118,109	82,711	101,827	67,450
ACC Levies	1,821	1,171	1,720	1,171
Annual General Meeting / Election Costs	28,027	74,693	28,027	74,693
Hui & SGM Costs	481	10,701	429	8,444
Audit Fees	26,278	52,593	26,278	50,093
Bad debts / Doubtful debts	-	154,902	-	-
Bank Charges	387	417	221	297
Catering	446	1,658	419	1,627
Change Manager	167,022	-	167,022	-
Cleaning	9,646	7,162	3,994	7,162
Commercial Advisor	96,800	-	-	-
Computer Expenses	11,867	13,900	11,867	13,900
Consultancy Fees	13,066	34,674	5,360	27,500
Consultancy Fees - Accounting & Tax	-	25,555	-	25,555
Copying & Printing	5,566	-	5,566	-
Cultural Services	14,086	13,812	14,086	13,812
Direct Matiu Island expenses	90,344	-	90,344	-
Directors Fees	55,000	39,729	-	-
Employment Costs	-	8,811	-	8,811
Entertainment	702	447	702	447
Events	566	-	566	-
File storage & destruction	1,703	-	1,703	-
General Expenses	13,182	12,681	11,054	12,681
Health & Safety	-	287	-	287
HR Consultancy	-	1,749	-	1,749
Insurance	-	15,293	-	10,800
KiwiSaver Contributions	4,831	15,712	4,554	15,712
Koha	-	221	-	221
Legal Fees	35,092	219,793	12,267	100,368
Office Expenses	2,458	14,859	2,458	14,859
Penalties - IRD	-	1,263	-	1,225
PR Consultant	-	7,807	-	7,807
Parking & Motor Vehicle expenses	-	224	-	224
Postage	3,072	2,389	3,072	2,389
Photocopying, Printing & Stationery	-	7,990	-	7,990
Rent, Rates & Power	-	6,409	-	6,409
Repairs & Maintenance	-	942	-	942
Sale & Leaseback	10,800	27,900	10,800	27,900
Security	-	145	-	145
Software	120	-	120	-
Staff Expenses	258	1,862	258	1,862
Staff training	669	-	669	-

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>10. COSTS OF RUNNING THE OFFICE CONTINUED</b>				
Stationery	2,308	-	2,308	-
Sub-contractor	41,181	-	-	-
Sub-committee Expenses	87	-	87	-
Subscriptions	11,121	-	11,121	-
Telephone & Tolls	13,654	17,589	11,494	17,589
Travel & Accommodation	4,935	41,573	2,830	40,984
Trustees' Fees	53,250	122,500	53,250	122,500
Trustee Expenses	3,024	1,694	3,024	1,694
Valuation Fees	11,130	1,650	-	1,650
Waitangi Day Events	-	4,840	-	4,840
Wages, Salaries & Project Management	306,102	614,387	263,079	516,349
Website	2,010	-	1,968	-
Prior period adjustment	(5,024)	-	(5,024)	-
<b>Total costs of running the office</b>	<b>1,156,175</b>	<b>1,664,689</b>	<b>849,518</b>	<b>1,220,133</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
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	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>11. TAXATION</b>				
Net surplus (deficit) as per Financial Statements	3,574,349	(775,348)	287,950	(1,049,270)
<i>Timing differences</i>				
Add Back - Closing Balance Audit Accrual as at 31 March	40,000	36,500	40,000	36,500
Less: Opening balance Audit Accrual as at 1 April	(36,500)	(36,500)	(36,500)	(36,500)
<b>Total Timing Differences</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>-</b>
<i>Permanent differences</i>				
Fair value adjustment - investment properties	(3,960,188)	-	(105,000)	-
Deduct - Accounting profit from PNBST Investmt Pship	-	(66,667)	-	-
Non Deductible Entertainment	702	-	702	-
Non Deductible Legal	7,035	180,365	4,401	124,574
Historical Adjustment	-	(85,620)	-	(85,620)
<b>Total Permanent Differences</b>	<b>(3,952,451)</b>	<b>28,078</b>	<b>(99,897)</b>	<b>38,954</b>
<b>Net Surplus (Deficit) as per Tax Return</b>	<b>(374,602)</b>	<b>(747,270)</b>	<b>191,553</b>	<b>(1,010,316)</b>
Tax Losses Brought Forward	(9,258,744)	(8,511,474)	(5,281,245)	(4,270,929)
<b>Net Tax Losses to carry forward</b>	<b>(9,633,346)</b>	<b>(9,258,744)</b>	<b>(5,089,692)</b>	<b>(5,281,245)</b>
<b>Taxation Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening Tax Balance	41,742	32,795	39,566	31,247
Tax Refunds Received	(39,510)	(518)	(39,510)	-
RWT Paid	10,200	9,465	6,089	8,319
Use of money interest received	61	-	61	-
<b>Taxation Refund Due</b>	<b>12,493</b>	<b>41,742</b>	<b>6,206</b>	<b>39,566</b>

Tax losses amounting to \$5,089,692 (2017: \$5,281,245) are to be carried forward to be offset against future taxable income by the Parent. The Group has \$9,633,346 (2017: \$9,258,744) 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 preceding periods and uncertainty of future results the Group and Parent have not recognised a deferred tax asset in relation to unused tax losses.

<b>Reconciliation of net surplus (deficit) to taxation expense</b>				
Net surplus (deficit) per financial statements	3,574,349	(775,348)	287,950	(1,049,270)
Tax expense (17.5%)	625,511	(135,686)	50,391	(183,622)
Plus: deferred tax asset not recognised on temporary differences	613	-	613	-
Less: deferred tax asset not recognised on permanent differences	(691,679)	4,914	(17,482)	6,817
Plus: deferred tax asset not recognised on tax losses	65,555	130,772	-	176,805
Less: utilisation of previously unrecognised tax losses	-	-	(33,522)	-
<b>Taxation expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
Kiwibank Bank Accounts	120,521	29,298	96,736	24,461
Kiwibank Investment Accounts	1,079,549	1,552,913	1,079,549	1,552,913
ASB Bank Accounts	60,627	61,223	-	-
BNZ Bank Accounts	48,257	-	-	-
Brookfield Trust Account	1,045,813	-	-	-
<b>Total cash and cash equivalents</b>	<b>2,354,767</b>	<b>1,643,434</b>	<b>1,176,285</b>	<b>1,577,374</b>



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 13. PROPERTY, PLANT AND EQUIPMENT

Group								
31 March 2018	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation	84,909	43,584	172,022	19,085	26,281	10,225	21,484	377,588
Accum. Depn	(82,228)	(22,693)	(58,712)	(19,085)	(5,756)	(8,637)	(8,699)	(205,810)
Net book value	<b>2,681</b>	<b>20,891</b>	<b>113,309</b>	<b>-</b>	<b>20,525</b>	<b>1,587</b>	<b>12,784</b>	<b>171,779</b>

### 31 March 2017

Cost	102,966	55,086	172,022	19,085	26,281	10,225	21,483	407,147
Accum. Depn	(95,675)	(34,005)	(46,214)	(19,085)	(4,967)	(8,284)	(7,195)	(215,426)
Net book value	<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>

### 1 April 2016

Cost	101,922	55,086	169,300	19,085	26,281	10,225	21,483	403,382
Accum. Depn	(81,717)	(29,274)	(33,780)	(17,573)	(4,179)	(7,766)	(5,691)	(179,980)
Net book value	<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>

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

31 March 2018	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	7,291	21,080	125,808	-	21,313	1,941	14,289	191,721
Additions	-	6,925	-	-	-	-	-	6,925
Disposals	(188)	(2,218)	-	-	-	-	-	(2,406)
Depreciation	(4,421)	(4,896)	(12,499)	-	(788)	(354)	(1,504)	(24,462)
Closing	<b>2,681</b>	<b>20,891</b>	<b>113,309</b>	<b>-</b>	<b>20,525</b>	<b>1,587</b>	<b>12,784</b>	<b>171,779</b>

### 31 March 2017

Opening balance	20,205	25,811	135,520	1,512	22,102	2,459	15,792	223,402
Additions	1,044	-	2,722	-	-	-	-	3,766
Disposals	-	-	-	-	-	-	-	-
Depreciation	(13,959)	(4,732)	(12,434)	(1,512)	(788)	(518)	(1,504)	(35,446)
Closing	<b>7,291</b>	<b>21,080</b>	<b>125,808</b>	<b>-</b>	<b>21,313</b>	<b>1,941</b>	<b>14,289</b>	<b>191,722</b>

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
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## 14. INVESTMENT PROPERTIES

	Group 31 March 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
1 - 3 Thorndon Quay, Wellington	2,000,000	1,570,000	-	1,570,000
Whites Line East, Waiwhetu	540,000	435,000	540,000	435,000
Shelly Bay Road	6,033,756	9,850,000	-	-
Wainuiomata College	2,400,000	1,160,000	-	-
Wainuiomata Intermediate	2,460,000	1,270,000	-	-
Petone College	480,000	380,000	-	-
<b>Total</b>	<b>13,913,756</b>	<b>14,665,000</b>	<b>540,000</b>	<b>2,005,000</b>

Group 31 March 2018	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay	Wainui. College	Wainui. Intermediate	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Cost/Valuation	2,000,000	540,000	6,033,756	2,400,000	2,460,000	480,000	13,913,756
Accum. Depn	-	-	-	-	-	-	-
<b>Net book value</b>	<b>2,000,000</b>	<b>540,000</b>	<b>6,033,756</b>	<b>2,400,000</b>	<b>2,460,000</b>	<b>480,000</b>	<b>13,913,756</b>

<b>31 March 2017</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 2018	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
Fair value adjustment	430,000	105,000	895,188	1,240,000	1,190,000	100,000	3,960,188
Disposal	-	-	(4,711,432)	-	-	-	(4,711,432)
<b>Closing</b>	<b>2,000,000</b>	<b>540,000</b>	<b>6,033,756</b>	<b>2,400,000</b>	<b>2,460,000</b>	<b>480,000</b>	<b>13,913,756</b>

<b>31 March 2017</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>

The investment properties are currently being held for either rental or capital appreciation. Management have decided to voluntarily change the valuation basis for investment properties from historical cost to a fair value model to provide more reliable and relevant information. The methods applied in determining fair values include reviewing relevant lease documentation, rates information, recent market evidence and valuations prepared by registered valuers.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
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## 14. INVESTMENT PROPERTIES (CONTINUED)

### Shelly Bay

Shelly Bay Road has been valued using a hypothetical subdivision as at 6 August 2018 by Chris Barnsley (ANZIV, SPINZ) of Telfer Young. The significant assumption in the valuation is an estimation of the gross realisation of residential units plus other commercial properties on the basis of the Special Housing Area being granted.

### 1 - 3 Thorndon Quay

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

### Wainuiomata Intermediate and College

Wainuiomata Intermediate and College has been valued using hypothetical subdivision as at 20 July 2018 by Reuben Blackwell (MPINZ) of Colliers International.

### Other properties

Management have determined that the ratings valuation for Whites Line East is reflective of fair value of the property at 31 March 2018. Management have also assessed the fair value of Petone College based on the residual land value in conjunction with the ratings valuation and the current lease agreement.

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
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## 14. INVESTMENT PROPERTIES (CONTINUED)

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

31 March 2017			
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	1,570,000	435,000	2,005,000

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

31 March 2018	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Opening balance	1,570,000	435,000	2,005,000
Net movements	(1,570,000)	105,000	(1,465,000)
Closing balance	-	540,000	540,000

31 March 2017			
Opening balance	1,570,000	435,000	2,005,000
Net movements	-	-	-
Closing balance	1,570,000	435,000	2,005,000

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

<b>15. DEVELOPMENT PROPERTIES</b>				
<b>31 March 2018</b>				
	<b>HNZ properties</b>	<b>Muritai Rd</b>	<b>Jackson St</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance	-	1,209,625	2,051,687	3,261,312
Development costs capitalised	-	943,317	27,727	971,044
Cost of development property sold	-	-	(2,079,414)	(2,079,414)
Closing balance	-	<b>2,152,942</b>	-	<b>2,152,942</b>

<b>31 March 2017</b>				
Opening balance	-	-	-	-
Purchases	3,079,413	1,075,000	2,000,000	6,154,413
Development costs capitalised	210,554	134,625	51,687	396,866
Cost of development property sold	(3,289,967)	-	-	(3,289,967)
Closing balance	-	<b>1,209,625</b>	<b>2,051,687</b>	<b>3,261,312</b>

Development property is measured at cost and held for sale in the ordinary course of business. The Jackson St development property was sold during the year and the development costs capitalised were transferred to the surplus and deficit. Muritai Road is pledged as security for the ASB Term Loan.

## 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	Site of tree carvings located near freshwater lake Pencarrow
Bed of Lake Kohangapiripiri	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangapiripiri	Area of land around freshwater lake near Pencarrow
Bed of Lake Kohangatera	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangatera	Area of land around freshwater lake Pencarrow
Makaro Scientific Reserve	Scientific Island Reserve (formerly Ward Island)
Matiu Island	Scientific Island Reserve (formerly Somes Island)
Mokopuna Scientific Reserve	Scientific Island Reserve (formerly Leper Island)

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



# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 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.

A net balance of \$12,777,032 (2017: \$10,771,320) is owing from the wholly-owned subsidiaries of the Trust. The terms of these advances are current, unsecured, and interest free. A significant movement in this balance occurred during the year and related to the transfer of the title of 1-3 Thorndon Quay from the Trust to a subsidiary (\$1,570,000) as disclosed in Note 14.

### b) Key management personnel

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

# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 17. RELATED PARTY TRANSACTIONS (CONTINUED)

	Group 31 March 2018 \$	Group 31 March 2017 \$
<b>Remuneration of Key Management Personnel (excluding trustees)</b>		
Total Remuneration	96,000	259,517
Total Number of persons	1 FTE	2 FTE
<b>Trustee Remuneration</b>		
Neville McClutchie Baker	3,750	26,250
Toarangatira Pomare	3,750	11,250
Wayne Mulligan	22,083	10,083
Howard Kevin Tamati	(3,000)	9,000
Morris TeWhiti Love	3,750	9,000
Holden Hohaia	3,750	9,000
Sam Kahui	-	6,000
Kura Moeahu	-	6,000
Mark Te One	-	6,000
Te Rira Puketapu	-	6,000
Hokipera Jean Ruakere	-	6,000
Peter Jackson	6,500	4,500
Hannah Buchanan	1,417	4,417
John Coffey	3,750	3,000
Kara Puketapu-Dentice	3,750	3,000
Mahina Puketapu	3,750	3,000
	<b>53,250</b>	<b>122,500</b>

Trustees agreed not to accept fees from 17 October 2017 onward until further notice.

### Directors Remuneration (for Taranaki Whānui Limited)

Toarangatira Pomare (Chairman)	15,000	15,000
Peter Allport	12,500	7,500
Jamie Tuuta	17,500	6,667
Bryan Jackson	10,000	10,562
	<b>55,000</b>	<b>39,729</b>

The 2018 Directors remuneration disclosed above included back payments to Directors of \$10,000 (Peter Allport \$2,500 and Jaime Tuuta \$7,500) for services provided in 2017 that were not previously accrued or paid for.

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

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

<b>Total other remuneration</b>	<b>-</b>	<b>12,570</b>
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# Consolidated Notes to the financial statements



Port Nicholson Block Settlement Trust  
For the year ended 31 March 2018

## 18. 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 2018 \$	Group 31 March 2017 \$	Parent 31 March 2018 \$	Parent 31 March 2017 \$
<b>Financial assets</b>				
<i>Loans and receivables</i>				
Cash and cash equivalents	2,354,767	1,643,434	1,176,285	1,577,374
Receivables from exchange transactions	1,108,478	239,120	108,058	238,139
Non-trade receivables	1,152,656	-	-	-
Deposits from sales held on Trust account	306,256	215,675	-	-
Inter-entity advances	-	-	13,626,384	11,620,672
	<b>4,922,157</b>	<b>2,098,229</b>	<b>14,910,727</b>	<b>13,436,185</b>
<i>At amortised cost</i>				
Trade and other creditors	345,234	2,220,840	47,036	159,725
Advances from related entities	-	-	849,352	849,352
Advance from Rymans	693,504	796,944	-	-
ASB loan	1,100,000	1,100,000	-	-
Deposits held on Trust account	300,518	213,518	-	-
Grant Funding in Advance	109,273	244,907	109,257	244,891
	<b>2,548,529</b>	<b>4,576,209</b>	<b>1,005,645</b>	<b>1,253,968</b>

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

## 19. CAPITAL COMMITMENTS

The Group has entered into a construction contract with Friday Homes for the development of the four units at Muritai Rd to the value of \$1,134,963 (plus GST and variations). During the period ended 31 March 2018 \$891,554 (plus GST and variations) had been spent leaving an amount of \$243,409 (plus GST and variations) yet to be spent as per the contract.

## 20. 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, 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 2018. 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 2018 (2017: \$Nil).

## 21. EVENTS AFTER THE REPORTING DATE

On 21 March 2018, Port Nicholson Block Settlement Trust and RFR Projects Limited Partnership signed a Deed of Nomination for the purchase of 1A Holloway Road. No transactions have been recorded in the current year as a sale and purchase agreement was not finalised and signed by the parties before the reporting date.

# Annual General Meeting Minutes

WAIWHETŪ MARAE  
22 SEPTEMBER 2017

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*Disclaimer: there are several areas of inaudible recording due to speakers without microphones*

## Attendees

Martha & Whareahuru Gilbert, Kelvin & Helen Kipa, Haden Hohaiia, Hinemoa Priest, Wayne Mulligane, John & Joan Warren, Dannie Warren, Alexa Fraser, Tithuia Puketapu, Te Rira Puketapu, Barry O'Brien, Rawiri Evans, Narida Hooper, Aroaro Tamati, Kura Moeahu, Mgapera Moeahu, Ina Rangiwhetu, Howie Tamati, Hera Hailwood, Hera Hermara, Gary Sue, Tame Ngaheke, Ngahaka Puketapu-Deys, Wiki Ratu, Kuini Puketapu, Honiana Love, Rerewhai te Rangi Pita, Ohomairangi Love, Peter Jackson, Pekaira Jude Rei, John Coffey, Margaret Timoko, Jean Hughes, Rosalee Fitisemanu, Paula Cuff (Carr), Spencer Carr, Megan Somerville, Wayne Peters, Mereana Storey, Charmaine Puru, Raitatukia Bailey Tomlinson, Turuhira Bailey Mohi, Winsome Priest, Korrallie Bailey-Taurua, Marama & Melvyn Cook, Antony Broughton, Leslie Brown, Adrian Tangaroa Wagner, Daniel & Lesley Takarangi, Apihaka Tamiti/Pirikawau Mullen-Mack, Yvonne Mitchell, Muriwai Tamati/Pirikawau Mullen-Goodman, Lee Hunter, Watson Pita, Edward Chruton, Morris Te Whiti Love, Vanessa, Peter Allport, Rachael Leafe, Karena, Terangi Hiroa Kerin Herlihy, Pam Herlihy, Juliet Killett (Robertson), Linda Love, Te Herekiele Herewini, Julia Anne Robertson, Kim Skelton, Brent Kennerly (o/b Grant Thornton Limited), L Bailey, Kaira Ranginui-Love, Andrew Mephram, Sydney Mephram, Linda Te Puni, Mahina-a-rangi Baker, Jo Takarangi, Betty Anderson-Broughton, Anania Randall, Queenie Gripp, Peggy Lucke-Ngaheke, Margaret Reriti, Kataraina Bailey Mullens, Jacqui Turoa-Brown, Anahera-Angeline, William C Nathan, D Nathan, Anne Sidwell, David C, Shelley Graham, Ihaia Puketapu, Te Awa Puketapu, Marama Broughton, Mark Fenwick, Fred Allen, Declan Millin, Tuhi McGregor,

Alamaine McGregor, Louise Mulligan (attendee and registration desk), Scott Bailey, R Luke, Tame Ngaheke, G Manaia, Wikitoria & Jody Peck, Ann Reweti, Kenney-Jean Sidwell, Maara Peters, Mana Jenkins, Turoa King, James M, Josephine Coffey, B Jackson, Willy Makea (staff), Kirsty Tamanui (staff), Lisle McErlane (staff).

## Apologies

J Harrison, W Skerrett, M Skinner, C Lender, M Mitchell & Whānau, M Efaraimo, V Robertson, S O'Sullivan, T O'Sullivan, P Mephram, S & P Sidwell, N Robinson, K Mulligan, R Takarangi, R Takarangi, A Panoho, L Love, W Skerrett, W Mulligan, F Mulligan, F Evans, R Evans, L Evans, T Pita, TH Sidwell, W Kingi, R Sidwell, P Sidwell, A Sidwell, G Antipas, K Sidwell, O Sidwell, S Reweti, J Pukihana, J Bigham, A Broughton, I King, M King, J Jnr King, E Baker, J Baker, T Warren, J Warren, Taripo Whānau, T Puketapu, E Puketapu, M Puketapu, L Carr, C Carr, M Carr.

1. The AGM was opened with karakia and mihi whakatau.
2. Wayne Mulligan provided an over-view of how the hui would run, tikanga and agenda.
3. Apologies were noted and received.
4. The hui commenced with 10 minute video message from the Board of Trustees (video credit Tuari Dawson). The video covered
  - Introduction of Trustees and why they had stood;
  - Covered the past 12 months within the Trust and how the Trust was looking to move forward through the realisation of Tāngata, Takiwā and Tūāpapa; and
  - How the Trust and its Trustees were looking to regain the trust of its members.

## 2017 AGM Minutes

5. The 2016 AGM Minutes were received. Mover and Seconder were inaudible but noted that they were attending members.

### Resolved

It is hereby resolved that members approve the minutes from the 2016 Annual General Meeting.

## Matters Arising

6. Members asked if the video would be provided to them. Wayne Mulligan confirmed that yes, requests could be sent through the office.
7. Members expressed their disappointment in the late delivery of the Annual Report 2017, and that it was unacceptable to be provided copies on the day of the meeting, which did not allow ability to understand the current status of the Trust and its' financial position.
8. Comments from the audience "is there something that the Trust is hiding?", "is this a strategy so that Trustees don't have to answer any questions?".
9. Wayne Mulligan, confirmed the contrary – that the Trust was now ensuring its operations were transparent, where appropriate.
10. Wayne apologised for the delay and advised that the production of the Report was largely due to the Change Management Process and re-stating the 2016 Audit Report. Wayne thanked Trust Management for the work undertaken, noting that there was significant work done around the finances, which would be covered in the Audit section of the hui.

## Chair Report

11. Wayne Mulligan re-capped the Trust's past 12 months, and that there had been many things uncovered and a lot ahead for the Trust to navigate through – largely being financial matters, and contractual commitments the previous management had made.
12. A comment from the audience on what these issues were in particular, to which Wayne Mulligan advised this will be discussed further in the presentation and that there will be time for questions and answers at the end.
13. Wayne Mulligan continued with his Report.
14. Trustee's were introduced and advised of Hannah Buchanan's retirement as Trustee, and Howie Tamati's leave of absence also noted.
15. Wayne Mulligan noted the number of Trustee's (maximum and minimum), as per the Constitution, and that it had been discussed that the Trust look to review the Constitution and reduce the required number of Trustee's. Whilst this could be a long process, the

Trust now had the resource and capability to undertake the review.

16. There was discussion amongst the audience that potentially, the minimum operating number of Trustee's required be reduced further to 7 – so as there was no 'hung jury' on required Trustee votes.
17. Wayne Mulligan and Trustees noted these comments, and would seek resolution later in the hui.
18. Wayne Mulligan continued with the Chair Report noting the decline in the Trusts Capital 2010-2017, and that we need to put a full stop and note that that was the past, and to now focus on the future, as an iwi.
19. Also covered were ways in which the Trust was aiming to achieve this – reduction of staff, operating costs etc.
20. Wayne Mulligan referred to Slide 9 of his presentation which provided Trustee remuneration to end of March 2017. The total cost to the Trust being \$110,500, and that by reducing Trustee numbers, savings could be made.
21. Wayne Mulligan advised members that it is now that we change the tide, and seriously look at what resources the Trust now required to enable positive future performance.
22. The Trust had financial operating losses, asset losses, commercial and opportunity losses, disgruntled uri, inter-iwi litigation and no beneficial return to its members – it was now that the Trust needed to stabilise itself, focusing on better partnerships, and strengthening the relationships with Council, Government and its own whanaunga entities.
23. The Trust's intent over the course of 2018-2020 was to review how it operated, and reorganise itself so as to ensure its performance was at its peak.
24. This would then enable the Trust to grow in services and opportunities which the uri would be then able to benefit directly from.

### Resolved

It is hereby resolved that members accept the Chair Report 2017.

## Audit Report : Grant Thornton Limited

25. Wayne Mulligan introduced Grant Thornton Limited as the Trusts Auditors. Wayne Mulligan noted that the Auditor would present the report and then the Auditor could depart before further discussion.
26. Grant Thornton Limited presented the April 2016 – March 2017 financial accounts, which he Brent Kennerly (Partner), had signed off and commented on the restatement of the Audit Report.

27. The restatement required was related to the incorrect treatment of (Papakāinga) funding received from Te Puni Kōkiri.
28. It had originally been treated as income, where upon further investigation, it should have been treated as grant funding.
29. Huia Puketapu asked what happened to the Te Puni Kōkiri funding, given there had been no Papakāinga development, or that members had not been provided with details of the status.
30. Wayne Mulligan advised that the funding received had off-set operational costs of the Trust and its office. This was uncovered during the course of 2017.
31. Huia Puketapu then asked if Trustees could advise what exactly the funds had been spent on. Wayne Mulligan advised that there were some payments which related to the proposed development, but there were also funds used to meet operational costs of the office and Trust – to which he was unable to recount exactly.
32. Huia Puketapu then asked Wayne Mulligan whether the remaining funds would be returned to Te Puni Kōkiri.
33. Wayne Mulligan advised attending members that the Trustees and Directors of TWL, were looking at the options available to them in regards to this fund, and that no decisions had been made. It was possible that the remaining funds would be returned, but the Trust needs to have that conversation with Te Puni Kōkiri before any decisions were made. Wayne Mulligan thanks Huia Puketapu for her questions and sought further from the attending members.
34. Huia Puketapu asked for confirmation whether the Papakāinga Project was on hold, or stopped completely. Was the information from 2016 still relevant, and the work to seek interest from members, will this be honoured if the Project commenced?
35. Wayne Mulligan advised that this required further discussion with TWL, and that no decisions had been made on the Project.
36. Huia Puketapu asked for Trustees to confirm her understanding on several aspects of the report, which were answered by Trustees.
37. Inaudible comments from attending members.
38. Wayne Mulligan invited Huia Puketapu, and other members, to future Trustee Board Hui if there were significant kaupapa they wish to raise. Wayne Mulligan did not believe that all could be covered in today's AGM – and whether this was the right environment, as we had limited time for the hui.
39. Attending members commented that the Trustee's communication to uri had been lacking, and that members no longer received communication from the Trust.

40. Kara Puketapu-Dentice advised that the current Trustee's see communication as important, and were looking to strengthen/re-start the online pānui Te Kawekawea, and that the Trust would also like to be able to involve members in their story telling.
41. A comment was made on whether the Trust expected to find any further 'financial surprises', to which Wayne Mulligan advised that it is possible as the Trust re-set itself, but at this time it is unknown.
42. Grant Thornton Limited upon completion of his report, exited the hui.
43. Attending members were asked to accept the financial report.

### **Resolved**

It is hereby resolved that members accept the Auditor Report 2017.

44. Wayne Mulligan then sought attending members resolution to accept the Trust's recommendation that Crowe Horwath be appointed as auditor for the next financial year.
45. The explanation is that the Trust had lost confidence in Grant Thornton Limited with regard to Audit 2017.
46. Crowe Horwath had extensive relationships with Government and other organisations, and came with the right skill set to be the Trust's provider.

### **Resolved**

It is hereby resolved that members approve the Trusts recommendation to appoint Crowe Horwath as auditor for next financial year.

## **Taranaki Whānui Limited Report**

47. Jamie Tuuta and Wayne Mulligan provided the TWL Report for 2017.
48. Attending members were advised that the core function of TWL was to convert the rights, which PNBST obtained pursuant to its settlement with the Crown, and that its' focus was on creating annuity income in order to fund its own activities. They had Lisle McErlane as their Commercial Advisor. Lisle McErlane had extensive knowledge, expertise and experience in working with iwi groups across the country, and was well positioned to assist TWL in looking at ways in which it could create a sustainable balance-sheet and reliable cash flows through its Sale & Leaseback, Right for First Refusal, joint ventures and other opportunities.
49. Inaudible comments from attending members.



50. Mahina Puketapu and John Coffey talked to the Trust turning asset deterioration into wealth, which could be achieved through careful planning with a strategic approach.
51. The position of the Trust was not helped by the action of previous management.
52. Asked if the current staff/governance were blaming previous staff/management for the unhealthy financial status of the trust, Mahina Puketapu advised that Trustee's were not here to blame or finger point, but that it was evident that there had been a break down in policy and process within the office, and that this year they had cleaned out the cupboards so as to start 2018 fresh, and finish financially fit.
53. Challenged as to the reality of this statement, Mahina Puketapu advised that it was true - un-paid invoices were found in desk drawers, kitchen cupboards and that they were uncovering things daily - but that the Trust had the right mix of governance and staff to ensure loose ends were tidied up.
54. Inaudible comments from attending members.
55. John Coffey spoke to TWL's strategic partnerships, as it did not have the resources or expertise to develop assets on its own - namely Shelly Bay.
56. Shelly Bay had a contentious history with the Trust and iwi, but it was determined that holding Shelly Bay would, in future, provide positive opportunity for the Trust, and entering into partnerships with developers mitigated risk.
57. Attending members asked as to the 'true' ownership of Shelly Bay, and whether TWL were selling land in parcels - this was raised in 2016 to Trustees who had said then, that there was no major transactions taking place.
58. Attending members were advised that the present Directors were able to field any further questions.
59. Attending members noted that TWL had a history of poor performance, and that it is now hoped that they achieve what they expect to, but history can not be forgotten.
60. Question from the audience around the status of the Wainui-o-mata site ... will this ever be Papakāinga?
61. Wayne Mulligan advised that they are looking at this as potential development for iwi housing.
62. Question from the audience ... is the Trust 'in-bed' with Ian Cassels on this also?
63. Wayne Mulligan advised that, as reported by TWL (see page 8), that TWL is currently working with Te Puni Kōkiri as to contractual commitments in regards to the Papakāinga project.
64. Inaudible comments from attending members
65. Wayne Mulligan was asked to confirm whether the Trust had signed any agreement with Ian Cassels, or any other developer, in regards to a Papakāinga site?
66. Wayne Mulligan confirmed that no, the Trust had not signed with any developer in regards to the development of the site.
67. Wayne Mulligan was then asked if the Trust was going to return the Papakāinga funding back to Te Puni Kōkiri, or use it elsewhere?
68. Wayne Mulligan advised that the Trust was still in discussion with Te Puni Kōkiri on this matter, and it was too early to advise outcome, but no decisions had yet been made.
69. Wayne Mulligan thanked Directors for their report-back.

### Resolved

It is hereby resolved that members accept the Taranaki Whānui Limited Report-back 2017.

## Settlement Trust Constitution

70. Wayne Mulligan sought attending members views on whether the Trust should review its Constitution - with an immediate focus on reducing required Trustee numbers from 11 to 8 over the coming years, and then to remain at 8 for the next 5 years. This would provide savings in Trustee related expenses (fees and travel).
71. Attending members thought that 7 was a preferred number, as it allowed a deciding vote if required. Or 9.
72. Wayne Mulligan advised that this could be the next step, or recommendation provided by the review - but for now, sought attending members to resolve that Trustees commence a process to reduce from 11 to 8 Trustees over 2018.
73. Trustee's would then be able to report back at AGM 2018 on how it is progressing, with a view to then discuss the merit of a Constitutional Review.
74. Wayne Mulligan also noted that 2018 will be an election year with 4 Trustee terms ending.

### Resolved

It is hereby resolved that members support the Trustees in commencing a process to look at how it may reduce Trustee numbers to 8.

## Whakapapa Kōmiti

75. Peter Jackson introduced the Kōmiti members, and that there had been a healthy increase in membership applications, and spoke lightly as to the process of verification.

## He Patai?

76. Wayne Mulligan opened the floor to attending members, noting the time was now limited, as the hui was already running over time and the bus for hikoī to Wainui-o-mata was waiting.
77. There was concern of the delayed release of the Annual Report – Trustees noted that they had spoken to this earlier in the presentation.
78. Trustees spoke to how, through collaborating with key partners and a new management approach, the Trust would realise its potential and secure a better future for its members.
79. At this point, there is comment from a young member whose kōrero is somewhat inaudible due to the emotional nature of her addressing Trustees. She speaks of the importance of whānau and that she has lost hope and connection due to the Trust's failings. It saddens her that her elderly grandparents have had to see this, and hopes that their future moko see opportunities instead of loss.
80. Trustees acknowledged and thanked the member for her passionate speech.
81. An elderly gentleman provides his view on the Trust's performance – this is also inaudible as speaker did not wish to use a microphone.
82. Inaudible comments from attending members.
83. Asked what happened to the Trusts 5 year plan that was promised by previous management, did it even exist? Trustees confirmed that the 5 year plan had not been formally adopted, and were currently looking at its strategic approach of the Trust and TWL as a whole.
84. Trustees acknowledged and thanked the member for his views, and spoke to Tūāpapa, Takiwā and Tāngata – why these were developed and what they mean, in a future context.
85. Trustees were asked to speak to the General Business section of the Annual Report (Page 46), and provide update to attending members.
86. Trustees noted that some of the matters outlined in the Minutes under General Business, had not been resolved as the Trust had been working to consolidate and rectify known issues.
87. Ihaia Puketapu asked Kara Puketapu-Dentice to apologise for the defaming previous Trustees on Facebook, and asked Kara Puketapu-Dentice to refrain from such behaviour.
88. Kara Puketapu-Dentice confirmed that he had provided an apology, and again, offered his personal apology to Ihaia Puketapu and whānau.
89. Ihaia Puketapu accepted the apology.
90. Wayne Mulligan advised if there were no further comments or questions from attending members, then he would seek to close.

## Closing Remarks

91. Wayne Mulligan thanked all those in attendance for their honesty, patience and that Trustees were in a position to put a full stop and move forward positively, into the future and hoped that members would also be able to do same.
92. Wayne Mulligan acknowledged Hannah who was retiring, and Howie.
93. Acknowledged that 2018 was a re-build year, and that the Trust would not always get everything right, but that it had the right mix of Trustees, Directors and staff to build a positive future.
94. Holden Hohaia acknowledged the office, and introduced Paula Cuff, Lisle McErlane, Kirsty Tamanui, Willy Makea and Aaria Dobson-Waitere.
95. The AGM was closed with a karakia.

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# Notes



