



# NGĀTIWAI TRUST BOARD

## Annual Report

### 2017





## NGĀTIWAI TRUST BOARD ANNUAL GENERAL MEETING

*Notice is hereby given that the Annual General Meeting of the Board will be held in the Level 2 Lounge, Toll Stadium, 51 Okara Drive, Whangarei on Saturday 25 November 2017 commencing at 10.00am.*

**Agenda:**

Karakia and Mihi

1. Apologies
2. Confirmation of Minutes and Matters Arising
3. Annual Report for the year ended 31st March 2017
4. Chairman's Report
5. General Business

Closing Karakia

**Note:** Morning tea will be available at the commencement of the Meeting. A light lunch will be served at 12.30pm

**Enquiries:**

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A copy of the Annual Report is available for download from the website at: [www.ngatiwai.iwi.nz](http://www.ngatiwai.iwi.nz) or by request from the Ngātiwai Trust Office at 129 Port Road, Whangarei.

\* Shutterstock cover image Omaha Beach



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# CHAIRMAN'S REPORT

Haydn Edmonds

*E noho ana koutou i runga i te  
manaakitanga a te runga rawa.  
Ngā tini aituā kua hinga ki tēnā  
marae, ki tēnā marae, haere,  
haere, haere, moe mai rā.  
Tātou ngā waihotanga o rātou  
ma, tēnā koutou, tēnā koutou,  
tēnā tātou katoa.*

On behalf of my fellow Trustees and the Ngātiwai Trust Board, I am pleased to report on the Board's governance activities for the year ended 31 March 2017.

This year was an election year for the Ngātiwai Trust Board, with the results being officially advised by Election Services in February. I congratulate and welcome four new Trustees

took the time to vote in this process.

An absolute highlight for me this year was to support and watch our Ngātiwai Kaumātua Rōpū travel to Te Papa in Wellington to perform and celebrate two days of kaumātua kapa haka, where they participated with over 500 other kaumātua from around Aotearoa for the 2017 Matariki Celebrations. The festival is in its 10th year and our Ngātiwai kaumātua rōpū, performed as the first ever rōpū from Te Tai Tokerau and they all did their whānau, hāpu and iwi proud with their magnificent performances. Since making their trip, the kaumātua are already talking and planning for next year's event. Kā rawe!

all come together on a kaupapa such as this, it shows that all of Ngātiwai can be united as one.

In March this year, Te Kupenga Reo o Ngātiwai was launched as an iwi wide Reo and Tikanga revitalisation project at Te Paratene Te Manu marae in Ngunguru. After hui and kōrero with whānau on their respective marae, the Kupenga Reo team now deliver a programme for our people "Mā Ngātiwai, Mō Ngātiwai, e ai ki te Kōrero o Ngātiwai - For Ngātiwai, by Ngātiwai according to Ngātiwai". I acknowledge the Te Kupenga Reo o Ngātiwai team

*"When we all come together on a kaupapa such as this,  
it shows that all of Ngātiwai can be united as one."*

elected, Kathleen Caldwell, Aperahama Kerepeti Edwards, Rōpata Diamond and Martin Cleave. I look forward to working with the new Trustees, together with our returning Trustees Phillip Ngawaka, Merepeka Henley, Michael Rundlett, Henry Murphy, Annette Baines, Gary Reti and Hori Mahanga. To the outgoing Trustees, I would like to take this opportunity to thank you for your dedication and commitment during your time as a Trustee. I would also like to thank all the whānau who

On Saturday 20th August 2016, a pou whenua was erected at dawn in Mimiwhangata by the hapū and marae of Ngātiwai. This pou was raised to protest against and signal dissatisfaction with the Government's proposed marine legislation at Mimiwhangata. The pou, named Manaia, was carved by Ngātiwai tohunga whakairo Te Warihi Hetaraka. The name is significant, as Mimiwhangata is the ancestral homeland of Ngāti Manaia and Ngātiwai. Around 120 of our people gathered, with hapū from all of Ngātiwai present, to mark this memorable day in history. When we

of Taipari Munro, Merepeka Henley, Joeann Walters, Aperahama Kerepeti Edwards, Elliot Heremaia and the late Sarah Burkhardt, who continue to deliver this successful programme.

We continued to hold hui-a-iwi during the year, allowing us to meet with whānau on marae to discuss important and relevant issues such as our Treaty Claim. We are well aware of the challenges a Treaty Settlement presents, for example experiencing the urgent Waitangi Tribunal hearings in October and December 2016. We are yet to receive the Waitangi Tribunal report outlining their findings or any recommendations.

The management at our Oceans Resort Hotel at Tutukaka, has



worked tirelessly over the last year and has turned the corner resulting in significant improvements in the trading results. A strategic planning day was held in 2016 and the decisions made from that day are proving to be sensible and I am excited at the direction in which we are heading.

I am very pleased that as a Board we continue to provide Educational Scholarships to registered members studying at a tertiary level. A total of 49 scholarships were awarded to Ngātiwai tauira for 2017, an increase from the 33 we supported last year. The Board has also supported a range of groups and individuals to help them reach their full potential, granting 11 sponsorships over the year.

Well done Wayne.

In February this year the Board confirmed the appointment of Kris MacDonald (Te whānau a Rangiwhakaahu, Ngāti Toki, Ngāti Rehua, Te Aki Tai of Ngātiwai) as our new Chief Executive Officer (CEO). We interviewed outstanding candidates during this process and we selected who we believe is the best person to take Ngātiwai forward. Kris is tūturu Ngātiwai and has been on this journey with us for a long time. Kris was a Trustee of the Ngātiwai Trust Board for the past ten years, during which time he held the role of Deputy Chairman. He brings vast

During the year we welcomed the appointment of Hayley MacDonald, our in-house Counsel. As a previous employee of Wayne Peters Lawyers, Hayley comes with a vast knowledge of the Ngātiwai Trust Board and increases the pool of our in-house expertise.

To all our staff, thank you for your mahi and all that you do for our people. The work is greatly appreciated and I thank you for your continued commitment and focus on achieving the best outcomes for our iwi.

*“A total of 49 scholarships were awarded to Ngātiwai tauira for 2017, an increase from the 33 we supported last year.”*

The Bland Bay Camp Ground had a great summer. Wayne Johnstone, in his fourth year as the Camp Manager of Bland Bay, reported that the usual periods over Christmas and New Year were typically very busy. Outside of this busy period, the Camp Ground had a couple of major events, one being the hosting of 320 Hash House Harriers from all around the world.

knowledge and skills that will be beneficial in ensuring that our iwi thrives now and into the future.

Kris replaced Angeline Waetford, who had been the acting CEO for the previous twelve months. I thank and acknowledge Angeline for stepping into the role of Acting Chief Executive. Angeline ensured that operations of the Trust Board maintained a high level of continuity while we worked through the process of appointing a permanent CEO. Ngā mihi Angeline.

To my fellow Trustees, thank you for your continued support and counsel during the year. I am humbled and privileged to again be chosen as the Chairman of the Board, this being my sixth consecutive year. Phillip Ngawaka is my Deputy Chairman and we are both proud to be representing our iwi and leading the Ngātiwai Trust Board through this next phase.

Mā te Atua koutou, hei manaaki, hei tiaki, i ngā wā katoa.

**Haydn Edmonds**  
Chairman





# CHIEF EXECUTIVE REPORT

Kris MacDonald

Tēnā koutou katoa

## Management Overview

The last financial year has seen a number of changes in Ngātiwai management. The year's result has been about tidying up the Board's commitments and resetting our staff structure to improve the Board's capability and performance. Key things that have been put in place over the last year include:

- The appointment of a permanent CEO;

- Improved trading of the Education Unit and Oceans Tutukaka;
- Diversification and tidy-up of investment shareholdings and less reliance on our fishing company income;
- Commitment to building our educational, social and cultural aspirations and contracts with government; and
- Responding to a long Urgent Inquiry by the Tribunal of our Treaty Claim's Mandate.

It has been a busy year for our trustees, staff and management team but a good platform is being set for next year.

to the group net deficit. These are detailed below:

- Kaipara Sands Royalties costs totalling \$202,025 were paid to the Omaha Marae Trust pursuant to a signed agreement in which 50% of all Kaipara Sands Royalties received by the Ngātiwai Trust Board dating back to the 2014 financial year end were to be paid to the Omaha Marae Trust.
- During the year, Ngātiwai Trust Board transferred the

*"It has been a busy year for our trustees, staff and management team but a good platform is being set for next year."*

## Financial Performance

### Overview

The financial year ended 31 March 2017 resulted in a group net operating deficit before one-off transactions of \$222,937, a pleasing improvement against last year's group net operating deficit of \$275,154 (before one-off transactions). The group net operating deficit after the one-off transactions totalled \$980,473.

This year saw numerous one-off transactions totalling \$757,536 that were required to be adjusted for and which contributed substantially

ownership of the bush hut and various equipment to the Oakura Marae Trust. The book value of the bush hut and equipment was \$99,494 at date of transfer. This has been recorded as a cost in the Statement of Comprehensive Revenue and Expenses.

- The loan receivable from Ngātiwai International Limited was written off as a cost during the financial year for a total amount of \$61,385. In addition, the legal and liquidation costs relating to the unsuccessful recovery of the loan totalled \$33,041, bringing the total cost to \$94,426.



- The AFL Lease Income reported in the 2017 audited accounts totalling \$1,072,007 only included revenue for the October ACE fishing year. The April ACE was received in April 2017 and, as such, will reflect accordingly in the ensuing financial years. The reporting of this revenue was solely a timing difference between the October and April fishing periods and the calculated revenue understated in the 2017 financial year totalled \$361,591. This revenue has been reflected in the prior years audited accounts. The decrease in income occurred during the 2017 financial year due to the company amending its accounting treatment to record

- A positive result to report on was the share of profit from the 50% investment held in James Street Car Park Limited which was \$9,339 as opposed to a much lower surplus of \$13 in the 2016 financial year.
- With the 75% investment held in Rathbone James Limited Partnership, it resulted in a pleasing share of profits totalling \$369,419 for the 2017 financial year (2016 \$279,046).
- Likewise, with the 36.5789% investment held in 42 Port Road Limited Partnership, it resulted in a pleasing share of profits

New Zealand's fisheries have performed well. This is based on four crucial performance measures that are continuously being evaluated, being: the soft limit, the hard limit, the overfishing threshold and the management target. Further to this, as at December 2016, 83% of assessed stocks were above the 'soft limit', 94% were above the 'hard limit', 82% were below the 'overfishing threshold' and 71% were above the management targets. These results are indicative of the effective management of New Zealand fish stocks.

*"The Group's total assets held of \$29,172,774 increased against the asset value with that of the prior year being \$28,672,976."*

the October ACE quota lease revenue to align with the October fishing year. This has not been done in prior years.

Other results to be highlighted pertaining to the 2017 financial year are as follows:

- There was an improvement in trading for the Education Unit which incurred a net loss of \$21,754 for the 2017 financial year in comparison to the higher net loss of \$74,540 for the 2016 financial year and \$764,738 for the 2015 financial year.
- Oceans Resort Tutukaka Limited saw a pleasing improvement in trading for the 2017 financial year, with an improvement in loss of \$79,328 year on year. The net loss for the 2017 financial year was \$165,728 as opposed to the net loss for 2016 being \$245,056.

totalling \$320,393 for the 2016 financial year (2016 \$284,917).

Further details of trading results can be read within the Statement of Comprehensive Revenue and Expense Report contained in this Annual Report.

The Group's total assets held of \$29,172,774 increased against the asset value with that of the prior year being \$28,672,976. As the Group's asset base continues to grow steadily, it is most certainly laying a solid foundation for a positive transformation which will benefit all of Ngātiwai for years to come.

### Ngātiwai Fishing Limited / Ngātiwai Holdings Limited

In brief, over the last year market conditions remained positive, both on the global seafood market as well as the New Zealand market, with a report from Ministry of Primary Industries noting that the majority of

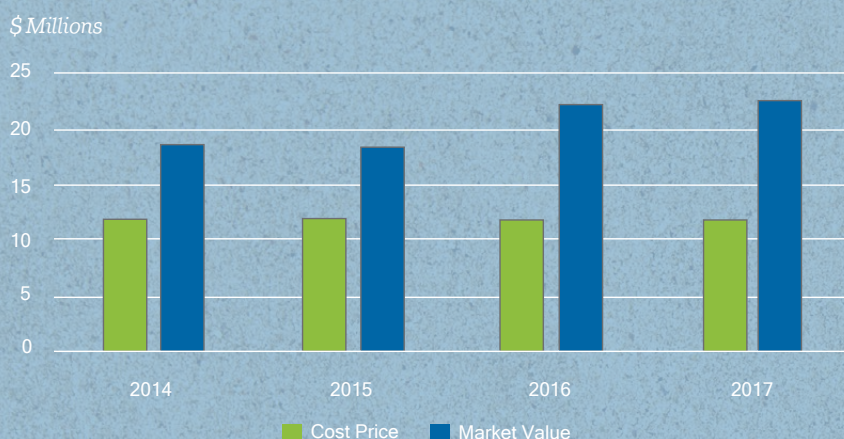
In October 2016, Ngātiwai's quota ACE for the October fishing year was leased to Moana New Zealand (AFL) as a renewal of a further three year lease agreement of fishing quota.

This includes the quota ACE held by Ngātiwai Holdings Limited (settlement quota) as well as the quota ACE owned by Ngātiwai Fishing Limited.

The October 1 main fishstocks include a wide range of inshore and deepwater wetfish stocks, including Barracuda (BAR1), Blue Mackerel (EMA1), Gurnard (GUR1), Hoki (HOK1), Snapper (SNA1), Squid (SQU), Trevally (TRE1). Ngātiwai's April 1 main fishstocks comprise of rock lobster (CRA1, CRA2) and southern blue whiting (SBW). The overall value of fish stocks held increased from the 2016 financial year. More specifically, there was a pleasing increase in SNA1 and SNA8 value, however there was a slight decrease in Grey Mullet (GMU1) and School Shark (SCH1) value. A valuation was obtained from Quota Management Systems Limited for fish stocks as at 31 March 2017, with a combined valuation coming in at \$22,725,236, an increase against the 2016 financial year which was \$22,147,850.



FIGURE 3  
COST PRICE VS MARKET VALUE OF QUOTA OWNED



For financial reporting purposes however, it is a requirement to report the value of fish stocks at cost, hence the reason why the value of fish quota is reflecting a value of \$11,864,806 in the 2017 audited annual accounts.

During the 2017 financial year, 61,396 quota shares were received relating to fish stock Arrow Squid (SQU1J). At the time of transfer, the allocation of these shares had an assessed value of \$1,765.

## Quality Hotel Oceans Tutukaka

Trading results for the 2016/17 financial year saw a net loss of \$165,728, a significant improvement against losses incurred in prior years (refer figure 4 below). Significant restructuring steps were put in place for the financial year ending 31 March 2017, pointing the Hotel in the right direction, whilst gaining momentum towards growth and improvement in occupancy and revenue.

The gains made in this reporting year has laid a foundation for targeting a breakeven point in 2017/18. The strategic choices made in 2017 are proving to be meaningful and have set the scene to put Oceans Resort Tutukaka where we all want it to be. We are forecasting a substantial improvement on last year's \$80,000 gain on the bottom line. In the current financial year we are already showing a \$90,600 gain with the summer period still to come which is very encouraging to see.

Air conditioning units were added to the garden facing units to overcome the summer time problem

of the afternoon sun making the rooms unbearably hot. This has allowed us to sell these rooms in our peak summer period with confidence, whilst also enhancing the reputation of the property. The guest complaints prior to fitting the air-conditioning units were continuous, resulting in a loss of return business. The capital improvement has added significant value, return business is vital to building the Hotel's future as guests who previously stayed in those rooms in summer always left disgruntled.

On 1 November 2016 a lease agreement was entered into for the food and beverage operation with Lessee, BSSC Limited. Nick Keene from Schnappa Rock has taken on the challenge as Lessee and re-branded the restaurant as 'Wāhi'. The transition has been a learning curve for all, however we are pleased to report that in the current period all the hard work gone into making the decision to do this has yielded strong results when looking at the monthly overall financial performance of the Hotel operations. The impact of not having the "burden" of a loss making outlet over the quiet winter period should not be underestimated, it has proven to be a wise decision. As the relationship matures with the Lessee, we have no doubt that we will grow both businesses to the benefit of all. The reduction of the Hotel head count as a consequence of leasing out the food and beverage operation has allowed the Hotel to contain and streamline costs. The nature of food and beverage operations dictates a minimum head count in the kitchen and front of house that is not sustainable during the winter period.

In the Hotel we can cut back on housekeeping and reception hours in conjunction with occupancy, the task of containing costs in the lean winter period is an option we did not have before.

The ongoing great work been done by Matt Taylor in his role as Body Corporate Property Manager has the building in good shape. Matt shows great commitment and determination working together with the Body Corporate Chairman with giving priority to major capital improvements, the most significant has been the much needed remedial work undertaken on the water supply. The security camera operating system also saw a major upgrade and improvement which we hope to keep rolling out this year. New pool deck furniture replaced the old canvas chairs which were ready to be scrapped. In the current period the garden facing rooms will be painted to match the front of the building. A lot of work has also been done by Matt to reduce the false alarms that the fire alarm system was generating which was having a negative impact on the running of the business. The Hotel enjoys a great working relationship with the Body Corporate Committee, and we are confident that the management of the building has been run effectively and efficiently.

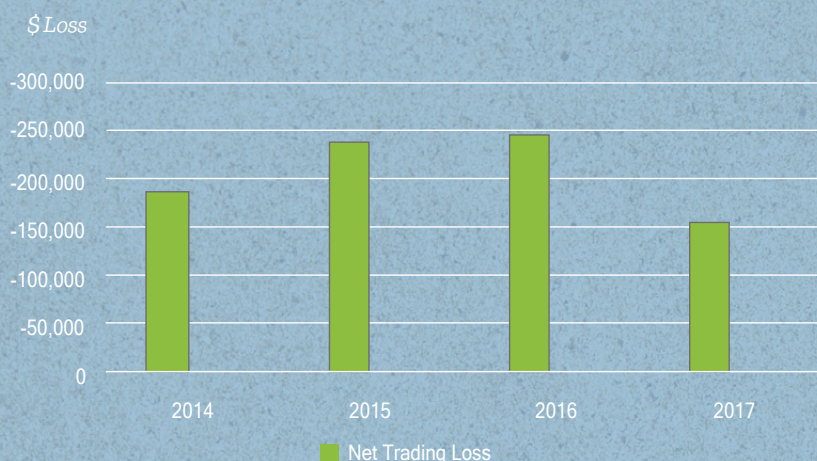
The Hotel shop has a lease in place with Tutukaka Surf Shop which has been a positive within and around the shop. It is good to see all the shops in the building fully tenanted giving the roadside appearance a big lift. It is also pleasing that this outlet is generating revenue, with summer about to arrive we will open the doors into the shop and have free flow between the businesses.

We look forward to presenting the 2018 financial year-end report, there is a positive feeling around what we have set out to achieve and the changes that have been put in place. One of the major KPI's this year is to employ staff from within the Ngātiwai iwi, to date we have two front office staff and one Head of Housekeeping staff member which has been fantastic for the Hotel operations. As refurbishing of public areas and hotel rooms is done, the history of Ngātiwai will be introduced to reflect the ownership of the building.

On behalf of the General Manager, we wish to thank the Board for the trust that they have placed in the



FIGURE 4  
HOTEL TRADING NET LOSS ANALYSIS



Oceans team to continue with their hard work in making the property the best it can be in our slice of paradise....the Tutukaka coast is special to all of us.

## Ngātiwai Investments Holdings Limited

As a subsidiary formed to hold investments (both property and other) for the group, the 2016/17 financial year saw positive trading results and increased returns on these investments.

- James Street Car Park was 100% tenanted and returned a total net profit after tax of \$18,678 for the 2017 financial year end. The company's 50% share in equity was \$9,339 as opposed to the lower return of only \$13 in the 2016 financial year.

- The Warehouse Building returned a total net surplus of \$875,896 (2016 \$778,911), with the subsidiary's 36.5789% share in equity being \$320,393 (2016 \$284,917), a clear indicator that this investment will continue to provide the group with high returns.
- The Westpac Building returned a total net surplus of \$492,559 (2016 \$372,061), with the subsidiary's 75% share in equity being \$369,419 (2016 \$279,046), once again a strong and stable investment, with the building being fully tenanted with long term leases in place.
- The Westpac Building has had capital growth of \$1.65mil (22%) between March 2014 to March 2017. Based on a valuation undertaken by Telfer Young

Valuators (Northland) during October 2016, the estimated market value at 31 March 2017 was \$9.2mil.

- As part of the investment strategic plan, two 2-bedroom apartments were purchased for an amount of \$682,109 during the financial year. These are being leased at market rates to Oceans Resort Tutukaka Limited which has aligned with the Hotel's strategic plan of increasing the offering of room types to guests, which in turn has increased revenue streams.
- During 2014, the company advanced funds to Ngātiwai International Limited for a three year term. After unsuccessfully seeking recovery of this loan, the loan was written off during the 2017 financial year. The total amount written off, including legal and liquidation costs was \$94,426.

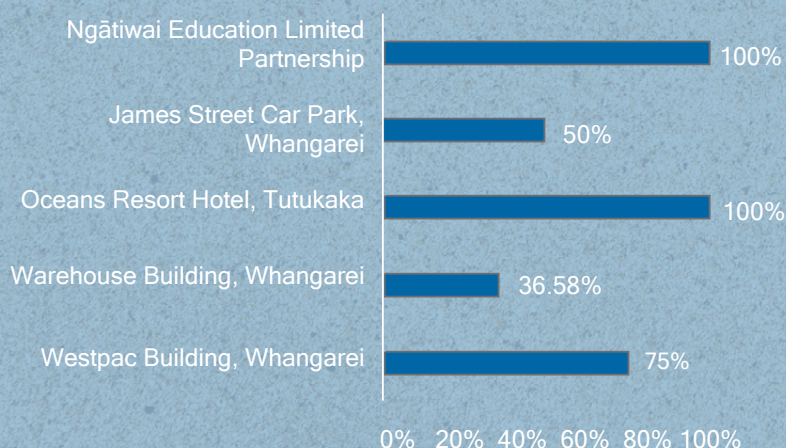
## Appreciation

I would like to thank our Chair and Deputy Chair, Haydn Edmonds and Phillip Ngāwaka, the Trustees, together with the staff for all their hard work and unwavering support during my time as Chief Executive Officer. I also want to mihi to Angeline Waetford for heading Ngātiwai during most of the 2017 financial year.

Ngā mihi,

**Kris MacDonald**  
Chief Executive Officer

FIGURE 5  
PERCENTAGE OF EACH INVESTMENT HELD





# Summary of Group Performance Results

## Net Group (Deficit) Surplus For The Year

(980,473)	2,036,579	(729,624)
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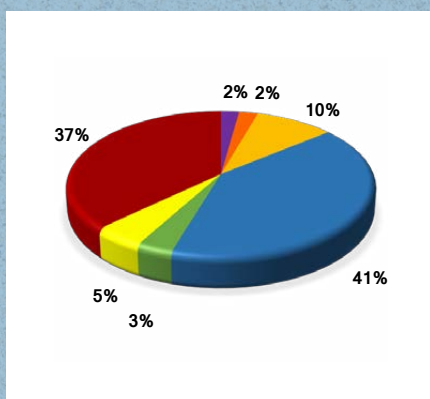
## SUMMARY OF GROUP NET ASSETS

GROUP POSITION	2017 \$	2016 \$	2015 \$
Fixed Assets, Managed Investments	27,295,083	26,417,212	26,485,121
Other Assets	1,877,691	2,255,764	2,301,306
Assets: Current and Non - Current	29,172,774	28,672,976	28,786,427
Liabilities: Current and Non - Current	(11,751,341)	(10,173,782)	(12,158,289)
<b>Group Net Assets</b>	<b>17,421,433</b>	<b>18,499,194</b>	<b>16,628,138</b>
<b>Equity % of Group Assets</b>	<b>60%</b>	<b>64.52%</b>	<b>57.76%</b>
<b>Group Net Asset Annual Growth</b>	<b>-5.83%</b>	<b>11.25%</b>	<b>0.73%</b>

NOTE: The reason 'Liabilities' has increased is due to the October AFL three year Lease Income (\$3,060,044 GST Excl.) that was received in October 2016 and which has been reflected on the Balance Sheet as 'Income Received In Advance'. This will be reflected as Lease Income in the Statement of Revenue and Expense over the remaining period of the AFL Lease, being 30 months from 1 April 2017.

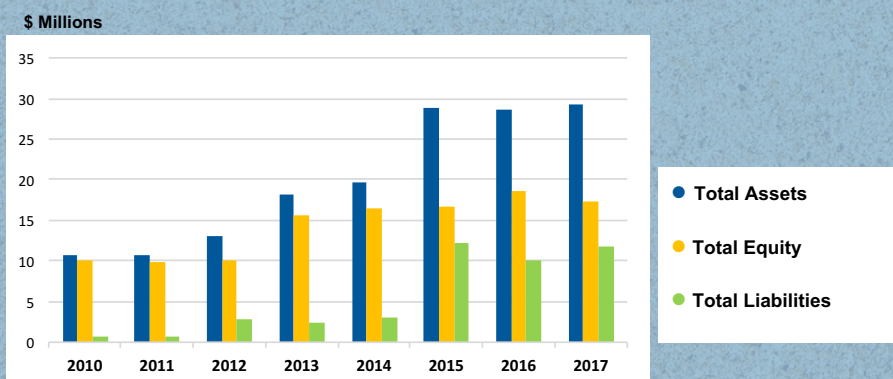
This is the second year the Group are reporting under the new Public Benefit Entity Reporting Standards, thus the Financial Statements have been prepared on the basis of historical cost or fair value. As such the Group Total Asset position is stated as cost or fair value (refer below).

**FIGURE 1 GROUP TOTAL ASSET POSITION - 31 MARCH 2017**



Asset Group	31 March 2017	31 March 2016
Bank & Cash	\$ 634,840 2.18%	\$ 616,919
Short Term Investments & Other	\$ 664,170 2.28%	\$ 979,205
Property, Plant & Equipment	\$ 2,777,320 9.52%	\$ 2,182,925
Quota Owned	\$ 11,864,806 40.67%	\$ 11,864,806
Aotearoa Fisheries Income Shares	\$ 1,000,000 3.43%	\$ 1,034,369
Other Long Term Investments	\$ 1,406,265 4.82%	\$ 1,037,797
Property Investments	\$ 10,825,373 37.11%	\$ 10,956,955
<b>TOTAL ASSETS AT COST</b>	<b>\$ 29,172,774 100.00%</b>	<b>\$ 28,672,976</b>

**FIGURE 2 GROUP ASSET/WEALTH GROWTH 2011 TO 2017 - AT COST**





# NGĀTIWAI TRUST BOARD GROUP STRUCTURE

As at 31 March 2017





# NGĀTIWAI EDUCATION ANNUAL REPORT

Te Au Here o Tukaiaia

*"Flying on the wings of Tukaiaia"*

Tenā koutou katoa,

This report comes from Ngātiwai Education, Te Au Here o Tukaiaia and reviews the 2016/2017 year. It was a fabulous year with highlights being our category 2 EER review, Wānanga Reo – Ngātiwai Whakahirahira and supporting our Kaumatua and Kuia to practice and perform at Te Papa in Wellington. It was a very humbling experience, enjoyed by all who attended and were involved.

## Contract reviews

*Nga Tau Miharo – The Incredible Years*

We have been administering this programme for 7 years. It consists of 14 positive parenting workshops for parents, caregivers and whānau of 3 to 8 year olds. The goal is to arm our parents and whānau with tools to manage behaviour in a positive way and promote the children's social, emotional and academic wellbeing.

*Te Matarau*

We have continued to work tirelessly this year, visiting students to guide them through goal setting, CV writing and designing pathways of learning to achieve successful outcomes. Ngātiwai Education looks forward to continuing this contract in 2017/2018.

*"The goal is to arm our parents and whānau with tools to manage behaviour in a positive way and promote the children's social, emotional and academic wellbeing."*

*Ngātiwai Whakahirahira  
Te Taura Whiri i te Reo Māori*

This programme was held over three weekends of wānanga that touched on many things dear to our hearts. Whakaora, Kiwahi, Whakatauki, Tauparapara, Karanga, Pao, Whaikōrero ake o Ngātiwai. The 50+ participants provided positive feedback saying the taste they got at these wānanga were stimulating and motivating to take this learning to the next stage.

In the 2016/2017 year, we continued to work on contracts successfully applied for. We have had Te Waharoa enrolled and successfully running and our licence course is on track to run in the October school holidays. We also have an opportunity to get our whānau into short courses for a grade 2 truck licence and then on to tracks and rollers if they wish.

*IMER: (Iwi, Ministry Education Relations)*

We have worked on this project funded by the Ministry of Education since 2015. We work with whānau and schools to lift achievement in National Standards, NCEA L2 and with non participating preschoolers to enrol in quality early learning education (ECE).

We have established relationships with 7 primary schools and a local High School in the Ngātiwai rohe which has allowed us to coordinate programmes by working collaboratively with whānau and kura. These programmes have strengthened whānau capabilities in literacy and numeracy to help their mokopuna achieve success.



### *SELO (Strengthening Early Learning Opportunities)*

The Ministry of Education and Ngātiwai Education are partnering to strengthen early learning opportunities for mokopuna within the Ngātiwai rohe. The SELO team continues to work successfully with staff and mokopuna in each centre. Since 2015 we have worked with at least 30 centres within the Ngātiwai rohe and the success of SELO is because of the relationships forged with ECE centres over time and the collaborative approach with staff in those centres.

### *Rau Ora – building resilience through sport*

Ngātiwai Rau Ora Youth Suicide

a life, and healthy leaves (leaves referring to the leaves of the Pā Harakeke). The project is a direct response to the suicide endemic within Te Tai Tokerau. This wānanga based programme held during October 2016 – February 2017 provided opportunity for Ngātiwai taitamariki to reconnect with their marae and rekindle the core values of Te iwi o Ngātiwai ki Whangaruru. Suicide is the underlying kaupapa of the project, however this kaupapa is also about helping our taitamariki realise their potential through sport. A highlight was the attendance of Dame Valerie Adams at one of our wānanga

and many lessons to be learned along the way, but we successfully achieved a category 2 rating which basically means they found us to be “Confident in education performance” and “Confident in capability in self-assessment” which we were really pleased to be awarded. Our next review is in 3 years allowing us to get programmes and courses established.

In conclusion, it is a wonderful opportunity to say to all of Ngātiwai

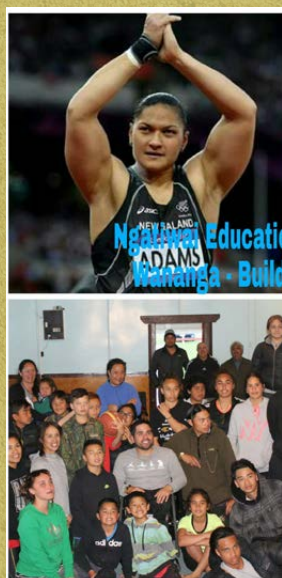
*“... we are progressing positively, with a hard working team increasing our skills and our confidence, representing Ngātiwai proudly in our mahi..”*

### *Ngātiwai Education – Private Training Establishment*

Prevention Programme was funded by Te Puni Kokiri, and the name has two significant meanings. To save

In 2016 we focused on our Education Review which was going to be the measure of our success. There were a few hoops to jump through

that we are progressing positively, with a hard working team increasing our skills and our confidence, representing Ngātiwai proudly in our mahi. Education is our passion and our driver.









# BOARD SECRETARY ANNUAL REPORT

Moana MacDonald

It has been another challenging year for the Board Secretary providing a continuum of secretarial and logistical support for the Trustees their monthly and sub-committee meetings, as well as the Board's Annual General Meeting, quarterly Hui-A-Iwi and other extraordinary hui.

The work for the Board Secretary has been complex at times but satisfying and includes some accomplished administrative support projects such as providing secretarial support to the Te Taitokerau Iwi Chairs,

From the 1st of April 2016 through to the 31st March 2017 the total number of Ngātiwai Registered Members was 7,812 which is an increase from the previous year.

The Trust Board continues to work towards increasing its registered members to 10,000, so we welcome and encourage Ngātiwai whānau to register as members as well as keeping your contact details updated.

## Sponsorships

The Board actively supported a range of Ngātiwai groups and individuals to help them with achieving their sports and cultural aspirations granting 11 sponsorships during the financial year.

“The Trust Board continues to work towards increasing its registered members to 10,000, so we encourage Ngātiwai whānau to register as members.”

Te Kahu o Taonui, the Te Taitokerau Iwi Chief Executive Consortium, Amokura which Ngātiwai Trust Board is actively involved with.

## Database

Care and management of the Trust Board's database continues to be managed by the Board Secretary with administrative support provided by the Database Administrator.

## Scholarships

The Board provides educational scholarships to registered members who are studying a tertiary level qualification, primary and secondary school groups and individuals. Also during the year an assistance grant for children with special education needs was introduced. Overall a total of 49 scholarships were awarded to Ngātiwai Taura for the financial year.

## Trustee Election

The Trustee triennial election independently managed by Election Services was carried out at the end of 2016 and at close of voting in February 2017, Trustees for the majority of Ngātiwai marae were confirmed as elected, with some marae also electing alternative Trustees.



# BLAND BAY CAMP GROUND ANNUAL REPORT

Wayne Johnstone

The 2016/17 summer period was another busy season at the camp ground. The weather was in our favour with long sunny days. For the first time since my tenure as camp manager, the Whangarei District Council enforced the total dog ban on the Bland Bay beach. Armour Guard were contracted to ensure compliance and were out every second day until the end of January.

We also experienced a power outage for 2 hours, due to a large fire south of Whangarei. Our portable generator was sufficient to ensure the main

the camp shop.

The Police also had more of a presence this year, with a number of them coming into the grounds to remind people to lock their valuables away. Their presence is always welcomed and we had no problems.

One of our campers landed a marlin which was transported straight to Auckland for a weigh-in at their fishing club.

The entire camp was booked exclusively for a weekend in February by the Hash House Harriers, who

Their weekend consisted of running events, partying, a live band, games and helicopter rides.

As the Hash House Harriers departed, the NZ Navy divers arrived for two weeks. They had training in Bland Bay on mine disposal and included US divers from Guam and also divers from Australia. While

*"Another busy season at the camp ground. The weather was in our favour with long sunny days."*

water pump continued functioning along with our ice block freezers in

describe themselves as "drinkers with a running problem". Most are retired runners and attendees came from the USA, Europe, Australia and the local Bay of Islands group. We had 300 camp on the grounds.

here, they held an open day for Whangaruru School.

Hosting these two large groups effectively ended a busy and productive summer.





# COMMUNICATIONS ANNUAL REPORT 2017

Barry Caldwell

The main focus of mahi from a communications perspective over the past 12 months has been to continue a high level of information that we share with whānau to keep all informed. It is pleasing to have feedback from whānau via social media, our website, at hui-a-iwi or just on the street, that they are appreciating the amount of information coming out of the Board, and a general feeling of being better informed.

important information, pānui uploaded to our website, and regular posts on our Facebook and Twitter pages. At times you will see us in the media where we feel it necessary to make our voice heard at a more local and national level. We also on a regular basis physically mail out information to our kaumātua, recognising that many of them are not on the internet and that they appreciate being kept informed from us in the mail. It can be a very

are opened to the floor on topics relating to the iwi. All Ngātiwai Trust Board business units provide reports which are made available to read and take away on the day. For those that are unable to attend, the presentations and workshop notes are made available on our website. We encourage all whānau to attend the hui-a-iwi.

*“The Tribal database is a key tool in keeping our whānau informed. Therefore it is imperative that the database be kept accurate and up to date.”*

The Ngātiwai Communications Strategy that was developed and implemented in 2016 has been a catalyst to ensure that we communicate effectively with all our people and that has seen increased tribal registrations, engagement and sharing knowledge of issues relevant to Ngātiwai.

We continue to utilise our normal platforms to ensure whānau are well informed, with regular publications of our Newsletter “Te Tūkaiaia”,

manual task folding 500+ letters out in the mail, but it is very important to us that our kaumātua are informed on all our iwi matters.

## Hui-a-Iwi

Over the past 12 months we have strived hard to maintain our kanohi ke te kanohi contact with our iwi, with these being a key part of our communications strategy. We have had very successful hui over the last year, which has seen very good participation and engagement from whānau at these hui. At these hui whānau are provided updates from the board and discussions

## Ngātiwai Kāhui Kaumātua

The Ngātiwai Trust Board has been attending the recent meetings of Ngātiwai Kāhui Kaumātua and has kept them informed of issues the Trust Board is currently facing.

It is very important that we have our kaumātua informed as we seek their guidance and advice to assist on iwi matters.

## Treaty Claims Communications

The Treaty Claims unit and the Treaty Settlement process continues to be a big focus of communications. In more



recent times as we await the outcome of the Ngātiwai Waitangi Tribunal Urgency Hearing, little information has been available to update on in terms of our own Ngātiwai Treaty Settlement.

However the Office of Treaty Settlements (OTS) mandate reporting is still required of the Board on a 3 monthly basis on our mandate maintenance, which is a task communications shares with the Treaty Claims Manager. Once complete this information is also made available via our website. Since the Board mandate was recognised by the government in October 2015, seven mandate maintenance reports have been submitted to OTS.

website and go to the 'Resources' page. Under the Overlapping Claims section you will find all the documents that we have submitted to the Waitangi Tribunal in regards to our claims against the Crown. We also encourage whānau to continue to attend the quarterly hui-a-iwi, where these and other matters are discussed in more detail.

There is a lot going on at this time and we will do our best to keep all of our iwi members informed regarding the current issues and matters we are dealing with as a Trust Board.

*\*Ngātiwai Trust Board website Resource Centre – [www.ngatiwai.iwi.nz/resources](http://www.ngatiwai.iwi.nz/resources)*

key dates during the year as well as other pānui as they arise.

## Website

The Ngātiwai website continues to be the "hub" for all Board information and communications. The website revamp in 2016 makes new uploaded content easy to find, but ensures all historical content is retained. The website is continually reviewed to ensure content is timely and accurate.

*"There is a lot going on at this time and we will do our best to keep all of our iwi members informed regarding the current issues and matters we are dealing with as a Trust Board"*

But there is still a lot of activity outside of our settlement that we have kept whānau informed on, particularly with overlapping claims with other iwi.

Like many other iwi across New Zealand, Ngātiwai currently find ourselves involved in a Crown process of dealing with overlapping claims with other iwi who lay claim to "rights and interests" in our rohe. We will continue to share information and have korero at hui regarding these important matters.

Whānau are encouraged to visit our

## Te Tūkaiaia – Monthly Newsletter

Te Tūkaiaia is the Board's newsletter which is sent out by email to registered Ngātiwai members and physically in the mail to kaumātua 65 years of age and over. A copy of Te Tūkaiaia is also made available for download on our website with links from Facebook. This monthly newsletter shares the stories of Ngātiwai, our people, whānau, hapū and marae. We also include, Treaty Settlement updates, summaries of board meetings following each hui,

## Tribal Database

The Tribal database is a key tool in keeping our registered members informed. Therefore it is imperative that the database be kept accurate and up to date. Communications and the Database team make regular efforts to encourage whānau to register, which is done at hui, via our Facebook page, website and monthly pānui. Members that have had a change in details are encouraged to visit our website to update their details directly, or call the Board office to ensure they are kept up to date on all iwi matters.

Nga Mihi

**Barry Caldwell**  
Communications Advisor





# NGĀTIWAI RESOURCE MANAGEMENT UNIT ANNUAL REPORT

Kia ora koutou katoa

The Resource Management Unit ("RMU") has been undergoing some change in the past year due to the resignation of key staff members, manager Clive Stone, followed not long after by Dane Karapu. Both have had a long time building the reputation of Ngātiwai RMU over a number of years. The loss of this institutional knowledge has been a challenge but has also opened up

and protected species such as kiwi, tuatara, mokomoko, pāteke; cultural fauna such as kiore and manu oi; and all manner of seabirds, sea mammals, fish, crustaceans, shellfish, seaweeds, native trees, bush, insects, plants and seeds. Of major priority this year have been the following issues:

- The spread of Myrtle Rust;
- Kauri die-back;
- Honey bee concessions;
- The Marine and Coastal Act;
- NZ Refinery Resource Consent;
- Mana Moana: customary approaches and practices for optimising cultural and ecological resilience;
- Otāhuhu Portage;
- Wai Māori and water take;
- AgenViro Monitor Ltd proposal
- Kermadec Marine Sanctuary proposal; and

*"What is clear is that the environment is the bedrock of Ngātiwai and any economic, cultural, spiritual, or social sustenance must evolve around our connection and mana over our environment."*

the opportunity to have a fresh look at the RMU into the future. What is clear is that the environment is the bedrock of Ngātiwai and any economic, cultural, spiritual, or social sustenance must evolve around our connection and mana over our environment.

The Ngātiwai rohe encompasses the northern east coast and off shore islands is a stronghold for biodiversity including threatened

- Relationship with our councils and Council Controlled organisations;
- The growth and development of infrastructure, housing, roading and marine developments in Auckland and Northland
- Strategy for the Russel State Forest;
- The WAI 262 Claim.
- Mimiwhāngata Reserve;
- Department of Conservation Tourism Strategy;

- The monitoring of sand mining at Pākiri and Omaha.

The Board was pleased to see that our Kaitiaki Kaumātua, Hori Parata has returned to the RMU on a part time basis to provide some leadership, guidance and experience. The RMU has been developing more Kaitiaki to undertake monitoring work on development site and cultural impact assessments.



## Pāteke Transfer to Ngā Manawhenua ki Mohua and Project Janzoon, Able Tasman National Park, Tākaka, Golden Bay.

- Hori Parata and Kris MacDonald of Ngātiwai with DOC and the Pāteke Recovery Group delivered to the mana whenua Ngā Manawhenua ki Mohua of Onetāhua in Golden Bay 14 Pāteke (Brown Teal) which were released into a purpose made habitat in the Able Tasman National Park. The majority of the Park is now predator free due to the large scale pest eradication

north, the Pāteke whakapapa to Mimiwhāngata and Aotea are are a taonga to Ngātiwai.

Helicopter to transport Pāteke to their new habitat in a part of the Abel Tasman National Park. Onetāhua Marae of Golden Bay.

## Auckland Council, Northern Regional Council, Whangārei Council and Far North Council.

- A number of Councils are spread across the Ngātiwai

of understanding's (MOU), involvement in planning, and responding to specific issues of importance to us. It is fair to say that the Auckland Council are most advanced at this stage, while the other councils are still considering the best way to have a relationship with iwi. Resource Consents continue to be ongoing and complex and a process which focuses on prioritisation, review, assessment, engagement

“Our rohe is becoming more popular for eco-tourism, environmental research, development, pest eradication, nature preservation and biodiversity.”

there. Although reared in different parts of the

rohe and different approaches to mana whenua partnership operate at different councils and at different levels. Ngātiwai is engaging through Memorandum

and action are managed through our Kaitiaki. Other key work highlights include:

- Auckland Council MOU, Capacity contract, Auckland Plan Refresh, Panuku Development Board, Otāhuhu Portage, Cultural





Heritage Programme,  
Mana Whenua Forum;

- Watercare MOU;
- NZ Refinery dredging proposal with Te Patuharakeke;
- Involvement with the Whangārei Catchment Group;
- Joint iwi relationship with Northern councils;
- Ngunguru seawall re-development;
- Restoration proposal of Marotiri and Taranga;
- Various marina development through the Marine and Coastal Act;

## Department of Conservation

Ngātiwai continues to have a strong relationship with DOC through the permissions process for requests from the public for guiding, easements, bee keeping, filming and research permits. A permit request is received at least every day as our rohe is becoming more popular for eco-tourism, environmental research, development, pest eradication, nature preservation and biodiversity. Key issues include:

- Myrtle Rust containment;
- Identification of Manaia and Te Whara tracks as promoted as national "short walks".

- 20 year plan for the Russell State Forest;
- Ngātiwai's application for beekeeping concessions;
- Google, National Geographic and New Zealand Geographic filming;
- Kiore Monitoring on Maui Taha;
- Joint recruitment of a ranger and camp manager for Mimiwhāngata
- Relocation of mokomoko, tuatara and pāteke.
- Off-shore island weeding programme.





# NGĀTIWAI TREATY CLAIMS ANNUAL REPORT

Tania McPherson

## Background

During 2013 the Ngātiwai Trust Board undertook a process to seek a mandate to represent Ngātiwai in Treaty Settlement negotiations with the Crown.

- In October 2013 a postal vote of 82% in favor was confirmed by an independent returning officer from those eligible voters who cast a vote.
- In October 2015 following further engagement

- At the time of preparing this report (mid-September 2017) no report had yet been released by the Waitangi Tribunal on its findings or any recommendations.

Throughout the period described above the Crown had simultaneously been working with:

- the Marutuahu Collective (namely; Ngāti Maru, Ngāti Tamatera, Ngāti Whanaunga, Te Patukirikiri and Ngāti Paoa),

- land redress and rights of first refusal to purchase land the Crown proposed to offer to some of these groups on Aotea (Great Barrier Island)
- Other “non-exclusive” redress in the form of protocols with Government departments, a massive coastal statutory acknowledgement and rights of first refusal to purchase

“At various points along the way the Board was required to provide its views on the Crowns proposed redress for these overlapping groups.”

hui with submitters the Crown recognised the Boards mandate.

- In December and January 2016 the Crowns recognition of the mandate was challenged by a number of claimants and an urgent Waitangi Tribunal hearing inquiring into the Crowns recognition of the mandate took place in October and December 2016.

- the Hauraki Collective (namely; Hako, Ngai Tai ki Tamaki, Ngāti Hei, Ngāti Porou ki Haruaki, Ngāti Pukenga, Ngāti Rahiri Tumutumu, Ngāti Tara Tokanui, Ngāti Maru, Ngāti Tamatera, Ngāti Whanaunga, Te Patukirikiri and Ngāti Paoa) and

- each individual Hauraki iwi on their specific settlement negotiations.

At various points along the way the Board was required to provide its views on the Crowns proposed redress for these overlapping groups. Of major concern to the Board was the:

quota for new species entering the quota management system in the future.

- Despite the Boards objections the Crown persisted to progress these settlements largely ignoring the feedback the Board provided.

Although outside the scope of this reporting period (1 April to 31 March 2017) the Board filed an urgent hearing application with the Waitangi Tribunal on 24 July 2017. The application objects to the Crowns overlapping claims process and the redress it has offered to the iwi identified above and within the Ngātiwai rohe despite the Boards objections. The application was lodged alongside seven additional



urgent hearing applications. The application and supporting affidavits can be found on the Ngātiwai Trust Boards website in the resources section under overlapping claims.

## Ngātiwai Negotiations

During the reporting period all work on completing 'terms of negotiation', the preparatory step in advance of entering negotiation proper have been paused awaiting the outcome of the Ngātiwai Mandate Inquiry.

## Overlapping Claims / Cross Claims

Within the reporting period from 1 April 2016 to 31 March 2017 the following activities occurred.

December 2016.

- In August 2016 the Crown contacted the Board about its settlement negotiations with individual Marutahu iwi (namely, Ngāti Maru, Ngāti Tamatera, Te Patukirikiri and Ngaati Whanaunga) concerning redress it proposed to offer these iwi on Aotea. Following a process that did not resolve overlapping claims matters the Minister determined to progress the settlements without any changes to the proposed redress despite the Board concerns.

offer these iwi in the form of a right of first refusal to purchase surplus Crown quota for any new species that enters the quota management system in the future. Following a process that did not resolve these overlapping claims matters the Minister determined to proceed with this redress despite the Boards concerns.

- In February 2017 the Crown contacted the Board about its

*"...the Board filed an urgent hearing application with the Waitangi Tribunal on 24 July 2017. The application objects to the Crowns overlapping claims process and the redress it has offered to the iwi..."*

- In April 2016 the Crown contacted the Board about its settlement negotiations with Ngāti Rehua Ngātiwai ki Aotea concerning redress it proposed to offer Ngāti Rehua Ngātiwai ki Aotea on and around Aotea (Great Barrier Island and the Mokohinau islands). Following a process that did not resolve overlapping claims matters the Minister determined to progress the Ngāti Rehua Ngātiwai ki Aotea Deed of Settlement despite the concerns raised by the Board. Ngāti Rehua Ngātiwai ki Aotea and the Crown initialed a Deed of Settlement in

- In November 2016 the Crown contacted the Board about its settlement negotiations with Hako concerning redress it proposed to offer to Hako on Aotea. Following a process that did not resolve overlapping claims matters there has been no final determination by the Minister on this matter.

- In January 2017 the Crown contacted the Board about its settlement negotiations with the Hauraki Collective (namely, Hako, Ngai Tai ki Tamaki, Ngāti Hei, Ngāti Porou ki Hauraki, Ngāti Pukenga, Ngāti Rahiri Tumutumu, Ngāti Tara Tokanui, Ngāti Maru, Ngāti Maru, Ngāti Tamatera, Ngaati Whanaunga, Te Patukirikiri and Ngāti Paoa) regarding redress it proposed to

settlement negotiations with Individual Hauraki Iwi (namely, Ngāti Maru, Ngāti Tamatera, Ngāti Paoa and Ngaati Whanaunga) concerning redress it proposed to offer these iwi in the form of protocols with the Ministry for Primary Industries and Ministry for Culture and Heritage. At the time of preparing this report no decision has yet been notified to the Board.

- In March 2017 the Crown contacted the Board about its settlement negotiations with Ngaati Whanaunga concerning redress it proposed to offer to Ngaati Whanaunga in Orewa/ Hatfields Beach area. Following a process that did not resolve these matters the Minister determined to progress this redress despite the Boards concerns.





## Brief Summary of Quarterly Activity

QUARTER	NGĀTIWAI TRUST BOARD ACTIVITY
<b>April May June 2016</b>	<ul style="list-style-type: none"> <li>2 May 2016 Waitangi Tribunal decision to grant an urgent hearing into the Crown's recognition of the Ngātiwai Trust Boards mandate</li> <li>Work on Terms of Negotiation phase paused awaiting the outcome of the Ngātiwai Mandate Inquiry</li> <li>Overlapping claims process gets underway with Ngāti Rehua Ngātiwai ki Aotea</li> <li>Quarterly Hui-a-iwi 1-2 July 2016 - workshop topic understanding the claims in the Ngātiwai mandate urgent hearings</li> </ul>
<b>July August September 2016</b>	<ul style="list-style-type: none"> <li>Waitangi Tribunal clarifies 'Statement of Issues' to be inquired into and preparations for urgent hearings get underway</li> <li>Overlapping claims process gets underway with specific Marutuahu iwi relating to redress on Aotea (Namely: Ngāti Maru, Ngāti Tamatera, Te Patukirikiri and Ngaati Whanaunga)</li> <li>Quarterly Hui-a-iwi 9-10 September 2016 – workshop topics: Post Settlement Governance Entity (PSGE) options</li> </ul>
<b>October November December 2016</b>	<ul style="list-style-type: none"> <li>Quarterly Hui-a-iwi (AGM) 17 December 2016 – Annual Report provided</li> <li>Urgent hearings held in Whangarei 4-6 October and Wellington 1-2 December 2016 with closing submissions due by 23 December 2016</li> <li>Overlapping claims process gets underway with Hako</li> </ul>
<b>January February March 2017</b>	<ul style="list-style-type: none"> <li>Overlapping claim process gets underway with Hauraki collective and individual Hauraki Iwi</li> <li>Quarterly Hui-a-iwi 4 March 2017 – workshop topics PSGE options, Marine and Coastal Area (Takutai Moana) Act, Overlapping Claims Marutuahu/Hauraki Iwi</li> </ul>

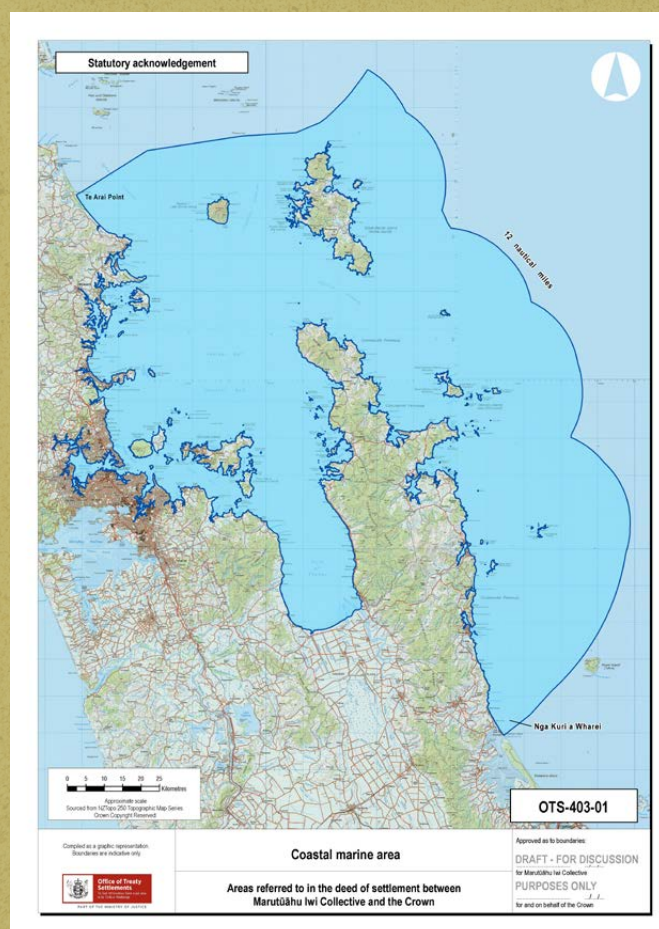
## Marine and Coastal Area (Takutai Moana) Act 2011

In the lead up to the cut off of 3 April 2017 for filing applications under the Marine and Coastal Area (Takutai Moana) Act (the "MACA") it was brought to the Boards attention that failing to file an application might undermine the Boards aspirations for an oceans component to its Treaty settlement and lead to the potential loss of recognition orders available under the Act - particularly where Ngātiwai whānau, hapū and marae had not been able to file their own applications within the deadline.

Despite the Boards hesitation to participate what it considers to be a highly flawed legislative process it agreed to file 'Blanket' applications on behalf of Ngātiwai to protect future recognition options after the cutoff date. The Board had also noted that the concept of 'shared exclusivity' was a matter identified in the first ever case heard by the High Court and was something the Board may further look to pursue as overlapping claims are advanced.

In addition and in protest to what the Board considers to be its forced participation in the MACA process it requested interested party status in several urgent hearing applications that had been lodged with the Waitangi Tribunal in objection to the MACA. While the Tribunal did not award an urgent hearing it did award a prioritised 'kaupapa inquiry' with details yet to be confirmed.

In summary the Board had identified 49 overlapping applications. Some of those applications have been filed by Ngātiwai whānau, hapū or marae and the Board has supported those applications in response to directions from the High Court. The Boards application and accompanying affidavit can be found on the Ngātiwai Trust Board website under the resources tab in the Marine and Coastal Area folder.





# NGĀTIWAI AUDITED FINANCIAL STATEMENTS

Ngātiwai Trust Board & Group

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## NGĀTIWAI TRUST BOARD & GROUP

### TRUST DIRECTORY

As at 31 March 2017

#### Nature of Business

Community Development, Lease of Quota Owned,  
Sale & Purchase of Quota Lease,  
General Monitoring of Fishing Issues,  
Hotel Rental and Hospitality,  
Holding Company, Commercial Property Investment,  
Education, Management Company

#### Business Location

129 Port Road  
Whāngārei

#### IRD Registration Number

042-033-006

#### Auditors

BDO Northland  
Adelle Allbon

#### Bankers

Westpac Bank ASB Bank  
Whāngārei Whāngārei

### SYNOPSIS

As at 31 March 2017

<b>Date of Trust Deed:</b>	22 November 1966
<b>Marae</b>	<b>Trustee</b>
Kawa	Phillip Ngawaka (Deputy Chairperson)
Omaha	Annette Baines
Otetao	Gary Reti
Pātaua	Hori Puturangi Māhanga
Punaruks	Haydn Thomas Edmonds (Chairperson)
Takahīwa	No Trustee elected
Tūparehuia	Rōpata Diamond
Whananāki	Kathy Caldwell
Mōkau	Awaiting Trustee election process
Matapōuri	Aperahama Edwards
Motairēhe	Martin Cleave
Ngaiotonga	Merepeka Henley
Ngunguru	Mike Rundlett
Oākura	Henry Bertie Purcell Murphy

<b>Beneficiaries:</b>	Persons of Ngātiwai Iwi
	Charitable Purposes Benefitting
	Persons of Māori Descent

<b>Investment:</b>	The trustees shall have the absolute management and entire control of the Trust Fund
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### MANAGEMENT DIRECTORY

<b>Chief Executive Officer</b>	Kristan MacDonald e-mail kris.macdonald@ngatiwai.iwi.nz
<b>Treaty Claims Manager</b>	Tania McPherson e-mail tania.mcpherson@ngatiwai.iwi.nz
<b>Resource Management Unit Manager (Interim)</b>	Kristan MacDonald e-mail kris.macdonald@ngatiwai.iwi.nz
<b>Communications Advisor</b>	Barry Caldwell e-mail barry.caldwell@ngatiwai.iwi.nz
<b>Education Unit Manager</b>	Gayle Wellington e-mail gayle@ngatiwai.iwi.nz
<b>Board Secretary</b>	Moana MacDonald e-mail mmacdonald@ngatiwai.iwi.nz
<b>Chief Financial Officer</b>	Angeline Waetford e-mail awaetford@ngatiwai.iwi.nz
<b>In - House Counsel</b>	Hayley MacDonald e-mail hsm@ngatiwai.iwi.nz

### TRUSTEE REMUNERATION

During the year remuneration was paid to the following Trustees:

	2017 Remuneration \$	2017 Meetings Attended	2016 Remuneration \$	2016 Meetings Attended
H Edmonds	45,000	12	48,750	11
(Chairperson - re-elected 24 February 2017)				
M Henley	3,150	8	4,620	12
A Baines	3,570	9	2,100	5
K MacDonald	6,490	10	6,740	10
(Deputy Chairperson - ceased 7 February 2017)				
H Māhanga	2,520	6	4,620	12
A Munro	5,940	9	5,670	17
H Murphy	4,410	11	10,850	15
N Pirihi	-	-	3,640	10
R Pita	6,230	22	7,700	25
G Reti	5,670	17	12,880	47
I Waetford	-	-	840	2
P Ngawaka	17,560	51	13,220	33
(Deputy Chairperson - elected 24 February 2017)				
M Thompson	2,800	8	2,730	7
M Rundlett	3,570	9	4,410	11
A Moore	14,420	51	2,940	8
P Stone	420	1	210	1
(Alternate Trustee)				
E Houghton	-	-	840	2
(Alternate Trustee)				
K Caldwell	840	2	-	-
M Cleave	840	2	-	-
R Diamond	420	1	-	-
N McGee	420	1	-	-
(Alternate Trustee)				
	<b>124,270</b>		<b>132,760</b>	

### Director's Remuneration

During the year remuneration was paid to the following Directors:

	2017 Remuneration \$	2016 Remuneration \$
C Wells	29,208	31,281
J Paki	12,500	12,500
	<b>41,708</b>	<b>43,781</b>



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 31 March 2017

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
Revenue - exchange transactions	3	3,334,625	3,819,259	134,179	101,999
Revenue - non exchange transactions	3	957,032	3,347,078	212,924	260,408
Other Income	3	48,404	56,470	1,465,410	1,362,312
<b>Total Income</b>		<b>4,340,060</b>	<b>7,222,807</b>	<b>1,812,512</b>	<b>1,724,719</b>
<b>Expenses</b>					
Employee remuneration	3	1,401,906	1,800,464	313,611	196,767
Depreciation and amortisation	5	196,473	192,593	19,854	34,527
Other expenses	3	3,358,604	3,040,865	1,888,829	1,833,690
<b>Total expenses</b>		<b>4,956,983</b>	<b>5,033,922</b>	<b>2,222,294</b>	<b>2,064,984</b>
<b>Surplus/(Deficit) before net financing costs</b>		<b>(616,923)</b>	<b>2,188,885</b>	<b>(409,782)</b>	<b>(340,265)</b>
Finance income - loans and receivables	4	61,298	57,476	75,855	56,150
Finance costs - financial liabilities at amortised cost	4	648,972	543,993	308,755	116,986
<b>Net finance costs</b>	<b>4</b>	<b>(587,674)</b>	<b>(486,518)</b>	<b>(232,899)</b>	<b>(60,836)</b>
Share of equity accounted investees surplus/(deficit) for the year	10	258,493	213,690	-	-
<b>Surplus/(deficit) for the year from continuing operations</b>		<b>(946,104)</b>	<b>1,916,058</b>	<b>(642,681)</b>	<b>(401,101)</b>
<b>Surplus/(deficit) attributable to:</b>					
Equity Holders of Ngātiwai		(1,047,705)	1,835,884	(642,681)	(401,101)
Non controlling interest		101,601	80,174	-	-
<b>Other Comprehensive Revenue and Expense</b>					
Gain/(Loss) on revaluation of available-for-sale financial assets		(34,369)	120,521	-	-
<b>Total comprehensive revenue and expense for the year</b>		<b>(980,473)</b>	<b>2,036,579</b>	<b>(642,681)</b>	<b>(401,101)</b>
<b>Total comprehensive revenue and expense attributable to:</b>					
Equity Holders of Ngātiwai		(1,082,074)	1,956,405	(642,681)	(401,101)
Non controlling interest		101,601	80,174	-	-
		<b>(980,473)</b>	<b>2,036,579</b>	<b>(642,681)</b>	<b>(401,101)</b>



STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the Year Ended 31 March 2017

	Restricted Reserve	Capital Reserve	Available for sale Revaluation Reserve	Minority Interest	Accumulated Funds	Total Equity
Group	\$	\$	\$	\$	\$	\$
Opening balance 1 April 2015	19,469	424,736	-	939,087	15,244,846	16,628,138
Profit/(Loss) for the year	-	-	-	80,174	1,835,884	1,916,058
Other Comprehensive Income - revaluation	-	-	120,521	-	-	120,521
Total comprehensive income	-	-	120,521	80,174	1,835,884	2,036,579
Other Comprehensive Income - reserve transfer	(165)	-	-	-	165	-
Distribution to non-controlling interest	-	-	-	-	-	-
Acquisition of controlling interest	-	-	-	-	(99,222)	(99,222)
Distribution to non-controlling interest	-	-	-	(66,301)	-	(66,301)
Closing balance 31 March 2016	19,304	424,736	120,521	952,960	16,981,673	18,499,194
Profit/(Loss) for the year	-	-	-	101,601	(1,047,705)	(946,104)
Other comprehensive income - revaluation	-	-	(34,369)	-	-	(34,369)
Total comprehensive income	-	-	(34,369)	101,601	(1,047,705)	(980,473)
Other Comprehensive income - reserve transfer	-	-	-	-	-	-
Acquisition of controlling interest	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	(97,287)	-	(97,287)
Closing balance 31 March 2017	19,304	424,736	86,152	957,274	15,933,967	17,421,433

	Accumulated Funds	Total Equity
Parent	\$	\$
Opening balance 1 April 2015	923,720	923,720
Profit/(Loss) for the year	(401,101)	(401,101)
Other Comprehensive Income - revaluation/(devaluation)	-	-
Total comprehensive income	(401,101)	(401,101)
Closing balance 31 March 2016	522,619	522,619
Profit/(Loss) for the year	(642,681)	(642,681)
Other Comprehensive Income - revaluation/(devaluation)	-	-
Total comprehensive income	(642,681)	(642,681)
Closing balance 31 March 2017	(120,062)	(120,062)



NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF FINANCIAL POSITION

As At 31 March 2017

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and cash equivalents	6	634,840	616,919	107,161	139,313
Receivables (from exchange transactions)	7	427,149	195,140	141,116	31,932
Recoverables (from non exchange transactions)	7	72,493	615,595	46,564	615,595
Prepayments		164,528	93,283	1,139	435
Inventories		-	19,313	-	-
Investments	8	-	55,874	-	-
<b>Total current assets</b>		<b>1,299,010</b>	<b>1,596,124</b>	<b>295,980</b>	<b>787,275</b>
<b>Non current assets</b>					
Investments	8	1,450,726	1,034,369	450,726	-
Investment in controlled entities	9	-	-	1,003,200	1,003,200
Investment in equity accounted entities	10	3,785,848	3,880,216	2,000	2,000
Concessionary loan - Bland Bay Camp Ground	11	578,682	659,640	578,682	659,640
Concessionary loans to controlled entities	11	-	-	76,429	214,791
Intangible assets	12	12,241,663	12,242,963	-	-
Property, plant and equipment	13	2,777,320	2,182,925	108,605	216,284
Investment Property	14	7,039,526	7,076,739	-	-
<b>Total non-current assets</b>		<b>27,873,764</b>	<b>27,076,852</b>	<b>2,219,642</b>	<b>2,095,915</b>
<b>Total assets</b>		<b>29,172,774</b>	<b>28,672,976</b>	<b>2,515,621</b>	<b>2,883,190</b>
<b>Current liabilities</b>					
Cash and cash equivalents	6	440,231	757,122	-	-
Trade and other payables	16	584,655	617,358	286,568	224,360
Employee entitlements	17	146,697	185,955	15,500	8,548
Deferred Revenue - Aotearoa Fisheries Limited		1,020,015	562,750	-	-
Non-exchange liabilities	19	142,978	60,773	142,978	60,023
Borrowings	18	111,834	121,318	-	-
Loan from controlled entity	18	-	-	-	1,000
<b>Total current liabilities</b>		<b>2,446,410</b>	<b>2,305,276</b>	<b>445,046</b>	<b>293,931</b>
<b>Non Current Liabilities</b>					
Borrowings	18	7,774,908	7,868,506	-	-
Deferred Revenue - Aotearoa Fisheries Limited		1,530,022	-	-	-
Concessionary loans from controlled entities	11&18	-	-	2,190,637	2,066,640
<b>Total non-current liabilities</b>		<b>9,304,930</b>	<b>7,868,506</b>	<b>2,190,637</b>	<b>2,066,640</b>
<b>Total Liabilities</b>		<b>11,751,340</b>	<b>10,173,782</b>	<b>2,635,683</b>	<b>2,360,571</b>
<b>Net assets</b>		<b>17,421,433</b>	<b>18,499,194</b>	<b>(120,062)</b>	<b>522,619</b>
<b>Equity</b>					
Available for sale revaluation reserve		86,152	120,521	-	-
Restricted reserve	15	19,304	19,304	-	-
Capital reserve		424,736	424,736	-	-
Accumulated Funds		15,933,967	16,981,673	(120,062)	522,619
Minority interest		957,274	952,960	-	-
<b>Total equity</b>		<b>17,421,433</b>	<b>18,499,194</b>	<b>(120,062)</b>	<b>522,619</b>

Authorised and signed on behalf of the Trustees:

  
Chairperson

30 / 9 / 2017

Date

  
Trustee

30/9/2017

Date



NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2017

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash was provided from:					
Revenue		6,370,175	8,168,991	310,266	417,281
Interest Income		5,076	57,476	333	513
Goods and Services Tax		-	69,505	5,473	-
Dividends Received		39,933	37,521	-	-
Dividends Received from a Related Party		-	-	674,500	1,356,598
		<u>6,415,184</u>	<u>8,333,493</u>	<u>990,572</u>	<u>1,774,392</u>
Cash was applied to:					
Payments to Suppliers		(3,071,688)	(4,940,273)	(807,763)	(1,666,221)
Payments to Employees, Directors and Trustees		(1,441,164)	(1,719,988)	(312,292)	(196,767)
Interest Paid		(461,249)	(130,969)	-	-
Income Tax		-	11,477	-	2,300
Goods and Services Tax		(50,604)	-	-	(32,078)
		<u>(5,024,705)</u>	<u>(6,779,753)</u>	<u>(1,120,055)</u>	<u>(1,892,766)</u>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		<u>1,390,479</u>	<u>1,553,740</u>	<u>(129,483)</u>	<u>(118,374)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash was provided from:					
Sale of property, plant and equipment		-	54,099	-	53,850
Sale of investments		-	39,257	-	106,481
		<u>-</u>	<u>93,356</u>	<u>-</u>	<u>160,331</u>
Cash was applied to:					
Purchase of investment property		(73,475)	-	-	-
Purchase of investments		(1,000)	-	-	-
Purchase of intangible assets		-	(10,943)	-	-
Purchase of property, plant and equipment		(780,823)	(88,606)	(11,668)	(16,542)
		<u>(855,298)</u>	<u>(99,549)</u>	<u>(11,668)</u>	<u>(16,542)</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>		<u>(855,298)</u>	<u>(6,193)</u>	<u>(11,668)</u>	<u>143,789</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash was provided from:					
Related Party Loans		-	-	109,000	-
Cash was applied to:					
Loans		(103,082)	(1,150,692)	-	-
Distribution to non-controlling interest		(97,287)	(66,301)	-	-
		<u>(200,369)</u>	<u>(1,216,993)</u>	<u>-</u>	<u>-</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES</b>		<u>(200,369)</u>	<u>(1,216,993)</u>	<u>109,000</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<u>334,812</u>	<u>330,554</u>	<u>(32,152)</u>	<u>25,415</u>
Opening Balance of Cash and Cash Equivalents		(140,203)	(470,757)	139,313	113,898
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	6	<u>194,609</u>	<u>(140,203)</u>	<u>107,161</u>	<u>139,313</u>



## 1. Reporting Entity

Ngātiwai Trust Board is a Charitable Trust and a Mandated Iwi Organisation under section 13 of the Māori Fisheries Act 2004. The principal activities of the entity is the support and development of Ngātiwai through the delivery of various services to Ngātiwai and the prudent management of Ngātiwai commercial assets for the benefit of Ngātiwai.

The Group consolidated financial statements consist of the results of Ngātiwai Trust Board and its 100% subsidiaries Ngātiwai Investment Holdings Limited (NIHL), Ngātiwai Fishing Limited (NFL), Ngātiwai Holdings Limited (NHL), Ngātiwai Management Limited (NML), Oceans Resort Tutukaka Limited (ORTL), Ngātiwai Education Limited Partnership (NELP), Tuparehuia Trustee Limited (TTL) and its 75% subsidiary Rathbone James Limited Partnership (RJLP) (together the "Group") and the Group's interest in the equity accounted entities James Street Carpark Limited (JSCL), 42 Port Road Limited Partnership (PRLP), and Taitokerau Miere Limited (TML).

Ngātiwai Trust Board (inclusive of its subsidiaries and equity accounted entities) is a public benefit entity incorporated in New Zealand.

### Basis of Preparation - Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Reduced Disclosure Regime (PBE Standards RDR), as appropriate for Tier 2 not-for-profit public benefit entities for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as for the current and prior periods it has had between \$2m and \$30m operating expenditure.

The financial statements were authorised for issue by the trustees on the date the financial statements are executed. The entities' owners or others do not have the power to amend the financial statements after issue.

### Basis of measurement

The financial statements have been prepared on the basis of historical cost, adjusted by the revaluation of certain assets where stated.

### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Ngātiwai Trust Board and the presentation currency of the Group is New Zealand dollars.

There has been no change in the functional currency during the year.

## 2. Specific Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

### (a) Basis of Consolidation

#### Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group controls an entity when it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

The aggregate of;

The fair value of consideration transferred

The recognised amount of any minority interests in the acquiree, and

The fair value of any pre-existing equity interest in the acquiree.

Less:

The fair value of the net identifiable assets acquired and liabilities assumed.

The consideration transferred does not include any amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in surplus or deficit.

Transaction costs related to a business combination incurred by the Group, other than those associated with the issue of debt or equity securities, are expensed in surplus or deficit as incurred.

#### Controlled Entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

#### Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any minority interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted entity or an available-for-sale financial asset depending on the level of influence retained.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

Minority Interests

Minority Interests are measured either at, on a business combination by business combination basis, their proportionate share of the acquiree's identifiable net assets, or fair value.

Equity accounted entities

Equity accounted entities are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investments in equity accounted entities are accounted for using the equity method and are recognised initially at cost, including directly attributable transaction costs.

The consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted entities, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in its equity accounted entities, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Revenue recognition**

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

**Revenue from exchange transactions**

Sale of goods

Revenue from the sale of goods to customers in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts. Retail sales are usually in cash or by credit card.

Rendering of services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Rental Income

Rental income is recognised on a straight line basis over the lease term.

**Revenue from non-exchange transactions**

Non-exchange transactions are those where the Group receives an inflow of resources ((i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Government Grants, Donations

The recognition of non-exchange revenue from Government Grants and Donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

Other Income

Dividend revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established and the amount can be reliably measured.

**(c) Employee benefits**

Short term benefits

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of the reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the profit or loss as incurred.

**(d) Finance income and finance costs**

Finance income comprises interest income on financial assets, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through surplus or deficit, and gains on the remeasurement to fair value of any pre-existing interest in an acquiree. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance costs comprise interest expense on financial liabilities, unwinding of the discount on provisions, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through surplus or deficit, impairment losses recognised on financial assets, and fair value adjustments on concessionary loans issued.

Borrowing costs are recognised in surplus or deficit using the effective interest method.

**(e) Cash and Cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(f) Financial instruments**

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: fair value through surplus or deficit, held-to-maturity, loans and receivables, and available-for-sale. The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs. Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

**Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised in other comprehensive revenue and expense and presented in the Available-for-sale revaluation reserve within net assets/equity, less impairment. Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Available for sale financial instruments comprise the Group's, investment in Aotearoa Fisheries Limited (AFL), income shares. Although there is no active market for these available shares, fair value has been obtained via an independent valuation.

**Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer Note 2(g)). Loans and receivables comprise cash and cash equivalents, receivables, and concessionary loans.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

**Amortised cost financial liabilities**

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method. Financial liabilities classified as amortised cost comprise; cash and cash equivalents (bank overdrafts), payables and loans.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

**(g) Impairment of financial assets**

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

**Financial assets measured at amortised cost**

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the available for sale revaluation reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment allowances attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any reversals of impairment on equity instruments that are classified as available for sale are recognised in other comprehensive income.

**(h) Inventories**

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(i) Property, plant and equipment**

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured under the cost model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

(i) Property, plant and equipment (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour
- Costs directly attributable to bringing the assets to a working condition for their intended use
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- Capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

*Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

*Subsequent Costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

*Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

Depreciation is recognised in surplus or deficit over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Assets under construction are not subject to depreciation.

The expected useful lives of the various classes of property, plant and equipment used in the calculation of depreciation in the current and prior year are as follows;

• Land	-
• Buildings & Leasehold	50 years
• Plant and equipment	2 - 20 years
• Office & furniture	3 - 15 years

(j) Intangible Assets

*Recognition and measurement*

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value) and goodwill.

Goodwill

Goodwill (measured in accordance with business combination accounting - refer note 2(a)).

Fish Quota

Fish quota has been recorded at fair value on recognition (Te Ohu Kaimoana Fisheries Limited allocation as part of the original Settlement) with additional quota acquisitions initially recorded at cost. Fish quota are treated as an asset with an indefinite life and are not amortised and are carried at cost less any impairment losses. Impairment losses are recognised whenever the carrying amount of the asset exceeds its recoverable amount. Fish quota is tested annually for impairment. The useful life is assessed annually to determine whether the indefinite life assessment continues to be supportable.

Quota shares are a property right that represents the quota owner's share of a fishery. These are tradeable rights and are issued perpetually and are a tool used to actively manage the fishery in a sustainable manner via the Annual Catch Entitlement process. As a result the quota shares are not amortised. Refer to note 12 for further information.

ETS Units

Intangible assets include carbon credits acquired by way of a Government Grant and are initially recognised at fair value at the date of acquisition. Following initial recognition, these intangible assets are carried at cost less any accumulated impairment losses, and are considered to have an indefinite life.

Carbon credits are not consumed and are therefore not amortised. They are tested for impairment annually and whenever there is an indication that impairment exists. Refer to note 12 for further information.



Franchise fees

A Franchise Agreement with Choice Hotels was signed in the 2014 year. The franchise fee paid is being amortised over five years.

**(k) Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are subsequently measured at cost less depreciation (over 50 years) and impairment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

**(l) Impairment of non financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets and intangible assets not yet available for use are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are all other assets.

For assets which are not revalued, an impairment loss is expensed immediately in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

**(m) Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

**(i) The Group as Lessee**

*Finance Leases*

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

*Operating Leases*

Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Group's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**(ii) The Group as Lessor**

Rental income from operating leases is recognised on a straight line basis over the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**(iii) Determining whether an arrangement contains a lease**

At the inception of an arrangement the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific assets or assets, and
- The arrangement contains a right to use the asset(s).

At the inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

(n) Goods and services tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

(o) Reserves

Available for Sale Revaluation Reserve

The available for sale revaluation reserve represents the cumulative gains and losses arising on the revaluation of available for sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Restricted Reserve

Reserves have been created for funds held for specific purposes. Refer note 15 for further details.

(p) Taxation

Ngātiwai Trust Board, Ngātiwai Holdings Limited, Ngātiwai Investment Holdings Limited, and Ngātiwai Fishing Limited are registered charities under the Charities Act 2005 and are exempt from income tax. Oceans Resort Tutukaka Limited, Tuparehuia Trustee Limited and Ngātiwai Management Limited follow the taxes payable method when accounting for income tax.

**Significant Accounting Judgements, Estimates and Assumptions**

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the profit or loss, and carrying amount of the asset in the statement of financial position. The Group minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

The Group has not made significant changes to past assumptions concerning useful lives and residual values.

**Determination of Fair Values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Available for sale financial instruments

Although there is no active market for these available for sale shares, an independent valuation was obtained for the year ended 31 March 2017 from Deloitte Corporate Finance whereby an equity valuation was determined through the use of a combination of earnings-based and asset-based approaches as well as the consideration of certain key assumptions. After this detailed assessment, Deloitte determined that the fair market value of the income shares to be in the range of \$900,000 and \$1.1 million. As such a valuation of \$1 million has been adopted as a fair market value.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when such assets are acquired in a business combination.

**Treaty Settlement Asset Recognition**

Net costs that the Ngātiwai Trust Board have incurred for the Treaty Claim have been disclosed as a non-current asset on the basis that these costs will be recovered from a new settlement entity (yet to be established) when the Treaty Claim is finalised. This balance is carried on a concessionary basis because interest does not apply.

**Impairment of Assets**

At each reporting date, the carrying amounts of the tangible and intangible assets are reviewed to determine whether there is any indication of impairment. Further details of the basis of measuring the impairment and treatment in the financial statements can be found in Notes (d) and (m) of the Group's accounting policies.

**Changes in Accounting Policies**

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period. The previous year was the first year that the Group presented the financial statements in accordance with PBE Standards RDR. All policies have been applied on a consistent basis in the PBE Standards RDR financial statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

3. REVENUE & EXPENSES	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
REVENUE:				
<i>Revenue from exchange transactions</i>				
Commercial trading operations revenue	2,293,387	2,834,838	-	-
Rental and lease income	899,949	877,516	-	-
Royalties	75,068	65,540	75,068	65,540
Other Exchange Revenue	66,220	41,365	59,111	36,459
	3,334,624	3,819,259	134,179	101,999
<i>Revenue from non-exchange transactions</i>				
Aqua Culture Settlement	-	2,351,733	-	-
Government Grants	212,924	328,909	212,924	260,408
Contract Income	744,108	666,436	-	-
	957,032	3,347,078	212,924	260,408
Total revenue	4,291,656	7,166,337	347,102	362,407
OTHER INCOME:				
Dividend income (Available for Sale)	48,404	37,521	-	-
Dividend - Controlled entity	-	-	1,465,410	1,356,598
Devaluation reversal - available for sale financial assets	-	13,235	-	-
Gain on sale of property, plant and equipment	-	5,714	-	5,714
	48,404	56,470	1,465,410	1,362,312
EMPLOYEE REMUNERATION:				
Wages & Salaries	1,368,264	1,771,164	313,611	196,767
Kiwisaver Contributions	33,642	29,300	-	-
	1,401,906	1,800,464	313,611	196,767
OTHER EXPENSES:				
Auditors remuneration - BDO Northland;				
- Audit of financial statements	48,300	70,190	8,000	17,740
- Technical assistance	-	40,000	-	20,000
Accountancy Fees	8,643	35,747	-	-
Bad and Doubtful Debts	2,025	3,555	-	-
Directors Fees	41,708	43,781	-	-
Devaluation of available for sale financial assets	34,369	-	-	-
Election Expenses	17,996	-	17,996	-
Kaipara Sands Royalties Payments	202,025	-	202,025	-
Koha and Hui	35,856	56,413	35,856	55,873
Leases	21,901	31,550	7,447	5,396
Legal Fees	109,537	167,604	27,683	100,557
Legal Fees - Treaty Claims	211,184	55,352	211,184	63,094
Loan Write Off - Ngātiwai International Limited	61,385	-	-	-
Loss on Sale of Property, Plant & Equipment	1,637	5,076	-	4,249
Scholarships	39,500	19,500	39,500	19,500
Sponsorships & Grants	17,220	26,585	17,220	26,585
Transfer of Bush Hut to Oakura Marae Trust (refer note 24)	99,494	-	99,494	-
Te Runanga O Te Rarawa Contribution	26,000	-	26,000	-
Trustee Fees	124,270	132,760	124,270	132,760
Trustee Training	10,074	6,770	10,074	6,770
Marae Distributions (refer below)	105,000	105,000	105,000	105,000
Distribution to Controlled Entity	-	-	664,195	714,835
Other Expenses	2,140,481	2,240,982	292,886	561,330
	3,358,604	3,040,865	1,888,829	1,833,690
MARAE DISTRIBUTIONS:				
Oakura Marae	7,500	7,500	7,500	7,500
Matapouri Marae	7,500	7,500	7,500	7,500
Kawa Marae	7,500	7,500	7,500	7,500
Punaru Marae	7,500	7,500	7,500	7,500
Ngaio Marae	7,500	7,500	7,500	7,500
Takahi Marae	7,500	7,500	7,500	7,500
Whananaki Marae	7,500	7,500	7,500	7,500
Mokau Marae	7,500	7,500	7,500	7,500
Omaha Marae	7,500	7,500	7,500	7,500
Tuparehuia Marae	7,500	7,500	7,500	7,500
Pataua Marae	7,500	7,500	7,500	7,500
Ngunguru Marae	7,500	7,500	7,500	7,500
Otetao Reti Marae	7,500	7,500	7,500	7,500
Motairere Marae	7,500	7,500	7,500	7,500
Total Marae Distributions	105,000	105,000	105,000	105,000



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

4. NET FINANCE COSTS

	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Finance Income</i>				
Interest income (Loans & Receivables)	61,298	57,476	75,855	56,150
Total finance income	61,298	57,476	75,855	56,150
<i>Finance Costs</i>				
Interest expense - financial liabilities at amortised cost	450,168	543,993	123,998	116,986
Imputed Interest Adjustment	198,804	-	184,756	-
Total finance costs	648,972	543,993	308,755	116,986
NET FINANCE COSTS	(587,674)	(486,518)	(232,899)	(60,836)

5. DEPRECIATION AND AMORTISATION

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
Depreciation on Property, Plant & Equipment	13	84,485	82,565	19,854	34,527
Depreciation on Investment Property	14	110,688	108,728	-	-
Amortisation	12	1,300	1,300	-	-
		196,473	192,593	19,854	34,527

6. CASH AND CASH EQUIVALENTS

	Terms	Interest Rate		Consolidated Group		Ngātiwai Parent Entity	
		2017	2016	2017	2016	2017	2016
		%	%	\$	\$	\$	\$
<i>Current assets</i>							
Bank Balances	On Call	1.00%	1.00%	634,840	616,919	107,161	139,313
Cash and Vouchers				-	-	-	-
<i>Current liabilities</i>							
Bank overdraft used for cash management purposes		7.25%	7.25%	(440,231)	(757,122)	-	-
Cash and cash equivalents in the statement of cash flows				194,609	(140,203)	107,161	139,313

The carrying value of the cash and cash equivalents is their fair value.

The credit facility held with Westpac New Zealand Limited is a revolving credit facility with a limit of \$482,500 (2016 \$800,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited. Ngātiwai Fishing Limited has provided an unsupported unlimited guarantee. The interest rate applicable at 31 March 2017 was 7.25% per annum (2016 7.25% per annum). The facility is repayable on demand.

7. RECEIVABLES

	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade receivables from exchange transactions	421,452	158,868	141,116	20,982
Other receivables from exchange transactions	5,697	36,272	-	10,950
	427,149	195,140	141,116	31,932
Recoverables from non exchange transactions				
Taxation and Māori Authority Tax Credits	25,929	-	-	-
Treaty Claim Costs	-	569,031	-	569,031
Aquaculture Settlement Costs	46,564	46,564	46,564	46,564
	72,493	615,595	46,564	615,595

The carrying value of trade receivables approximate their fair value, due to the short term nature of the instruments.

There is no concentration of credit risk with respect to receivables outside the Group, as the Group has a large number of customers.

Health of Receivables

As at 31 March 2017 and 2016, all overdue receivables have been assessed for impairment. The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. There are no expected losses from overdue receivables, so no allowance has been made for impairment (2016 - Nil).



# NGĀTIWAI TRUST BOARD & GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

### 8. INVESTMENTS

	Category of Financial Instrument	Consolidated Group		Ngātiwai Parent Entity	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>Current</b>					
Loan - Ngātiwai International Limited	Loans and receivable	-	55,874	-	-
<b>Non-Current</b>					
Aotearoa Fisheries Limited Income Shares	Available for Sale	1,034,369	900,613	-	-
Revaluation (Devaluation)		(34,369)	133,756	-	-
Treaty Claim Costs	Loans and receivable	450,726	-	450,726	-
		1,450,726	1,034,369	450,726	-
Total investments		1,450,726	1,090,243	450,726	-

#### Ngātiwai International Limited

Ngātiwai Investment Holdings Limited advanced funds to Ngātiwai International Limited during the 2015 year, which was for three years at 6% interest per annum. Monthly repayments were due on this loan. After several months Ngātiwai International Limited fell behind on their payments. Ngātiwai International Limited has since been placed into liquidation, with the loan balance being sent to the liquidators as an unsecured creditor.

During this time the company did seek the recovery of this loan, however was unsuccessful and, as such, the loan was written off in the financial statements as at 31 March 2017 at a total amount of \$61,385. A Deed of Settlement was finalized and signed by all parties on 6 June 2017 of which legal and liquidation costs totaling \$33,041 were also paid by Ngātiwai Investment Holdings Limited.

#### Aotearoa Fisheries Limited Income Shares

Ngātiwai Holdings Limited holds 1,212 of the income shares in Aotearoa Fisheries Limited. These income shares entitle Ngātiwai Holdings Limited to receive a dividend but these shares also contain a number of restrictions.

An independent valuation was obtained as at 31 March 2017 from Deloitte Corporate Finance whereby an equity valuation was determined through the use of a combination of earnings-based and asset-based approaches as well as the consideration of certain key assumptions. After this detailed assessment, Deloitte determined that the fair market value of the income shares to be in the range of \$900,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.

(2016 There is no current active market for the Aotearoa Fisheries Limited shares, accordingly fair value has been determined using valuation techniques. The determination of fair value requires estimation and judgement. In arriving at fair value management has taken into consideration, the restrictions placed on the income shares and observable market evidence. An independent valuation will be obtained periodically to assist with this exercise and management have agreed that such a valuation will be obtained as at 31 March 2017.)

#### Treaty Claim Costs

During the 2017 financial year, net costs that the Ngātiwai Trust Board have incurred for the Treaty Claim have been disclosed as a non-current asset whereas in prior years the net costs were reflected as a current asset. This is on the basis that these costs will be reimbursed from a new settlement entity (yet to be established) when Treaty Settlement occurs, which is not anticipated to occur within the next twelve months. The balance has been calculated on a concessionary basis consistent with concessionary loans as per note 11. The fair value adjustment was a decrease to the non-current asset of \$143,818. Interest of \$25,513 has been earned.

### 9. GROUP ENTITIES

Name of controlled entity	Place of incorporation & operation	Ownership Interest & Voting Right		Principal activity
		2017	2016	
Ngātiwai Investment Holdings Limited	NZ	100%	100%	Holding Company
Oceans Resort Tutukaka Limited	NZ	100%	100%	Hospitality
Ngātiwai Fishing Limited	NZ	100%	100%	Fishing
Ngātiwai Holdings Limited	NZ	100%	100%	Quota Lease
Ngātiwai Management Limited	NZ	100%	100%	Management Company
Tuparehua Trustee Limited	NZ	100%	100%	Corporate Trustee
Ngātiwai Education Limited Partnership	NZ	100%	100%	Education
Rathbone James Limited Partnership	NZ	75%	75%	Commercial Lease

The reporting date of the controlled entities is 31 March.

### 10. INVESTMENT IN EQUITY ACCOUNTED ENTITIES

Ngātiwai Investment Holdings Limited has a 50% interest in James Street Carpark Limited and a 36.5789% interest in 42 Port Road Limited Partnership. Ngātiwai Trust Board has a 20% interest in Taitokerau Miere Limited. Taitokerau Miere Limited was formed in September 2015, but has not yet traded.

	Consolidated Group		Ngātiwai Parent Entity	
	2017 \$	2016 \$	2017 \$	2016 \$
Movements in the carrying amount of the investment in equity accounted entities:				
Investment in equity accounted entities at 1 April	3,880,216	3,937,742	2,000	-
Share of profit/(loss)	258,493	213,690	-	-
Additional investment	-	2,000	-	2,000
Cost of acquisition transferred to investment	(352,861)	(273,216)	-	-
Investment in equity accounted entities at 31 March	3,785,848	3,880,216	2,000	2,000

	Assets	Liabilities	Revenues	Profit
Summarised financial information of equity accounted entities(100%)	\$ 20,323,146	\$ 11,066,263	\$ 1,442,688	\$ 699,766





# NGĀTIWAI TRUST BOARD & GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

### 11. CONCESSIONARY LOANS

Ngātiwai Trust Board has issued and received loans to/from subsidiaries, and to the Bland Bay Camp Ground at terms and interest rates that are below market value for what would have been provided for a similar loan with another entity.

In determining the day-one fair value of the concessionary loans issued, a market interest rate of 6.0% per annum was used to discount all contractual cash flows on principal and interest payments back to present value. The market interest rate used was the rate that would have been obtained in the market for a loan with identical terms and counterparty risks.

A reconciliation of the opening and closing carrying amounts of the concessionary loan is provided below:

	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Opening balance (1 April)	659,640	662,233	(1,192,209)	(1,022,385)
Imputed interest (market effective interest rate)	36,279	40,934	(68,419)	(61,343)
Advance/(repayments) during period	(62,252)	(43,527)	(233,960)	(108,481)
Fair value adjustment on additional loan received/(advanced)	(54,985)	-	(40,938)	-
Closing balance (31 March)	578,682	659,640	(1,535,526)	(1,192,209)
Non-current asset - Bland Bay Camp Ground	578,682	659,640	578,682	659,640
Non-current asset - Loans to Controlled Entities	-	-	76,429	214,791
Non-current liability - Loan from Controlled Entities	-	-	(2,190,637)	(2,066,640)
	578,682	659,640	(1,535,526)	(1,192,209)

All loans are interest free and repayable on demand. For reporting purposes, interest has been imputed on the loans at 6% per annum payable in 2 - 14 years from reporting date.

### 12. INTANGIBLE ASSETS

	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<u>Fish Quota</u>				
Balance at 1 April (275,327,271 quota shares)	11,864,806	11,853,863	-	-
Additions	-	10,943	-	-
Balance at 31 March (275,388,667 quota shares)	11,864,806	11,864,806	-	-
<u>NZ ETS Units</u>				
Balance at 1 April	7,082	7,082	-	-
Additions	-	-	-	-
Balance at 31 March	7,082	7,082	-	-
<u>Goodwill</u>				
Balance at 1 April	367,175	367,175	-	-
Impairment	-	-	-	-
Balance at 31 March	367,175	367,175	-	-
<u>Franchise</u>				
Balance at 1 April	3,900	5,200	-	-
Amortisation	(1,300)	(1,300)	-	-
Balance at 31 March	2,600	3,900	-	-
<b>Total Intangible Assets at 31 March</b>	<b>12,241,663</b>	<b>12,242,963</b>	<b>-</b>	<b>-</b>

#### ETS Units

Ngātiwai Fishing Limited and Ngātiwai Holdings Limited are deemed participants in the New Zealand Emission Trading Scheme (ETS) as they are owners of fishing quota. The carbon credits are not consumed and the Group is able to either hold the New Zealand Units (NZU) within the carbon register or alternatively trade the NZU's in domestic and international carbon markets. The NZU's are not amortised but are tested for impairment on an annual basis or when indications of impairment exist. NZU's relate to units that were allocated to the Group by the Ministry for the Environment as part of the fisheries allocation for quota owned. There was no indication of impairment of these units at reporting date (2016 Nil).

#### Fish Quota

The Trustees have acquired a valuation of the quota at 31 March 2017 from Quota Management Systems Limited, which indicates a value of \$22,725,236 (2016 \$22,147,850) for the quota held by Ngātiwai Holdings Limited and Ngātiwai Fishing Limited. The value has been obtained through an assessment of the market values of each fishstock and the quantities held. Where fishstocks have little or no trading in an open market they have been given a Nil value. This valuation indicates the market value of the quota held is significantly higher than the carrying amount, therefore there is no indication of impairment (2016 \$Nil).

During the year 61,396 quota shares were received from a TACC increase. The TACC increase has no value (2016 Quota shares were received from the Whangaruru Harbour Settlement. At the time of transfer the allocation of these shares had an assessed value of \$10,943).

Ngātiwai Fishing Limited has a revolving credit facility with Westpac New Zealand Limited with a limit of \$482,500 (2016 \$800,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited.

#### Goodwill

##### (a) *Impairment of Goodwill*

Goodwill acquired through business combinations has been allocated to the subsidiary, Rathbone James Limited Partnership (RJLP), which the group considers to be a cash generating unit for the purposes of impairment testing. There are no unallocated amounts of goodwill as at 31 March 2017.

##### (b) *Information regarding impairment testing of Rathbone James Limited Partnership (RJLP)*

The Directors do not consider any impairment has taken place and therefore no impairment loss has been recognized in relation to RJLP.





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

13. PROPERTY, PLANT & EQUIPMENT

Consolidated Group	Land	Buildings & leasehold	Plant & Equipment	Office & furniture	Total
	\$	\$	\$	\$	\$
<b>Cost/valuation</b>					
Balance as at 1 April 2015	440,494	1,679,160	1,446,089	17,584	3,583,327
Additions	-	-	51,035	16,439	67,474
Disposals	-	-	(1,122,429)	(1,070)	(1,123,499)
Balance at 1 April 2016	440,494	1,679,160	374,695	32,953	2,527,302
Additions	-	758,738	20,616	1,470	780,824
Disposals	-	(50,000)	(100,000)	(5,084)	(155,084)
Balance as at 31 March 2017	440,494	2,387,898	295,311	29,339	3,153,042
<b>Accumulated Depreciation and impairment</b>					
Balance as at 1 April 2015	-	56,752	1,263,553	11,544	1,331,849
Depreciation Expense	-	40,026	37,499	5,040	82,565
Depreciation on subsidiary assets acquired	-	-	(1,069,824)	(214)	(1,070,038)
Disposals	-	-	-	-	-
Balance at 1 April 2016	-	96,778	231,228	16,370	344,376
Depreciation expense	-	55,064	25,393	4,028	84,485
Disposals	-	-	(50,506)	(2,633)	(53,140)
Balance at 31 March 2017	-	151,842	206,115	17,765	375,721
<b>Net Book Value</b>					
31/03/2015	440,494	1,622,408	182,536	6,040	2,251,478
31/03/2016	440,494	1,582,382	143,467	16,583	2,182,925
31/03/2017	440,494	2,236,057	89,196	11,574	2,777,320
<b>Ngātiwai Parent Entity</b>					
	Land	Buildings & leasehold	Plant & Equipment	Office & furniture	Total
	\$	\$	\$	\$	\$
<b>Cost/valuation</b>					
Balance as at 1 April 2015	-	152,672	1,367,933	-	1,520,605
Additions	-	-	16,542	-	16,542
Disposals	-	-	(1,121,830)	-	(1,121,830)
Balance at 1 April 2016	-	152,672	262,645	-	415,317
Additions	-	-	11,668	-	11,668
Disposals	-	(50,000)	(100,000)	-	(150,000)
Balance as at 31 March 2017	-	102,672	174,313	-	276,985
<b>Accumulated Depreciation</b>					
Balance as at 1 April 2015	-	20,862	1,213,090	-	1,233,952
Depreciation Expense	-	8,181	26,346	-	34,527
Disposals	-	-	(1,069,446)	-	(1,069,446)
Balance at 1 April 2016	-	29,043	169,990	-	199,033
Depreciation expense	-	7,363	12,491	-	19,854
Disposals	-	-	(50,506)	-	(50,506)
Balance at 31 March 2017	-	36,406	131,975	-	168,381
<b>Net Book Value</b>					
31/03/2015	-	131,810	154,843	-	286,653
31/03/2016	-	123,629	92,655	-	216,284
31/03/2017	-	66,266	42,338	-	108,605

BDO Northland  
ASSURANCE BDO



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

14. INVESTMENT PROPERTY	Consolidated Group	Ngātiwai Parent Entity
Cost	\$	\$
Balance as at 1 April 2015	7,504,943	-
Additions	23,499	-
Balance at 1 April 2016	7,528,442	-
Additions	73,475	-
Balance as at 31 March 2017	7,601,917	-
Accumulated Depreciation and impairment		
Balance as at 1 April 2015	342,975	-
Depreciation expense	108,728	-
Balance at 1 April 2016	451,703	-
Depreciation expense	110,688	-
Balance at 31 March 2017	562,391	-
Net Book Value		
31/03/2015	7,161,968	-
31/03/2016	7,076,739	-
31/03/2017	7,039,526	-

Investment property comprises one property owned by Rathbone James Limited Partnership, a 75% subsidiary of Ngātiwai Fishing Limited. The property has been recorded at cost, less accumulated depreciation. An indicative valuation of the property has been obtained from TelferYoung (Northland) Limited in October 2016, providing the following values: 31 March 2014: \$7,550,000; 31 March 2015: \$8,700,000; 31 March 2016: 9,200,000. The valuation was based on the leases in place at that time as well as the full valuation of the property completed by TelferYoung (Northland) Limited in February 2015.

15. RESTRICTED RESERVES	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<u>Kauri Dieback Reserve</u>				
Balance at 1 April	1,680	1,845	-	-
Reserve utilised	-	(165)	-	-
Balance at 31 March	1,680	1,680	-	-
<u>Emergency Whale Response Kit Reserve</u>				
Balance at 1 April	17,624	17,624	-	-
Reserve utilised	-	-	-	-
Balance at 31 March	17,624	17,624	-	-
Total Restricted Reserves at 31 March	19,304	19,304	-	-

Kauri Dieback Reserve

An initial grant was received of \$4,871, to provide funds for environmental work in relation to Kauri Dieback as the need arises.

Emergency Whale Response Kit Reserve

An initial grant was received of \$20,000, to provide emergency funding in the event of a whale stranding. The funds are primarily used for the purchase of whale stranding kits when the need arises.

16. TRADE AND OTHER PAYABLES	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade payables from exchange transactions	584,655	617,358	286,568	224,360
	584,655	617,358	286,568	224,360

All payables are due within 30 days and interest is not charged.

17. EMPLOYEE ENTITLEMENTS	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries & PAYE	57,602	80,256	11,711	8,548
Annual Leave	89,095	105,699	3,789	-
	146,697	185,955	15,500	8,548



## For the Year Ended 31 March 2017

18. BORROWINGS	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
<i>Current</i>	\$	\$	\$	\$
Loans from controlled entity	-	-	-	1,000
Bank loans	111,834	121,318	-	-
<i>Non Current</i>				
Loans from controlled entities	-	-	2,190,637	2,066,640
Bank loans	7,774,908	7,868,506	-	-
Total	7,886,742	7,989,824	2,190,637	2,067,640

19. NON EXCHANGE LIABILITIES	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
Current	\$	\$	\$	\$
Deferred non-exchange revenue	142,978	60,773	142,978	60,023

Operating lease commitments receivable and payable	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operating lease commitments receivable:				
Within one year	803,646	752,115	-	-
Between one and five years	3,214,584	3,008,460	-	-
Greater than five years	4,307,660	4,308,571	-	-
	<u>8,325,890</u>	<u>8,069,146</u>	<u>-</u>	<u>-</u>

	Consolidated Group		Ngātiwai Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operating lease commitments payable:				
Within one year	202,663	183,464	20,833	43,740
Between one and five years	795,689	715,375	46,777	157,611
Greater than five years	45,375	144,875	-	-
	<u>1,043,727</u>	<u>1,043,714</u>	<u>67,611</u>	<u>201,351</u>

The Trustees are not aware of any contingent liabilities as at 31 March 2017 (2016 Nil).



NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

22. EVENTS AFTER THE REPORTING DATE

In April 2017, Ngatiwai Investment Holdings Limited purchased four one-bedroom apartments within the Oceans Resort Complex, Tutukaka totaling \$827,248. Effective 22 June 2017 apartment 104 has been included as part of the Hotel inventory pool to be leased out on a nightly basis. Apartments 101 - 103 are fully tenanted to individuals, however the intention is to include these apartments in the Hotel inventory pool from the start of summer 2017/18. A westpac loan was entered into for an amount of \$751,302 with an interest rate of 5.35% per annum over a term of three years.

On 10 April 2017, the Company received \$1,847,194 being lease of April ACE of various fishstock for the three years 1 April 2017 to 31 March 2020.

Subsequent to Balance Date, the debt with Westpac Bank will be reduced due to the quota lease income that has been received from Moana New Zealand (Aotearoa Fisheries Limited).

Effective 10 April 2017, a new General Manager was appointed at the Oceans Resort Hotel.

Effective 16 August 2017, the Ngatiwai Trust Board was successful in a tender application with Department of Conservation for a range of concessions held in both the Northland and Auckland Regions.

Effective 28 September 2017, Brandon Edwards was appointed as a Director of Ngatiwai Investment Holdings Limited.

Subsequent to Balance date, a meeting has been held with regards the impending release of Aquaculture Settlement funds to those parties who have agreed to sign off on the Aqua Settlement Agreement held in the Northland Space.

There have been no other significant events after reporting date which require disclosure in these financial statements.

Subsequent to 31 March 2016:

inventory pool to be leased out on a nightly basis.

Effective 13 June 2016, the lease agreement held over the Marina Room at Oceans Resort Hotel Tutukaka with Assassin Bay Trust was cancelled, with a surrender of lease agreement being signed between NIHL and the Assassin Bay Trust.

Both the manager and assistant manager of the Oceans Resort Hotel resigned subsequent to Balance Date, with the appointment of a replacement general manager who has been employed on a six-month fixed term, which will expire in February 2017.

Effective 1 November 2016, the food and beverage operations department at ORTL was leased to Nick Keene, owner of Schnappa Rock, Tutukaka.

During May 2016, NFL and NHL entered into an amended agreement for supply of Annual Catch Entitlement (ACE) with Aotearoa Fisheries Limited for both the October and April ACE. This agreement set out that the October And April ACE be leased to Aotearoa Fisheries Limited for a further term until September 2021 and March 2022 consecutively.

On the 14 October 2016, NFL received \$3,519,050 for the lease of October fish stocks for the three years ended 30 September 2017, 30 September 2018 and 30 September 2019.

Effective 8 June 2016 the NFL credit facility limit was temporarily increased to \$2,000,000. This was reduced back to \$400,000 in October 2016 when the quota lease income funds were received from Aotearoa Fisheries Limited.

23. RELATED PARTY DISCLOSURES

Transactions between entities within the Group were made on commercial terms and conditions and at market rates. Inter-group transactions are as follows:

	2017	2016
	\$	\$
Ngatiwai distribution to Ngatiwai Management Limited	664,195	714,701
Ngatiwai sponsorship to Ngatiwai Education Limited Partnership	5,000	10,000
Inter-entity Interest	217,444	236,835
Dividends from Ngatiwai Fishing Limited to Ngatiwai Trust Board	1,465,410	1,356,598
Quota lease Ngatiwai Fishing Limited to Ngatiwai Holdings Limited	26,400	26,400
Administration oncharges	13,771	53,162

Advances made within the Group are detailed at note 11.

KEY GOVERNANCE PERSONNEL REMUNERATION:

The Group classifies its key management personnel into one of two classes:

- Members of the Governing Body
- Senior Executive Officers

Members of the governing body are paid annual fees in relation to meeting attendance during the period. Senior Executive Officers are employed as employees of the Group, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in "people" for members of the governing body and "full-time equivalents" (FTE's) for senior executive officers) in each class of key management personnel is presented below:

	2017	Number of	2016	Number of
	\$	Individuals	\$	Individuals
Members of the governing body	175,638	20	176,541	19
Senior executive officers	514,565	7	526,088	6



# NGĀTIWAI TRUST BOARD & GROUP

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

### 23. RELATED PARTY DISCLOSURES (Continued)

#### GOVERNING BODY RELATED PARTY TRANSACTIONS:

Name	Entity	Relationship	Transaction Type	2017 \$	2016 \$
<u>Craig Wells</u>					
Ngātiwai Fishing Limited		Director	Director's Fees	12,504	12,503
Ngātiwai Holdings Limited		Director	Director's Fees	4,200	4,200
Ngātiwai Management Limited		Director	Director's Fees	12,504	14,578
Oceans Resort Tutukaka Limited		Director	-	-	-
Tuparehuia Trustee Limited		Director	Director's Fees	1,400	4,200
Craig Wells is a Director and Shareholder of Sumpter Baughen Chartered Accountants.					
<u>John Paki</u>					
Ngātiwai Fishing Limited		Director	Director's Fees	12,500	12,500
Ngātiwai Trust Board		Consultant	Consultancy	12,500	12,500
<u>Haydn Edmonds</u>					
Ngātiwai Trust Board		Chairperson	Trustee Honoraria	45,000	48,750
Ngātiwai Fishing Limited		Director	-	-	-
Ngātiwai Holdings Limited		Director	-	-	-
Ngātiwai Management Limited		Director	-	-	-
Oceans Resort Tutukaka Limited		Director	-	-	-
Ngātiwai Investment Holdings Limited		Director	-	-	-
Rathbone James General Partner Limited		Director	-	-	-
Ngātiwai Education General Partner Limited		Director	-	-	-
Tuparehuia Trustee Limited		Director	-	-	-
Ngātiwai Trust Board		Chairperson	Treaty Negotiations	9,660	-
<u>Kris MacDonald</u>					
Ngātiwai Trust Board		Deputy Chairperson	Trustee Honoraria	6,490	6,740
Ngātiwai Management Limited		Director	-	-	-
Digital Indigenous.com Limited		Director	Consultancy	24,725	-
Tuparehuia Trustee Limited		Director	-	-	-
Ngātiwai Trust Board		Chief Executive Officer	Salary	4,769	-
<u>Merepeka Henley</u>					
Ngātiwai Trust Board		Trustee	Trustee Honoraria	3,150	4,620
Tuparehuia Trustee Limited		Director	-	-	-
Ngātiwai Management Limited		Director	-	-	-
Ngātiwai Trust Board		Contractor	Contracting	7,500	-
<u>Kathy Pita</u>					
Ngātiwai Trust Board		Trustee	Trustee Honoraria	-	1,050
Puni Puni Coastal Services		Sole Proprietor	Trustee Honoraria	6,230	6,650
Puni Puni Coastal Services		Sole Proprietor	Sponsorship	2,500	-

From time to time, Trustees are reimbursed for Post Graduate studies undertaken with a direct benefit to the Trust.

The Group has not undertaken any other material transactions with related parties apart from those disclosed in the interest register.  
No related party debts have been written off or forgiven during the year.

### 24. TRANSFER OF BUSH HUT TO OAKURA MARAE TRUST

During the financial year, Ngātiwai Trust Board transferred the ownership of the bush hut and various equipment to the Oakura Marae Trust. The book value of the bush hut and equipment was \$99,494 at date of transfer. The bush hut is located at 2513 Russell Road, Whakapara, Hikurangi, Northland.





NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

25. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Although there is no active market for these available shares, an independent valuation was obtained as at 31 March 2017 from Deloitte Corporate Finance whereby an equity valuation was determined through the use of a combination of earnings-based and asset-based approaches as well as the consideration of certain key assumptions. After this detailed assessment, Deloitte determined that the fair market value of the income shares to be in the range of \$900,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.

(2016 There is no current active market for these available for sale shares, accordingly fair value has been determined using valuation techniques. The determination of fair value requires estimation and judgement. In arriving at fair value management has taken into consideration, the restrictions placed on the income shares and observable market evidence. An independent valuation will be obtained periodically to assist with this exercise and management have agreed that such a valuation will be obtained as at 31 March 2017).

Categories of financial instruments

The following table lists the Group's financial assets and liabilities by category of financial instrument. Details of the criteria for recognition and methods used to account for the different categories of financial assets and liabilities are detailed in the accounting policies in Note 1. The table below lists the groups of financial assets and liabilities by category of financial instruments.

Group 2017	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	194,609	-	-	194,609
Trade and other receivables	7	499,641	-	-	499,641
Investments	8	-	1,450,726	-	1,450,726
Loans	11	578,682	-	-	578,682
<b>Total Financial Assets</b>		<b>1,272,932</b>	<b>1,450,726</b>	<b>-</b>	<b>2,723,658</b>
<b>Financial Liabilities</b>					
Trade and other payables	16 & 17	-	-	731,352	731,352
Borrowings	18	-	-	7,886,742	7,886,742
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>8,618,094</b>	<b>8,618,094</b>

Group 2016	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	(140,203)	-	-	(140,203)
Trade and other receivables	7	810,735	-	-	810,735
Investments	8	55,874	1,034,369	-	1,090,243
Loans	11	659,640	-	-	659,640
<b>Total Financial Assets</b>		<b>1,386,046</b>	<b>1,034,369</b>	<b>-</b>	<b>2,420,415</b>
<b>Financial Liabilities</b>					
Trade and other payables	16 & 17	-	-	803,313	803,313
Borrowings	18	-	-	7,989,824	7,989,824
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>8,793,137</b>	<b>8,793,137</b>

Ngātiwai Parent 2017	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	107,161	-	-	107,161
Trade and other receivables	7	187,680	-	-	187,680
Loans	11	655,111	-	-	655,111
<b>Total Financial Assets</b>		<b>949,952</b>	<b>-</b>	<b>-</b>	<b>949,952</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	302,068	302,068
Borrowings	18	-	-	2,190,637	2,190,637
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,492,705</b>	<b>2,492,705</b>

Ngātiwai Parent 2016	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	139,313	-	-	139,313
Trade and other receivables	7	647,527	-	-	647,527
Loans	11	874,431	-	-	874,431
<b>Total Financial Assets</b>		<b>1,661,271</b>	<b>-</b>	<b>-</b>	<b>1,661,271</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	232,908	232,908
Borrowings	18	-	-	2,067,640	2,067,640
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,300,548</b>	<b>2,300,548</b>



NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2017

26. GOING CONCERN

The group has negative working capital of \$1,147,402 (2016 \$709,152) at balance date. The parent has negative working capital of \$149,066 (2016 positive \$493,344) and negative equity of \$120,062 (2016 positive \$522,619).

The financial statements have been prepared on a going concern basis.

The Trustees and management consider the following factors relevant to the applicability of the going concern assumption:

- 1) Subsequent to balance date, there has been a reduction of debt with the Westpac Bank due to the quota lease income being received from Moana New Zealand (Aotearoa Fisheries Limited) totalling \$1,847,194.
- 2) A review of the debt structure and terms held with the Westpac Bank has taken place, with the intention of repaying a portion of the debt as well as extending the remaining balance of the loans on a long term basis. This is based on the fact that the Bank is supportive of the Group's proposal. The going concern assumption is reliant upon the group maintaining its relationship and bank lending facilities with Westpac Bank. The Trustees have no reason to doubt the continued relationship and lines of funding with Westpac Bank.
- 3) The Group are still due to receive the balance as final payment for the Aquaculture Settlement that has occurred. It is uncertain whether the funds will be received before 31 March 2018, however the trustees are hopeful that this will be the case. The amount assigned as Ngātiwai Trust Board's share is \$990,291.
- 4) Based on Ngātiwai Trust Board receiving mandate for the Treaty Claims Settlement, which will allow for further funding to be made available from both the Crown Forestry Rental Trust (CFRT) and the Office of Treaty Settlements (OTS), which will assist in an improved cash flow position for the Group.
- 5) Based on the operational restructure which occurred during the 2017 financial year within Oceans Resort Tutukaka Limited whereby the Food & Beverage Departments was leased to Wahi Restaurant, this has effectively reduced cash flow requirements on an ongoing basis from the group entities, which has reduced the high level of financial support required as per prior years.
- 6) Despite the parent reflecting a negative equity position at balance date, the Trust Board are continuing to evaluate and investigate several opportunities which will potentially result in a positive equity position for the parent going forward.
- 7) Ngātiwai Education Limited Partnership - Despite the Balance Sheet reflecting a negative equity position at balance date, the education unit is committed to the continued growth and positive development of both current and future contracts. As evidence of this development is the favorable NZQA review which was undertaken in December 2016, whereby the Limited Partnership was awarded a category 2 rating. This allowed the Unit to re-engage with TEC to seek new funding opportunities. TEC are currently reviewing a \$450,000 funding application submitted by the Unit and the outcome will be advised during November 2017. Furthermore, the unit is able to move forward in building an increased portfolio of courses and is able to apply for a wide range of government funding, which is being actively pursued by the Limited Partnership.





SCHEDULE: REPORTING REQUIREMENTS

For the Year Ended 31 March 2017

Māori Fisheries Act 2014

Kaupapa 7 of Schedule 7 to the MFA requires the Ngātiwai Trust Board to be accountable for its performance to all members of the Iwi. As a result the Ngātiwai Trust Board must report annually to its members as follows:

OBLIGATION	COMPLIANCE	COMMENT
A Mandated Iwi Organisation (MIO) must hold an annual general meeting for its members providing an opportunity for those members to consider:	Ngātiwai Trust Board	Annual General Meeting held on 25 November 2017.
<b>Annual report for the previous financial year reporting against objectives set out in the annual plan and includes:</b>		
1. Steps taken by MIO to increase number of registered members.	Ngātiwai Trust Board	See Chief Executive's report.
2. Comparison of performance against objectives in annual plan, including changes in shareholder/member value and dividend performance or profit distribution.	Ngātiwai Trust Board	See Audited Financial Statements.
3. Annual audited financial report prepared in accordance with GAAP and accounting separately for settlement cash assets.	Ngātiwai Trust Board	See Audited Financial Statements.
4. Report on sales and exchanges of settlement quota.		
a. Quantity of settlement quota held by the MIO's asset holding company.	Ngātiwai Trust Board	275,388,667 quota shares, which includes an additional 61,396 quota received for SQU1J.
b. Value of settlement quota sold or exchanged.	Ngātiwai Trust Board	NIL
c. Identity of purchaser or other party to the exchange.	Ngātiwai Trust Board	N/A
d. Any transaction with settlement quota that has resulted in a registered interest by way of caveat or mortgage being placed over the quota.	Ngātiwai Trust Board	No new transactions for the 2017 year, see Audited Financial Statements for details of existing registered interests.
e. Settlement quota interests that have been registered against the quota shares of the MIO.	Ngātiwai Trust Board	NIL
f. The value of income shares sold, exchanged, valued or acquired.	Ngātiwai Trust Board	No income shares were sold or exchanged during the year. The income shares have been revalued, details of which are disclosed in the Audited Financial Statements.
5. Report on the interactions of the MIO in fisheries matters:		
a. With other entities within the iwi.	Ngātiwai Trust Board	NIL
b. With other MIOs	Ngātiwai Trust Board	We continue to facilitate productive conversations with other MIO's to best maximise returns from our fisheries assets.
c. With Te Ohu Kai Moana Trustee Limited	Ngātiwai Trust Board	NIL - aside from the transfer of additional quota of SQU1J.
d. Any changes under section 18 of the MFA to the constitutional documents of the MIO, or its asset holding companies or any subsidiaries of the asset holding companies.	Ngātiwai Trust Board	NIL
<b>An annual plan for the next financial year which includes:</b>		
1. The objectives of the annual plan.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
2. The policy of the MIO in respect of sales and exchanges of settlement quota.		No sales or exchanges anticipated.
3. Any changes in that policy from the policy for the previous year.	Ngātiwai Trust Board	NIL
4. Any proposal to change the constitutional documents of any fishing company owned by the MIO.	Ngātiwai Trust Board	NIL
<b>In relation to every asset holding company or subsidiary of an asset holding company that received settlement assets:</b>		
1. An annual report on:		
a. The performance of that asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	See Chief Executive's report and consolidated financial statements.
b. The investment of money of that asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	See Chief Executive's report and consolidated financial statements.
c. The matters set out in paragraph (b) of Kaupapa 2.	Ngātiwai Trust Board	NIL
2. Any proposal to change the constitutional documents of the asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	NIL
<b>Every MIO must exercise strategic governance over the process to examine and approve annual plans that set out:</b>		
1. The key strategies for the use and development of iwi fisheries assets.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
2. The expected financial return on the assets.	Ngātiwai Trust Board	Annual budgets approved by Board of Directors and Ngātiwai Trust Board
3. Any programme to:		
a. Manage the sale of annual catch entitlements derived from settlement quota held by asset holding companies or their subsidiaries.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
b. Reorganise the settlement quota held by asset holding companies or their subsidiaries, as by buying and selling settlement quota in accordance with the MFA.	Ngātiwai Trust Board	Governed by legislative and constitutional constraints.





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## INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF NGATIWAI TRUST BOARD & GROUP

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

#### Opinion

We have audited the consolidated financial statements of Ngatiwai Trust Board & Group ("the Trust") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust or any of its subsidiaries.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 26 to the financial statements, which indicates that as at 31 March 2017 the parent's total liabilities exceed its total assets by \$120,062. As stated in Note 26, these events or conditions, along with other matters as set forth in Note 26, indicate that a material uncertainty exists that may cast significant doubt on the parent's ability to continue as a going concern. Our opinion is not modified in respect of this matter and this statement refers to the parent only.

#### Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the trust directory, annual report and the reporting requirement schedule but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

#### **Who we Report to**

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



**BDO Northland**  
Whangarei  
New Zealand  
30 September 2017



# NOTES



# NOTES



# NOTES



