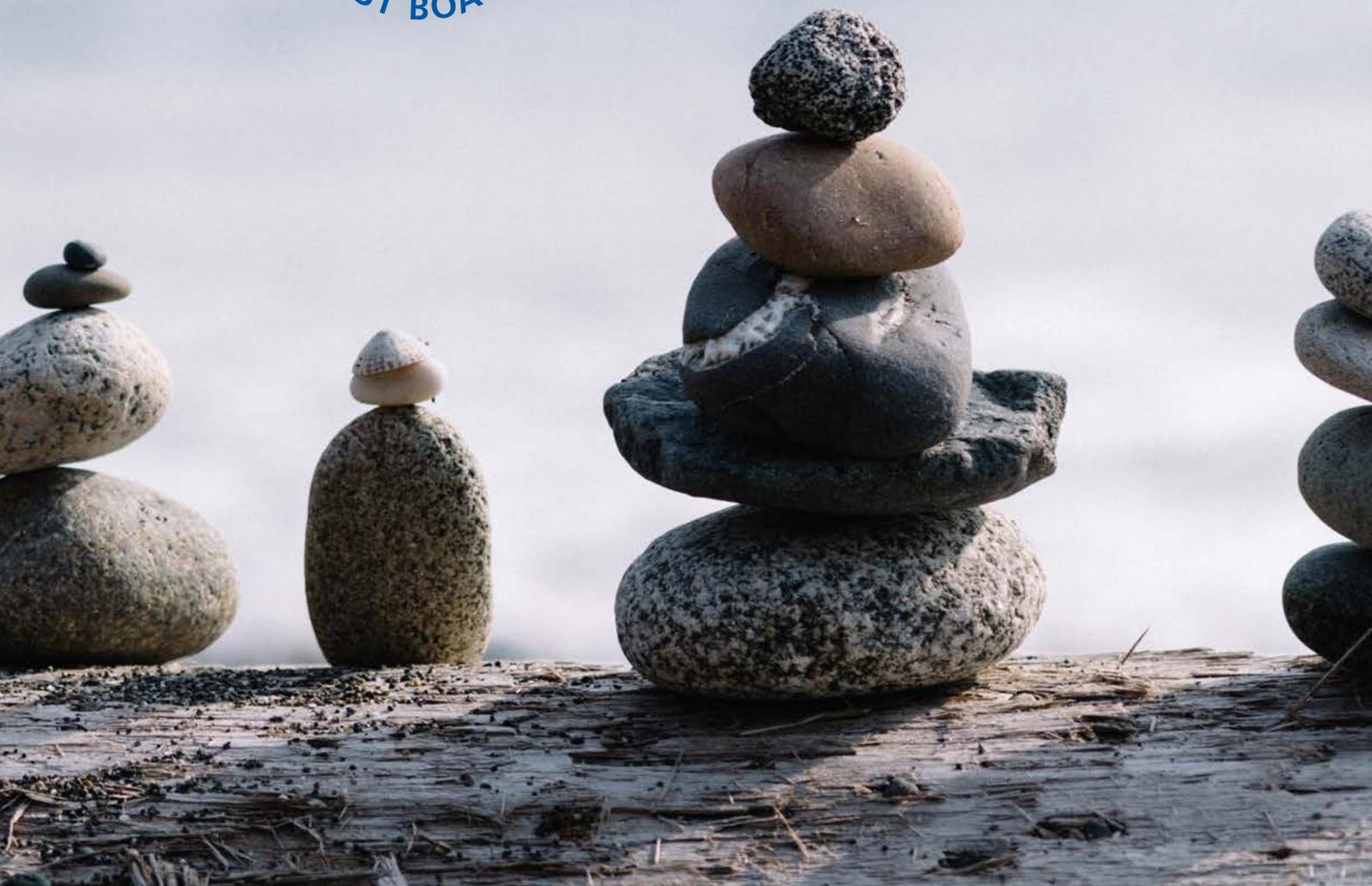
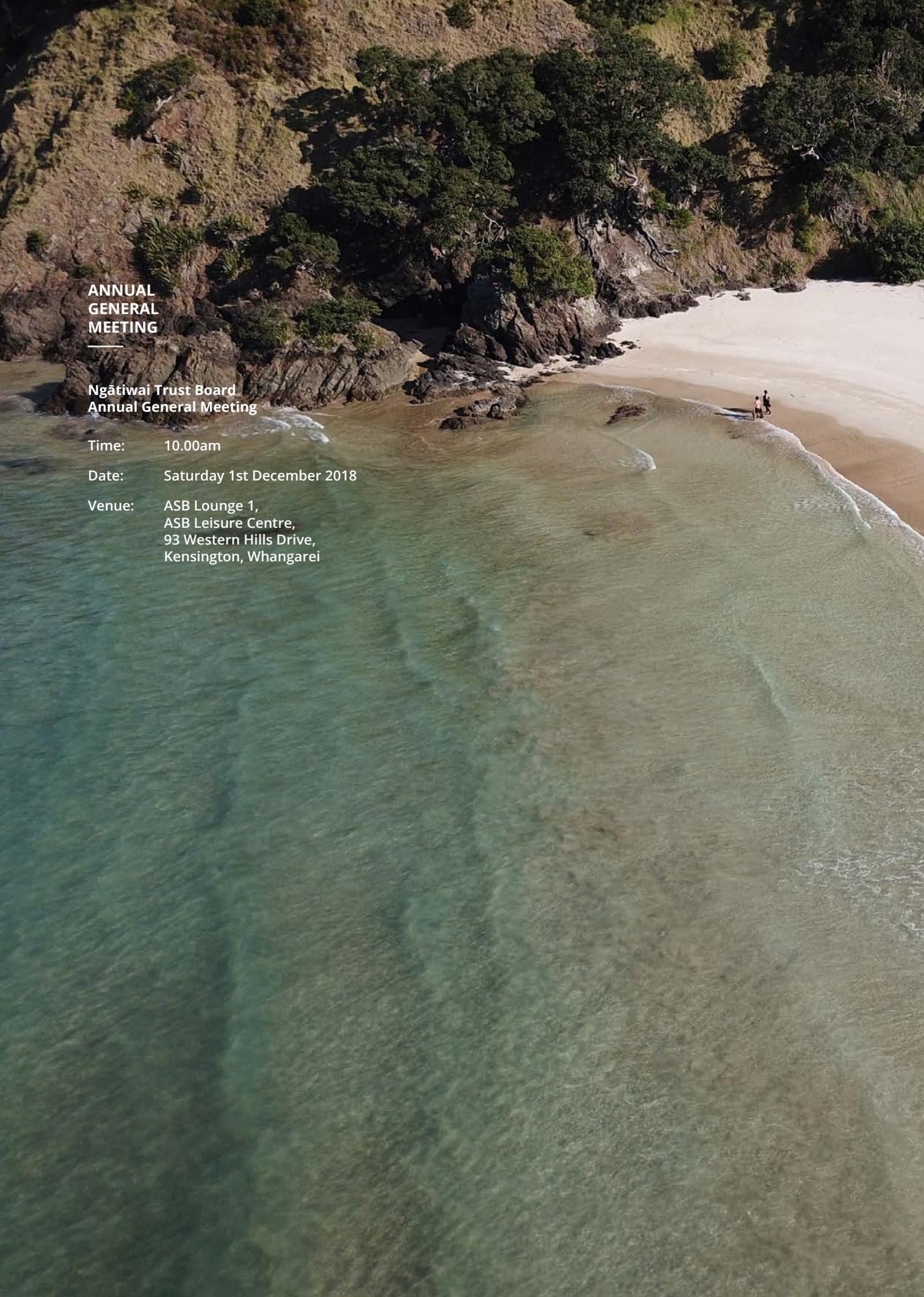


Annual Report 2018



An aerial photograph of a coastal area. On the left, a steep, rocky cliffside is covered with dense green vegetation. The cliff meets a sandy beach on the right. The water is a clear, light greenish-blue, with gentle waves lapping at the shore. Two small figures are visible on the beach near the water's edge.

**ANNUAL
GENERAL
MEETING**

**Ngātiwai Trust Board
Annual General Meeting**

Time: 10.00am

Date: Saturday 1st December 2018

Venue: ASB Lounge 1,
ASB Leisure Centre,
93 Western Hills Drive,
Kensington, Whangarei



AGENDA

- 01** Karakia / Mihi
- 02** Apologies
- 03** Confirmation of Minutes
and Matters Arising
- 04** Annual Report For The Year
Ended 31st March 2018
- 05** Chairman's Report
- 06** General Business
- 07** 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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Email: ngatiwai@ngatiwai.iwi.nz

A copy of the Annual Report is available for download from the website at:
www.ngatiwai.iwi.nz

or by request from:

Ngātiwai Trust Office
129 Port Road
Whangarei

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CHAIRMAN'S REPORT

Ngā mihi atu ki tō tātou nei kaihanga, māna mātou te huarahi pai e arahi, otirā, ki ō tātou nei tini mate maha kua whetu ki te rangi, o te tau, o te marama, o te wiki kua pāhure atu, nō reirā, haere koutou, haere koutou, okioki mai. Ki ngā uri o Ngātiwai whānui, mai i a Rākaumangamanga tae atu ki Piki Pāria, puta noa i te ao katoa, nei rā ngā mihi ki a koutou. Tēnā koutou, tēnā koutou, tēnā koutou katoa.

On behalf of the Ngātiwai Trust Board I am pleased to again report on our activities for the year ending 31st March 2018.

I would firstly like to pay tribute to many Ngātiwai rangatira that have passed away over the last year and their whānau, hapū and marae who are missing their leadership, support and friendship. May they rest in peace. Rere ki uta, rere ki tai.

This year has been a mixed year but an encouraging platform to build a better future for Ngātiwai uri. There has been a change of government and their policy settings are starting to take effect. Te Tai Tokerau has been identified as the number one “surge” region in the country. It is an area that has for far too long been ignored in the past by successive government, and it is good to see programmes such as the Provincial Growth Fund looking to invest in much needed economic development. Ngātiwai have several proposals on the table for digital infrastructure, tourism and agriculture. There are also collective iwi proposals that we are involved in through Amokura looking at seaweed aquaculture. This Government plans to plant a billion trees, to expand Northport, build a rail spur to Marsden Point and possibly relocate the Navy forces from Devonport to the North. As Auckland becomes more focused on expanding intensive housing, opportunities for Te Tai Tokerau arise to become the future food producer for Auckland. Taking advantage on the growing potential in Te Tai Tokerau means we must dedicate our staff resources and make investments in key areas in the coming year. We need to think more about the long game, rather than year to year wins. The aim is to see that these opportunities have a collective impact for our people in terms of jobs, skills and business opportunities.

We have had mixed performance across our business this year. Oceans Tutukākā has reduced significant losses in past years and has improved its hotel reception area, the running of the restaurant Wāhi, refurbished a number of rooms, and has absorbed Body Corporate increases.

“ This year has been a mixed year but an encouraging platform to build a better future for Ngātiwai uri. ”

Our General Manager has done a fantastic job managing costs, adding new services and budgeting to break even next year for the first time. We are busy through the summer months but winter periods are slow for all hoteliers and accommodation providers.

The Fishing Company continues to be our main source of income for education scholarships, marae grants and sponsorships. However, we realise that species stocks are being shelved and our rohe moana is becoming intensely utilised, we must look to the future and diversify. Our parcel of inshore quota is valuable but it must be sustainably fished and taken care of. We are working towards projects that focus on restoring the “mauri” of our moana so that our future generations can maintain the mana of Ngātiwai as its kaitiaki.

Commercial property is another area that we are deriving additional income. Ngātiwai is a shareholder in the Westpac Building and the Warehouse Building which are proven investments. We also have a shareholding in the James Street carpark, where the council has a buy back clause. The Bland Bay Campground continues to make a profit and this goes toward reducing the loan that was invested in it to get it up to scratch.

The Education Unit continues to face challenging times posting a loss this year. The tertiary education sector as a whole is struggling with a number of major polytechs posting deficits and coming under statutory management. Next year's Tertiary Regional Investment Plan has a stronger focus on developing skills at the right place and right time. We must keep holding on to our PTE as it will be central to the economic development surge coming. We again delivered a successful Manaaki Marae programme and drivers licence programmes as well as continued our work in early childhood, NCEA Level 2, and curriculum development around our Ngātiwaitanga. The Ministry may look to refocus our contract in the coming year. We continue to provide pastoral care through our relationship with Te Matarau however, next year the changes in the sector come into effect which will mean we need to plan for these changes. I am still a firm believer in the education of our young people and providing pathways not only to tertiary but also to trade skills.

I am encouraged by the work done to build our capacity and capability in the social development space over the past year. We now are working with agencies such Ōranga Tamariki, Ministry of Justice, community providers and

other iwi and hapū on developing housing solutions, reducing youth suicide and providing wrap around services for vulnerable whānau.

Our Treaty Claims were put on hold following the urgent Waitangi Tribunal Inquiry. The report challenges Ngātiwai as an iwi, which I believe was not their role. As an iwi, we will never let that happen again. While our mandate was not ceased by the Crown, we do have work to do with some of our hapū. Ngātiwai must fairly represent the interests of all its claimants including those that oppose us. With the change of government and the new Minister in 2017, the Board will now advance this work and I am confident issues can be resolved as we continue to meet obligations in holding hui ā iwi and wananga.

The kaumātua have been meeting on a regular basis at the Board to discuss tikanga issues and to provide leadership in areas where the Board needs support. Thank you for your guidance. My congratulations to the Kaumātua kapa haka who performed at the Matariki Festival in Wellington for the second year in a row. Well done.

We continued to provide grants for our marae, educational scholarships and sponsorships for sport, arts, culture and tikanga, the total contribution exceeding \$200,000. Marae such as Whananāki are in full swing as they get ready to rebuild their marae under the Ōranga Marae programme and Mōkau as they look to rebuild their whareniui. Congratulations on their fundraising efforts.

A new relationship has been struck with Watson's Honey (now known as ŌHA) which is fully owned by Ngāi Tahu. They have a new team we have been working with closely to sort out the beekeeping on our DOC concessions. Our Resource Management Unit deals with four councils and the inconsistency in fee structures for consents and iwi engagement. The Marine and Coastal Act consents are also problematic as the claims have yet to be heard. While Ngātiwai has statutory obligations to these agencies, we remain frustrated with the work we have to do which is largely fee for service.

Our reo strategy through Te Kūpenga Reo and Te Waka Reo o Ngātiwai continues to move around Ngātiwai Marae. Te Mātāwai are now the funders of our future strategy. We thank Foundation North for their three year commitment toward revitalising Ngātiwai and to the Kupenga Reo Team.

“We have had some ups and downs and tough decisions to make. We do the best we can for our tamariki mokopuna, our whānau, our hapū, our marae and iwi.”

My thanks to the Board's Senior Management Team, led by CEO, Kris MacDonald. We now have our legal and financial support in-house. This has allowed Ngātiwai the flexibility to deal with a broad range of management issues when needed. The team is making internal improvements in operational policies, planning, and ensuring that we continue to deliver on the Board's strategic direction. It has been a challenging year for some staff, who have had to endure personal health issues yet continued to make a supreme effort. To all of you, thank you. We have clarified the role of governance and operations and are constantly adapting our staff structure to the changing environment. I would like to pay tribute to our administration staff and finance team and thank you all for your dedicated commitment.

Finally, to my Trustee colleagues, thank-you for your support in steering the Board this year. We have had some ups and downs and tough decisions to make. We do the best we can for our tamariki mokopuna, our whānau, our hapū, our marae and iwi. We must stay united to stay a strong proud iwi. Ngā Manaakitanga o te Atua, tēnā hoki koutou katoa.

Haydn Edmonds
Chairman



CHIEF EXECUTIVE REPORT

Tēnā koutou katoa

Management Overview

The previous financial year was about tidying up the Board's commitments, this year 2017/18 has focused on building our programmes and the capacity of Ngātiwai. There is more work to do as the change of government and its policy settings are being bedded in creating more certainty in the short term. Key highlights have been:

- Implementation of Annual Plan, and regular review of our performance against the plan;
- Improvement of internal policies and procedures;
- Growing our social development capability;
- Improvement in Oceans Resort Tutukaka trading result as well as the enhancements of the hotel reception, restaurant and rooms;
- Participation in Amokura Iwi CEOs Consortium to strengthen our regional iwi collaboration including the appointment of the CEO to Northland Inc.;
- Tidying up our honey business;
- Setting up support for the Kāhui Kaumātua;
- Ongoing review of the Resource Management Unit;
- MOUs with Auckland Council, Water Care; Rayonier and reviewing relationships with Department of Conservation;
- Stronger relationship with Te Puni Kōkiri;
- Building forward on our work revitalising Ngātiwai reo and Tikanga.

However;

- The tertiary education sector presents significant challenges for the future viability of the Education Unit;
- The funding arrangements for our environmental and resource management work, especially with Department of Conservation and Northland Councils, cannot continue in the current way that it does.

Financial Performance

Overview

The financial year ended 31st March 2018 resulted in a group net operating surplus of \$103,543, a pleasing improvement against last year's deficit of \$980,473. In brief, results to be highlighted pertaining to the 2018 financial year included:

- A positive return on investment of the 36.5789% interest held in 42 Port Road Limited Partnership (Warehouse Building) continues year on year, with a resulting share of profits totalling \$314,709 for the 2018 financial year.
- An improved and positive result to report on was the share of profit from the 50% investment held in James Street Car Park Limited which was \$13,684 in comparison to the surplus of \$9,339 in the 2017 financial year.
- The 75% investment held in Rathbone James Limited Partnership (Westpac Building) resulted in a pleasing share of profits totalling \$335,886 for the 2018 financial year.
- Oceans Resort Tutukaka Limited saw a pleasing improvement in trading for the 2018 financial year, with an improvement in net trading results of \$108,306 year on year. The net loss for the 2018 financial year was \$57,422 as opposed to the net loss for 2017 being \$165,728. With the strategic plan well set in motion, the trend is definitely moving in the upward direction with a break-even position being forecast for the 2019 financial year.

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 \$29,535,326 increased against the asset value with that of the prior year being \$29,172,774. 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.

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

Ngātiwai Fishing Limited / Ngātiwai Holdings Limited

During the 2017/18 year conditions in the market remain unchanged to that of the prior year which was a positive fishing year. This is specifically in relation to both the global seafood market as well as the New Zealand market. In brief, Ministry for Primary Industries have reported that “By far the majority of New Zealand’s fisheries are performing well”. They have based their status report on a complex analysis of four different performance measures, with the results being evident that by the end of 2017, 76% of assessed fishstocks were at or above their targets, a clear indication of their effective management systems.

It is pleasing to report that for the year ended 31st March 2018, an independent market valuation undertaken by Deloitte pertaining to the Income Shares held in Moana New Zealand increased in value from \$1 million to \$1.1 million over a one year period. The positive performance of both the fishing industry as a whole and Moana New Zealand over the last year is further evidenced by the record dividend pay out to shareholders, of which Ngātiwai’s 0.48% share was \$56,759.

Moana New Zealand attributed the increased profits to a few main factors, which included:

- The growth in the ‘Ready-to-Eat’ side of the business,
- Aquaculture operations produced strong results with increased production, along with an upturn in sales of premium grades,
- Their financial year also brought good results from Sealord both at sea and onshore processing, and
- The Hoki season produced strong operational and sales results.

In April 2017, Ngātiwai’s quota ACE for the April fishing year was leased to Moana New Zealand (AFL) as a renewal of a further three year lease agreement of fishing quota, including a terms of agreement which extended for a further two year period. 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 barracouta (BAR1), blue mackerel (EMA1), gurnard (GUR1), hoki (HOK1), snapper (SNA1), arrow squid (SQU1J, SQU1T

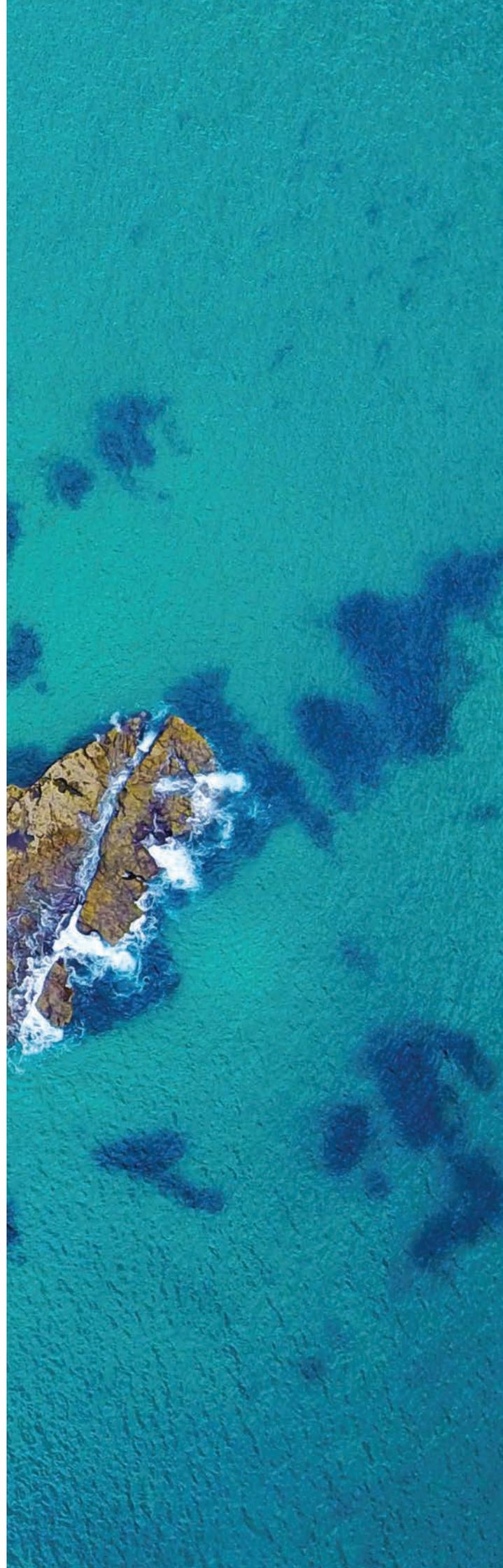
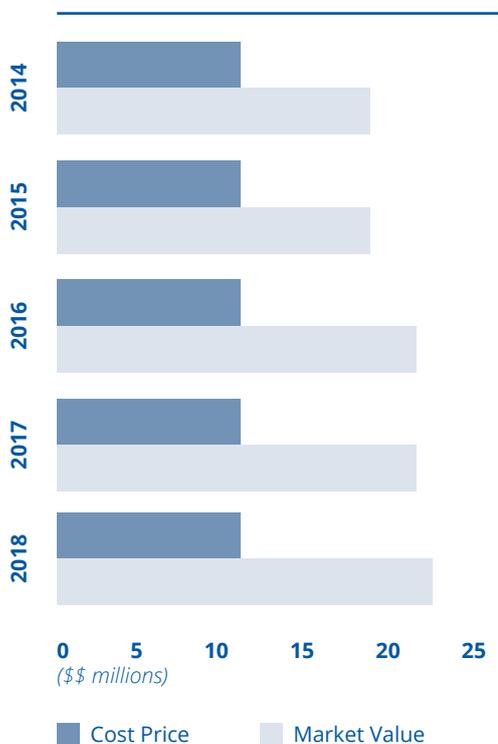


Figure 1.

Cost price vs market value of quota owned



and SQU6T) and trevally (TRE1).

Ngātiwai's April 1 main fishstocks comprise of rock lobster (CRA1, CRA2) and southern blue whiting (SBW). The overall value of fishstocks held increased from the 2017 financial year despite the reduction in value of two key fishstocks, namely rock lobster (CRA2) and grey mullet (GMU1). There was a pleasing increase in value of CRA1, HOK1, kingfish (KIN1), scampi (SCI1), and tarakihi (TAR1), however there was a slight decrease in value of bluenose (BNS1) and school shark (SCH1).

There was a reduction in total allowable commercial catch (TACC) for the October fishing period. This included a reduction in TACC for BNS1, BNS3, BNS7, BNS8 and hake (HAK7). From 1 April 2018, there has been a reduction in TACC for CRA2.

A market related valuation was obtained from Quota Management Systems Limited for fishstocks as at 31 March 2018, with a consolidated valuation coming in at \$23,264,470, an increase against the 2017 financial year which was \$22,725,236. Where fishstocks have little or no trading in an open market they have been given a \$nil value.

For financial reporting purposes however, it is a requirement to report the value of fishstocks at cost, hence the reason why the total of both settlement and purchased fish quota is reflecting a value of \$11,864,806 in the 2018 audited annual accounts. As per above, the assessed market valuation is significantly higher than the carrying amount/cost, therefore there is no indication of

Figure 2.

Fishing quota held – ACE (kgs) and market value (\$)

CODE	FISHSTOCK	ACE (KGS)	% HELD	MARKET VALUE	% HELD
BAR 1	Barracouta	82,339 kg	4.8%	\$ 119,392	0.5%
CRA 1	Rock Lobster	6,760 kg	0.5%	\$ 1,699,874	7.3%
CRA 2	Rock Lobster	5,966 kg	0.4%	\$ 268,470	1.2%
EMA 1	Blue Mackerel	275,571 kg	16.0%	\$ 330,685	1.5%
GUR 1	Gurnard	55,203 kg	3.2%	\$ 82,805	0.4%
HOK1	Hoki	217,858 kg	12.7%	\$ 1,633,935	7.1%
JMA 1	Jack Mackerel	225,254 kg	13.1%	\$ 123,890	0.6%
SCH 1	School Shark	18,354 kg	1.1%	\$ 330,370	1.4%
KAH 1	Kahawai	39,025 kg	2.3%	\$ 214,638	1.0%
SNA 1	Snapper	116,969 kg	6.8%	\$ 9,357,520	40.2%
SNA 8	Snapper	3,819 kg	0.3%	\$ 305,520	1.3%
TAR 1	Tarakihi	21,233 kg	1.2%	\$ 461,126	1.9%
TRE 1	Trevally	32,279 kg	2.0%	\$ 129,966	0.6%
OTHER	Other Fishstock	617,125 kg	35.6%	\$ 8,206,280	35.0%
TOTAL		1,717,755 kg	100%	\$23,264,470	100%

“The upgrades will allow the property to work towards a four star grading, thus opening up access to wholesale markets that we have previously not attracted.”

impairment in value.

Quality Hotel Oceans Tutukaka

We have had a very busy and positive year out at Oceans Resort Hotel, Tutukaka with the improvement in operating results reflecting how effective our strategic plan has been. We are pleased to report that the 2018 annual results saw a substantially reduced net loss of \$57,422, once again another significant improvement against losses incurred in prior years, such as: 2017 FY of \$165,728, 2016 FY of \$245,056 and 2015 FY of \$236,985 (refer figure 3). Whilst this is a significant step in the right direction we are pushing hard at turning the trading loss into a targeted break-even position for the upcoming financial year, which will be a first in the history of the hotel.

The seasonality of the Tutukaka Coast presents a challenge that we are actively working on to unlock the potential of the property. Many have tried before, however we remain committed to keep driving through with the changes made over the past two years that have allowed the dramatic improvements referred to

above. Introducing dynamic rates, an outsourced revenue management strategy, campaigns to target commercial travellers servicing the North Island and focusing on attracting conferences to boost winter numbers, are all strategic actions being consistently worked on which is bumping us in the right direction. Dynamic rates allow us to have a range of ten different rates which are manually yielded according to demand on a daily basis rather than having a static rate that does not take advantage of bumping the rate up in peak demand times. The healthy increase in average room rate of \$12 reflects that effective revenue management practises are in place.

Plans are in place to begin renovating hotel rooms and the reception area during winter 2018, with the concepts being discussed which will introduce a Ngātiwai and coastal theme in the look and feel of the property. The upgrades will allow the property to work towards a four star grading, thus opening up access to wholesale markets that we have previously not attracted.

The building had the car park facing side upgraded through being re-painted, reflecting the new colours of the marina facing side, the result has attracted a lot of favourable attention and sure makes a bold statement when you enter Tutukaka. The exterior painting project is now complete, this together with ongoing infrastructure improvements and replacements has the building looking in good shape. The building was nominated for a Master Painter’s Award and won Gold, a very exciting and pleasing end result for both the Hotel Complex and to the Body Corporate. The swimming pool got a makeover and replacements to poolside furniture are ongoing. We are fortunate to have a well-run and committed Body Corporate team looking after the best interests of the property which allows the Hotel to focus on selling rooms. I am actively involved in the monthly Body Corporate property meetings and respective decisions which ensures that we get a return on the fees invested.

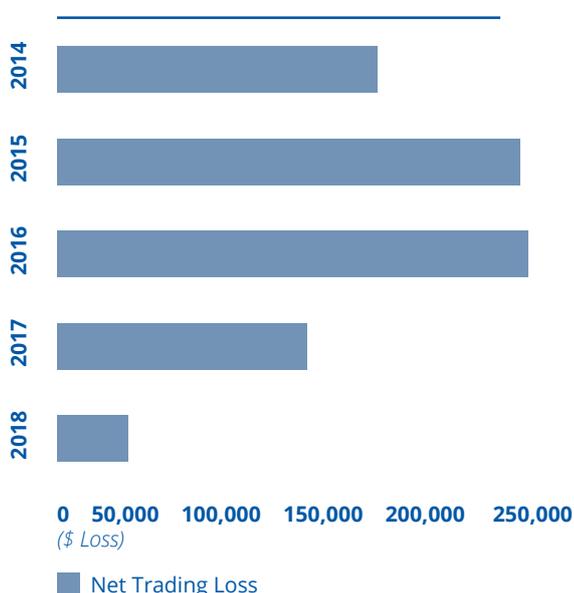
Leasing out the food and beverage facilities to Nick Keene and his team of Wāhi Restaurant has matured into a good working environment for all. We are not exposed to the risk of reduced trading for food and beverage over the quiet winter months and as they have got up to speed, the quality and consistency of the offering keeps improving and attracting great Trip Advisor feedback. Improvements to the appearance of Wāhi Restaurant included re-upholstering of the booth bases and re-painting the restaurant, whilst improvements to the appearance of the outside seating area are planned for late winter 2018.

Outlook

Extracting the best value out of our relationship with Choice Hotels, focusing on dynamic rates and working closely with a revenue manager will unlock Oceans potential in the 2019 financial year. We have shown great progress towards getting the property into new territory in 2017/2018, converting this into the result will test our strength and resolve. We look forward to rewarding the ongoing support, encouragement and backing of the Board as we continue doing the hard yards in 2019 and beyond.

Figure 3.

Hotel trading net loss analysis



On behalf of the General Manager, we wish to thank the Board for the trust that they have placed in the 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 both property and other forms of investments for the group, the 2017/18 financial year saw positive trading results and continued returns on these investments.

- The Westpac Building returned a total net surplus of \$447,848 (2017 \$492,559), with the subsidiary's 75% share in equity being \$335,886 (2017 \$369,419), 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 2018. Based on a valuation undertaken by Telfer Young Valuators (Northland) during the 2017 financial year, the estimated market value was \$9.2mil.
- The Warehouse Building returned a total net surplus of \$860,357 (2017 \$875,896), with the subsidiary's 36.5789% share in equity being \$314,709 (2017 \$320,393), a clear indicator that this investment will continue to provide the group with high returns.
- James Street Car Park was 100% leased out and returned a total net profit after tax of \$27,369 (2017 \$18,678) for the 2018 financial year end. The company's 50% share in equity was \$13,684 as opposed to the return of \$9,339 in the 2017 financial year.

- As part of the investment strategic plan, four 1-bedroom apartments were purchased for an amount of \$827,248 during the financial year. Two of the apartments were 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. The remaining two apartments are leased to individual tenants on 6-month fixed term tenancy agreements.

Appreciation

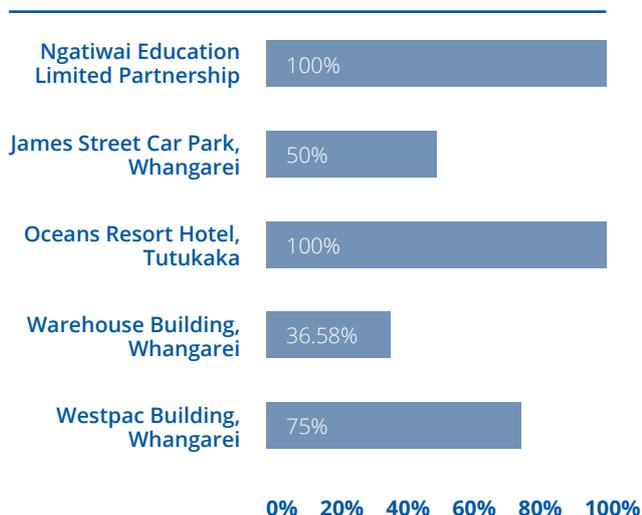
Thank you to my operations team in the main office and education unit for your hard and diligent work this year. There have been significant challenges to overcome but you have risen to the occasion with professionalism and integrity to ensure the Board's work is in safe hands for the future.

Ngā mihi,

Kris MacDonald
Chief Executive Officer

Figure 4.

Percentage of each investment held



SUMMARY OF GROUP PERFORMANCE RESULTS

GROUP RESULTS	2018 (\$)	2017 (\$)	2016 (\$)	2015 (\$)
(Deficit) Surplus For The Year Before One-Off Transactions	(253,610)	(447,061)	(609,365)	(446,203)
One - Off Transactions	-	(757,536)	2,311,733	-
Share of Partnership Equity Surplus (Deficit)	257,153	258,493	213,690	(283,421)
Gain (Loss) on Revaluation of Financial Assets	100,000	(34,369)	120,521	-
Net Group Surplus (Deficit) For The Year	103,543	(980,473)	2,036,579	(729,624)

GROUP POSITION	2018 (\$)	2017 (\$)	2016 (\$)	2015 (\$)
Fixed Assets, Managed Investments Other Assets	28,069,862 1,465,464	27,295,083 1,877,691	26,417,212 2,255,764	26,485,121 2,301,306
Assets Total: Current and Non-Current	29,535,326	29,172,774	28,672,976	28,786,427
Liabilities: Current and Non - Current	(12,176,346)	(11,751,341)	(10,173,782)	(12,158,289)
Group Net Assets	17,358,982	17,421,433	18,499,194	16,628,138
Equity % of Group Assets	59%	60%	64.52%	57.76%
Group Net Asset Annual Growth	-0.36%	-5.83%	11.25%	0.73%

Due to the Group's reporting being classified under the new Public Benefit Entity Reporting Standards, 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 5.

Group total asset position – 31 March 2018

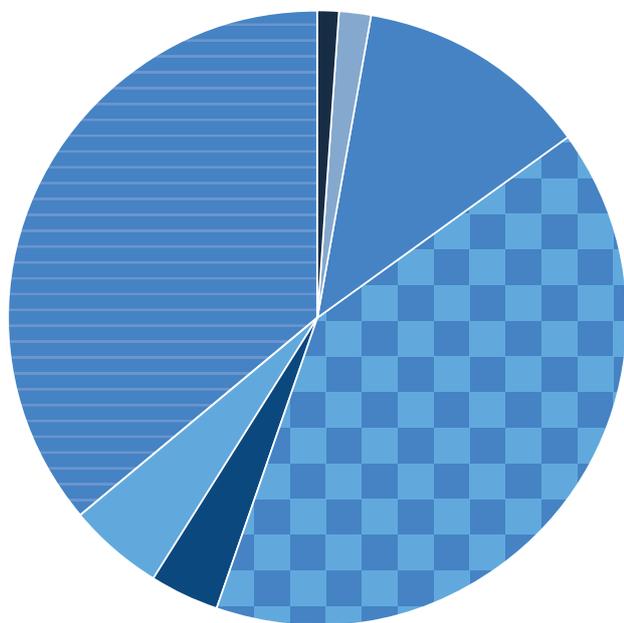
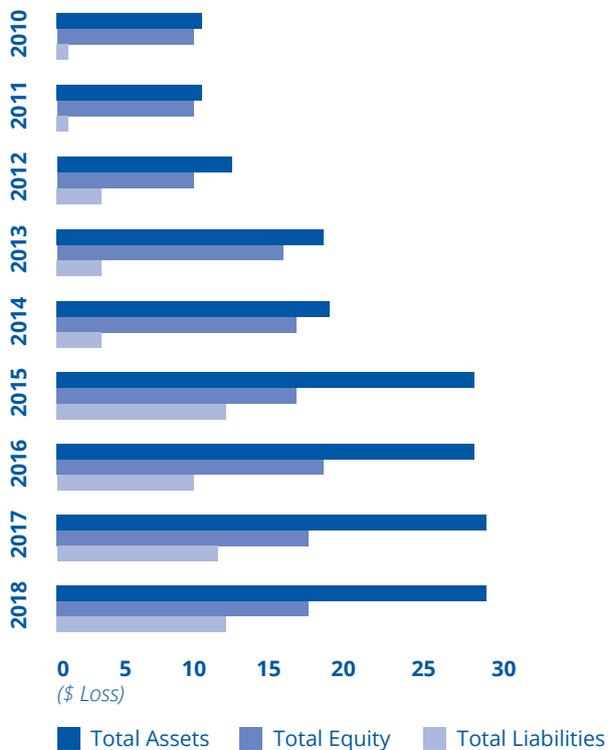


Figure 6.

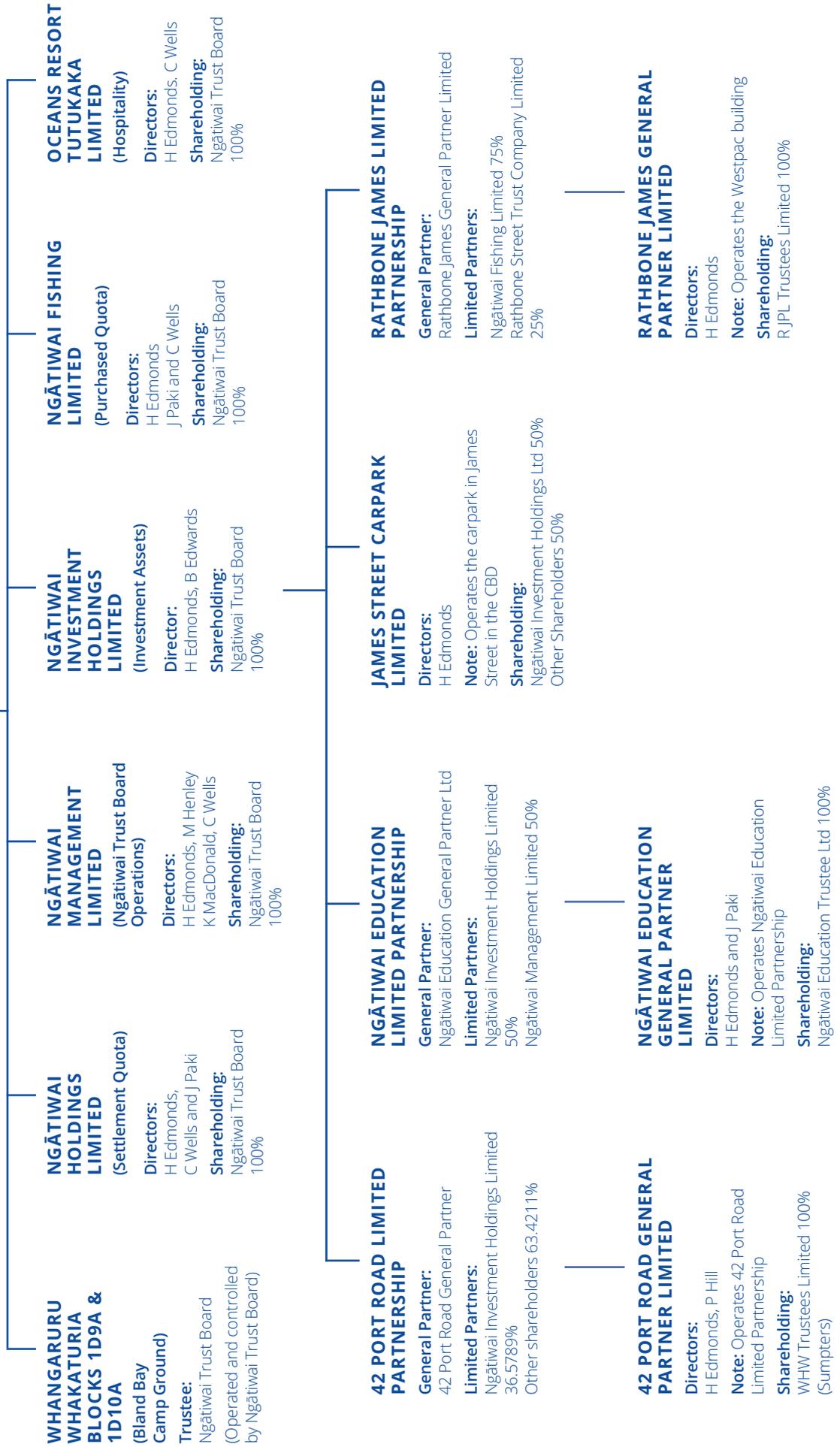
Group asset / Wealth growth – 2010 to 2018



KEY	ASSET GROUP	31 March 2018 (\$)	ASSET POSITION (%)	31 March 2017 (\$)
	Bank & Cash	370,556	1.25	634,840
	Short Term Investments & Other	504,026	1.71	664,170
	Property, Plant & Equipment	3,598,422	12.18	2,777,320
	Quota Owned	11,864,806	40.17	11,864,806
	Aotearoa Fisheries Income Shares	1,100,000	3.72	1,000,000
	Other Long Term Investments	1,444,208	4.89	1,406,265
	Property Investments	10,653,309	36.07	10,825,373
	TOTAL ASSETS	\$29,535,327	100.00%	\$29,172,774

BOARD GROUP STRUCTURE

NGĀTIWAI TRUST BOARD
Trustees x 14





NGĀTIWAI EDUCATION

Te Au Here o Tukaiaia

“Flying on the wings of Tukaiaia”

Tēnā koutou katoa,

This report comes from Ngātiwai Education, Te Au Here o Tukaiaia and reviews the 2017/2018 year. The Education Unit focuses on providing meaningful educational services by working on behalf of its members, in partnership with learning centres, schools, the Ministry of Education and other organisations. The Unit continues to support the needs of Māori learners of all ages through the delivery of numerous contracts.

CONTRACT REVIEWS

Nga Tau Miharo – The Incredible Years

We have been administering this programme for eight years. It consists of positive parenting workshops for caregivers and whānau of 3 to 8 year olds. The goal is to arm our parents and caregivers with tools to manage behaviour in a positive way and promote the children’s social, emotional and academic wellbeing. During this reporting period, we completed three courses which saw 29 participants successfully graduating. We received funding for a further three courses which will be completed during the 2018/2019 reporting period.

Te Matarau – Pastoral Care

Te Matarau is a collective of five Hapū and Iwi supporting the Māori and Pasifika Trades Training in Tai Tokerau, working in combination with NorthTec. The goal is to enable more Māori and Pasifika students to obtain practical qualifications, trade apprenticeships and employment. Ngātiwai works with and provides pastoral care for 20+ students and has a three-year contract with Te Matarau due to expire in December 2019. Our first group of students completed their six month course in July 2017, with three finding employment and the remainder going on to the next level of training.

“ We continue to seek funding to support the operations of the unit and our hard working team continues to increase our skills and represent Ngātiwai proudly in our mahi. ”

IMER – Iwi and Māori Education Relations

We have worked on this contract funded by the Ministry of Education since 2015. We work with whanau, learning centres and schools to enrol non-participating pre-schoolers in quality early childhood education, lift achievement in National Standards with our primary school tamariki and assist our secondary school students with NCEA L2. Working with over 100 students, across nine schools, this contract continues to be our major contract.

Kamo High School / Iwi Partnership

This year we worked with Kamo High School to deliver the leadership programme, Whakamanatangata. This involved supporting whānau and improving attendance of identified students. Our program was sports based with a focus on goal setting, team building and growing confidence. Kamo High School used our model and reporting, to access Ministry funding for a school counsellor, which is great news for our rangatahi.

Manaaki Marae – in Partnership with NorthTec

This 19-week L3 course commenced in May 2017 with the core activity delivered from the Ngūnguru Marae and using the Wāhi Restaurant at the Oceans Hotel in Tutukaka, for work experience. This programme is designed to develop skills in hospitality, through experience in Wharenui, Wharekai and practical experiences in food production including commercial operations. Participants worked independently under

limited supervision, as part of a team and in accordance with tikanga and marae kawa. It was very pleasing for two of our graduates to gain employment at the Wāhi Restaurant post this course.

Private Training Establishment (PTE)

We continue to maintain our category 2 rating because of the NZQA review undertaken during the 2017 financial year. The next review will be held during the 2020 financial year. Credits achieved under our PTE this year included:

- Te Waharoa – 94% of the students achieving L2 and L3 credits to support their NCEA
- Driver Education – 100% pass rate for learner licence and 92% pass rate for restricted licence
- Kaumatua Kapa Haka – L3 credits gained for performing kapa haka at Wellington Festival

In conclusion, it has been a busy year for the Education Unit, with one of the highlights being the support given to our Kaumatua and Kuia with kapa haka practices that built towards travelling to Wellington to perform at Te Papa at the Matariki Festival. A very humbling experience indeed, enjoyed by all who attended and were involved.

We continue to seek funding to support the operations of the unit and our hard working team continues to increase our skills and represent Ngātiwai proudly in our mahi. Education is our passion and our driver.



BOARD SECRETARY

Administration

The administration team have been instrumental with providing administrative and logistical support to Trustees and Operational Management during the course of the year, these include the preparation for Trustee monthly meetings, Hui-A-iwi, the Board's Annual General Meeting and other extraordinary hui run by the Board.

Database

As at 31st March 2018 the total of Ngātiwai Trust Board registered members is 7977 which is an increase of 165 members from the previous year.

We invite Ngātiwai whānau to register with the Trust Board, registration application forms and update information forms are available online at the Ngātiwai Trust Board website.

Scholarships

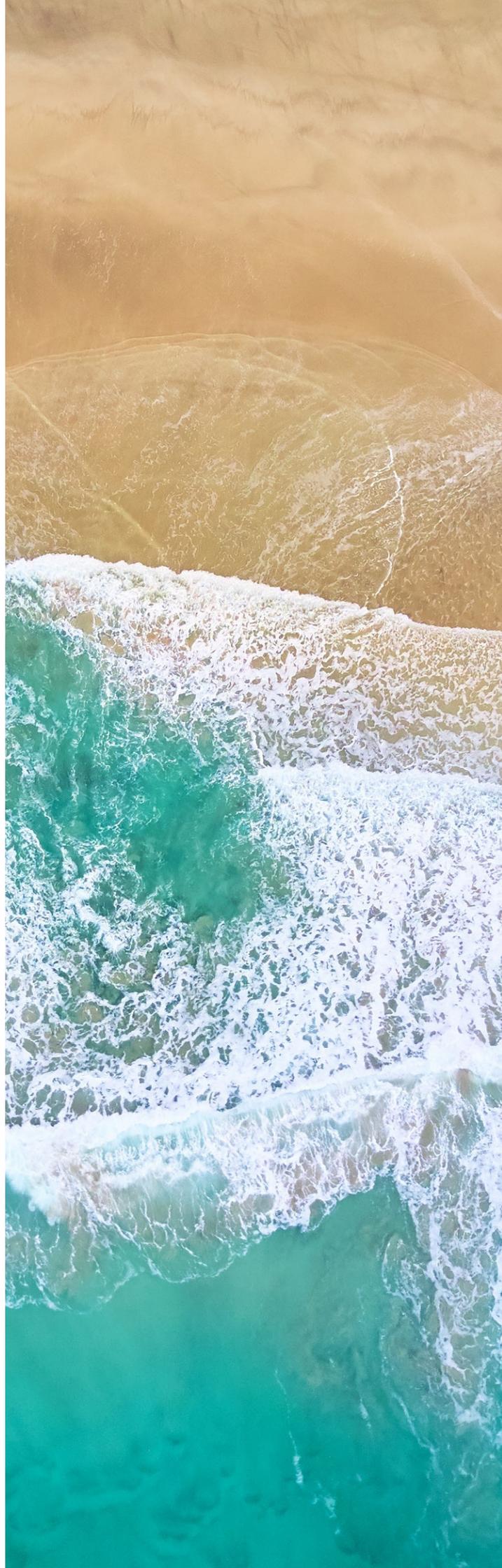
This year scholarship awards were increased to \$750 per application. A total of 50 registered members were supported to achieve their academic goals.

The Educational Scholarships are made available for a specific period of time each year and are advertised on the Trust Board's website and face-book pages.

Sponsorships

The Trust Board supported a total of 12 sponsorship applications which assisted Ngātiwai individuals, teams and groups to realise and enjoy their sporting and cultural aspirations.

Sponsorships can be applied for at any time during the course of the year, the policy/application is available on the Trust Board's website in the resource section.





BLAND BAY CAMP GROUND

The New Zealand Motor Caravan Association (NZMCA) held their annual rally in September 2017, with around 62 motorhomes and caravans in attendance. It was a great success and we look forward to the next rally in 2018. We are actively seeking to host additional rallies/ large group bookings in winter in order to boost camp ground earnings.

Revenue was consistent this year when compared to the 2016-2017 year, an overall pleasing result. Annual revenue was consistent despite a reduction in revenue over the tail-end of the summer period, mainly due to not hosting two large groups (Hash House Harriers and the New Zealand Navy) whereas they booked in for the 2016-2017 summer season.

“ Annual revenue was consistent despite a reduction in revenue over the tail-end of the summer period. ”

The 2017-2018 summer season was also generally very wet in comparison to the previous summer. A fierce storm cleared the camp ground of a number of campers in mid-January 2018, due to ripped tents and storm drenched clothes. This also had a negative effect on the shop revenue over this rainy period. However, a number of campers braved the elements and remained on site to enjoy some fine weather following the rain and winds.

On a positive note, I can report that the camp was completely booked out as we approached New Year's Eve. A large number of campers staying for two nights was evident this season as they arrived on New Year's Eve and departed on the 2nd of January 2018. It was pleasing to see that all campers were well behaved and the facilities once again handled the crowd. On Anniversary weekend, we were also very busy with much higher numbers in for the weekend than for the same period in previous years.

I am pleased to report that this year is the second year that the camp ground has made a net profit on trading and it has provided a sound basis for growing that profit in future years to come.

In July 2017, we made a submission to the Proposed Camping in Public Places Bylaw, as proposed by the Whangarei District Council. This proposed Bylaw sought to allow Freedom Camping at the northern end of the Bland Bay Camp ground. Our formal submission

opposed this proposed Bylaw on the following points:

- Tuparehuia has two existing large scale camp grounds (Bland Bay Camp ground and the Department of Conservation Camp in Puriri Bay), therefore people have a choice as to where they would like to camp and the prices are varied in each camp.
- The Ngātiwai Trust Board own and operate a Camp Ground that boundaries the proposed Bylaw area. The proposed area was less than five metres from our camp ground boundary, resulting in paying campers being in our camp ground while freedom campers (non-paying) being over the fence less than five metres away.
- Freedom Campers will illegally access our camp facilities and any debris/ rubbish left by them will impact negatively on our camp ground.
- The Ngātiwai Trust Board have recently invested heavily in upgrading the facilities in the camp ground.

I am thus pleased to report that on the 2nd of August 2018, we spoke to our submission at a Whangarei District Council hearing and were successful in council removing the Bylaw from the camp boundary. We were delighted with this successful outcome and the council further designated the entire road frontage of the camp ground as a "Camp Free Zone".

COMMUNICATIONS

Tēnā koutou

This past year has seen another sustained effort to keep our whānau updated and informed around all matters relating to our tāngata, whānau, marae, hapū and iwi of Ngātiwai.

One important way we communicate and inform our whānau is via the regular publications of our Te Tūkaiaia Newsletter. The newsletter is uploaded to our website, emailed out to all our registered beneficiaries and also posted via a physical mail out to our kaumātua to ensure they are kept informed with many not having access to the internet or social media.

Kanohi ki te kanohi contact is a vital part of our engagement and communications with our whānau. Over the past year we have continued to maintain our kanohi ki te kanohi contact with our iwi, having held Hui-a-iwi throughout the year as well as holding our Annual General Meeting. Our Hui-a-iwi at Ngunguru and Tuparehuia followed with our Annual General Meeting at Toll Stadium were great opportunities to spend time and discuss important matters with whānau.

An important part of our communications is keeping our whānau informed on all matters regarding our Treaty Settlement and other Treaty matters such as overlapping claims and the likes of the Marine and Coastal Area (Takutai Moana) Act 2011.

Throughout the year regular Treaty Settlement updates were published via our various platforms.

One of importance was in October 2017 where we advised whānau that the Waitangi Tribunal publicly released its report on the Ngātiwai mandate inquiry, ten months after hearings in Wellington finished in December 2016. This report is available for whānau to read on our website in the resources section.

We also advised that The Ngātiwai Trust Board made a decision to pause its treaty settlement engagement with the Crown while the urgent hearing into its mandate took place and while we waited for the Tribunal to release its report. We continue to remain in this holding phase with our settlement as we work through the report and continue discussion with our uri.

Hui-a-iwi that have been held over the past twelve months have focused on the Waitangi Tribunal Report to inform whānau and seek feedback. All Ngātiwai Trust Board business units provide reports which are made available

to read and take away on the day also.

During the last twelve months we have also profiled our people who have been doing exceptional things - either individually, in sports, arts, business or in other fields.

The last year has seen the likes of Paora Glassie and Arama Morunga travel to Hastings for their graduation from Te Whare Tū Tauā o Aoteroa, where they gained the highest ranking in the art of Maori Weaponry, the Taiaha – Pou waru. Jasmine Milton of Ngunguru who won a silver medal in Beach Volleyball at the 2017 Youth Commonwealth Games in the Bahamas, and the likes of Kendell Heremaia who continues to do great things academically and on the Basketball courts at Fordham University in the USA.

In the area of business, we profiled the likes of 'Soil and Sand', a locally owned and operated screen printing and design business established by Stephen and Charlee Taua; 'Cuzzies' Lunch Bar which opened in the Strand Arcade owned by Mark Pepene; and 'Stay Native' which is a start-up business that connects local and international travellers to authentic indigenous people, places and experiences and that gives travellers the opportunity to escape the normal cookie cutter tourist crowds and experiences to instead enjoy something unique and personal. 'Stay Native' is the brainchild of Te Ara Armstrong, Chanelle Armstrong, Chala Chase, Eliza Leului and Pam Armstrong.

These are just a few of our people who we have profiled doing great things both locally and internationally; there have been many others not mentioned in this report and we would like to acknowledge them also.

We love to celebrate our kaumātua in all they do for our iwi, and it was great to be able to share their Christmas celebration. On the 18th - 19th December 2017 almost 75 Kaumātua came together at Oceans Resort Hotel, Tutukaka for a dinner and an exciting trip to the Poor Knights.

Many of our Kaumātua said that it was a trip of a lifetime, and that they thoroughly loved the entire experience. Some had never been to the Poor Knights before, and some felt at their age that they may never go there again. Many said the memories of this day will stay with them forever.

We were also proud to share and promote our kaumātua on the big stage at Te Papa for the 2017 Matariki Festival representing not only all of Ngātiwai but also all of

“ We encourage you to keep informed whānau. To ensure that you are included in all our communications, it is important that you register yourself and your whānau.”

Te Tai Tokerau! Our Ngātiwai kaumātua rōpū travelled to Te Papa in Wellington to proudly represent our iwi and perform over two days of kaumātua kapa haka where they participated with over 500 other kaumātua from around Aotearoa for the 2017 Matariki Celebrations.

After a great Christmas and summer, we decided to run The Ngātiwai Summer Photo Competition where we invited registered members to submit photos of their summer in the Ngātiwai rohe, with the picture obtaining the most “likes” on our Facebook page winning two nights’ accommodation at Quality Hotel Oceans Tutukaka. We congratulate Tui Brown with her photo, “Sunrise in Ngunguru” down Papaka with her daughter Rihi Paea; and we hope you enjoyed your stay at Ocean’s Tui!

Thank you to all who submitted photos for the competition, they were all fantastic!

We encourage you to keep informed whānau. To ensure that you are included in all our communications, it is important that you register yourself and your whānau. When you do register, please provide an email address, this will include you on our mailing list and ensure that you receive all our pānui for the year ahead. If you are registered, but do not receive our pānui, please get in touch with us as we may need to update your details or add your email address.

Communication with our whānau and wider iwi is very important to us. However, communication is a two way thing, and if we don’t hear from you that you are not receiving our pānui, or there are things happening in your rohe that we do not know about, then our communications may not always be as effective as they could be to you. So please keep in touch with us, share your stories and make sure your details are up to date with us. Feel free to pick up the phone and call me.

These have been just a few communication highlights of the last twelve months, I look forward to the year ahead and keeping in touch with you all.

Ngā mihi koutou katoa,

Barry Caldwell
Communications Advisor



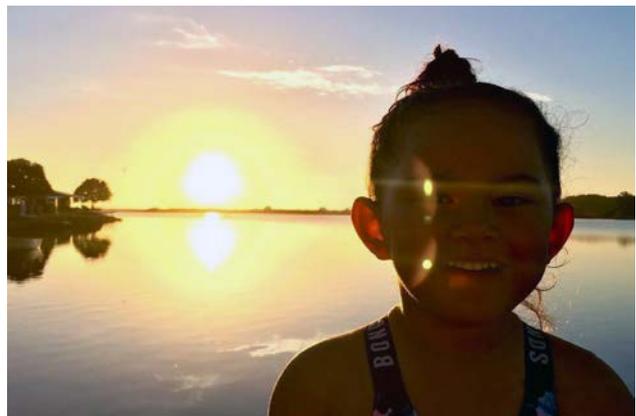
Arama Morunga receives his Pou Waru taonga.



Paora Glassie receives his Pou Waru taonga.



Ngātiwai kaumātua perform at Te Papa for the 2017 Matariki Festival.



Tui Brown's winning photo in the Ngātiwai Summer Photo Competition



NGĀTIWAI RESOURCE MANAGEMENT UNIT

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 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 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;
- 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 Russell State Forest;
- The WAI 262 Claim.
- Mimiwhāngata Reserve;
- Department of Conservation Tourism Strategy;
- 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
- 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.

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

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 there. Although reared in different parts of the north, the Pāteke whakapapa to Mimiwhāngata and Aotea are a taonga to Ngātiwai.

A Helicopter was used 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 rohe and different approaches to mana whenua partnership operate at different councils and at different levels. Ngātiwai is engaging through Memorandums of Understanding (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 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 MOU;
- 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.

Tāhuhu Potiki

Ngātiwai Kaumatua Hori Parata continues to provide leadership and guidance to the Whangārei tribes and DOC in the flensing, use and preservation of a young sperm whale, named after Manaia’s grandson Tāhuhu Potiki, that washed up near Ruakaka on the 30th May, 2017. Hori is a tohunga in this field and has helped maintain all these old tikanga for our pakeke and rangatahi to learn.

Mana Moana

Dr Phil Lyver (Ngāti Toa) of Manaaki Whenua is working in partnership with Ngātiwai to undertake comprehensive research to support the development of land and governance of our offshore islands and surrounding seascape. It will reflect the aspirations of Ngātiwai in terms of our mana motuhake and kaitiakitanga over these areas and within that, our environmental, educational, cultural, social, and economic aspirations within our rohe for at least the next 50 years.

NGĀTIWAI TREATY CLAIMS

Introduction – Crown Approach to Settlement Negotiations with Ngātiwai

In June 2009, the Crown presented settlement proposals that would involve the settlement of claims with 'claimant groups' in Tāmaki Makaurau, Kaipara and Hauraki. Two southern Ngātiwai hapū, Ngāti Manuhiri and Ngāti Rehua were included in the Tāmaki proposals. In response to the Crown proposal, the Trust Board proposed to the Crown that the Treaty claims of all Ngātiwai hapū be settled together rather than separate out the southern Ngātiwai hapū in Tāmaki. The Crown did not adopt the Trust Board's proposal and implemented a two-passed approach to Ngātiwai as follows:

- a. first, the Crown would complete settlements with two Ngātiwai hapū, Ngāti Rehua and Ngāti Manuhiri as they were within the Tāmaki Makaurau area; and
- b. second, the Crown proposed to negotiate a comprehensive settlement of Ngātiwai's remaining Treaty Claims at the same time that it dealt with Ngāpuhi's Treaty Claims.

In November 2009, the Crown recognised mandates for the Ngāti Manuhiri Settlement Trust and the Ngāti Rehua-Ngātiwai ki Aotea Trust. The later mandate containing a claimant definition that comprises descendants of Rehua and two Ngātiwai/Ngāti Manaia tūpuna; Te Awe and Ranganui. Unlike the Ngāti Manuhiri mandate the Ngāti Rehua-Ngātiwai ki Aotea mandate, by claimant definition, does not represent the interests of Ngāti Rehua as a discrete hapū. This is because of the additional Ngātiwai tūpuna that are included. The claimant definition does not however, include all descendants of Ngātiwai tūpuna with claimed customary rights and interests on Aotea. Those descendants, for example, the descendants of the tūpuna Hāua are included within the Ngātiwai Trust Boards mandate for a comprehensive settlement of all remaining historical Treaty of Waitangi claims. In 2012, the Crown completed a settlement with Ngāti Manuhiri.

In October 2015, the Trust Board's mandate for negotiations was recognised by the Crown and by May 2016, the Waitangi Tribunal had determined to hold an urgent hearing concerning the Crown's recognition of the Board's mandate. The hearings took place in Whāngarei in October and Wellington in December 2016. See The Ngātiwai Mandate Report (Wai 2561) on the Trust Boards website.

In December 2016, the Crown initialed a Deed of Settlement with Ngāti Rehua-Ngātiwai ki Aotea Trust. This

settlement has been put on hold pending the outcome of Trustees elections at an Annual General Meeting.

In July 2017, the Trust Board filed an urgent hearing application with the Waitangi Tribunal (Wai 2666) objecting to the Crown's overlapping claims policy, process and outcomes in relation to Hauraki Iwi seeking redress in the southern end of the Ngātiwai rohe and particularly on Aotea. In this context the Trust Board consider that the Crown's policy and approach to settlement of the two southern mandated groups separately from the remainder of the Ngātiwai claims, has resulted in:

- a. The Trust Board not being provided with visibility of the overall overlapping claims process, progress and timeframes for the Hauraki overlapping claims;
- b. The Trust Board being excluded at an early stage from consultation in relation to overlapping claims with Ngāti Rehua-Ngātiwai ki Aotea and Hauraki groups; and
- c. Damaged relationships within Ngātiwai and between Ngātiwai and the Hauraki Iwi.

Overlapping Claims / Urgent Hearing Application (Wai 2666)

In April 2017, the Trust Board filed a request with the Waitangi Tribunal to become an interested party in several urgent hearing applications concerning the Crown's overlapping claims policy, practice and resultant settlement redress for Hauraki groups.

From April 2017 through to July 2017, the Crown continued to seek feedback and make decisions on the Hauraki Collective Fisheries RFR (Right of First Refusal) Deed Over Quota Area. The final decision being to retain the Fisheries Quota RFR Area as Cultural redress together with a map illustrating coastline boundary points to which the Trust Board has strongly objected.

In June 2017, the Board made an urgent final request to all Hauraki iwi and collectives involved in overlapping claims negotiations within the Ngātiwai rohe. Overall, the response to this request was disappointing with only three of the nine Hauraki groups concerned following up with hui to discuss these matters.

In June 2017, the Crown contacted the Board about its settlement negotiations with Ngāi Tai ki Tāmaki concerning its proposal to offer this iwi a protocol area extending into the Ngātiwai rohe and including all of Aotea. Following a process that did not resolve

“The Board and Ngāti Whātua met face to face in good faith during October 2017 to discuss overlapping redress proposed to be provided by the Crown.”

overlapping claims the Crown introduced the settlement legislation into the House in August 2017.

In July 2017, the Ngātiwai Trust Board filed an urgent hearing application with the Waitangi Tribunal (Wai 2666) objecting to the Crown's overlapping claims policy, process and the redress it had offered to the Hauraki Collective, the Marutūahu Collective, Ngāti Whanaunga, Ngāti Maru, Ngāti Tamaterā, Te Patukirikiri, Hako, Ngāi Tai ki Tāmaki and Ngāti Pāoa within the Ngātiwai rohe.

In July and August 2017, the Minister made preliminary and then final decisions concerning redress it proposed to offer Ngāti Whanaunga in the form of properties at Orewa, Hatfield's beach and Tryphena on Aotea to which the Board objected.

In August and September 2017 the Crown initialed Deeds of Settlement with Ngāti Maru, Ngāti Tamaterā, Ngāti Whanaunga and Te Patukirikiri all of which anticipate redress to be provided in their settlements on or around Aotea to which the Board objected.

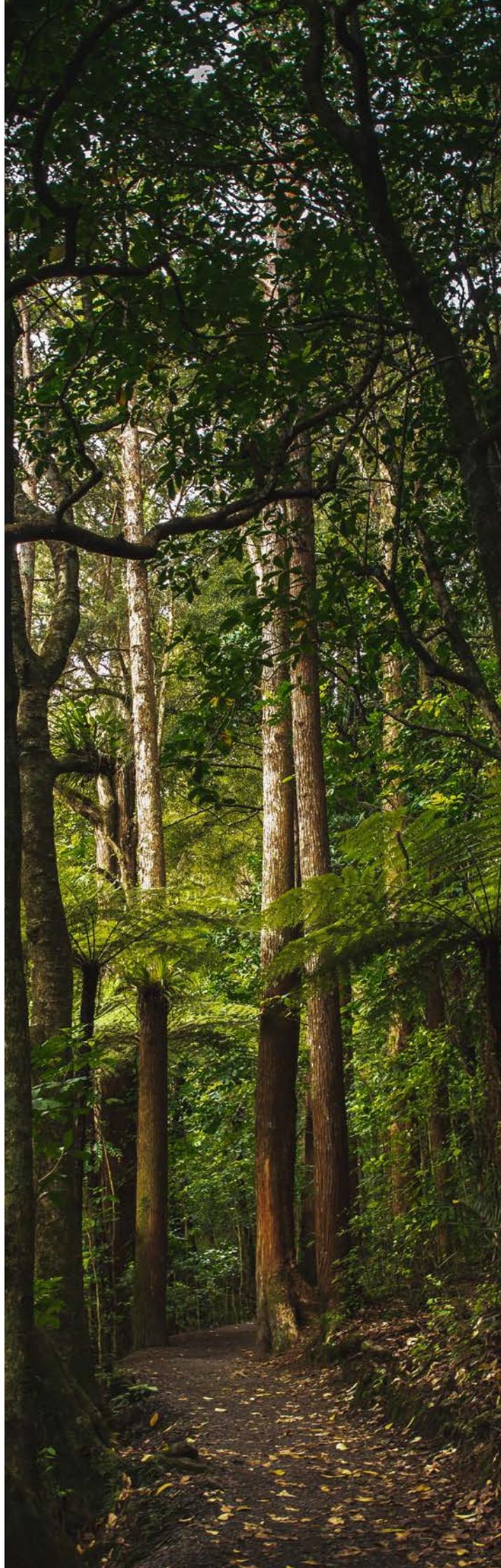
In August 2017, the Crown contacted the Board about its settlement negotiations with Ngāti Whātua. The Board and Ngāti Whātua met face to face in good faith during October 2017 to discuss overlapping redress proposed to be provided by the Crown. At that point, there was no information about any properties within the overlapping area and it was generally agreed that further meetings would be needed to discuss these if any are to be offered.

During November and December 2017, the Board monitored the progress of the Ngāi Tai ki Tāmaki settlement legislation in the house. Between January and March 2018, the Board filed a submission with the Maori Affairs Select Committee on the Ngāi Tai ki Tāmaki settlement legislation objecting to protocol redress within the overlapping area. Board representatives attended and spoke to the committee about their concerns at the hearings held in Auckland in late February and filed a supplementary submission in March. While outside the reporting period the settlement legislation received royal assent in July 2018 which finalised this settlement.

In March 2018, the Crown contact the Board about preliminary matters concerning pre-existing commitments over harbour negotiations with other iwi.

Ngātiwai Mandate Report (Wai 2561)

In late October 2017, the Waitangi Tribunal released the



“ ... working together and with the support and facilitation of Ngātiwai kaumātua, a hui-a-iwi would be organised to discuss the report’s findings and recommendations and to seek a way forward. ”

Ngātiwai Mandate Report (Wai 2561). From November to December 2017, the Trust Board considered the report and the next steps required to address the recommendations and matters to be resolved set out in the report

By January 2018, it had been determined that, working together and with the support and facilitation of Ngātiwai kaumātua a hui-a-iwi would be organised to discuss the report’s findings and recommendations and to seek a way forward.

In March 2018, the Trust Board held a hui-a-iwi at Tuparehuia Marae in Bland Bay, Whangaruru to discuss the report. The outcomes from the hui-a-iwi were agreement that:

- There should be a hohou i te rongo between the Trust Board and Patuharakeke first and before anything else happened,
- There should be a series of wananga-a-iwi on the common topics identified from workshop sessions held at the hui-a-iwi - to find a way forward, and
- Then mediation (if issues remained unresolved).

Marine & Coastal Area

In 2003, the Court of Appeal ruled that Māori might be able to show customary ownership of areas of the takutai moana and that the Māori Land Court had the power to consider this question and then recognise that ownership. The Crown responded by creating the Foreshore and Seabed Act 2004 – this gave the Crown legal ownership of the foreshore and seabed, and extinguished any rights that Māori might have, including the ability to have ownership claims investigated.

After widespread protest from Māori (for example the foreshore and seabed protest march to parliament in 2004), and criticism from the Waitangi Tribunal and the Human Rights Commission, the Foreshore and Seabed Act was abolished and replaced with Te Takutai Moana Act in 2011 (the “MACA Act”). The new Act restored the possibility of customary title in the marine and coastal area, and gave Māori some limited scope to gain recognition of their customary interests, if they took their claim to the Crown or the courts by April 2017.

In the lead up to the cut of date of 3 April 2017 for filing applications under the MACA Act, it was brought to the Trust Board’s attention that failing to file applications under MACA Act might:

- Undermine the Boards aspirations for an oceans component to its Treaty settlement and
- Extinguish Ngātiwai customary rights in the coastal marine area as a matter of law - particularly where Ngātiwai whanau, hapū and marae had not been able to file their own applications before the deadline.

MACA Act High Court Applications Process

Despite the Boards hesitation to participate in what it considers a highly flawed legislative process it agreed to file ‘Blanket’ applications on behalf of all Ngātiwai to protect future recognition options after the cut-off date. The Board also noted that the concept of ‘shared exclusivity’ was a matter identified in the first ever case determined by the High Court in December 2016 and was something the Board may further look to pursue as overlapping MACA claims are advanced.

On 3 April 2017, the Ngātiwai Trust Board filed applications with the High Court and with the Crown. The Board’s applications and accompanying affidavit can be found on the Ngātiwai Trust Board website under the resources tab in the Marine and Coastal Area folder. The High Court have issued the number CIV-2017-485-283 to the Boards application. Public Notices were published in the NZ Herald and Northern Advocate on 26 April 2017. The Board also provided financial assistance to several Ngātiwai applicants to file their own applications with the High Court and publish their public notices as required by the Court.

In June 2017, the Crown in response to directions from the High Court filed documents in the Court setting out a preliminary list of application groupings for case management purposes including a series of maps, a spreadsheet and a table listing each of the applications within each grouping. The Boards application falling within groups C, D and E.

By August 2017, the Trust Board had identified 49 overlapping applications within the Ngātiwai rohe moana. Some of those applications have been filed by Ngātiwai whanau, hapū or marae and the Board has supported those applications in response to directions from the High Court.

In September 2017, the Crown sought adjournment of all applications to allow discussions between overlapping applicants to take place and if applicants declined to meet with other applicants in a group, it may be appropriate for the Court to direct that this occur. The Crown also

noted that it was considering 'engagement' under s95 of the MACA for the direct agreement process and while the Trust Board made an application for this process no discussions have taken place with the Crown on this matter. Meanwhile other priority applications were given consideration.

On 7 March 2018, the Crown objected to the Ngātiwai Trust Boards MACA application to the High Court on various procedural grounds but in particular it said:

"...To the extent that there is any overlap with other applications, the Attorney-General says such overlap is inconsistent with the applicant's claim to exclusive use and occupation of the application area without substantial interruption since 1840."

The above Crown statement has been applied to all overlapping applications in the High Court process.

While outside of the reporting period, between May and June 2018, the High Court held a series of case management conferences with legal representatives on behalf of the applicants to work out a process and timetable for hearing the applications. The timetable is available on the Trust Boards website.

MACA Kaupapa Inquiry (Wai 2660)

In May 2017, in protest to what the Board considers its forced participation in the MACA High Court process described above it requested interested party status in several urgent hearing applications that had been lodged with the Waitangi Tribunal in objection to the MACA legislation.

On 25 August 2017, the Waitangi Tribunal granted priority for an inquiry into the MACA legislation and takutai moana claims. This inquiry (Wai 2660) focuses on the legislative framework and applications process established under the current MACA Act 2011. In this inquiry the Waitangi Tribunal will investigate to what extent the MACA Act and Crown policy and practice are inconsistent with Te Tiriti o Waitangi in protecting the ability of Māori holders of customary marine and coastal area rights to assert and exercise those rights.

While outside the reporting period, on 4 July 2018, the Ngātiwai Trust Board filed a statement of claim with the Waitangi Tribunal in this inquiry which is available to view on the Boards website. The Ngātiwai Trust Board's position is that Ngātiwai have never ceded their tino rangatiratanga in the takutai moana, and that the MACA breaches the Treaty of Waitangi.



AUDITED FINANCIAL STATEMENTS

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NGĀTIWAI TRUST BOARD & GROUP

TRUST DIRECTORY

As at 31 March 2018

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
Whāngārei

SYNOPSIS

As at 31 March 2018

Date of Trust Deed: 22 November 1966

Marae	Trustee
Kawa	Phillip Ngawaka (Deputy Chairperson)
Omaha	Annette Baines
Otetao	Gary Reti
Pātaua	Hori Puturangi Māhanga
Punaruuku	Haydn Thomas Edmonds (Chairperson)
Takahīwai	No Trustee elected
Tūparehuia	Rōpata Diamond
Whananāki	Kathy Caldwell
Mōkau	Awaiting Trustee election process
Matapōuri	Aperahama Edwards
Motairehe	Martin Cleave
Ngaio tonga	Merepeka Henley
Ngunguru	Mike Rundlett
Oākura	Henry Bertie Purcell Murphy

Beneficiaries: Persons of Ngātiwai Iwi
Charitable Purposes Benefitting
Persons of Māori Descent

Investment: The trustees shall have the absolute management and entire control of the Trust Fund

MANAGEMENT DIRECTORY

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

TRUSTEE REMUNERATION

During the year remuneration was paid to the following Trustees:

	2018 Remuneration \$	2018 Meetings Attended	2017 Remuneration \$	2017 Meetings Attended
H Edmonds	45,000	12	45,000	12
M Henley	6,090	18	3,150	8
A Baines	4,340	11	3,570	9
K MacDonald	-	-	6,490	10
A Edwards	9,030	28	-	-
H Māhanga	2,940	7	2,520	6
A Munro	-	-	5,940	9
H Murphy	6,230	19	4,410	11
R Pita	-	-	6,230	22
G Reti	5,040	13	5,670	17
P Ngawaka	10,920	36	17,560	51
M Thompson	-	-	2,800	8
M Rundlett	6,510	19	3,570	9
A Moore	-	-	14,420	51
P Stone	-	-	420	1
(Alternate Trustee)				
J Reti	420	1	-	-
(Alternate Trustee)				
K Caldwell	5,040	13	840	2
M Cleave	4,480	11	840	2
R Diamond	5,810	16	420	1
N McGee	-	-	420	1
(Alternate Trustee)				
R Solomon	420	1	-	-
(Alternate Trustee)				
	<u>112,270</u>		<u>124,270</u>	

Director's Remuneration

During the year remuneration was paid to the following Directors:

	2018 Remuneration \$	2017 Remuneration \$
C Wells	29,208	29,208
J Paki	12,500	12,500
B Edwards	6,250	-
	<u>47,958</u>	<u>41,708</u>

NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 31 March 2018

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2018 \$	2017 \$	2018 \$	2017 \$
Revenue - exchange transactions	3	3,738,449	3,334,625	142,827	134,179
Revenue - non exchange transactions	3	836,113	957,032	287,509	212,924
Other income	3	57,302	48,404	1,603,500	1,465,410
Total Income		4,631,864	4,340,060	2,033,836	1,812,512
Expenses					
Employee remuneration	3	1,472,100	1,401,906	413,205	313,611
Depreciation and amortisation	5	229,756	196,473	23,551	19,854
Other expenses	3	2,778,304	3,358,604	1,804,592	1,888,829
Total expenses		4,480,160	4,956,983	2,241,348	2,222,294
Surplus/(Deficit) before net financing costs		151,704	(616,923)	(207,512)	(409,782)
Finance income - loans and receivables	4	45,488	61,298	79,418	75,855
Finance costs - financial liabilities at amortised cost	4	450,802	648,972	131,446	308,755
Net finance costs	4	(405,314)	(587,674)	(52,028)	(232,899)
Share of equity accounted investees surplus/(deficit) for the year	10	257,153	258,493	-	-
Surplus/(deficit) for the year from continuing operations		3,543	(946,104)	(259,540)	(642,681)
Surplus/(deficit) attributable to:					
Equity Holders of Ngātiwai		(86,339)	(1,047,705)	(259,540)	(642,681)
Non controlling interest		89,882	101,601	-	-
Other Comprehensive Revenue and Expense					
Gain/(Loss) on revaluation of available-for-sale financial assets		100,000	(34,369)	-	-
Total comprehensive revenue and expense for the year		103,543	(980,473)	(259,540)	(642,681)
Total comprehensive revenue and expense attributable to:					
Equity Holders of Ngātiwai		13,661	(1,082,074)	(259,540)	(642,681)
Non controlling interest		89,882	101,601	-	-
		103,543	(980,473)	(259,540)	(642,681)

NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the Year Ended 31 March 2018

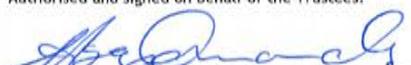
	Restricted Reserve	Capital Reserve	Available for sale Revaluation Reserve	Minority Interest	Accumulated Funds	Total Equity
Group	\$	\$	\$	\$	\$	\$
Opening balance 1 April 2016	19,304	424,736	120,521	952,960	16,981,673	18,499,194
Profit/(Loss) for the year	-	-	-	101,601	(1,047,705)	(946,104)
Other Comprehensive Income - revaluation	-	-	(34,369)	-	-	(34,369)
Total comprehensive income	-	-	(34,369)	101,601	(1,047,705)	(980,473)
Other Comprehensive Income - reserve transfer	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	-	-	-
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
Profit/(Loss) for the year	-	-	-	89,882	(86,339)	3,543
Other comprehensive income - revaluation	-	-	100,000	-	-	100,000
Total comprehensive income	-	-	100,000	89,882	(86,339)	103,543
Other Comprehensive income - reserve transfer	-	-	-	-	-	-
Acquisition of controlling interest	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	(165,994)	-	(165,994)
Closing balance 31 March 2018	19,304	424,736	186,152	881,162	15,847,628	17,358,982

	Accumulated Funds	Total Equity
Parent	\$	\$
Opening balance 1 April 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)
Loss for the year	(259,540)	(259,540)
Other Comprehensive Income - revaluation/(devaluation)	-	-
Total comprehensive income	(259,540)	(259,540)
Closing balance 31 March 2018	(379,602)	(379,602)

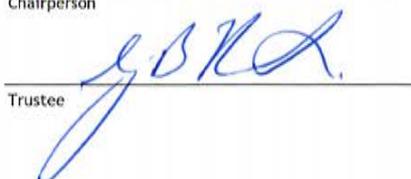
NGĀTIWAI TRUST BOARD & GROUP
STATEMENT OF FINANCIAL POSITION
As At 31 March 2018

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2018 \$	2017 \$	2018 \$	2017 \$
Current Assets					
Cash and cash equivalents	6	370,556	634,840	22,381	107,161
Receivables (from exchange transactions)	7	339,041	427,149	103,443	141,116
Recoverables (from non exchange transactions)	7	58,458	72,493	46,564	46,564
Prepayments		106,527	164,528	1,524	1,139
Investments	8	-	-	-	-
Total current assets		874,582	1,299,010	173,912	295,980
Non current assets					
Investments	8	1,577,769	1,450,726	477,769	450,726
Investment in controlled entities	9	-	-	1,003,200	1,003,200
Investment in equity accounted entities	10	3,693,782	3,785,848	2,000	2,000
Concessionary loan - Bland Bay Camp Ground	11	565,385	578,682	565,385	578,682
Loan - Whananaki Marae	25	25,497	-	25,497	-
Concessionary loans to controlled entities	11	-	-	-	76,429
Intangible assets	12	12,240,363	12,241,663	-	-
Property, plant and equipment	13	3,598,422	2,777,320	103,479	108,605
Investment Property	14	6,959,525	7,039,526	-	-
Total non-current assets		28,660,744	27,873,764	2,177,331	2,219,642
Total assets		29,535,326	29,172,774	2,351,243	2,515,621
Current liabilities					
Cash and cash equivalents	6	49,087	440,231	-	-
Trade and other payables	16	690,982	584,655	249,415	286,568
Employee entitlements	17	163,141	146,697	23,018	15,500
Deferred Revenue - Aotearoa Fisheries Limited		1,560,218	1,020,015	-	-
Non-exchange liabilities	19	89,626	142,978	60,783	142,978
Borrowings	18	112,313	111,834	-	-
Loan from controlled entity	18	-	-	-	-
Total current liabilities		2,665,367	2,446,410	333,216	445,046
Non Current Liabilities					
Borrowings	18	8,506,149	7,774,908	-	-
Deferred Revenue - Aotearoa Fisheries Limited		1,004,829	1,530,022	-	-
Concessionary loans from controlled entities	11&18	-	-	2,397,628	2,190,637
Total non-current liabilities		9,510,978	9,304,930	2,397,628	2,190,637
Total Liabilities		12,176,345	11,751,340	2,730,844	2,635,683
Net assets		17,358,982	17,421,433	(379,602)	(120,062)
Equity					
Available for sale revaluation reserve		186,152	86,152	-	-
Restricted reserve	15	19,304	19,304	-	-
Capital reserve		424,736	424,736	-	-
Accumulated Funds		15,847,628	15,933,967	(379,602)	(120,062)
Minority Interest		881,162	957,274	-	-
Total equity		17,358,982	17,421,433	(379,602)	(120,062)

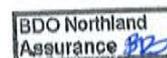
Authorised and signed on behalf of the Trustees:


 Chairperson

06/11/18.
 Date


 Trustee

6/11/18
 Date



NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2018

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2018	2017	2018	2017
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Revenue		4,881,481	6,370,175	387,820	310,266
Interest Income		1,109	5,076	546	333
Goods and Services Tax		-	-	-	5,473
Income Tax		14,035	-	-	-
Dividends Received		56,767	39,933	-	-
Dividends Received from a Related Party		-	-	469,500	674,500
		<u>4,953,392</u>	<u>6,415,184</u>	<u>857,866</u>	<u>990,572</u>
Cash was applied to:					
Payments to Suppliers		(2,539,363)	(3,071,688)	(549,965)	(807,763)
Payments to Employees, Directors and Trustees		(1,455,656)	(1,441,164)	(405,687)	(312,292)
Interest Paid		(450,802)	(461,249)	(7)	-
Goods and Services Tax		(6,451)	(50,604)	(6,648)	-
		<u>(4,452,272)</u>	<u>(5,024,705)</u>	<u>(962,307)</u>	<u>(1,120,055)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>501,120</u>	<u>1,390,479</u>	<u>(104,441)</u>	<u>(129,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Sale of property, plant and equipment		3,450	-	2,762	-
Sale of investments		-	-	-	-
		<u>3,450</u>	<u>-</u>	<u>2,762</u>	<u>-</u>
Cash was applied to:					
Purchase of investment property		(34,125)	(73,475)	(21,187)	-
Purchase of investments		-	(1,000)	-	-
Purchase of intangible assets		-	-	-	-
Purchase of property, plant and equipment		(938,814)	(780,823)	-	(11,668)
		<u>(972,939)</u>	<u>(855,298)</u>	<u>(21,187)</u>	<u>(11,668)</u>
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		<u>(969,489)</u>	<u>(855,298)</u>	<u>(18,425)</u>	<u>(11,668)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Related Party Loans		-	-	78,087	109,000
Proceeds from loans borrowed from other parties		731,720	-	-	-
Repayments Received from Concessionary Loan		55,000	-	-	-
		<u>786,720</u>	<u>-</u>	<u>78,087</u>	<u>109,000</u>
Cash was applied to:					
Loans		(25,497)	(103,082)	(40,000)	-
Distribution to non-controlling interest		(165,994)	(97,287)	-	-
		<u>(191,491)</u>	<u>(200,369)</u>	<u>(40,000)</u>	<u>-</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		<u>595,229</u>	<u>(200,369)</u>	<u>38,087</u>	<u>109,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		<u>126,860</u>	<u>334,812</u>	<u>(84,780)</u>	<u>(32,152)</u>
Opening Balance of Cash and Cash Equivalents		194,609	(140,203)	107,161	139,313
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	6	<u>321,469</u>	<u>194,609</u>	<u>22,381</u>	<u>107,161</u>

NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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), Tuparehūia 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), Taitokerau Miere Limited (TML) and Amokura Iwi Consortium Limited.

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

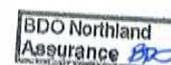
Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial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



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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.

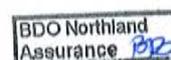
The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

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.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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.

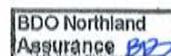
Loans and receivables

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.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

(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.

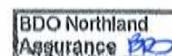
Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing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



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

(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

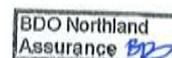
Fish quota has been recorded at fair value on recognition (Te Ohu Kaimoana Fisheries Limited allocation as part of the original Settlement) with additional quota acquisitions initially recorded at cost. Fish quota are treated as an asset with an indefinite life and are not amortised and are carried at 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.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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

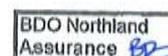
Rental income from operating leases is recognised on a straight line basis over the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(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 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.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

(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 2018 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 \$1.0 million and \$1.2 million. As such a valuation of \$1.1 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.

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NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

3. REVENUE & EXPENSES	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
REVENUE:	\$	\$	\$	\$
<i>Revenue from exchange transactions</i>				
Commercial trading operations revenue	2,633,486	2,293,387	-	-
Rental and lease income	952,106	899,949	-	-
Royalties	69,205	75,068	69,205	75,068
Other Exchange Revenue	83,651	66,220	73,622	59,111
	<u>3,738,448</u>	<u>3,334,624</u>	<u>142,827</u>	<u>134,179</u>
<i>Revenue from non-exchange transactions</i>				
Government Grants	287,509	212,924	287,509	212,924
Contract Income	548,604	744,108	-	-
	<u>836,113</u>	<u>957,032</u>	<u>287,509</u>	<u>212,924</u>
Total revenue	<u>4,574,561</u>	<u>4,291,656</u>	<u>430,336</u>	<u>347,102</u>
OTHER INCOME:				
Dividend income (Available for Sale)	56,767	48,404	-	-
Dividend - Controlled entity	-	-	1,603,500	1,465,410
Gain on sale of property, plant and equipment	535	-	-	-
	<u>57,302</u>	<u>48,404</u>	<u>1,603,500</u>	<u>1,465,410</u>
EMPLOYEE REMUNERATION:				
Wages & Salaries	1,423,591	1,368,264	413,205	313,611
KiwiSaver Contributions	48,509	33,642	-	-
	<u>1,472,100</u>	<u>1,401,906</u>	<u>413,205</u>	<u>313,611</u>
OTHER EXPENSES:				
Auditors remuneration - BDO Northland; - Audit of financial statements	49,200	48,300	8,000	8,000
Accountancy Fees	1,420	8,643	(1,180)	-
Bad and Doubtful Debts	1,212	2,025	-	-
Contracting Costs	407,573	414,311	71,329	-
Directors Fees	47,958	41,708	-	-
Devaluation of available for sale financial assets	-	34,369	-	-
Election Expenses	6,561	17,996	6,561	17,996
Foundation North - Te Kupenga Reo Phases 1 - 3	152,291	-	152,291	-
Kaipara Sands Royalties Payments	34,603	202,025	34,603	202,025
Koha and Hui	39,530	35,856	39,530	35,856
Leases	30,997	21,901	10,312	7,447
Legal Fees	-	109,537	-	27,683
Legal Fees - Treaty Claims	81,076	211,184	81,076	211,184
Loan Write Off - Ngātiwai International Limited	-	61,385	-	-
Loss on Sale of Property, Plant & Equipment	432	1,637	432	-
Scholarships	38,250	39,500	38,250	39,500
Sponsorships & Grants	49,884	17,220	69,884	17,220
Transfer of Bush Hut to Oakura Marae Trust (refer note 24)	-	99,494	-	99,494
Te Puni Kokiri - WIPCE	2,000	-	2,000	-
Te Runanga O Te Rarawa Contribution	-	26,000	-	26,000
Trustee Fees	112,270	124,270	112,270	124,270
Trustee Training	2,129	10,074	2,129	10,074
Marae Distributions (refer below)	105,000	105,000	105,000	105,000
Distribution to Controlled Entity	-	-	842,602	664,195
Other Expenses	1,615,920	1,726,170	229,505	292,886
	<u>2,778,304</u>	<u>3,358,604</u>	<u>1,804,592</u>	<u>1,888,829</u>
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
Punaruks Marae	7,500	7,500	7,500	7,500
Ngaio tonga Marae	7,500	7,500	7,500	7,500
Takahiwai 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
Motairhe Marae	7,500	7,500	7,500	7,500
Total Marae Distributions	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>

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NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

4. NET FINANCE COSTS

	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
<i>Finance Income</i>				
Interest income (Loans & Receivables)	\$ 45,488	\$ 61,298	\$ 67,605	\$ 75,855
Imputed Interest Adjustment	-	-	11,813	-
Total finance income	45,488	61,298	79,418	75,855
<i>Finance Costs</i>				
Interest expense - financial liabilities at amortised cost	434,401	450,168	131,446	123,998
Imputed Interest Adjustment	16,401	198,804	-	184,756
Total finance costs	450,802	648,972	131,446	308,755
NET FINANCE COSTS	(405,314)	(587,675)	(52,028)	(232,899)

5. DEPRECIATION AND AMORTISATION

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2018	2017	2018	2017
Depreciation on Property, Plant & Equipment	13	\$ 114,329	\$ 84,485	\$ 23,551	\$ 19,854
Depreciation on Investment Property	14	114,127	110,688	-	-
Amortisation	12	1,300	1,300	-	-
		229,756	196,473	23,551	19,854

6. CASH AND CASH EQUIVALENTS	Terms	Interest Rate		Consolidated Group		Ngātiwai Parent Entity	
		2018	2017	2018	2017	2018	2017
		%	%	\$	\$	\$	\$
<i>Current assets</i>							
Bank Balances	On Call	1.00%	1.00%	370,556	634,840	22,381	107,161
Cash and Vouchers				-	-	-	-
<i>Current liabilities</i>							
Bank overdraft used for cash management purposes		7.50%	7.25%	370,556	634,840	22,381	107,161
Cash and cash equivalents in the statement of cash flows				(49,087)	(440,231)	-	-
				321,469	194,609	22,381	107,161

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 \$400,000 (2017 \$482,500), 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 2018 was 7.5% per annum (2017 7.25% per annum). The facility is repayable on demand.

7. RECEIVABLES

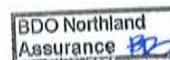
	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade receivables from exchange transactions	339,041	421,452	103,443	141,116
Other receivables from exchange transactions	-	5,697	-	-
	339,041	427,149	103,443	141,116
Recoverables from non exchange transactions				
Taxation and Māori Authority Tax Credits	11,894	25,929	-	-
Aquaculture Settlement Costs	46,564	46,564	46,564	46,564
	58,458	72,493	46,564	46,564

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 2018 and 2017, 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 (2017 - Nil).



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

8. INVESTMENTS

	Category of Financial Instrument	Consolidated Group		Ngātiwai Parent Entity	
		2018	2017	2018	2017
		\$	\$	\$	\$
Non-Current					
Aotearoa Fisheries Limited Income Shares	Available for Sale	1,000,000	1,034,369	-	-
Revaluation (Devaluation)		100,000	(34,369)	-	-
Treaty Claim Costs	Loans and receivable	477,769	450,726	477,769	450,726
		<u>1,577,769</u>	<u>1,450,726</u>	<u>477,769</u>	<u>450,726</u>

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 2018 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 \$1.0 million and \$1.2 million. As such a valuation of \$1.1 million was adopted by the Trustees as a fair market value.

(2017 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 \$1.0 million was adopted by the Trustees as a fair market value).

Treaty Claim Costs

The net costs that the Ngātiwai Trust Board incurred for the Treaty Claim have been disclosed as a non-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 \$Nil (2017 The fair value adjustment was a decrease to the non-current asset of \$143,818). Interest of \$27,044 (2017 \$25,513) has been earned.

9. GROUP ENTITIES

Name of controlled entity	Place of incorporation & operation	Ownership Interest & Voting Right		Principal activity
		2018	2017	
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
Tuparehula 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.

Ngātiwai Trust Board has a 14.29% interest in Amokura Iwi Consortium Limited. Amokura Iwi Consortium Limited was formed in June 2017, but has not yet traded.

	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Movements in the carrying amount of the investment in equity accounted entities:				
Investment in equity accounted entities at 1 April	3,785,848	3,880,216	2,000	2,000
Share of profit/(loss)	257,153	258,493	-	-
Additional investment	-	-	-	-
Cost of acquisition transferred to investment	(349,219)	(352,861)	-	-
Investment in equity accounted entities at 31 March	<u>3,693,782</u>	<u>3,785,848</u>	<u>2,000</u>	<u>2,000</u>

	Assets	Liabilities	Revenues	Profit
Summarised financial information of equity accounted entities (100%)	\$ 20,486,952	\$ 11,033,887	\$ 1,476,586	\$ 887,725



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Opening balance (1 April)	578,682	659,640	(1,535,526)	(1,192,209)
Imputed interest (market effective interest rate)	33,737	36,279	(91,423)	(68,419)
Advance/(repayments) during period	(30,633)	(62,252)	(217,106)	(233,960)
Fair value adjustment on additional loan received/(advanced)	(16,401)	(54,985)	11,813	(40,938)
Closing balance (31 March)	565,385	578,682	(1,832,242)	(1,535,526)
Non-current asset - Bland Bay Camp Ground	565,385	578,682	565,385	578,682
Non-current asset - Loans to Controlled Entities	-	-	-	76,429
Non-current liability - Loan from Controlled Entities	-	-	(2,397,628)	(2,190,637)
	565,385	578,682	(1,832,242)	(1,535,526)

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	
	2018	2017	2018	2017
	\$	\$	\$	\$
<u>Fish Quota</u>				
Balance at 1 April (275,388,667 quota shares)	11,864,806	11,864,806	-	-
Additions	-	-	-	-
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	2,600	3,900	-	-
Amortisation	(1,300)	(1,300)	-	-
Balance at 31 March	1,300	2,600	-	-
Total Intangible Assets at 31 March	12,240,363	12,241,663	-	-

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 (2017 Nil).

Fish Quota

The Trustees have acquired a valuation of the quota at 31 March 2018 from Quota Management Systems Limited, which indicates a value of \$23,264,470 (2017 \$22,725,236) 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 (2017 \$Nil).

Ngātiwai Fishing Limited has a revolving credit facility with Westpac New Zealand Limited with a limit of \$400,000 (2017 \$482,500), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited.

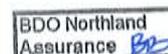
Goodwill

(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 2018.

(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.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

13. PROPERTY, PLANT & EQUIPMENT

Consolidated Group	Land	Buildings & leasehold	Plant & Equipment	Office & furniture	Total
	\$	\$	\$	\$	\$
Cost/valuation					
Balance as 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 at 1 April 2017	440,494	2,387,898	295,311	29,339	3,153,042
Additions	-	852,701	70,057	16,056	938,814
Disposals	-	-	(16,360)	(1,942)	(18,302)
Balance as at 31 March 2018	440,494	3,240,599	349,008	43,453	4,073,554
Accumulated Depreciation and Impairment					
Balance as at 1 April 2016	-	96,778	231,228	16,370	344,376
Depreciation Expense	-	55,064	25,393	4,028	84,485
Depreciation on subsidiary assets acquired	-	-	(50,506)	(2,633)	(53,140)
Disposals	-	-	-	-	-
Balance at 1 April 2017	-	151,842	206,115	17,765	375,721
Depreciation expense	-	78,288	30,556	5,484	114,328
Disposals	-	-	(13,493)	(1,425)	(14,918)
Balance at 31 March 2018	-	230,130	223,178	21,824	475,131
Net Book Value					
31/03/2016	440,494	1,582,382	143,467	16,583	2,182,926
31/03/2017	440,494	2,236,056	89,196	11,574	2,777,320
31/03/2018	440,494	3,010,469	125,830	21,629	3,598,422
Ngātiwai Parent Entity					
	Land	Buildings & leasehold	Plant & Equipment	Website Development	Total
	\$	\$	\$	\$	\$
Cost/valuation					
Balance as at 1 April 2016	-	152,672	262,645	-	415,317
Additions	-	-	11,668	-	11,668
Disposals	-	(50,000)	(100,000)	-	(150,000)
Balance at 1 April 2017	-	102,672	174,313	-	276,985
Additions	-	-	16,841	4,346	21,187
Disposals	-	-	(15,211)	-	(15,211)
Balance as at 31 March 2018	-	102,672	175,944	4,346	282,962
Accumulated Depreciation					
Balance as 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 1 April 2017	-	36,406	131,975	-	168,381
Depreciation expense	-	6,627	15,657	1,268	23,551
Disposals	-	-	(12,448)	-	(12,448)
Balance at 31 March 2018	-	43,033	135,183	1,268	179,483
Net Book Value					
31/03/2016	-	123,629	92,655	-	216,284
31/03/2017	-	66,266	42,338	-	108,604
31/03/2018	-	59,639	40,761	3,078	103,479

BDO Northland
Assurance *B12*

NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

14. INVESTMENT PROPERTY	Consolidated Group	Ngātiwai Parent Entity
Cost	\$	\$
Balance as at 1 April 2016	7,528,442	-
Additions	73,475	-
Balance at 1 April 2017	7,601,917	-
Additions	34,125	-
Balance as at 31 March 2018	7,636,042	-
Accumulated Depreciation and Impairment		
Balance as at 1 April 2016	451,703	-
Depreciation expense	110,688	-
Balance at 1 April 2017	562,391	-
Depreciation expense	114,127	-
Balance at 31 March 2018	676,518	-
Net Book Value		
31/03/2016	7,076,739	-
31/03/2017	7,039,526	-
31/03/2018	6,959,524	-

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.

	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
<u>Kauri Dieback Reserve</u>				
Balance at 1 April	1,680	1,680	-	-
Reserve utilised	-	-	-	-
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.

	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade payables from exchange transactions	690,982	584,655	249,415	286,568
	690,982	584,655	249,415	286,568

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

	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries & PAYE	77,835	57,602	23,018	11,711
Annual Leave	85,307	89,095	-	3,789
	163,141	146,697	23,018	15,500

BDO Northland Assurance 

NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

18. BORROWINGS	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
<i>Current</i>	\$	\$	\$	\$
Bank loans	112,313	111,834	-	-
<i>Non Current</i>				
Loans from controlled entities	-	-	2,397,628	2,190,637
Bank loans	8,506,149	7,774,908	-	-
Total	8,618,462	7,886,742	2,397,628	2,190,637

Due to the acquisition of an additional 25% interest in Rathbone James Limited Partnership, Ngātiwai Fishing Limited entered into a term loan of \$1,600,000 with Westpac New Zealand Limited. The interest rate for this loan is 4.89% per annum (2017 4.09%) and it is repayable in 2019. It is secured by a registered first mortgage over fishing quota and a general security agreement over all present and after acquired property.

Rathbone James Limited Partnership has three term loans totalling \$4,650,000 (2017 \$4,650,000) with Westpac New Zealand Limited for which Ngātiwai Fishing Limited is a 75% guarantor, in line with the percentage investment in the Limited Partnership. Westpac New Zealand Limited has a general security agreement over the limited partnership's assets, undertaking and uncalled capital. It also holds a registered first mortgage over the commercial property situated at 35-40 Rathbone Street, Whāngārei.

During the 2016 financial year Rathbone James Partnership lent Ngātiwai Fishing Limited \$1,000,000 of the above noted total lending facility of \$4,650,000. This has not been formally documented between the two entities however interest is being charged from the Partnership to the Company at the same rate as the Westpac lending. This loan is an interest only loan to 31 March 2019. The interest rate for this loan is 5.45% per annum (2017 4.85% per annum).

The Westpac term loan held by Ngātiwai Investment Holdings Limited is secured over Oceans Resort Tutukaka including general security agreements held with Ngātiwai Fishing Limited, Ngātiwai Holdings Limited and Ngātiwai Investment Holdings Limited. Security is also held with Ngātiwai Fishing Limited by way of a registered first mortgage over fishing quota registered at Fishserve. A guarantee also exists for this loan between Ngātiwai Investment Holdings Limited, Ngātiwai Holdings Limited and Ngātiwai Fishing Limited. Interest rates on these facilities vary between 5.09% and 5.90 % per annum.

19. NON EXCHANGE LIABILITIES	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
<i>Current</i>	\$	\$	\$	\$
Deferred non-exchange revenue	89,626	142,978	60,783	142,978

Deferred non-exchange revenue relates to grants and donations received to which there are stipulated conditions attached. Non-exchange revenue in relation to this balance is recognised at the point-in-time as each stipulated condition is satisfied.

20. OPERATING LEASES

Operating lease commitments receivable and payable	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Operating lease commitments receivable:				
Within one year	893,445	803,646	-	-
Between one and five years	3,162,021	3,214,584	-	-
Greater than five years	4,743,031	4,307,660	-	-
	8,798,497	8,325,890	-	-

Operating lease commitments payable:	Consolidated Group		Ngātiwai Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Within one year	237,061	202,663	39,028	20,833
Between one and five years	408,090	795,689	59,160	46,777
Greater than five years	-	45,375	-	-
	645,151	1,043,727	98,187	67,611

21. COMMITMENTS AND CONTINGENCIES

Capital commitments

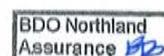
The Group has no material commitments for expenditure as at 31 March 2018 (2017 Nil).

Contingent Assets

The Trustees are not aware of any contingent assets as at 31 March 2018 (2017 Nil).

Contingent Liabilities

The Trustees are not aware of any contingent liabilities as at 31 March 2018 (2017 Nil).



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

22. EVENTS AFTER THE REPORTING DATE

On 17 May 2018, the Company received an invoice payable from Moana New Zealand for \$98,283, a portion of which relates to an amount payable of \$95,334 being April 2018 CRA2 Ace due to a reduction in total annual commercial catch (TACC).

Subsequent to balance date, an update has been received from Te Ohu Kaimoana with regards the release of Aquaculture Settlement funds held in the Northland space in which they believe that the funds will be received before the end of the 2019 financial year end. The amount will be \$1,041,020.

Subsequent to balance date, capital improvement works have been undertaken at the Oceans Resort Hotel, Tutukaka refurbishing five hotel suites and the reception area. This is in line with the strategic plan.

Subsequent to balance date, the Ngātiwai Trust Board's Deputy Chairperson's position became vacant.

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

Subsequent to 31 March 2017:

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 Ngātiwai 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 Ngātiwai 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.

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;

	2018	2017
	\$	\$
Ngātiwai distribution to Ngātiwai Management Limited	842,602	664,195
Ngātiwai sponsorship to Ngātiwai Education Limited Partnership	20,000	5,000
Inter-entity interest	216,066	217,444
Dividends from Ngātiwai Fishing Limited to Ngātiwai Trust Board	1,603,500	1,465,410
Quota lease Ngātiwai Fishing Limited to Ngātiwai Holdings Limited	30,000	26,400
Administration oncharges	18,317	13,771

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:

	2018	Number of	2017	Number of
	\$	Individuals	\$	Individuals
Members of the governing body	160,228	17	175,638	20
Senior executive officers	754,355	7	514,565	7



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

23. RELATED PARTY DISCLOSURES (Continued)

GOVERNING BODY RELATED PARTY TRANSACTIONS:

Name	Entity	Relationship	Transaction Type	2018 \$	2017 \$
<u>Craig Wells</u>					
Ngātiwai Fishing Limited		Director	Director's Fees	12,504	12,504
Ngātiwai Holdings Limited		Director	Director's Fees	4,200	4,200
Ngātiwai Management Limited		Director	Director's Fees	12,504	12,504
Oceans Resort Tutukaka Limited		Director	-	-	-
Tuparehuia Trustee Limited		Director	Director's Fees	-	1,400
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>Brandon Edwards</u>					
Ngātiwai Investment Holdings Limited		Director	Director's Fees	6,250	-
<u>Haydn Edmonds</u>					
Ngātiwai Trust Board		Chairperson	Trustee Honoraria	45,000	45,000
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
Tukaiaia General Partner Limited		Director	-	-	-
<u>Kris MacDonald</u>					
Ngātiwai Trust Board		Deputy Chairperson	Trustee Honoraria	-	6,490
Ngātiwai Management Limited		Director	-	-	-
Digital Indigenous.com Limited		Director	Consultancy	-	24,725
Tuparehuia Trustee Limited		Director	-	-	-
Ngātiwai Trust Board		Chief Executive Officer	Salary	166,891	4,769
<u>Merepeka Henley</u>					
Ngātiwai Trust Board		Trustee	Trustee Honoraria	6,090	3,150
Tuparehuia Trustee Limited		Director	-	-	-
Ngātiwai Management Limited		Director	-	-	-
Ngātiwai Trust Board		Contractor	Contracting	4,667	7,500
<u>Aperahama Edwards</u>					
Ngātiwai Trust Board		Trustee	Trustee Honoraria	9,030	-
Ngātiwai Trust Board		Contractor	Contracting	4,667	-
<u>Kathy Pita</u>					
Ngātiwai Trust Board		Trustee	Trustee Honoraria	-	-
Puni Puni Coastal Services		Sole Proprietor	Trustee Honoraria	-	6,230
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.

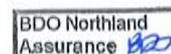
The Group has not undertaken any other material transactions with related parties apart from those disclosed in the interest register. No related party debts have been written off or forgiven during the year.

24. TRANSFER OF BUSH HUT TO OAKURA MARAE TRUST

During the 2017 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.

25. LOAN - WHANANAKI MARAE

Dated 16 November 2017, Ngātiwai Trust Board entered into a loan agreement with Whananaki Marae for an amount of \$40,000. The loan is unsecured, bears interest at 6% per annum and is repayable on or before 31 March 2022. The loan is being repaid by way of annual marae distributions which are credited against the initial principal sum as well as being credited against the interest charged.



NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

26. 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 2018 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 \$1.0 million and \$1.2 million. As such a valuation of \$1.1 million was adopted by the Trustees as a fair market value.

(2017 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 \$990,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.)

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 2018	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	6	321,469	-	-	321,469
Trade and other receivables	7	397,500	-	-	397,500
Investments	8	-	1,577,769	-	1,577,769
Loans	11	565,385	-	-	565,385
Total Financial Assets		1,284,354	1,577,769	-	2,862,123
Financial Liabilities					
Trade and other payables	16 & 17	-	-	854,123	854,123
Borrowings	18	-	-	8,618,462	8,618,462
Total Financial Liabilities		-	-	9,472,585	9,472,585

Group 2017	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
Financial Assets					
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
Total Financial Assets		1,272,932	1,450,726	-	2,723,658
Financial Liabilities					
Trade and other payables	16 & 17	-	-	731,352	731,352
Borrowings	18	-	-	7,886,742	7,886,742
Total Financial Liabilities		-	-	8,618,094	8,618,094

Ngātiwai Parent 2018	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	6	22,381	-	-	22,381
Trade and other receivables	7	150,007	-	-	150,007
Loans	11	565,385	-	-	565,385
Total Financial Assets		737,774	-	-	737,774
Financial Liabilities					
Trade and other payables	16	-	-	272,433	272,433
Borrowings	18	-	-	2,397,628	2,397,628
Total Financial Liabilities		-	-	2,670,061	2,670,061

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

NGĀTIWAI TRUST BOARD & GROUP

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

27. GOING CONCERN

The group has negative working capital of \$1,790,785 (2017 negative \$1,147,402) at balance date. The parent has negative working capital of \$159,304 (2017 negative \$149,066) and negative equity of \$379,602 (2017 negative \$120,062).

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) 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.

2) Ngatiwai Fishing Limited are due to receive a partial loan repayment from Ngatiwai Investment Holdings Limited due to the company selling its 50% investment in James Street Car Park back to the Whangarei District Council for an amount of \$462,500 expected to settle before the end of the 2019 financial year end.

3) The Group are still due to receive the balance as final payment for the Aquaculture Settlement. An update has been received from Te Ohu Kaimoana in which they believe that the funds will be received before the end of the 2019 financial year end. The amount assigned as Ngatiwai Trust Board's share will be \$1,041,020.

4) Based on Ngatiwai 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 department 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. This is evidenced by the substantial reduction of funds required from Ngatiwai Fishing Limited.

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) Ngatiwai Investment Holdings Limited - This is the second year that the Company has incurred a trading surplus and the Directors foresee that these profits will continue as such in the ensuing financial years. Nonetheless, continued trading is on the basis of continued support being provided by the parent entity, Ngatiwai Trust Board, which is, in turn, supported by Ngatiwai Fishing Limited. It also relies on the related party, Ngatiwai Fishing Limited not demanding repayment of its loan and Ngatiwai Investment Holdings Limited maintaining its loan arrangements with Westpac Bank.

8) Ngatiwai 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 was the favorable NZQA review which was undertaken during the 2017 financial year, whereby the Limited Partnership was awarded a category 2 rating and to which they have continued to maintain this rating. This allows the Unit to continue with funding opportunities. TEC are currently reviewing a funding application submitted by the Unit and the outcome will be advised during November 2018. 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.

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NGĀTIWAI TRUST BOARD & GROUP

SCHEDULE: REPORTING REQUIREMENTS

For the Year Ended 31 March 2018

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 1 December 2018.
Annual report for the previous financial year reporting against objectives set out in the annual plan and includes:		
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.
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 2018 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
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
An annual plan for the next financial year which includes:		
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
In relation to every asset holding company or subsidiary of an asset holding company that received settlement assets:		
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
Every MIO must exercise strategic governance over the process to examine and approve annual plans that set out:		
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 2018, 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 2018, 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 27 to the financial statements, which indicates that as at 31 March 2018 the parent's total liabilities exceed its total assets by \$379,602. As stated in Note 27, these events or conditions, along with other matters as set forth in Note 27, 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

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

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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
06 November 2018

