


Ngātiwai Trust Board

ANNUAL REPORT 2019





Contents

Chairman's Report	2
Financial Performance Report	4
Ngātiwai Trust Board Group Structure	6
Quality Hotel Oceans Tutukaka Report	7
Ngātiwai Education Report	8
Bland Bay Camp Report	10
Social Services Report	11
Ngātiwai Communications Report	12
Board Secretary's Report	14
Ngātiwai Resource Management Unit Report	15
Ngātiwai Treaty Claims Report	16
Financial Statements	19

Enquiries:

Phone: 09 430 0939

Fax: 09 438 0182

Email: ngatiwai@ngatiwai.iwi.nz

A copy of this 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

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the

Ngātiwai Trust Board

will be held in the ASB Lounge 1, ASB Leisure Centre,
93 Western Hills Drive, Kensington, Whangarei
on Saturday 14 December 2019, commencing at 10.00am.

AGENDA

Karakia and Mihi

1. Apologies
2. Confirmation of Minutes and Matters Arising
3. Annual Report for Year ended 31 March 2019
4. Chairman's Report
5. General Business

Closing Karakia

Morning Tea will be available at the
commencement of the meeting.

A light lunch will be served at 12.30pm.

Chairman's Report

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

Over my eight years as Chairman of the Ngātiwai Trust Board, it has always been satisfying for me to present to our Iwi the performance of the Ngātiwai Trust Board's governance and operational activities. On behalf of my fellow Trustees and the Ngātiwai Trust Board, please take the time to read these results for the year ended 31 March 2019.

I have taken time to reflect on the numerous activities that have taken place over the past year.

In my role as Chairman, one of my functions is to strengthen relationships and work collaboratively with Iwi. One important forum that I participate in which aids these relationships is Te Kahu ō Taonui. Te Kahu ō Taonui is the collective of Chairpersons of all Iwi representative organisations with mana whenua stretching from Auckland to Northland. We meet quarterly and work together on important kaupapa that affect all tribal members of these Iwi. Te Kahu ō Taonui has an important role to play in representing Iwi in dealing with local government issues. This year has seen important outcomes

for all Iwi in the north with agreements being signed in local government and a review of the local health boards and how they deal with Māori health funding outcomes.

This past year has seen the Board increase its capacity in the social services area. This team has continued to do fantastic work around Youth Suicide prevention, with the Kokiritia te Aroha programme, whānau support services, as well as E-Tu Whānau. Hui and wananga have been held throughout the year with excellent participation and positive feedback from all who attended. With more wananga and a leadership hui planned for the rest of the year, this team is working extremely hard to deliver positive outcomes for our people.

We have a great asset at Oceans Tutukaka, and with renovations completed during the year we had some very good trading months. Our management continues to work tirelessly to meet the typical challenges that winter presents by focussing on promoting the conference facilities. With plans we

have for the future, I am satisfied with the way our hotel is tracking.

Our other commercial properties, the Westpac building and the Warehouse building, both continue to deliver an excellent return on investment of approximately 9.5% per annum. The Whangarei District Council exercised their buy back clause of the James Street Carpark and the sale went through in March 2019.

Since pausing our mandate in May 2017, the Ngātiwai Trust Board has taken its time and not rushed into progressing our Ngātiwai Treaty Settlement. This was to ensure we understood what the Waitangi Tribunal report said, and that we worked through the recommendations outlined by the Tribunal. During this time, there have been hui-a-iwi where we have listened to our kaumātua and our people. Our Treaty Claims team now feel they have worked through all these matters extensively and that the time is right to meet together as an Iwi to work towards some



common goals for our tribe. I know this work will continue to have its challenges, but I am certain these matters can be worked through together.

It is pleasing to report that our Education Unit completed a successful year turning around an \$82,603 operating deficit in 2018, to an operating surplus of \$5,551 in 2019. This was due to cost cutting and our Education team working extremely hard delivering successful programmes such as Manaaki Marae, Drivers Licensing and the various Ministry of Education contracts. A highlight this year has seen our Education team work with kaumatua in kapa haka as well as the Te Waka Reo team to strengthen our waiata tawhito. I would like to thank our kaumatua for all they do to support the Trust Board, ranging from the kaumātua kahui forum, to the weekly kapa haka they practise and regularly perform, to just being present at our marae and carrying out the important roles they play to

ensure the waka of Ngātiwai remains on track.

Every year it delights me that the Board provides support to our people who seek further education. We will continue to provide Educational Scholarships to our registered members studying at a tertiary level. This past year 43 scholarships were awarded to Ngātiwai taurua for the 2019 education year. The Board also supported a range of groups and individuals to help them reach their full potential, granting 18 sponsorships over the year.

The Resource Management Unit plays an important role for our Iwi, locally and nationally. Earlier this year saw our tohunga Hori Parata and his team travel to Taranaki to assist the local hapū with the stranding of 12 Paraoa Whales. The knowledge Hori and his kaitiaki team shared with the local hapū was recognised when they came north to gift bones to assist with some future mahi developing rongoā to assist with the Kauri die back plight.

The summer for our Bland Bay campground was excellent. Over the last six years, Wayne Johnstone along with his wife Tupou has maintained very high standards for our campground. The number of returning visitors and new visitors are being maintained and during the summer months, the shop has been very busy selling all the usual high demand drinks and snacks. This upcoming season looks to be another busy one with a number of bookings already in place. We also took the opportunity to carry out overdue maintenance on our kaumatua flats. With the introduction of the new Healthy Homes Standards, we will be required to complete further maintenance over the coming year.

I would like to personally thank my fellow trustees for their support over these past twelve months. With elections being held next year and the possibility of change, I would like to take this time to acknowledge the trustees and the support of their whānau, for their dedication of a significant amount of time, energy and commitment to their role as trustees of the Ngātiwai Trust Board.

It is not until one sits around the table, that one realises the work involved in maintaining an organisation such as ours and for that mahi I thank you.

As the end of the year quickly approaches, I sincerely hope you enjoy a break over the holiday period and time with whānau. Wherever you may go or whatever you may do during this time, please be safe and look after those around you. I would like to wish everyone a blessed festive season and I look forward to the New Year ahead.

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

Haydn Edmonds
CHAIRMAN

Financial Performance Report

Overview

The financial year ended 31 March 2019 resulted in a group net operating deficit of \$162,886, in comparison against the previous year's net operating surplus totalling \$103,543.

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

There are a number of reasons contributing to the deficit for the 2019 financial year, including:

- A \$100,000 loss on revaluation of the independent annual valuation undertaken by Deloitte Corporate Finance relating to the Aotearoa Fisheries Limited (Moana NZ) income shares.
- An impairment totalling \$24,993 on the sale of the property investment, namely James Street Car Park Limited.
- A material reduction in revenue in the resource management unit which resulted in an operating deficit of \$48,148.
- Project costs plus all associated contractor costs, where no funding income was received for the various projects.
- Costs totalling \$193,315 for the investigation of a data centre investment proposal.

However, the 2019 deficit was improved by the one-off revenue transaction of \$350,000 received from New Zealand Refining Company.

Ngātiwai Holdings Limited and Ngātiwai Fishing Limited

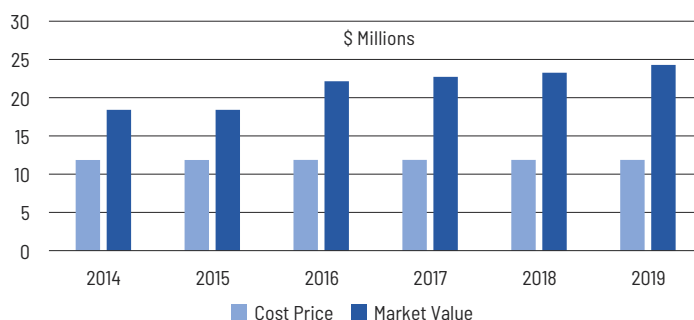
Ngatiwai Holdings Limited holds settlement quota, for both October and April fishing periods. The estimated market valuation of quota owned as at 31 March 2019 was \$15,576,278. The overall value increased by \$936,706 from the previous year, mainly due to the increase of snapper value. Some of the other key fishstocks also increased in value, but not to the same level as snapper.

Ngātiwai Holdings Limited also holds 1,212 of the income shares in Aotearoa Fisheries Limited trading as Moana New Zealand. These income shares entitle the company to receive an annual dividend, but the shares also contain a number of restrictions. The dividend received for the 2019 financial year was \$50,323 (2018 \$56,767).

Ngātiwai Fishing Limited holds the acquired quota, for both October and April fishing periods. The estimated market valuation of quota owned as at 31 March 2019 was \$8,708,525. The overall value increased by \$83,626 from the previous year, mainly due to the increase in value of rock lobster, kingfish and snapper.

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

Cost Price vs Market Value of Quota Owned



further two year period. This includes the quota ACE held by both Ngātiwai Holdings Limited and Ngātiwai Fishing Limited.

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 and Ngātiwai Fishing Limited.

A market valuation was obtained from Quota Management Systems Limited for fishstocks as at

31 March 2019, with a consolidated valuation coming in at \$24,284,803 (2018 \$23,264,470). 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 2019 audited annual accounts. As per above, the assessed market valuation is significantly higher than the carrying amount/cost, therefore there is no indication of impairment in value.

Fishing Quota Held – ACE (Kgs) and Market Value (\$)

Code	Fishstock	ACE (KGS)	% Held	Market Value	% Held
BAR1	Barracouta	82,339	4.84%	\$119,392	0.49%
CRA1	Rock Lobster	6,760	0.40%	\$5,408,000	22.27%
CRA2	Rock Lobster	2,386	0.14%	\$2,147,400	8.84%
EMA1	Blue Mackerel	275,571	16.20%	\$330,685	1.36%
GUR1	Gurnard	29,053	1.71%	\$43,580	0.18%
HOK1	Hoki	217,858	12.81%	\$1,633,935	6.73%
JMA1	Jack Mackerel	225,254	13.25%	\$123,890	0.51%
KAH1	Kahawai	39,025	2.29%	\$214,638	0.88%
KIN1	Kingfish	4,250	0.25%	\$178,500	0.74%
PPIA	Pipi	40,000	2.35%	\$80,000	0.33%
SCH1	School Shark	18,354	1.08%	\$330,372	1.36%
SCI1 - SCI9	Scampi	2,348	0.14%	\$474,470	1.95%
SNA1	Snapper	116,969	6.88%	\$10,349,425	42.62%
SNA8	Snapper	3,819	0.22%	\$324,615	1.34%
TAR1	Tarakihi	16,092	0.95%	\$402,300	1.66%
TRE1	Trevally	32,279	1.90%	\$193,674	0.80%
Other	Other Fishstock	588,219	34.59%	\$1,929,928	7.95%
	Total	1,700,576	100.00%	\$24,284,803	100.00%



Ngātiwai Investment Holdings Limited

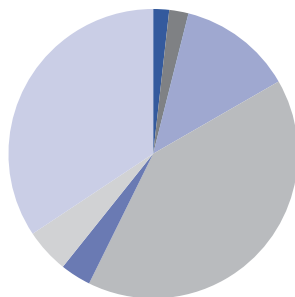
As a subsidiary formed to hold both tangible and intangible assets on behalf of the group, the 2018/19 financial year saw positive trading results and consistent returns on investments.

- The net surplus for the 2019 financial year was \$264,530, which included the 50% share in net surplus as allocated from Ngātiwai Education Limited Partnership of \$229,275.
- The Westpac Building returned a total net surplus of \$456,275 (2018 \$447,848), with the subsidiary's 75% share in equity being \$342,206 (2018 \$335,886), once again a stable investment, with the building being fully tenanted with long term leases in place. The 9% per annum return on investment is considered favourable and consistent.
- The Warehouse Building returned a total net surplus of \$873,173 (2018 \$860,357), with the subsidiary's 36.5789% share in equity being \$319,397 (2018 \$314,709), yielding a consistent return on investment in excess of 9% per annum.
- James Street Car Park was 100% leased, and returned a total net profit after tax of \$23,027 (2018 \$27,369) for the eleven months

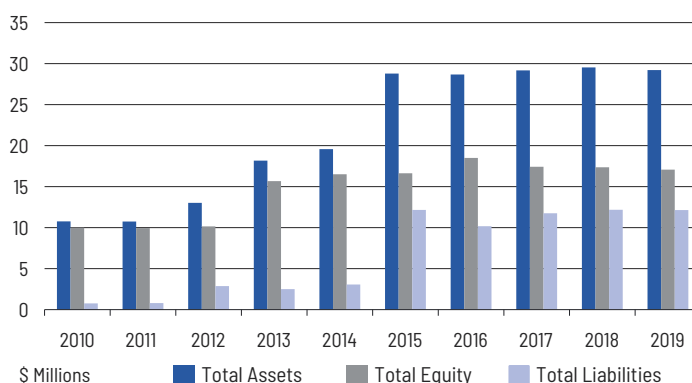
to the date of sale being 1 March 2019. The company's 50% share in equity was \$11,513 (2018 \$13,684).

On 1 March 2019, settlement occurred for the sale of James Street Car Park, with a 50% share of the investment being received of \$463,087. The impairment on sale was \$24,993. The sale occurred due to Whāngarei District Council opting to action a buy-back clause contained in the original sale and purchase agreement, to be bought back at the original purchase price.

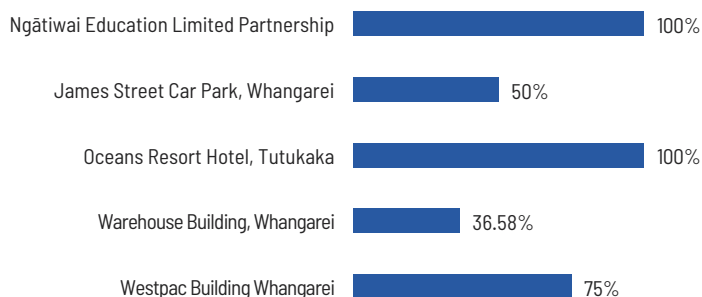
- The six apartments owned at Oceans Resort Hotel complex, Tutukaka were 100% tenanted during the 2019 financial year and received lease income of \$99,200. The purchase of the six apartments have proven to be worthwhile, both from a financial and strategic perspective.



Group Asset / Wealth Growth 2010 to 2019



Percentage of Investments Held



Group Total Asset Position @ 31 March	2019	%	2018
Bank and Cash	\$518,523	1.78%	\$370,556
Short Term Investments and Other	\$629,140	2.15%	\$504,026
Property, Plant and Equipment	\$3,728,011	12.76%	\$3,598,422
Quota Owned	\$11,864,806	40.62%	\$11,864,806
Aotearoa Fisheries Income Shares	\$1,000,000	3.42%	\$1,100,000
Other Long Term Investments	\$1,444,105	4.94%	\$1,444,208
Property Investments	\$10,027,919	34.33%	\$10,653,308
Total Assets	\$29,212,504	100.00%	\$29,535,326

Summary of Group Performance Results

Deficit for the Year before One-Off Transactions
One - Off Transactions
Share of Partnership Equity Surplus (Deficit)
(Loss) Gain on Revaluation of Financial Assets
Net Group (Deficit) Surplus for the Year

2019	2018	2017	2016	2015
\$	\$	\$	\$	\$
(427,897)	(253,610)	(447,061)	(609,365)	(446,203)
105,341	-	(757,536)	2,311,733	-
259,670	257,153	258,493	213,690	(283,421)
(100,000)	100,000	(34,369)	120,521	-
(162,886)	103,543	(980,473)	2,036,579	(729,624)

Summary of Group Net Assets

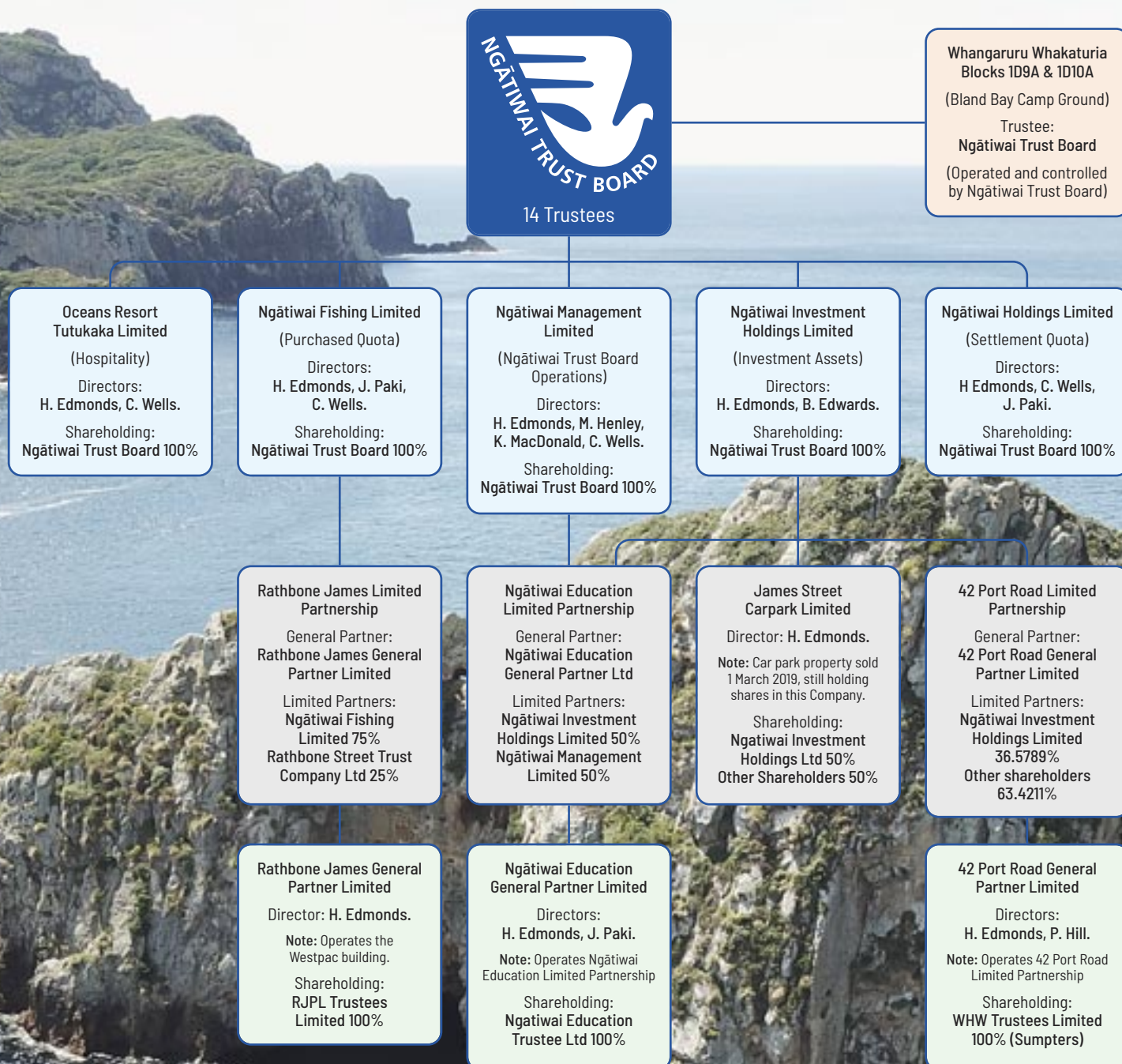
Fixed Assets, Managed Investments
Other Assets
Assets: Current and Non-Current
Liabilities: Current and Non-Current
Group Net Assets

2019	2018	2017	2016	2015
\$	\$	\$	\$	\$
27,501,428	28,069,862	27,295,083	26,417,212	26,485,121
1,711,075	1,465,464	1,877,691	2,255,764	2,301,306
29,212,504	29,535,326	29,172,774	28,672,976	28,786,427
(12,141,438)	(12,176,345)	(11,751,341)	(10,173,782)	(12,158,289)
17,071,066	17,358,982	17,421,433	18,499,194	16,628,138
58%	59%	60%	64%	57%
(1.66%)	(0.36%)	(5.83%)	11.25%	0.73%

Equity % Group Assets
Group Net Asset Annual Growth

Ngātiwai Trust Board Group Structure

As at 31 March 2019



Quality Hotel Oceans Tutukaka Report

This financial year ending March 2019 has been a challenging one. Tourism New Zealand reported a slowdown with both domestic and international visitor numbers and the surge of the Air B&B businesses in the area has diluted the market share. I am pleased to report that we met this challenge and increased the room revenue by \$40,000 this year. This was achieved by having tight revenue management in place and five refurbished rooms available to yield higher rates.

May 2018 traded above average due to the oil refinery maintenance shut down in Ruakaka. This created a shortage of accommodation for contractors working on the project in the region and we took advantage of securing new corporate travellers that were displaced from their regular Whangarei hotels. Unfortunately, the struggle with the winter season hit hard after a strong May trading period.

Retaining skilled staff placed pressure on the cost of salaries and wages over the year. Our

housekeeping team and our front office team are the foundation on which we strive to grow our business. To remain competitive in the employment market, adjustments were made to secure key staff. Their hard work and loyalty is reflected in our guest 'Likelihood To Return' (LTR) ranking of 89%. This is above both the regional and national averages of our competitive sets. Passing on the increased staffing costs and staying competitive is the challenge we tussle with.

The renovation of five front facing rooms gave us the ability to drive average room rates higher. Keeping the momentum will depend on continuing with refurbishing rooms together with increasing the conferencing market share during the slow winter period. We have made small inroads with the corporate market and push hard to sell conference facilities, as Tutukaka is an ideal destination for conferencing.

We are also focussing on how our rooms are sold in a changing and evolving online environment. We



engaged a full-time revenue manager to keep pace with the changes, where rates are adjusted daily according to market demands. We rely heavily on walk in business, most of which is booked on mobile devices while travelling. Air B&B's are here to stay and will remain one of our major competitors.

Great work has been done to look after the service delivery from the Body Corporate committee in the past year. I am pleased to report that we have had success with attending to the significant water quality issues that have been affecting our business. A big thank you to the board members and management team involved with the work that went into achieving this.

Outlook

In line with our vision of getting Oceans where it needs to be, we know refurbishing rooms and re-inventing our conference and

online offerings, is the way forward. We are working hard on being creative and reinventing ourselves wherever possible.

I look forward to the ongoing support and encouragement of the Board as we continue doing the hard yards in 2019/20. It has been a tough journey but with the backing of my wonderful staff, I am confident we can make it happen.

Ngā mihi

Craig Walker
General Manager



Oceans
TUTUKAKA

Ngātiwai Education Report

Te Au Here o Tukaiaia
"Flying on the wings of Tukaiaia"

Tēnā koutou katoa,

This report reviews the 2018/2019 year for Ngātiwai Education, Te Au Here o Tukaiaia. Our Education Unit provides a range of educational services by working on behalf of our uri, in partnership with learning centres, schools, the Ministry of Education (MOE) and other organisations. The Unit continues to support the needs of Māori learners of all ages through the delivery of contracts. Our learners include early childhood, primary school tamariki, secondary school taitamariki, students up to 20 years of age who are not enrolled in school, tertiary education or in work and our wonderful kaumatua kapa haka roopu.

CONTRACT REVIEWS

Nga Tau Miharo – The Incredible Years

Six of these positive parenting courses were delivered during the year by our experienced facilitators and nearly 100 parents graduated. We have been administering this programme for eight years, which consists of 14 weekly positive parenting workshops for caregivers and whanau of three to eight year olds. The goal is to give our parents and caregivers strategies and tools to manage behaviour in a positive way and promote the children's social, emotional and academic wellbeing.



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. This year saw our pastoral care contract phased out as this mahi is no longer with the iwi and the support for Te Matarau is through our trustee on the governing board only.

SELO – Strengthening Early Learning Opportunities

We continue to provide professional development through weekly visits to Early Childhood Centres who have opted into the MOE programme. Our mentors work with the children modelling best practise and support the staff when required to grow capability in

providing culturally inclusive activities through Te Ao Maori. In 2018, we were privileged to mentor Ngati Rehia through their first SELO programme. Our whanaunga in Kerikeri were so welcoming and responsive that it was a pleasure to be a part of this ako experience. They are now running their own programmes successfully.

focus from time to time and this year we were guided to work in primary schools and secondary schools with 160 students and 20 taitamariki not enrolled in school, course or in employment. Our success for the 2018 year was very good with 87% of our students showing improvement in the assessment of their goals, whether set by us or by themselves. Our NEETs students (not engaged in education or training) were our highest success with 18 out of the 20 enrolling in tertiary training, going back to school or working. For the school students, the transience (families moving) is always a challenge for us. Time is the best thing we can give to our tamariki to improve their learning potential. Reading with them,



Supported Puna Kohungahunga

In 2018, we started our first Puna Kohungahunga on the grounds of Whangaruru School. It has been lovely to work with the kura and be welcomed there. Whanau can bring along their pre-schoolers every Friday morning to play with the toys and equipment supplied. Later in 2018 we opened another Puna Kohungahunga at the Plunket rooms in King Street, Whangarei. This playgroup meets every Monday morning and you can follow their activities on their Face Book page linked to Ngatiwai - Te Au Here o Tukaiaia.

IMER – renamed Toikuranui in 2019

We have delivered this contract funded by the Ministry of Education since 2015. The fund has changed

hearing their challenges, supporting their learning needs and giving praise and help when needed. Our mentors do all of these things and more, to support young Maori in schools.

Early Childhood Education Support for Whanau of 3–5 year olds not enrolled in ECE

We continue to support our whanau who have pre-schoolers not enrolled in any early childhood centre and our support goes all the way, until they are settled in school. Our mentors help as many whanau as they can to enrol and attend an early childhood centre, as research shows, children will have a much easier school journey if they are able to receive early childhood education.



Manaaki Marae – in Partnership with NorthTec

We ran our second Manaaki Marae programme this year, which was equally as successful as the first with the venues being Ngūnguru Marae, Wāhi Restaurant at the Oceans Hotel in Tutukaka and having a day based in the Ngātiwai Education classroom. This programme is a level 3 NZQA course where akonga gain skills in hospitality, including Ngātiwaitanga through experience in the whareniui, wharekai and practical experiences in food production and commercial operations. They learn barista skills and gain a health and safety in hospitality certificate. Participants work independently under limited supervision, as part of a team and in accordance with tikanga and marae kawa. This is a great entry-level course and with our staff providing pastoral care throughout the programme, students receive support where needed.

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



is scheduled for November 2020. Driver Education credits were achieved under our PTE this year.

Our successful Driver Education programme saw 35 akonga pass their learner drivers' license, with four achieving their restricted licence and four their full license. Ngātiwai Education continued to work with the Police to ensure our

akonga are as prepared as they can be for the license test. Our programme is known for its manaaki and whakaaro to keep going until the result is positive. Through our PTE, there is an opportunity to gain up to six level two credits and some students take this option to add to their level two qualification for NCEA.

Kaumatuā Kapa Haka

Our kaumatua kapa haka has met in our rooms for 5 years now and are getting so incredibly popular that they have been taking engagements to perform around the motu. A highlight again was the attendance of the kapa haka festival in Wellington in June 2018. For the second year in a row, our kaumatua and kuia had a fabulous time.

In conclusion, 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 of all Maori in our rohe is our passion and our driver.



Bland Bay Camp Ground Report

The 2018/19 summer was a long hot period. The Bland Bay Camp Ground was very busy as usual. The fine weather helped the camp shop sell record numbers of soft drinks, water and iceblocks and generally people were well behaved. The fine weather continued right through to Easter, in which we were three quarters full for Easter.

Freedom camping continues to be a concern. After successfully lobbying Council last year to remove a designated Freedom Camping site, the Department of Conservation now seems set on establishing Freedom Camping sites in Tuparehuia (Bland Bay). This issue looks to be debated for some time yet.

We continue to work with and support the Tuparehuia Marae and wider Whangaruru North Rate Payers Association with their annual market and gala days.

We have also recently met with the Whangarei District Council to seek permission to extend the camp road side fence out more toward the main road. We currently mow this area. The Whangarei Council have responded and granted us permission to extend our boundary fence within 2 metres of the main road. This will give us approximately an extra 900 square metres. This extra space will take the pressure of the main camp ground in terms of parking space



for vehicles and trailers as well as space for more camp sites. We plan to have this space fenced by this December.

More and more campers are requesting powered sites. Currently we have 47 powered sites available.

A request for a further 9 powered sites is before the Trustees for their consideration. This will address growing demand for powered sites.

This coming season will also see camping prices increase. The increase is modest and the first

increase in five years. The range for adult prices per night increase from \$19-\$22 to \$20-\$25 per night. There will also be a daily surcharge for power (for those on powered sites) and the child rates also increase from \$8 to \$10 per night.



Social Services Report

This report is based on the work completed by the Social Development unit of Ngātiwai Trust Board. Our key priorities this year has been to develop relationships with Government agencies and social service providers within Tai Tokerau.

Kokiritia te aroha

It has been a long, challenging, yet very fruitful journey for te roopu o Kokiritia te Aroha. To date we have come together for 12 events – wānanga, hui, and a youth festival – with two more wānanga and a leadership team hui before the launch of our resources in December 2019. We seem to be well on track for the launch in December, and we are well within budget.

The outputs from our wānanga will include a taitamariki-focused 'app' that is designed to connect taitamariki to culture and whenua and provide some positive messages. We have been fortunate to gather the support of Kiwa Digital, who are providing half the cost of the app development for free.

We are also developing several film projects, one of which will be entered into the Māoriland Film Festival to be held in Otaki in March 2020. The one most likely to be entered is called 'The Happiness Project' where we describe the project, and roopu members plus manuhiri talk about what happiness means to them, along with other wisdoms. We have been fortunate to secure full funding through the Northland Community Foundation/Grassroots Fund for 35 of us to attend the Festival. This will be an exciting and fitting end to our five-year journey together since January 2015.

Other outputs will include a hard copy version of the app as a workbook, and a facilitator's workbook, which will include instructions on a variety of activities that organisations can pick and choose from to create their own programmes. We are very grateful for this opportunity to



continue development of our taitamariki and whānau, and to develop resources that we hope will be of use to other whānau and groups for their own development and growth.

Moving the Māori Nation

We received funding to deliver a contract called "Moving the Māori Nation". Our focus centred on community development when facilitating Mātika wānanga. We have therefore utilised local rangatira and resources to strengthen community connection, and to ensure a deeper community driven initiative. Mātika has increasingly become more accepted for our Ngātiwai whānau as a locally steered pathway to re-connect our taitamariki to the taonga our ancestors lived and breathed as Ngātiwai. Overall numbers far exceed 50 with taitamariki and whānau support. These numbers continue to gain momentum as more and more whānau are becoming aware of Mātika and its intention to help taitamariki and their whānau to live happier and healthier lifestyles, and to celebrate all things Ngātiwai.

Te Uri O Hau

We have been working in collaboration with Te Uri O Hau Social Service arm and we have signed an MOU to maintain and strengthen our relationship in our respective communities.

E Tū Whānau

We have been working with E Tū Whānau to support and enhance our people of Ngātiwai. This is an ongoing relationship and we look forward to working with them in the future.

Van

We were able to secure funding of \$47,995 to purchase a van for Ngātiwai Trust Board, specifically for the social service unit. The van has been invaluable, as it has been utilised to take our taitamariki to wānanga and to sporting events. Our Kaumātua and kuia have utilised it to attend huimate and other events. It has been fantastic to travel together as Ngātiwai and to provide transport to our Kaumātua and kuia who may not have been able to attend due to lack of transport.

Support Services

With the appointment of Johnny Sadler we are able to offer support services to our whānau. Johnny has attended appointments with schools to support our taitamariki to stay in school; he has attended family group conferences to support our whānau to get their children back into their care and out of state care. This is slowly building as more whānau are asking for assistance.

Oranga Tamariki

Over the year, we have had many hui with different departments within Oranga Tamariki. We are currently in discussions around the appointment for Ngātiwai to sit on the Care and Protection Resource Panel to assist with Oranga Tamariki whānau.



Ngātiwai Communications Report

Tēnā koutou

The Ngātiwai Trust Board continues to strive to work to its aim “to communicate effectively with all our people”. In doing so, the Trust Board always attempts to ensure that this is done in a timely manner. By having effective and timely communications it is our hope that this will encourage our people to be involved and engaged in iwi affairs and activities.

The Board understands the importance of kanohi ki te kanohi (face to face) engagement. However, the global spread of our people means we have to adapt and develop additional ways to connect with whānau by adopting technology solutions such as video conferencing, online collaboration tools and the use of live streaming. The Board will continue to embrace new technologies to ensure we reach our people effectively in today’s world. Ngātiwai uri continue to be encouraged to come into the office to speak face to face regarding any kaupapa.

The Board hosted a number of hui throughout the year with pānui being sent out advising of these 3-4 weeks in advance. The main hui held during the year were our regular quarterly Hui-ā-iwi and the Annual General Meeting.

These Hui-ā-iwi were hosted at Tuparehuia Marae on 23 and 24 March 2018 and a Wananga-ā-iwi at Ngātiwai Marae Ngaiotonga from 31 August to 2 September 2018. A hui-ā-iwi had been planned for November 2018, but due to a busy calendar and clashes with other kaupapa in the rohe, this hui was postponed. The final hui-ā-iwi for the financial year was held on 30 of March 2019 at Ngunguru Marae. These hui were a great opportunity for the Board to share and discuss all the current and relevant business activities of the past quarter, but also a chance to re-connect with whānau, have strong debate, laugh, sing and have kai hakari together.



The Annual General Meeting of the Ngātiwai Trust Board was held 1 December 2018 at the ASB Leisure Centre in Whangarei. The 2018 Annual Report was made available on our website with hard copies also available at hui and in the office. The official pānui was posted in the newspaper and shared on our Facebook and website pages. Pānui are regularly sent out in the mail to our kaumātua inviting them to the AGM, hui-ā-iwi and updating them on iwi matters as many are not on social media.

The Trust Board has embraced print media, digital and web platforms in an attempt to have a far reach communicating with our people. Te Tūkaiaia, our iwi

newsletter, celebrates everything Ngātiwai by profiling tribal members, bringing Ngātiwai perspectives to issues and encouraging discussion on iwi matters. Te Tūkaiaia is often eagerly awaited when it is physically posted out to approximately 400 kaumātua over the age of 65 here in New Zealand and overseas.

We also interact with our people via social media such as through our website, Twitter and Facebook. E-pānui are sent out to those who are registered for email notifications. Via these platforms, the Board regularly send out pānui of events, job vacancies and other pieces of information that may be relevant to the iwi. We encourage

whānau to visit our website regularly, take a look at the most recent pānui and keep up to date with the latest news, activities and events from Ngātiwai.

Education Scholarships were made available by the Board on the 9th of April 2018 which were advertised on our Facebook page, website and in our newsletter. The Scholarship applications closed on the 31st of May 2018.

Treaty Claims and our own Ngātiwai Settlement Mandate continue to be a big focus of Communications, ensuring our people are kept informed on our mandate and other related issues such as overlapping claims and the Marine and Coastal Area (Takutai Moana) Act (MACA).



As we worked towards our Settlement, we continued to make available our Te Arawhiti Mandate Maintenance reporting. This gives our people an understanding of and access to all the information, pānui and correspondence relating to our Mandate for the past quarter. The report to Te Arawhiti is required of us on a 3 monthly basis by our mandate. All these reports are available for you to access on our website.

There were two other significant hui over this past year relating to overlapping claims with iwi from Pare Hauraki. On Tuesday 15 May 2018 a successful hui was held at Whakapaumahara Marae in Whananaki with Ngāti Hako. The

purpose of this hui was to have kōrero with Ngāti Hako to determine their interests and whakapapa that they outlined in their Statement of Claim as part of their Treaty claim.

A similar hui was held on Wednesday 23 May 2018 also at Whakapaumahara Marae in Whananaki with Ngāti Paoa. We also wanted to kōrero with Ngāti Paoa to determine their interests and Whakapapa that they have outlined in their Treaty claim with the proposed Crown redress being significant. Overviews of both these hui were included in our Treaty Claims update on our social media platforms and in our newsletter.



A highlight over the past year has been the sharing of our Ngātiwai Kaumātua kapa haka. Our Ngātiwai kaumātua performed again at last year's Matariki Festival at Te Papa on Saturday 23 June and Sunday 24 June 2018. The live stream of this was made available for all whānau to enjoy.

The farewell of Jim Peters from Auckland University was another highlight for the iwi to be part of, with whānau travelling to Auckland on the 19th of November to acknowledge the retirement of Jim from his role as Vice-Chancellor Māori of Auckland University. Three

vans, including whānau from Jim's kainga of Whananaki, our Kaumātua kapa haka rūpu as well as other kaumātua made the trip down to celebrate and participate in the special occasion.

The Ngātiwai Social Development team partnered with Ngunguru Marae and Whangārei Terenga Paraoa Marae where Ngātiwai hosted screenings of the film Maui's Hook on Friday 21 September 2018. This film by Māori psychologist and filmmaker Paora Joseph invited an open discussion around suicide through the brave testimony of five grieving families

travelling to Cape Reinga. Before and after each screening there was kōrero exploring some of the themes and issues traversed within the film. This was extensively advertised on our social media platforms and in our newsletter, with both screenings having great turn outs and the movie emotionally received by all.

For the next 12 months you will continue to see a high level of communications from Ngātiwai at hui and across all our communication platforms. We will ensure we continue to communicate effectively and in a



timely manner with you. However If you have any suggestions, or you feel there are things we could be doing better in engaging with you, we encourage you to make contact and give us feedback; it would be very welcome.

Ngā Mihi

Barry Caldwell

Communications & IT Advisor

Board Secretary's Report

Administration

The year has been challenging for the Board's secretary and administration team who have provided administrative and logistical support to the Board and its Operational Management and Units.

The administration team has been instrumental in the organisation and preparation of material for all regular Trust Board meetings and extraordinary meetings which includes the Trustee meetings held at the end of each month, the kaumātua monthly meetings as well as the quarterly hui-a-iwi and the Annual General Meeting.

Database

As at 31 March 2019 the total number of Ngātiwai Trust Board registered members is 8143 which is an increase of 166 members from the previous year.

An invitation is extended to all Ngātiwai whānau to register with the Trust Board, on-line registration is available on the Ngātiwai Trust Board website www.ngatiwai.iwi.nz or alternatively registration and update forms are available at the Trust Board office.

Scholarships

A total of 43 Educational Scholarships were awarded to support Ngātiwai whānau with their tertiary studies.

Ngātiwai Trust Board makes Educational Scholarships available to assist registered members with some of their study expenses. Applications are opened for a specific period of time during the course of the year and are advertised and available on both the Trust Board's Facebook and website pages as well as at the Trust Board office.

Sponsorships

A total of 18 sponsorships were provided to support Ngātiwai whānau with their representative sporting achievements and cultural and personal goals and aspirations.

Sponsorships can be applied for at any time during the year and are considered by the trustees during their meetings held at the end of each month.

The sponsorship policy/application is available on the Trust Board's website and Facebook pages and application forms are available from the office.

Resource Management Unit Report

The sharing of ancient knowledge with Taranaki hapū

With the stranding of 12 Paraoa Whales at Kaupokonui, kaumātua Hori Parata and a team of Ngātiwai kaitiaki travelled to the southern west coast of Taranaki to tautoko local hapū Ngāti Tu and Ngāti Haaua.

Hori Parata is a tohunga in whale stranding's, recovery and traditional Māori flensing. He has been involved with and studied this mahi for decades and developed a number of whale recovery protocols for iwi and hapū to utilise.

In this instance Hori and his team of kaitiaki were able to share their knowledge and skills around the arduous mahi with the people of Ngāti Tu and Ngāti Haaua so it can be passed on to their future generations.

Auckland Council Capacity Contract

Ngātiwai is one of the 19 mana whenua representatives within the Auckland Council region. The Resource Management Unit received a capacity contract from the Council to assist with kaitiaki attending and participating in the Council's mana whenua hui and processes.

Department of Conservation

A commitment for regular quarterly and monthly meetings with the Director of the Department of Conservation and their senior operational team was instigated.

These meetings are a platform for the Resource Management Unit to discuss mutual key issues with the Department of Conservation, such as:

- Our Iwi Relationship
- Tourism Strategy
- Motukauri Island Management Plan
- Whale Stranding Protocol
- Honey Concessions
- Russell State Forest
- Relationships with DOC in Tamaki Makaurau
- MOUs.

Draft – Ngātiwai Iwi Hapū Environmental Management Plan

With financial support provided by Northland Regional Council and the services of Dr Stephanie May the Unit undertook to review and refresh the Ngātiwai Iwi Hapū Environmental Management Plan.

The draft plan was made available to trustees for consultation with whānau, marae and hapū, and is available on the Trust Board's website for further feedback before being formally accepted and applied as a working document for the Resource Management Unit and Trust Board.



Ngātiwai Treaty Claims Report

Settlement Negotiations

Background

The Ngātiwai Trust Board decided in 2013 to seek the support of iwi members to pursue direct negotiations with the Crown. The Board developed a mandate strategy, which was put to a vote of Ngātiwai members during August and September that year. A substantial majority voted in favour of the strategy, and the Board submitted a Deed of Mandate to the Office of Treaty Settlements (OTS) in July 2014. OTS then sought and considered submissions on the proposed mandate. On 21 October 2015, the mandate was recognised by the Crown. In the Crown's assessment, the Board has the support of Ngātiwai and is the appropriate body to represent Ngātiwai in settlement negotiations¹.

In December 2015, urgent hearing applications began to be filed in the Waitangi Tribunal and in May 2016, the Tribunal determined to hold an inquiry with hearings held in Whangārei in November and then again in Wellington in December 2016.

The claims [the Tribunal] considered in this inquiry were made on behalf of hapū included in the Deed of Mandate, adjacent hapū, whanau groups, and individuals who have historical claims filed with the Waitangi Tribunal. Some agree they are Ngātiwai; others deny this. The claimants deny that hapū gave consent to being included in the Deed of Mandate. They also raise a range of concerns with the adequacy of representation and accountability in the mandate and the robustness of the Crown's decision to recognise it².

The central theme of the claimants' allegations... is that the Crown recognised a mandate based on one person-one vote without ascertaining whether the hapū included in the mandate had given their support and consent to the Trust Board. The inquiry in other words, concerns hapū tino rangatiratanga³.



When the hearings were granted by the Tribunal, the Crown and the Board determined to pause the completion of Terms of Negotiations (the next step after a mandate is recognised by the Crown), pending the outcome of the inquiry and at this stage remains paused. The Board received the Tribunal's report in October 2017 and responded to it as set out below.

Ngātiwai Trust Board response to the Tribunal's Report

The Board held a Hui-a-iwi in March 2018 at Tuparehuia Marae to discuss the Tribunal's report. Approximately 70 members attended the hui. The hui was facilitated by kaumātua and concluded that there should be a ho hou i te rongo and a series of wānanga related to the mandate report and workshop sessions from the hui. A mediation procedure would then follow if required.

On 14 June 2018, the Board wrote to the Minister for Treaty of Waitangi Negotiations, Andrew Little, to update him on the hui-a-iwi and request his views on the mandate report and any expectations required of the Board. On 24 July 2018, the Minister responded that he and the Minister of Māori Affairs were still considering the report and requested further information

about the proposed series of wānanga and any direct engagement the Board had undertaken to date with those who sought the Ngātiwai mandate inquiry.

Meanwhile, the Kāhui Kaumātua established a 'working party' made up of kaumātua, rangatahi and Ngātiwai Trust Board Trustee representatives to help plan and organise the wānanga series.

A second Hui-a-iwi was held at Ngaiotonga Marae from 31 August to 2 September 2018 to discuss the origins of Ngātiwai and hapū of Ngātiwai with approximately 50-60 Ngātiwai members in attendance.

On 16 September 2018, the Board's representatives met with Minister Little in Whangārei to provide an update on internal changes to the Treaty Claims Committee, rebuilding relationships with affected hapū, the wānanga series and work in progress on holding a ho hou i te rongo with Patuharakeke.

The Board participated in a ho hou i te rongo with Patuharakeke at Takahiwai Marae on Sunday, 18 November 2018. This was only a start in the rebuilding of the relationship between the Board and Patuharakeke with further hui to follow and mediation yet to be discussed.

The third wānanga-a-iwi in the series was due to take place from 16 to 17 November 2018 at Ngunguru Marae but had to be postponed until 2019 due to a number of clashing dates with other significant hui taking place at that time (notably the Ngāpuhi evolved mandate hui).

The Board then worked to develop a DRAFT mandate mediation proposal based on the recommendations from the Waitangi Tribunal. This involved collecting quotes for specialist advice (i.e. legal advice and historian services) and compiling an overall budget to put to the Crown for funding purposes.

On 6 December 2018, the Board requested a meeting with the Minister to discuss the DRAFT proposal, and a meeting took place with Minister Little on 2 February 2019 at Waitangi.

On 26 February 2019 the Minister wrote to the Board requesting that it submit its proposal even if it was only in DRAFT so that officials could begin assessing it. On 6 March 2019 the Board submitted its DRAFT proposal and budget to the Minister and copied it to the hapū who sought the urgent Ngātiwai mandate inquiry to alert them to the work in progress.

The third wānanga-a-iwi in the series which had been postponed in 2018 was reorganised into two separate hui that were held in March 2019. The first of which was a kaumātua wānanga held on the evening of 29 March 2019 at Ngunguru Marae. The second of which was a hui-a-iwi held the next day on 30 March 2019 also at Ngunguru Marae to which the kaumātua presented the recommendations from their wānanga held the previous evening.

Of note the Kaumātua recommended that:

- After a number of years 'review', the recommendation is that a completely new constitution be developed and that the role of the kaumātua "to maintain the cultural and spiritual integrity" of the iwi be reflected accordingly; and
- That a hui-a-iwi be held for whānau to express their aspirations for the future of Ngātiwai.

The Treaty Claims Committee provided an update to the hui-a-iwi on the work that it had been undertaking to develop a mediation plan. It was noted that:

- A DRAFT mediation proposal and budget had been submitted to the Crown and the Board were awaiting a response before mediation discussions could take place with the affected hapū; and
- The Board had requested that funding also be made directly available to the affected hapū so that they could take part in any agreed mediation process with the Board on an equal footing.

On 11 April 2019, the Minister confirmed that officials were assessing the Board's DRAFT mandate mediation proposal and will be in contact if they had any questions. Once the Minister has received their assessment he will provide a comprehensive response regarding the proposal and funding.

Overlapping Treaty Settlement Claims

Background

Overlapping and often hotly disputed claims occur where more than one group in Treaty Settlement negotiations makes a claim for redress (particularly exclusive redress) in an area of overlap. Indeed even the overlapping area can be in dispute. This has very much been the case in relation to several Hauraki groups seeking redress within the Ngātiwai rohe.

On 24 July 2017, the Board filed an application for an urgent inquiry into the Crown's settlement policy regarding overlapping claims in relation to the Hauraki Collective, Marutūahu Collective and Individual Hauraki iwi settlements.

The Board met separately with Ngāti Paoa and Hako at Whakapaumahara Marae in Whananaki during May 2018 to discuss their overlapping claims. In both cases it was agreed that further hui would be required to resolve matters. On 14 June 2018, the Board wrote to Minister Little updating him on progress that had been made in establishing a tikanga based process for dealing with overlapping claims with Hako and Ngāti Paoa but also noting that a number of other Hauraki iwi had made no contact with the Board.

In May 2018, the Crown requested a second meeting with representatives of Ngātiwai, Ngāti Manuhiri and Ngāti Rehua - Ngātiwai ki Aotea (the Māori Trustee) to discuss preliminary matters concerning harbour negotiations. The Board suggested a deferral to this meeting.

On 20 June 2018, the Minister sent the Board a letter with his preliminary decision concerning Hako redress on Aotea. On 6 July 2018, the Board wrote to Minister Little requesting that he take no further steps to intervene in the agreed tikanga based process with Hako because the Board valued the exchange with Hako and others as

it reinforced our intertribal relationships and tikanga.

On 13 July 2018, Hauauru Rawiri informed the Board that it was his last day with Ngāti Paoa and he had stepped down as negotiator.

On 26 July 2018, the Minister advised the Board that he had initialled the Marutūahu Iwi Collective Redress Deed, that the Crown had taken reasonable steps to address overlapping claims issues and if iwi wanted a tikanga-based process he was open to it.

On 7 August 2018, the Waitangi Tribunal established a panel to consider the 13 urgency applications received at that point. It also appointed Judge Miharo

Armstrong as the Presiding Officer together with Professor Rawinia Higgins and David Cochrane on the panel.

On 9 November 2018, the Waitangi Tribunal granted urgent hearings for six mandated iwi applicants including the Ngātiwai Trust Board concerning the Hauraki overlapping claims.

During November and December 2018, the Board worked to update its Statement of Claim to include all new processes, redress and events that took place since the original claim was filed in 2017. Updated briefs of evidence were also worked on in preparation for the inquiry hearings.



During January and February 2019, work continued on updating the Board's Statement of Claim, which included hui with Ngāti Paoa and Hako together with information on Harbour Negotiations and Marutūahu Iwi Collective Redress Deed. Work also commenced on collecting additional evidence in relation to Aotea and Mahurangi in the disputed overlapping area with Hauraki.

On 5 March 2019, the Board requested confirmation from Minister Little that the Hauraki Settlements will be put on pause pending the outcome of the Waitangi Tribunal's urgent inquiry.

On 11 March 2019, the Board requested that the Minister pause harbour negotiation discussions as it considered such discussions an extension of the Hauraki overlapping claims matters before the Waitangi Tribunal.

On 11 April 2019, the Minister confirmed that:

- The Crown does not intend to introduce Hauraki settlement legislation while the Tribunal inquiry into the six claims granted urgency is ongoing; and
- Harbour discussions are preliminary only and negotiations have not yet begun. No negotiations regarding the Hauraki Gulf will commence until matters such as the structure of negotiations and who should be involved in negotiations are confirmed.

From 8 to 12 April 2019, the Waitangi Tribunal held the Hauraki overlapping claims hearings at Waiwhetu Marae in Wellington. The Board sent a delegation of kaumātua, trustees, staff and hau kainga from within the disputed area to present its case at these hearings.

Ngātiwai Treaty Claims Report continued

Ngātiwai Customary Rights - Marine and Coastal Area Act (MACA)

Background

In 2013, 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 which gave the Crown legal ownership of the foreshore and seabed. After widespread protest from Māori and criticism from the Waitangi Tribunal and the Human Rights Commission, the Foreshore and Seabed Act was abolished and replaced with the Marine and Coastal Area (Takutai Moana) Act 2011 (the "MACA Act").

While the new MACA Act restored the possibility of customary title in the marine and coastal area it only gave Māori some limited scope to gain recognition of their customary interests but it did not provide for ownership. To qualify, applicants also had to take their claim to the Crown or High Court by April 2017 or risk their customary rights being extinguished as a matter of Law. It is against this background that the Board:

- Filed a claim in the Waitangi Tribunal in relation to the prejudicial effects of the MACA Act on Māori customary rights including ownership (the MACA kaupapa Inquiry); and
- Filed 'blanket' Ngātiwai-wide applications under the MACA Act in both the High Court and Crown Engagement processes in order to protect Ngātiwai customary rights in the takutai moana from being extinguished if Ngātiwai whānau, hapū and marae were unable to file their own applications within the statutory deadline of April 2017.

MACA Priority Kaupapa Inquiry

On 4 July 2018, the Board filed a Statement of Claim in the Waitangi Tribunal's MACA Kaupapa Inquiry.



The scope of this inquiry is targeted at the legislative framework and applications process established under the MACA Act 2011.

The inquiry is to be held in two stages with the first stage to look at the procedural arrangements and resources (i.e. funding) and if those matters are prejudicial to Māori holders of customary marine and coastal area rights when they seek recognition of those rights.

On 18 January 2019, the Board filed evidence in relation to Stage 1 of the Waitangi Tribunal's MACA Kaupapa Inquiry.

The Waitangi Tribunal held stage one hearings at Waiwhetu Marae in Wellington concerning the MACA

from 25 to 29 March 2019. The Board sent a delegation to present its case at these hearings.

MACA High Court Process

The Board considered the next steps in relation to the MACA High Court applications process and determined to put the issue of research on the agenda with the Ngātiwai kāhui kaumātua and seek their endorsement to proceed with undertaking research.

The Board contacted an historian in November 2018 to seek advice on conducting research for the MACA High Court applications process.

The Board sought and received from the Crown an indicative map showing all Ngātiwai related MACA

applications. The map will be useful in identifying gaps in the Ngātiwai rohe where no Ngātiwai related MACA applications were filed by the deadline of 3 April 2017. It will also be useful to identify overlapping Ngātiwai applications for discussion purposes.

MACA Crown Engagement Process

There has been no development with the Board's Crown Engagement application since it was submitted, other than the Board receiving an acknowledgement from the Crown of its receipt. Only a handful of applications are being progressed in the Crown engagement process leaving the rest (including the Board's application) to be progressed in the High Court.



Financial Statements

For the Year Ended 31 March 2019

CONTENTS

Trust Directory 20

Statement of Comprehensive Revenue and Expense 21

Statement of Changes in Net Assets/Equity 22

Statement of Financial Position 23

Statement of Cash Flows 24

Notes to and Forming Part of the Financial Statements 25

Schedule: Reporting Requirements 46

Independent Auditor's Report 47



Trust Directory

As at 31 March 2019

Nature of Business

Community Development, Lease of Quota Owned, Sale and 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
Whangārei

IRD Registration Number

042-033-006

Auditors

BDO Northland
Adelle Allbon

Bankers

Westpac Bank
Whangārei

NGĀTIWAI TRUST BOARD & GROUP

Synopsis

As at 31 March 2019

Date of Trust Deed:	22 November 1966
Marae	Trustee
Kawa	No Trustee elected
Matapouri	Aperahama Edwards
Mōkau	Clive Wiremu Stone (26 March 2019)
Motairehe	Martin Cleave
Ngunguru	Mike Rundlett
Ngaio tonga	Merepeka Henley
Oākura	Henry Bertie Purcell Murphy
Omaha	Annette Baines
Otetao	Gary Reti
Pātaua	Hori Puturangi Māhanga
Punaruku	Haydn Thomas Edmonds (Chairperson)
Takahiwai	No Trustee elected
Tūparehuia	Rōpata Diamond
Whananāki	Kathy Caldwell

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

Trustee Remuneration

During the year remuneration was paid to the following Trustees:

	2019 Remuneration \$	2019 Meetings Attended	2018 Remuneration \$	2018 Meetings Attended
P. Ngawaka	–	–	10,920	36
A. Edwards	9,440	19	9,030	28
C.W. Stone	–	–	–	–
M. Cleave	3,360	8	4,480	11
M. Rundlett	1,260	3	6,510	19
M. Henley	8,680	26	6,090	18
H.B.P. Murphy	5,810	15	6,230	19
A. Baines	2,100	5	4,340	11
G. Reti	16,370	45	5,040	13
H.P. Māhanga	4,200	10	2,940	7
H.T. Edmonds	45,000	12	45,000	12
No Trustee elected	–	–	–	–
R. Diamond	13,650	44.5	5,810	16
K. Caldwell	8,470	26	5,040	13
J. Reti (Alternate Trustee)	–	–	420	1
R. Solomon (Alternate Trustee)	–	–	420	1
	<u>118,340</u>		<u>112,270</u>	

Note: The Chairman attends numerous meetings throughout the year. The twelve meetings as per the schedule above relate solely to the monthly Trust Board meetings.

Directors Remuneration

During the year remuneration was paid to the following Directors:

	2019 Remuneration \$	2018 Remuneration \$
C. Wells	29,208	29,208
J. Paki	12,500	12,500
B. Edwards	12,500	6,250
	<u>54,208</u>	<u>47,958</u>

Statement of Comprehensive Revenue and Expense

For the Year Ended 31 March 2019

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2019 \$	2018 \$	2019 \$	2018 \$
Revenue					
Exchange Transactions	3	4,017,734	3,738,449	528,196	142,827
Revenue – Non-Exchange Transactions	3	899,630	836,113	389,572	287,509
Other Income	3	52,317	57,302	1,509,392	1,603,500
Total Income		4,969,681	4,631,864	2,427,159	2,033,836
Expenses					
Employee Remuneration	3	1,538,787	1,472,100	427,480	413,205
Depreciation and Amortisation	5	254,456	229,756	24,454	23,551
Other Expenses	3	2,996,148	2,778,304	1,969,058	1,804,592
Total Expenses		4,789,390	4,480,160	2,420,992	2,241,348
Surplus/(Deficit) before Net Financing Costs		180,291	151,704	6,168	(207,512)
Finance Income – Loans and Receivables	4	63,475	45,488	63,036	79,418
Finance Costs – Financial Liabilities at Amortised Cost	4	566,321	450,802	168,697	131,446
Net Finance Costs	4	(502,847)	(405,314)	(105,661)	(52,028)
Share of Equity Accounted Investees Surplus/(Deficit) for the Year	10	259,670	257,153	-	-
Surplus/(Deficit) for the Year from Continuing Operations		(62,886)	3,543	(99,493)	(259,540)
Surplus/(Deficit) attributable to:					
Equity Holders of Ngātiwai		(155,465)	(86,339)	(99,493)	(259,540)
Non-Controlling Interest		92,579	89,882	-	-
Other Comprehensive Revenue and Expense					
(Loss)/Gain on Revaluation of Available-For-Sale Financial Assets	8	(100,000)	100,000	-	-
Total Comprehensive Revenue and Expense for the Year		(162,886)	103,543	(99,493)	(259,540)
Total Comprehensive Revenue and Expense attributable to:					
Equity Holders of Ngātiwai		(255,465)	13,661	(99,493)	(259,540)
Non-Controlling Interest		92,579	89,882	-	-
		(162,886)	103,543	(99,493)	(259,540)



Statement of Changes in Net Assets/Equity

For the Year Ended 31 March 2019

GROUP	Restricted Reserve \$	Available For Sale Capital Reserve \$	Revaluation Reserve \$	Minority Interest \$	Accumulated Funds \$	Total Equity \$
Opening Balance 1 April 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	-	-	-	-	-	-
Distribution to Non-Controlling Interest	-	-	-	-	-	-
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
Profit/(Loss) for the Year	-	-	-	92,579	(155,465)	(62,886)
Other Comprehensive Income - Revaluation	-	-	(100,000)	-	-	(100,000)
Total Comprehensive Income	-	-	(100,000)	92,579	(155,465)	(162,886)
Other Comprehensive Income - Reserve Transfer	-	-	-	-	-	-
Acquisition of Controlling Interest	-	-	-	-	-	-
Distribution to Non-Controlling Interest	-	-	-	(125,030)	-	(125,030)
Closing Balance 31 March 2019	19,304	424,736	86,152	848,711	15,692,163	17,071,066

PARENT	Accumulated Funds \$	Total Equity \$
Opening Balance 1 April 2017	(120,062)	(120,062)
Profit/(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)
Profit/(Loss) for the Year	(99,493)	(99,493)
Other Comprehensive Income - Revaluation/(Devaluation)	-	-
Total Comprehensive Income	(99,493)	(99,493)
Closing Balance 31 March 2019	(479,095)	(479,095)




Statement of Financial Position

As at 31 March 2019

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2019 \$	2018 \$	2019 \$	2018 \$
Current Assets					
Cash and Cash Equivalents	6	518,522	370,556	280,895	22,381
Receivables (from Exchange Transactions)	7	454,152	339,041	143,755	103,443
Recoverables (from Non-Exchange Transactions)	7	58,980	58,458	46,564	46,564
Prepayments		116,008	106,527	4,163	1,524
Total Current Assets		1,147,662	874,582	475,377	173,912
Non-Current Assets					
Investments	8	1,506,435	1,577,769	506,435	477,769
Investment in Controlled Entities	9	-	-	1,003,200	1,003,200
Investment in Equity Accounted Entities	10	3,128,915	3,693,782	2,000	2,000
Concessionary Loan - Bland Bay Camp Ground	11	546,986	565,385	546,986	565,385
Loan - Whananaki Marae	24	16,427	25,497	16,427	25,497
Concessionary Loans to Controlled Entities	11	-	-	27,859	-
Intangible assets	12	12,239,063	12,240,363	-	-
Property, Plant and Equipment	13	3,728,011	3,598,422	136,123	103,479
Investment Property	14	6,899,004	6,959,525	-	-
Total Non-Current Assets		28,064,841	28,660,744	2,239,029	2,177,331
Total Assets		29,212,504	29,535,326	2,714,407	2,351,243
Current Liabilities					
Cash and Cash Equivalents	6	384,794	49,087	-	-
Trade and Other Payables	16	660,041	690,982	305,058	249,415
Employee Entitlements	17	165,747	163,141	32,056	23,018
Deferred Revenue - Aotearoa Fisheries Limited		957,993	1,560,218	-	-
Non-Exchange Liabilities	19	459,949	89,626	394,990	60,783
Borrowings	18	132,660	112,313	-	-
Total Current Liabilities		2,761,181	2,665,367	732,103	333,216
Non-Current Liabilities					
Borrowings	18	9,380,257	8,506,149	-	-
Deferred Revenue - Aotearoa Fisheries Limited		-	1,004,829	-	-
Concessionary Loans from Controlled Entities	11 & 18	-	-	2,461,401	2,397,628
Total Non-Current Liabilities		9,380,257	9,510,978	2,461,401	2,397,628
Total Liabilities		12,141,438	12,176,345	3,193,504	2,730,844
Net Assets		17,071,066	17,358,982	(479,095)	(379,602)
Equity					
Available For Sale Revaluation Reserve		86,152	186,152	-	-
Restricted Reserve	15	19,304	19,304	-	-
Capital Reserve		424,736	424,736	-	-
Accumulated Funds		15,692,163	15,847,628	(479,095)	(379,602)
Minority Interest		848,711	881,162	-	-
Total Equity		17,071,066	17,358,982	(479,095)	(379,602)

Authorised and signed on behalf of the Trustees:

Chairperson:  Date: 11 NOVEMBER 2019Trustee:  Date: 11 November 2019

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on Pages 25 to 45 form an integral part of these Financial Statements.

Statement of Cash Flows

For the Year Ended 31 March 2019

	Consolidated Group		Ngātiwai Parent Entity	
Note	2019 \$	2018 \$	2019 \$	2018 \$
Cash Flows from Operating Activities				
Cash was provided from:				
Revenue	3,362,101	4,881,481	1,210,079	387,820
Interest Income	13,073	1,109	207	546
Goods and Services Tax	13,635	-	5,259	-
Income Tax	-	14,035	-	-
Dividends Received	50,323	56,767	-	-
Dividends Received from a Related Party	-	-	224,262	469,500
	<u>3,439,132</u>	<u>4,953,392</u>	<u>1,439,807</u>	<u>857,866</u>
Cash was applied to:				
Payments to Suppliers	(2,498,202)	(2,539,363)	(758,184)	(549,965)
Payments to Employees, Directors and Trustees	(1,536,181)	(1,455,656)	(418,442)	(405,687)
Interest Paid	(566,321)	(450,802)	-	(7)
Income Tax	(522)	-	-	-
Goods and Services Tax	-	(6,451)	-	(6,648)
	<u>(4,601,226)</u>	<u>(4,452,272)</u>	<u>(1,176,626)</u>	<u>(962,307)</u>
Net Cash (Outflow) / Inflow from Operating Activities	<u>(1,162,094)</u>	<u>501,120</u>	<u>263,181</u>	<u>(104,441)</u>
Cash Flows from Investing Activities				
Cash was provided from:				
Sale of Property, Plant and Equipment	4,017	3,450	-	2,762
Proceeds from Sale - James Street Car Park Limited	463,087	-	-	-
	<u>467,104</u>	<u>3,450</u>	<u>-</u>	<u>2,762</u>
Cash was applied to:				
Purchase of Investment Property	(59,805)	(34,125)	-	(21,187)
Purchase of property, plant and equipment	(264,441)	(938,814)	(57,667)	-
	<u>(324,246)</u>	<u>(972,939)</u>	<u>(57,667)</u>	<u>(21,187)</u>
Net Cash (Outflow) / Inflow from Investing Activities	<u>142,858</u>	<u>(969,489)</u>	<u>(57,667)</u>	<u>(18,425)</u>
Cash Flows from Financing Activities				
Cash was provided from:				
Related Party Loans	-	-	75,000	78,087
Proceeds from Loans borrowed from other parties	894,455	731,720	-	-
Loan Repayments	9,070	-	-	-
Repayments Received from Concessionary Loan	53,000	55,000	-	-
	<u>956,525</u>	<u>786,720</u>	<u>75,000</u>	<u>78,087</u>
Cash was applied to:				
Loans Advanced	-	(25,497)	(22,000)	(40,000)
Distribution to Non-Controlling Interest	(125,030)	(165,994)	-	-
	<u>(125,030)</u>	<u>(191,491)</u>	<u>(22,000)</u>	<u>(40,000)</u>
Net Cash (Outflow) / Inflow from Financing Activities	<u>831,495</u>	<u>595,229</u>	<u>53,000</u>	<u>38,087</u>
Net (Decrease) / Increase in Cash and Cash Equivalents Held	<u>(187,741)</u>	<u>126,860</u>	<u>258,514</u>	<u>(84,780)</u>
Opening Balance of Cash and Cash Equivalents	321,469	194,609	22,381	107,161
Closing Balance of Cash and Cash Equivalents	6 <u>133,728</u>	<u>321,469</u>	<u>280,895</u>	<u>22,381</u>

The accompanying Statement of Accounting Policies and Notes to the Financial Statements on Pages 25 to 45 form an integral part of these Financial Statements.

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 1. Reporting Entity

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

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

Note 2. Specific Accounting Policies

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

(a) Basis of Consolidation

Business Combinations

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

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

The Group measures goodwill at the acquisition date as:

- The aggregate of;
- The fair value of consideration transferred;
- The recognised amount of any minority interests in the acquiree; and
- The fair value of any pre-existing equity interest in the acquiree.

Less:

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

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

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

Controlled Entities

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

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

Loss of control of a Controlled Entity

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

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



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

Minority Interests

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

Equity Accounted Entities

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

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

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

Transactions Eliminated on Consolidation

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

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

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

(b) Revenue recognition

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

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

Revenue from Exchange Transactions

Sale of Goods

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

Rendering of Services

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

Rental Income

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

Revenue from non-exchange transactions

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

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

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

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

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

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

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

Government Grants, Donations

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

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

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

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

Other Income

Dividend Revenue

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

(c) Employee benefits

Short Term Benefits

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

Defined Contribution Schemes

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

(d) Finance Income and Finance Costs

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

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

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

(e) Cash and Cash Equivalents

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

(f) Financial Instruments

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

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

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

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

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

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

Available-For-Sale Financial Assets

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

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

Loans and Receivables

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

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

Amortised Cost Financial Liabilities

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

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

(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.

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.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

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
• Website, Office & Furniture	3-15 years
• Motor Vehicles	5 years

(j) Intangible assets

Recognition and Measurement

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

Goodwill

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

Fish Quota

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

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

ETS Units

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

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

Franchise Fees

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

(k) Investment Property

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

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

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

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



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

(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 asset 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.

(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.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 2. Specific Accounting Policies continued

(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 2019 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 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 (l) 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.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 3. Revenue and Expenses

Revenue

Revenue from Exchange Transactions

Commercial Trading Operations Revenue	2,540,389	2,633,486	-	-
Rental and Lease Income	939,315	952,106	-	-
Royalties	66,266	69,205	66,266	69,205
Other Exchange Revenue	471,764	83,651	461,930	73,622
	<u>4,017,734</u>	<u>3,738,448</u>	<u>528,196</u>	<u>142,827</u>

Revenue from Non-Exchange Transactions

Grants	389,572	287,509	389,572	287,509
Contract Income	510,058	548,604	-	-
	<u>899,630</u>	<u>836,113</u>	<u>389,572</u>	<u>287,509</u>

Total Revenue

	2019 \$	2018 \$	2019 \$	2018 \$
	<u>4,917,364</u>	<u>4,574,561</u>	<u>917,767</u>	<u>430,336</u>

Other Income

Dividend Income (Available for Sale)	50,323	56,767	-	-
Dividend - Controlled Entity	-	-	1,509,392	1,603,500
Gain on Sale of Property, Plant and Equipment	1,994	535	-	-
	<u>52,317</u>	<u>57,302</u>	<u>1,509,392</u>	<u>1,603,500</u>

Employee Remuneration

Wages and Salaries	1,487,001	1,423,591	427,480	413,205
Kiwisaver Contributions	51,786	48,509	-	-
	<u>1,538,787</u>	<u>1,472,100</u>	<u>427,480</u>	<u>413,205</u>

Other Expenses

Auditors Remuneration - BDO Northland: Audit of Financial Statements	51,800	49,200	10,000	8,000
Accountancy Fees	-	1,420	-	(1,180)
Bad and Doubtful Debts	636	1,212	-	-
Contracting Costs	447,946	407,573	130,705	71,329
Data Centre Proposal Costs	193,315	-	193,315	-
Directors Fees	54,208	47,958	-	-
Election Expenses	8,686	6,561	8,686	6,561
Foundation North - Te Kupenga Reo Phases 1 - 3	100,490	152,291	100,490	152,291
GIFT Costs	16,351	-	16,351	-
Impairment on Investment - James Street Car Park Limited	24,993	-	-	-
J.R. McKenzie Contract Costs	79,563	-	79,563	-
Kaipara Sands Royalties Payments	33,133	34,603	33,133	34,603
Koha and Hui	39,246	39,530	38,780	39,530
Kuia Kaumatua Costs	24,621	-	10,687	-
Leases	30,593	30,997	10,312	10,312
Legal Fees	16,953	-	16,953	-
Legal Fees - Treaty Claims	11,608	81,076	11,608	81,076
Loss on Sale of Property, Plant and Equipment	569	432	569	432
Ministry For Primary Industries (MPI) - Childrens Book	57,662	-	57,662	-
Mokau Kohanga Reo - Financial Aid	10,000	-	10,000	-
Moving the Maori Nation Contract Costs	26,254	-	26,254	-
Rangatahi Wananga	3,350	-	3,350	-
Scholarships	32,250	38,250	32,250	38,250
Sponsorships and Grants	51,725	49,884	51,725	69,884
Te Puni Kokiri - WIPCE	-	2,000	-	2,000
Te Puni Kokiri - Te Reo O Ngātiwai Contract Costs	34,660	-	34,660	-
Trustee Remuneration	118,340	112,270	118,340	112,270
Trustee Training	-	2,129	-	2,129
Marae Distributions (refer following page)	140,000	105,000	140,000	105,000
Distribution to Controlled Entity	-	-	630,659	842,602
Other Expenses	1,387,197	1,615,920	203,007	229,505
	<u>2,996,148</u>	<u>2,778,304</u>	<u>1,969,058</u>	<u>1,804,592</u>

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

		Consolidated Group		Ngātiwai Parent Entity	
	Note	2019 \$	2018 \$	2019 \$	2018 \$
Note 3. Revenue and Expenses continued					
Marae Distributions					
Kawa Marae		10,000	7,500	10,000	7,500
Matapōuri Marae		10,000	7,500	10,000	7,500
Mōkau Marae		10,000	7,500	10,000	7,500
Motairehe Marae		10,000	7,500	10,000	7,500
Ngaiotonga Marae		10,000	7,500	10,000	7,500
Ngunguru Marae		10,000	7,500	10,000	7,500
Oākura Marae		10,000	7,500	10,000	7,500
Omaha Marae		10,000	7,500	10,000	7,500
Otetao Reti Marae		10,000	7,500	10,000	7,500
Pātaua Marae		10,000	7,500	10,000	7,500
Punaruku Marae		10,000	7,500	10,000	7,500
Takahiwai Marae		10,000	7,500	10,000	7,500
Tūparehuia Marae		10,000	7,500	10,000	7,500
Whananāki Marae		10,000	7,500	10,000	7,500
Total Marae Distributions		140,000	105,000	140,000	105,000
Note 4. Net Finance Costs					
Finance Income					
Interest Income (Loans and Receivables)		63,475	45,488	63,036	67,605
Imputed Interest Adjustment		–	–	–	11,813
Total Finance Income		63,475	45,488	63,036	79,418
Finance Costs					
Interest Expense – Financial Liabilities at Amortised Cost		554,824	434,401	144,613	131,446
Imputed Interest Adjustment		11,497	16,401	24,084	–
Total Finance Costs		566,321	450,802	168,697	131,446
Net Finance Costs		(502,847)	(405,314)	(105,661)	(52,028)
Note 5. Depreciation and Amortisation					
Depreciation on Property, Plant and Equipment	13	132,830	114,329	24,454	23,551
Depreciation on Investment Property	14	120,326	114,127	–	–
Amortisation	12	1,300	1,300	–	–
		254,456	229,756	24,454	23,551
		Interest Rate	Consolidated Group	Ngātiwai Parent Entity	
Note 6. Cash and Cash Equivalents	Term	2019 %	2018 %	2019 \$	2018 \$
Current Assets					
Bank Balances	On Call	1.00%	1.00%	518,522	370,556
Cash and Vouchers		–	–	–	–
Current Liabilities				518,522	370,556
Bank Overdraft used for Cash Management Purposes		7.50%	7.50%	(384,794)	(49,087)
Cash and Cash Equivalents in the Statement of Cash Flows				133,728	321,469
				280,895	22,381

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 \$800,000 (2018 \$400,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited. Ngātiwai Fishing Limited has provided an unsupported unlimited guarantee. The interest rate applicable at 31 March 2019 was 7.5% per annum (2018 7.5% per annum). The facility is repayable on demand.

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 7. Receivables

Trade Receivables from Exchange Transactions

Recoverables from Non-Exchange Transactions

Taxation and Māori Authority Tax Credits

Aquaculture Settlement Costs

Consolidated Group		Ngātiwai Parent Entity	
2019	2018	2019	2018
\$	\$	\$	\$
454,152	339,041	143,755	103,443
454,152	339,041	143,755	103,443
12,416	11,894	-	-
46,564	46,564	46,564	46,564
58,980	58,458	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 2019 and 2018, 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 (2018 - Nil).

Note 8. Investments

Non-Current

Aotearoa Fisheries Limited Income Shares

(Devaluation) Revaluation

Treaty Claim Costs

Category of Financial Settlement

Consolidated Group		Ngātiwai Parent Entity	
2019	2018	2019	2018
\$	\$	\$	\$
1,100,000	1,000,000	-	-
(100,000)	100,000	-	-
506,435	477,769	506,435	477,769
1,506,435	1,577,769	506,435	477,769

Aotearoa Fisheries Limited (Moana NZ) 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 2019 from Deloitte Corporate Finance whereby an equity valuation was determined through the use of a combination of earnings-based and asset-based approaches as well as the consideration of certain key assumptions. After this detailed assessment, Deloitte determined that the fair market value of the income shares to be in the range of \$900,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.

(2018 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 million and \$1.2 million. As such a valuation of \$1.1 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 (2018 \$Nil). Interest of \$28,666 (2018 \$27,044) has been earned.

Note 9. Group Entities

Name of Controlled Entity	Place of Incorporation and Operation	Owner Interest and Voting Right		Principal Activity
		2019	2018	
Ngātiwai Investment Holdings Limited	New Zealand	100%	100%	Holding Company
Oceans Resort Tutukaka Limited	New Zealand	100%	100%	Hospitality
Ngātiwai Fishing Limited	New Zealand	100%	100%	Fishing
Ngātiwai Holdings Limited	New Zealand	100%	100%	Quota Lease
Ngātiwai Management Limited	New Zealand	100%	100%	Management Company
Tuparehuia Trustee Limited	New Zealand	100%	100%	Corporate Trustee
Ngātiwai Education Limited Partnership	New Zealand	100%	100%	Education
Rathbone James Limited Partnership	New Zealand	75%	75%	Commercial Lease

The reporting date of the Controlled Entities is 31 March.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 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. James Street Car Park Limited sold its car park property, with settlement occurring on 1 March 2019. Proceeds of the balance of sale were used to repay the majority of the original investment. A final reconciliation of funds held in James Street Car Park Limited will take place during the 2020 financial year end.

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, and began trading during the 2019 financial year.

	Consolidated Group		Ngātiwai Parent Entity	
	2019 \$	2018 \$	2019 \$	2018 \$
Movements in the Carrying Amount of the Investment in Equity Accounted Entities:				
Investment in Equity Accounted Entities at 1 April	3,693,782	3,785,848	2,000	2,000
Share of Profit/(Loss)	259,670	257,153	-	-
Disposal of Investment	(463,087)	-	-	-
Cost of Acquisition Transferred to Investment	(361,450)	(349,219)	-	-
Investment in Equity Accounted Entities at 31 March	3,128,915	3,693,782	2,000	2,000
	Assets	Liabilities	Revenues	Profit
Summarised Financial Information of Equity Accounted Entities (100%)	\$19,491,775	\$10,088,320	\$1,496,278	\$896,201

Note 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	
	2019 \$	2018 \$	2019 \$	2018 \$
Opening Balance (1 April)	565,385	578,682	(1,832,243)	(1,535,526)
Imputed Interest (market effective interest rate)	33,233	33,737	(111,380)	(91,423)
Advance/(Repayments) during period	(40,135)	(30,633)	81,152	(217,106)
Fair Value Adjustment on Additional Loan (Advanced) / Received	(11,497)	(16,401)	(24,084)	11,813
Closing Balance (31 March)	546,986	565,385	(1,886,558)	(1,832,243)
Non-Current Asset – Bland Bay Camp Ground	546,986	565,385	546,986	565,385
Non-Current Asset – Loans to Controlled Entities	-	-	27,859	-
Non-Current Liability – Loan from Controlled Entities	-	-	(2,461,401)	(2,397,628)
	546,986	565,385	(1,886,557)	(1,832,243)

All loans are interest free and repayable on demand. For reporting purposes, interest has been imputed on the loans at 6.0% per annum, payable in 2-14 years from reporting date.

BDO Northland
ASSURANCE *BDO*

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 12. Intangible Assets

Fish Quota

Balance at 1 April (275,388,667 quota shares)
Additions
Balance at 31 March (275,388,667 quota shares)

NZ ETS Units

Balance at 1 April
Additions
Balance at 31 March

Goodwill

Balance at 1 April
Impairment
Balance at 31 March

Franchise

Balance at 1 April
Amortisation
Balance at 31 March

Total Intangible Assets at 31 March

Consolidated Group		Ngātiwai Parent Entity	
2019 \$	2018 \$	2019 \$	2018 \$
11,864,806	11,864,806	-	-
-	-	-	-
11,864,806	11,864,806	-	-
7,082	7,082	-	-
-	-	-	-
7,082	7,082	-	-
367,175	367,175	-	-
-	-	-	-
367,175	367,175	-	-
1,300	2,600	-	-
(1,300)	(1,300)	-	-
-	1,300	-	-
12,239,063	12,240,363	-	-

Fish Quota

The Trustees have acquired a valuation of the quota at 31 March 2019 from Quota Management Systems Limited, which indicates a value of \$24,284,803 (2018 \$23,264,470) 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 (2018 \$Nil).

Ngātiwai Fishing Limited has a revolving credit facility with Westpac New Zealand Limited with a limit of \$800,000 (2018 \$400,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited.

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 (2018 Nil).

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 2019.

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

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



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 13. Property, Plant and Equipment

Consolidated Group

Cost/Valuation

	Motor Vehicles \$	Land \$	Buildings and Leasehold \$	Plant and Equipment \$	Website, Office and Furniture \$	Total \$
Balance as at 1 April 2017	-	440,494	2,387,898	295,311	29,339	3,153,042
Additions	25,955	-	852,701	44,102	16,056	938,814
Disposals	-	-	-	(16,360)	(1,942)	(18,302)
Balance at 1 April 2018	25,955	440,494	3,240,599	323,053	43,453	4,073,554
Additions	39,122	-	174,056	27,469	23,795	264,441
Disposals	-	-	-	(56,941)	(4,796)	(61,737)
Balance as at 31 March 2019	65,077	440,494	3,414,655	293,581	62,452	4,276,259

Accumulated Depreciation and Impairment

Balance as at 1 April 2017	-	-	151,842	206,115	17,765	375,721
Depreciation Expense	2,595	-	78,288	27,961	5,484	114,328
Disposals	-	-	-	(13,493)	(1,425)	(14,918)
Balance at 1 April 2018	2,595	-	230,130	220,583	21,824	475,131
Depreciation Expense	5,324	-	87,777	28,923	10,808	132,831
Disposals	-	-	-	(55,011)	(4,703)	(59,714)
Balance at 31 March 2019	7,919	-	317,907	194,495	27,928	548,248

Net Book Value

31 March 2017	-	440,494	2,236,056	89,196	11,574	2,777,320
31 March 2018	23,360	440,494	3,010,469	102,470	21,629	3,598,422
31 March 2019	57,158	440,494	3,096,748	99,086	34,523	3,728,011

	Motor Vehicles \$	Land \$	Buildings and Leasehold \$	Plant and Equipment \$	Website Development \$	Total \$
--	-------------------------	------------	----------------------------------	------------------------------	------------------------------	-------------

Ngātiwai Parent Entity

Cost/Valuation

Balance as at 1 April 2017	-	-	102,672	174,313	-	276,985
Additions	-	-	-	16,841	4,346	21,187
Disposals	-	-	-	(15,211)	-	(15,211)
Balance at 1 April 2018	-	-	102,672	175,944	4,346	282,961
Additions	39,122	-	-	18,545	-	57,667
Disposals	-	-	-	(39,815)	-	(39,815)
Balance as at 31 March 2019	39,122	-	102,672	154,674	4,346	300,814

Accumulated Depreciation

Balance as 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 1 April 2018	-	-	43,033	135,183	1,268	179,483
Depreciation Expense	652	-	5,964	16,299	1,539	24,454
Disposals	-	-	-	(39,246)	-	(39,246)
Balance at 31 March 2019	652	-	48,997	112,236	2,807	164,691

Net Book Value

31 March 2017	-	-	66,266	42,338	-	108,604
31 March 2018	-	-	59,639	40,761	3,078	103,479
31 March 2019	38,470	-	53,675	42,438	1,539	136,123



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 14. Investment Property

	Consolidated Group \$	Ngātiwai Parent Entity \$
Cost		
Balance as at 1 April 2017	7,601,917	-
Additions	34,125	-
Balance at 1 April 2018	7,636,042	-
Additions	59,805	-
Balance as at 31 March 2019	7,695,847	-
Accumulated Depreciation and Impairment		
Balance as at 1 April 2017	562,391	-
Depreciation Expense	114,127	-
Balance at 1 April 2018	676,518	-
Depreciation Expense	120,326	-
Balance at 31 March 2019	796,844	-
Net Book Value		
31 March 2017	7,039,526	-
31 March 2018	6,959,525	-
31 March 2019	6,899,004	-

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.

Note 15. Restricted Reserves

	Consolidated Group		Ngātiwai Parent Entity	
	2019 \$	2018 \$	2019 \$	2018 \$
Kauri Dieback Reserve				
Balance at 1 April	1,680	1,680	-	-
Reserve Utilised	-	-	-	-
Balance at 31 March	1,680	1,680	-	-
Emergency Whale Response Kit Reserve				
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.

Note 16. Trade and Other Payables

	Consolidated Group		Ngātiwai Parent Entity	
	2019 \$	2018 \$	2019 \$	2018 \$
Trade Payables from Exchange Transactions	660,041	690,982	305,058	249,415
	660,041	690,982	305,058	249,415

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

Note 17. Employee Entitlements

Salaries and PAYE	80,959	77,835	32,056	23,018
Annual Leave	84,788	85,307	-	-
	165,747	163,141	32,056	23,018

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 18. Borrowings

	Consolidated Group		Ngātiwai Parent Entity	
	2019 \$	2018 \$	2019 \$	2018 \$
Current				
Bank Loans	132,660	112,313	–	–
Non-Current				
Loans from Controlled Entities	–	–	2,461,401	2,397,628
Bank loans	9,380,257	8,506,149	–	–
Total	<u>9,512,917</u>	<u>8,618,462</u>	<u>2,461,401</u>	<u>2,397,628</u>

Parent Entity

Ngātiwai Trust Board is the parent entity of Ngātiwai Fishing Limited. Ngātiwai Trust Board has received a loan from its subsidiary, Ngātiwai Fishing Limited 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 loan received, a market interest rate of 6.0% per annum was used to discount the 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.

Consolidated Group

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 5.04% per annum (2018 4.89%) and is repayable on 8 January 2020. 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 (2018 \$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 49-53 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 Limited Partnership to the Company at the same rate as the Westpac lending. This loan is an interest only loan to 31 March 2020. The interest rate for this loan is 5.60% per annum (2018 5.45% per annum).

During the 2019 financial year, Ngātiwai Fishing Limited entered into a term loan of \$1,000,000 with Westpac New Zealand Limited to cover operational expenditure. The interest rate for this loan is 5.80% per annum and the maturity date is 31 July 2021. This loan is an interest only loan to 31 July 2021. It is secured by a registered first mortgage over fishing quota, with the exclusion of all settlement quota held, and a general security agreement over all present and after acquired property.

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, with the exclusion of all settlement quota held. 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 5.04% and 5.80 % per annum.

Note 19. Non-Exchange Liabilities

	Consolidated Group		Ngātiwai Parent Entity	
	2019 \$	2018 \$	2019 \$	2018 \$
Current				
Deferred Non-Exchange Revenue	<u>459,949</u>	<u>89,626</u>	<u>394,990</u>	<u>60,783</u>

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.

The material increase in deferred Non-Exchange Revenue for the 2019 financial year was due to funding received by the parent entity from Foundation North on behalf of Amokura Iwi Consortium Limited.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 20. Operating Leases

Operating Lease Commitments Receivable

Within One Year
Between One and Five Years
Greater than Five Years

Operating Lease Commitments Payable

Within One Year
Between One and Five Years
Greater than Five Years

Consolidated Group		Ngātiwai Parent Entity	
2019 \$	2018 \$	2019 \$	2018 \$
607,160	893,445	-	-
2,428,640	3,162,021	-	-
2,061,628	4,743,031	-	-
<u>5,097,428</u>	<u>8,798,497</u>	<u>-</u>	<u>-</u>
201,695	237,061	33,261	39,028
464,906	408,090	26,497	59,160
53,232	-	-	-
<u>719,833</u>	<u>645,151</u>	<u>59,758</u>	<u>98,187</u>

Lease commitments for the 2019 financial year have been assessed and reviewed to remove any inter-entity transactions. Comparatives have not been recalculated.

Note 21. Commitments and Contingencies

Capital Commitments

The Group has no material commitments for expenditure as at 31 March 2019 (2018 Nil).

Contingent Assets

The Trustees are not aware of any contingent assets as at 31 March 2019 (2018 Nil).

Contingent Liabilities

Subsequent to balance date flooding occurred in the Hotel which affected several hotel rooms as well as shops below the Hotel due to a burst water ring main in the passage ceiling. This has resulted in a contingent liability as the Body Corporate are refuting the claim that it is their responsibility to replace the water ring main. The estimated cost of replacement is \$16,750 exclusive GST. Independent legal advice is currently being obtained.

The Trustees are not aware of any other contingent liabilities as at 31 March 2019 (2018 Nil).

Note 22. Events After the Reporting Date

On 6 May 2019, Ngātiwai Fishing Limited received an invoice payable from Moana New Zealand for \$95,334 inclusive GST, being April 2019 CRA2 Ace, due to a reduction in total annual commercial catch (TACC). This invoice has been treated as an accrual, with deferred revenue being adjusted accordingly.

On 9 October 2019, an amount of \$1,169,794 inclusive GST was received from Moana New Zealand for lease of October ACE of various fishstock for one year starting October 2019 and ending September 2020.

On 30 September 2019, an amount of \$1,095,595 was received from Te Ohu Kaimoana for the Aquaculture Settlement funds held in the Northland space.

Subsequent to Balance Date flooding occurred in the Hotel which affected several hotel rooms as well as shops below the Hotel due to a burst water ring main in the passage ceiling. The replacement of the water ring main is scheduled for 15 October 2019.

Subsequent to balance date, the Ngātiwai Trust Board's Chief Executive Officer position became vacant.

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

Subsequent to 31 March 2018

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.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 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:

	2019 \$	2018 \$
Ngātiwai distribution to Ngātiwai Management Limited	630,659	842,602
Ngātiwai sponsorship to Ngātiwai Education Limited Partnership	20,000	20,000
Inter-entity Interest	158,520	216,066
Dividends from Ngātiwai Fishing Limited to Ngātiwai Trust Board	1,509,392	1,603,500
Quota lease Ngātiwai Fishing Limited to Ngātiwai Holdings Limited	31,200	30,000
Administration oncharges	14,068	18,317
Apartment Rentals - Ngātiwai Investment Holdings Limited to Oceans Resort Tutukaka Limited	44,357	47,588

Advances made within the Group are detailed in 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:

	2019 \$	Number of Individuals	2018 \$	Number of Individuals
Members of the Governing Body	172,548	14	160,228	17
Senior Executive Officers	779,102	6	754,355	7

Governing Body Related Party Transactions

Name and Entity	Relationship	Transaction Type	2019 \$	2018 \$
Craig Wells				
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	-	-	-
John Paki				
Ngātiwai Fishing Limited	Director	Director's Fees	12,500	12,500
Ngātiwai Management Limited	Consultant	Consultancy	12,500	12,500
Brandon Edwards				
Ngātiwai Investment Holdings Limited	Director	Director's Fees	12,500	6,250



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 23. Related Party Disclosures continued

Governing Body Related Party Transactions

Name and Entity	Relationship	Transaction Type	2019 \$	2018 \$
Haydn Edmonds				
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	-	-	-
Tukaiaia General Partner Limited	Director	-	-	-
NW Land Holdings Limited	Director	-	-	-
Ruakaka Digitel Limited	Director	-	-	-
Kris MacDonald				
Ngātiwai Management Limited	Director	-	-	-
Tuparehuia Trustee Limited	Director	-	-	-
Amokura Iwi Consortium Limited	Director	-	-	-
Ngātiwai Trust Board	Chief Executive Officer	Salary	162,929	166,891
Merepeka Henley				
Ngātiwai Trust Board	Trustee	Trustee Honoraria	8,680	6,090
Tuparehuia Trustee Limited	Director	-	-	-
Ngātiwai Management Limited	Director	-	-	-
Ngātiwai Trust Board	Contractor	Contracting	5,000	4,667
Aperahama Edwards				
Ngātiwai Trust Board	Trustee	Trustee Honoraria	9,440	9,030
Ngātiwai Trust Board	Contractor	Contracting	5,000	4,667
Ngātiwai Trust Board	Chairperson	Treaty Negotiations	-	-
Gary Reti				
Ngātiwai Trust Board	Trustee	Trustee Honoraria	16,370	5,040
Ngātiwai Management Limited	Contractor Resource Management	Contracting	700	-

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.

The related party loan to Ngātiwai Education Limited Partnership from Ngātiwai Fishing Limited for an amount of \$453,000 (2018 \$288,000) was written off at the end of the 2019 financial year after it was determined that the Limited Partnership would never be in a financial position to repay the debt to Ngātiwai Fishing Limited. This loan was interest free and repayable on demand. Going forward it has been agreed that should any funds be advanced to Ngātiwai Education Limited Partnership, that these funds be repaid before the end of the respective financial year.

No other related party debts have been written off or forgiven during the year.

Note 24. 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.



Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 25. Financial Instruments

Fair Value of Financial Instruments

Although there is no active market for these available shares, an independent valuation was obtained as at 31 March 2019 from Deloitte Corporate Finance whereby an equity valuation was determined through the use of a combination of earnings-based and asset-based approaches as well as the consideration of certain key assumptions. After this detailed assessment, Deloitte determined that the fair market value of the income shares to be in the range of \$900,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.

(2018 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.)

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.

	Note	Loans and Receivable \$	Available For Sale \$	Financial Liabilities at Amortised Cost \$	Total \$
Group 2019					
Financial Assets					
Cash and Cash Equivalents	6	133,728	-	-	133,728
Trade and Other Receivables	7	513,133	-	-	513,133
Investments	8	-	1,506,435	-	1,506,435
Loans Receivable	11	546,986	-	-	546,986
Total Financial Assets		1,193,847	1,506,435	-	2,700,282
Financial Liabilities					
Trade and Other Payables	16 & 17	-	-	825,788	825,788
Borrowings	18	-	-	9,512,917	9,512,917
Total Financial Liabilities		-	-	10,338,705	10,338,705
Group 2018					
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 Receivable	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

BDO Northland
ASSURANCE 822

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 25. Financial Instruments continued

	Note	Loans and Receivable \$	Available For Sale \$	Financial Liabilities at Amortised Cost \$	Total \$
Ngātiwai Parent 2019					
Financial Assets					
Cash and Cash Equivalents	6	280,895	-	-	280,895
Trade and Other Receivables	7	190,319	-	-	190,319
Loans Receivable	11	574,843	-	-	574,843
Total Financial Assets		1,046,058	-	-	1,046,058
Financial Liabilities					
Trade and Other Payables	16 & 17	-	-	337,113	337,113
Borrowings	18	-	-	2,461,401	2,461,401
Total Financial Liabilities		-	-	2,798,514	2,798,514
Ngātiwai Parent 2018					
Financial Assets					
Cash and Cash Equivalents	6	22,381	-	-	22,381
Trade and Other Receivables	7	150,007	-	-	150,007
Loans Receivable	11	565,385	-	-	565,385
Total Financial Assets		737,774	-	-	737,774
Financial Liabilities					
Trade and Other Payables	16 & 17	-	-	272,433	272,433
Borrowings	18	-	-	2,397,628	2,397,628
Total Financial Liabilities		-	-	2,670,061	2,670,061

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

Note 26. Going Concern

The Group has negative working capital of \$1,613,522 (2018 negative \$1,790,785) at balance date. The Parent has negative working capital of \$256,726 (2018 negative \$159,304) and negative equity of \$479,095 (2018 negative \$379,602).

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 continued review of the debt structure and terms held with Westpac New Zealand Limited 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 New Zealand Limited. The Trustees have no reason to doubt the continued relationship and lines of funding with Westpac Bank.
2. On 30 September 2019, Ngātiwai Trust Board received the balance as final payment for the Aquaculture Settlement funds held in the Northland space, for an amount totalling \$1,095,595. Ngātiwai Fishing Limited may possibly be in a position to benefit from the receipt of these funds, in which the reduction of debt could occur. A decision is yet to be made by the Board of Trustees.
3. On 9 October 2019, an amount of \$1,169,794 inclusive GST was received from Moana New Zealand for lease of October ACE of various fishstock for one year starting October 2019 and ending September 2020.
4. The lease of April Ace of various fishstock is due to be received in April 2020. This will be for one year starting April 2020 and ending March 2021.
5. Based on Ngātiwai Trust Board receiving mandate for the Treaty Claims Settlement, they are currently working their way through a mandate mediation process. Funding for this process has been secured and will be made available from Te Arawhiti (previously the Office of Treaty Settlements). This will assist in an improved cash flow position for the Group.
6. Despite the Parent reflecting a negative equity position at balance date, the Trust Board are continuing to evaluate and investigate several opportunities which will potentially result in a positive equity position for the parent going forward.
7. Ngātiwai Investment Holdings Limited - This is the third 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, Ngātiwai Trust Board, which is, in turn, supported by Ngātiwai Fishing Limited. It also relies on the related party, Ngātiwai Fishing Limited not demanding repayment of its loan and Ngātiwai Investment Holdings Limited maintaining its loan arrangements with Westpac New Zealand Limited.
8. Ngātiwai Education Limited Partnership - Ngātiwai Trust Board Group have committed to support the Limited Partnership by providing adequate financial assistance to enable it to continue business operations for the foreseeable future. The directors of the General Partner Company are confident that future cash flows will be maintained, given that the loan payable to Ngātiwai Fishing Limited of \$453,000 was written off as at 31 March 2019, thus no loan repayments are required to be made in the future. Should any advances be made from Ngātiwai Fishing Limited to the Limited Partnership during the financial year, the directors are confident that the Limited Partnership will be in a financial position to repay each advance before the end of that financial year. This is evidenced as per the additional information below.

Included in the Group's Strategic Plan, the Ngātiwai Trust Board is committed to the continued growth and development of the Education Unit, which forms an integral part of the social arm within the Group. As evidence of the development is the favourable NZQA review, which was undertaken in December 2016, whereby the Limited Partnership was awarded a category 2 rating. The next review is scheduled for November 2020. Effective communication has been maintained with TEC in regards to compliance and the Limited Partnership will continue to seek new funding opportunities. TEC are currently reviewing a funding application submitted by the Limited Partnership and the outcome will be advised during November 2019. Furthermore, a relationship with Northtec has been established that allows the Limited Partnership to enter into Subcontracted Delivery Agreements. This has enabled the Unit to move forward in building an increased portfolio of courses and is able to apply for a wide range of government funding which the Limited Partnership is actively pursuing.



Schedule: Reporting Requirements

For the Year Ended 31 March 2019

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 14 December 2019.
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 2019 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.

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 2019, 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 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 26 to the financial statements, which indicates that as at 31 March 2019 the parent's total liabilities exceed its total assets by \$479,095. As stated in Note 26, these events or conditions, along with other matters as set forth in Note 26, indicate that a material uncertainty exists that may cast significant doubt on the parent's ability to continue as a going concern. Our opinion is not modified in respect of this matter and this statement refers to the parent only.

Other Information

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

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

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

If, based on the work we have performed 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.

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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

11 November 2019

PARTNERS: Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.



