

# Ngātiwai Trust Board

## ANNUAL REPORT 2020







## Contents

Chairman's Report	2
Ngātiwai Trust Board Group Structure	4
Quality Hotel Oceans Tutukaka Report	5
Ngātiwai Education Report	6
Board Secretary's Report	8
Bland Bay Camp Report	9
Ngātiwai Communications Report	10
Ngātiwai Treaty Claims Report	12
Ngātiwai Resource Management Unit Report	15
Financial Statements	17

### Enquiries:

Phone: 09 430 0939

Fax: 09 438 0182

Email: [ngatiwai@ngatiwai.iwi.nz](mailto:ngatiwai@ngatiwai.iwi.nz)

A copy of this Annual Report is available for download from the website at: **[www.ngatiwai.iwi.nz](http://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 at Mokau Marae, Old Russell Road,  
on Saturday 27 March 2021 commencing at 10:00am

### AGENDA

#### Karakia and Mihi

1. Apologies
2. Confirmation of Minutes and Matters Arising
3. Strategic
4. Commercial
5. Financials
6. Annual Report for year ended 31 March 2020
7. 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 mā, tēnā koutou, tēnā koutou, tēnā tātou katoa.

On behalf of my fellow Trustees and the Ngātiwai Trust Board, I am pleased to report on the Board's activities for the year ended 31 March 2020.

I would firstly like to pay tribute to many Ngātiwai rangatira that have passed away over the last year particularly for those that had loved ones pass as we began dealing with the impacts of Covid-19. It was difficult for our whānau to mourn their loved ones as they normally would due to the strict conditions imposed by Covid. May they rest in peace. Rere ki uta, rere ki tai.

This is my ninth year as the Chairman of the Ngātiwai Trust Board and it is my role to present to our Iwi the performance of the Ngātiwai Trust Board's governance and operational activities. Please take the time to read these results for the year ended 31 March 2020.

The Election of Trustees for the Ngātiwai Trust Board was held during the year. I am delighted to welcome six new trustees to the table, Stewart Ngawaka (Kawa), Jessie Chapman (Omaha), Simon Mitchell (Oakura), William Sullivan (Pataua), Ngawini Hall (Ngunguru) and Wiremu Stone (Mokau).

I would also like to welcome back our existing Trustees Aperahama Edwards (Matapouri), Merepeka Henley (Ngaitonga), Kathy Caldwell (Whananaki), Gary Reti (Otetao), Robert Diamond (Tuparehuia) and Martin Cleave (Motairehe). I am excited to have new Trustees join us to give a fresh perspective to the Board, while maintaining experience of the long serving trustees. To the outgoing Trustees, I would like to take this opportunity to thank you for your dedication and commitment during your time as a Trustee. I would also like to thank all the whānau who took the time to vote in this process.

Towards the end of the year our Hotel had to deal with Covid-19 which had a significant impact on business, with the hotel closing completely when the country moved into Alert Level 4 lockdown. We were grateful for the Government subsidies that supported the business continuity of the hotel, but the impact of International tourism effectively being closed and local anxiety of Covid-19 meant visitor numbers dropped significantly. March is the last month of our financial year and historically one of our busiest months, but Covid had an impact on closing out the year as we normally would.

Our other commercial properties, the Westpac building and the Warehouse building, both continue to deliver an excellent return on investment.

Our Treaty mandate has remained paused since May 2017 as the Board have been working through the development of a draft mediation plan and funding to support the mediation. Our Treaty Claims committee are doing a very good job of working through the overlapping claims with Hauraki and Ngāti Whatua.

The Board was delighted to be able to once again support our whānau studying to further their education. This is a key area for the Board and we are pleased to have been able to provide educational support to our registered members studying at a tertiary level. This year scholarships totalling \$45,000 were awarded to Ngātiwai taura for the 2019 education year. The Board also supported a range of groups and individuals to help them reach their full potential, granting over \$20,000 in sponsorships for the year.

Our Education Unit has had a successful year fulfilling the various contracts secured. Programmes such as Manaaki Marae, Driver licencing and Te Reo Māori saw excellent attendance and delivered valuable practical skills to those that participated. The team has also continued to deliver to a high level on the various Ministry of Education contracts. Every Tuesday our Education team host the Ngātiwai kaumātua kapa haka.





A highlight for me this year was seeing the launch of Te Waka Reo at the Ngunguru marae in July. Te Waka Reo was the latest reo project of the Ngātiwai Trust Board's Te Reo Māori strategy. The course encouraged the use of te reo and the speaking of it, with a strong component of the programme encouraging participants to learn waiata and moteatea that were commonly heard in the times of our tūpuna, but not so commonly heard today.

Working with the national Te Reo governing body Te Mātāwai, Te Waka Reo was able to apply through the contestable investment fund that targets home and community-based Māori language revitalisation initiatives which contribute to revitalising te reo Māori as a nurturing first language.

Another highlight over the past year was supporting Matapouri marae and Te Whānau a Rangiwhakaahu on their Pou Rāhui Ceremony. A pou was placed at Rangitapu to recognise the rāhui that was placed over access to Te Wai O Taniwha (The Mermaid Pools) by the hapū. It was great to be able to support the whānau and raise awareness of the impact the massive visitor numbers were having on Te Wai O Taniwha.

Our hotel, Quality Hotel Oceans Tutukaka, had some very good trading months during summer with the usual challenges of slower visitor numbers during winter. The winter months were helped with some good bookings by way of business conferences. The hotel had a focus on growing their conference capability and invested in technologies that gives us an edge when competing with other venues for this type of business. With air conditioning now installed in the conference room our team at the hotel are confident that they can explore some new opportunities to increase business for the Hotel.

It is wonderful to see our kaumātua come into our education office smiling and looking forward to their regular catch ups, singing waiata and sharing a kai together. I know this is a highlight for our staff each week at the Education offices.

Our kaumātua are a taonga to us and I would like to personally thank them for all they do for our iwi. Their regular monthly meetings held in our Boardroom gives us the pleasure of having them around and receiving the wonderful level of support to not only the Trust Board but to our marae, hapū and whānau by carrying out the important functions to maintain the tikanga and mana of our iwi.

Wayne Johnstone with the support of his wife Tupou have given us very strong and stable management of the Bland Bay Campground for six years. This year Wayne has had to deal with the challenges of a significant drought and issues with the camp's main water bore. It is pleasing that with the support of Tuparehuia Marae that we were able to have continuity of water to the camp until our issues were resolved. We would like to thank the Tuparehuia marae for their support during this time. The Bland Bay campground had another excellent summer, with the camp at capacity during all the busy months. With our application approved from the

Council to extend our front boundary, we were able to increase our overall capacity of the ground. This has been proven to be very successful and given more options to Wayne to host more campers. Covid-19 was an issue for the Campground, having to close during Alert Level 4. However the impact was not as significant for the Camp ground as this was towards the end of the summer months.

I would like to once again thank my fellow trustees and their whānau for their dedication of time, energy and commitment to their role as trustees of the Ngātiwai Trust Board.

Over the past year we have had some challenges and tough decisions to make. There is a lot of work ahead of us and I know we have the right mix of people at our table to lead our iwi into the future.

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

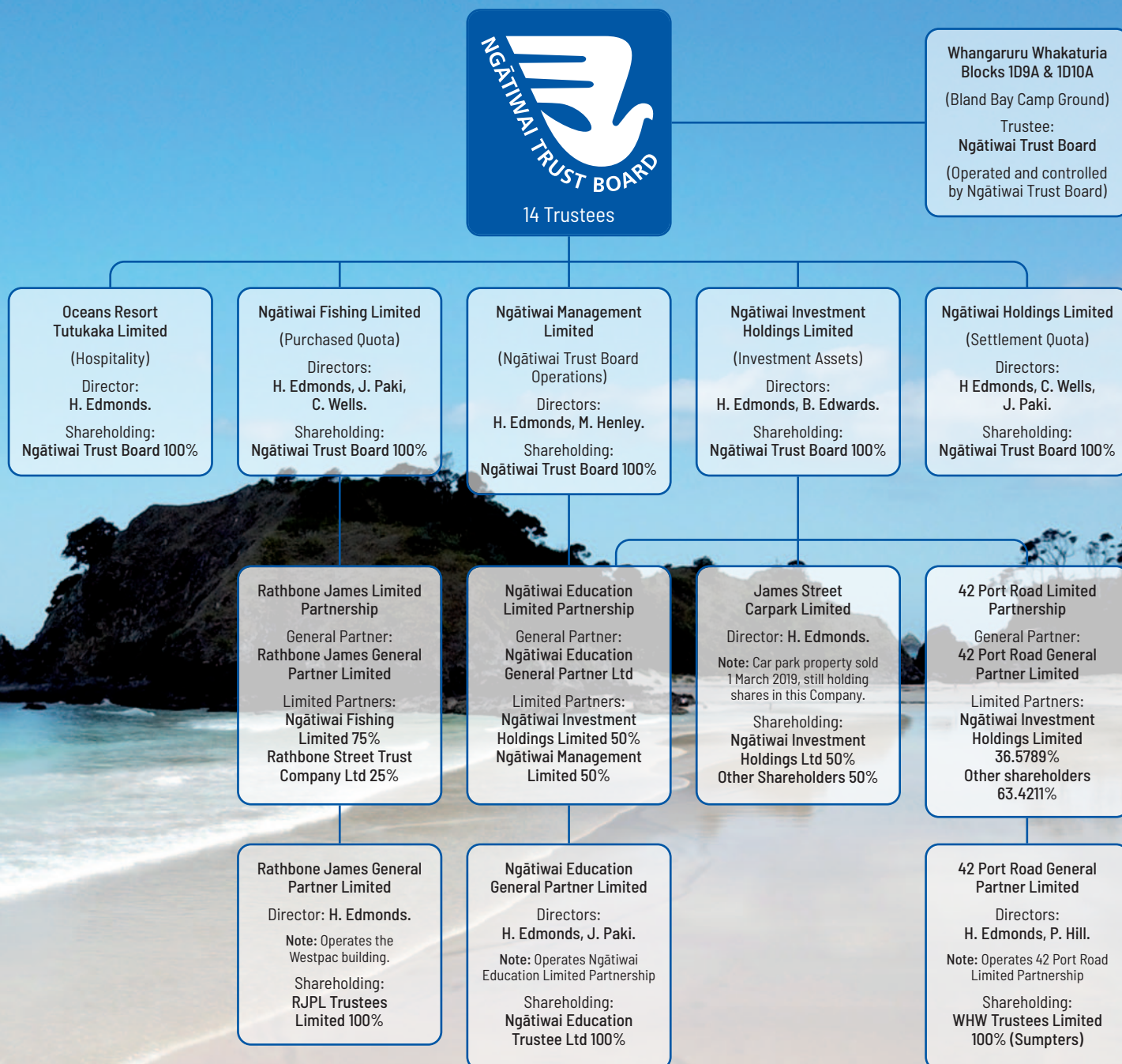
**Haydn Edmonds**  
(Chairman)

31 March 2020



# Ngātiwai Trust Board Group Structure

As at 31 March 2020





# Quality Hotel Oceans Tutukaka Report



## This financial year has again been challenging with a few new curve balls

The summer months of December to March were severely impacted by COVID 19 that resulted in many cancellations such as the inbound bookings for diving at the Poor Knights. Consequently, the hotel closed its doors in March when the level four lock down was imposed by the Government.

The year started well exceeding our room's revenue budget but by May 2019 through to December 2019, we tracked a general downturn in the economy mostly due to inbound visitor numbers dropping off into New Zealand.

Conferencing gave the slower winter months a foot up and we are building trust with Professional Conference Organisations (PCO's) as we continue to go above and beyond. The purchase of an interactive whiteboard and video conferencing unit has allowed us to have a point of difference with competitors and the much-needed air conditioners in the ballroom are now installed making the room more comfortable in the summer months.

During lock down, our Hotel Manager stayed on site keeping hotel systems and basic functions going. Answering emails and processing refunds from guests' cancellations through the shutdown period was the focus.

In the 2018/2019 financial year we renovated five hotel rooms and the



reception area. The upgraded rooms were rebranded deluxe rooms and rates were increased to see how the market would respond. Feedback was very positive with no resistance to the new rates; guests were happy to pay more for the improved rooms. The plan in 2019/2020 was to continue with the upgrades and keep driving average room rates up. Having deluxe rooms allowed us to chase rates and give options when we needed it most. It also allowed us to upsell and offer corporate guests acceptable room standards attracting loyalty in a market that we could not previously attract. What we are seeing is corporates being prepared to drive the extra 30 minutes to get out of the Whangārei city centre and enjoy the coast. With daylight saving we are seeing corporates enjoying a surf/walk and fishing after work.

## Outlook

The hospitality market has hit rock bottom and we now await the effect of vaccines around the world and in New Zealand to determine when borders may re-open. In the mean-time we will continue to work hard, market ourselves domestically and maintain operations as best we can in these challenging times.

As always, thank you to the Ngātiwai Trust board for their continued and ongoing support of the Oceans Hotel.



Oceans  
TUTUKAKA



# Ngātiwai Education Report

## Tēnā koutou katoa

This report reviews the 2019/2020 year for Ngātiwai Education, Te Au Here O Tūkaiaia. 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), North Tec and other organisations. The Unit continues to support the needs of Māori learners of all ages through the delivery of contracts.

## CONTRACT REVIEWS

### SELO - Strengthening Early Learning Opportunities (MOE)

We continued to provide professional development through weekly visits, storytelling and sharing Te Ao Māori in 10 Early Childhood Centres in and around Whangārei. We also delivered two workshops for the Early Childhood teachers.



reaching their education goals. We worked in both Primary schools and High schools where we interacted most, however, we did work with whānau in their homes and on marae.

During the year our team was invited to present our findings to our local MOE, which was well received and we are thankful that our contract will be renewed for the 2021 year.

### Manaaki Marae - in Partnership with NorthTec

We delivered our third Manaaki Marae course this year, with the same success focusing on food and beverage preparation in a marae setting and also in a commercial kitchen and restaurant setting.

We were again fortunate to have the Ngunguru Marae and the Wāhi Restaurant on board. One memorable highlight was the visit to a market garden, to see where Wāhi obtained its fresh produce. At the conclusion of the course, the students prepared and served a banquet as part of their cooking assessment and a couple of the students have been lucky enough to gain employment in the hospitality industry.



### Toikuranui (MOE)

We have delivered this contract since 2015, which has seen changes over the years. This year Ngātiwai worked with and mentored approximately 100 Māori tauira who were at risk of not







### Supported Puna Kohungahunga (MOE)

In 2018 our first Puna Kohungahunga at Whangaruru School was started and we are very happy to report that it still continues today with good support from local families. A second Puna Kohungahunga was run from Otangarei and the weekly gatherings culminated in a very enjoyable Christmas party.

### EPF - Engaging Priority Families (MOE)

This contract is specifically for 3-5 year olds who are not participating in Early Childhood Education. We continue working with our whānau to help transition their tamariki from home to their chosen preschool education and then onto their first school experience. This would be our most challenging contract to deliver as home visits are a major part of our Mentors' work, engaging in numerous phone calls and careful follow ups, but the concrete results are rewarding.

### PTE (Private Training Establishment) Driver Licensing and Te Reo Māori

Our Driver Education programme in October 2019 saw 29 ākonga achieve their Learner Licence. Three individuals gained their restricted licence and five gained their full licence. Of the 50

students who applied 37 achieved a pass, with 13 yet to pass.

TEC Funding in 2019 of \$49,500 towards driver licence training and in 2020 \$50,391 towards driver licence and Te Reo Māori courses has been utilised well. With Te Reo, the course commenced in Feb/March 2020, with two separate classes run on the same night to cater for the large response. A Google Classroom was also set up to deliver Te Reo content online.

### Kaumātua Kapa Haka

Our most valued and respected Kaumātua have met for the last six years at our premises and are cherished for their Moteatea and Waiata of which they share at functions and events when invited to do so. They love to meet each week, enjoy each other's company and share kai.

In conclusion , we continue to seek funding to support our unit and our team continues to expand our skills and represent Ngātiwai proudly.

### Quoting our Kaiako Matua Taipari

*"..for us to strengthen ourselves within our Ngātiwaitanga, within our people, our waiata, our tikanga and all those things that sit within our cultural identity as Ngātiwai people."*





# Board Secretary's Report

## Administration

The team have kept busy during the year providing a variety of administrative, office and logistical support to trustees and staff.



## Database

As at 31 March 2020 the total number of Ngātiwai Trust Board registered members is 8336 which represents a total increase of 193 from the previous year.

Ngātiwai whānau are invited to register with the Trust Board, on-line registration is available on the Ngātiwai Trust Board website at [www.ngatiwai.iwi.nz](http://www.ngatiwai.iwi.nz) or alternatively registration forms are available at the office.

We also encourage whānau who are already registered to keep us updated with any change in contact address or contact number. This can be done on the Trust Board website or forms are also available at the office.

## Sponsorship

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

Whānau are welcome to apply for sponsorship funding at any time of the year. All applications are considered by the Board at the trustee meetings held on the last Friday of each month.

The sponsorship policy/application forms are available on the Trust Board's website at [www.ngatiwai.iwi.nz](http://www.ngatiwai.iwi.nz) and at the office.

## Trustee Election

The triennial election of trustees was commenced in late October 2019 and ended 3 February with 10 trustees for Kawa, Matapouri, Motairehe, Ngaiotonga, Omaha, Otetao, Punaruku, Tuparehuia and Whananaki marae positioned.

By 12 March 2020, trustees for Pataua and Oakura were confirmed and the election process for Ngunguru marae was in train.

As at 31 March 2020 the Board had at total of 12 trustees in place.





# Bland Bay Camp Ground Report



## Our camp ground manager reports having had a long, hot and dry summer

As was the situation for many in Northland, the camp ground had issues with water, but this was more due to our own bore supply rather than lack of rain. At the start of summer the camp ground really had to manage water usage. We would like to thank the Tuparehuia marae committee for allowing us to access their water bore to top up the camp ground

tanks. We were very grateful for their support.

The camp ground was full all summer, which meant the beaches and surrounding areas were busy with people everywhere, all of who were lapping up the long hot summer days. Large groups came to Bland Bay over summer, with one Auckland Church group of over 40 people traveling north to stay, with feedback received that they just loved their time at the camp ground and will be back.

This year Bland Bay approached the planning and roading team at Whangārei District Council to seek permission to move our front boundary fence to increase our

capacity, which was approved. This meant the camp had nearly 1,000m<sup>2</sup> extra capacity, with an availability of approximately 30 additional camp sites.

A highlight of the summer, and new to the camp ground this year, was the “Middle Rock Takeaways” food caravan. The option of takeaways was a hit with the campers and the locals and was very busy all summer. With a Council graded A Licence, the caravan provided burgers, fish and chips, and hot dogs, often selling out on a daily basis, proving its popularity. After a successful trial over summer, Middle Rock

Takeaways operated over Easter and other long weekend holidays.

The Bland Bay Camp Ground always has ongoing maintenance to keep on top of and we continue to work with the Council on projects such as recycling.

This year we introduced price increases, which was well received. It has been a very good summer for the camp, with everyone being well behaved and thoroughly enjoying themselves. After our busy summer period, Covid-19 became an issue, but we are grateful that we got through the bulk of the summer period prior to the full effect of Covid-19.





# Ngātiwai Communications Report

2019/2020 was significant year as the Ngātiwai Trust Board's triennial Election of Trustees were held.

Communications supported the process with pānui released in February informing of the 2020 elections for Ngātiwai Trust Board. Pānui with all the election details, the associated timelines and Trustee nomination forms were also made available on our website. Regular reminders were sent out encouraging whānau to participate in the elections. Pānui were shared advising of a Special General Meeting held at the Ngātiwai Trust Board office to announce the results of the election and the confirmation of Trustees. The Declaration of Result of Election of Trustees was also shared across all our platforms.

While Trustee elections were being held a communications drive to support our database team was made on beneficiary registrations with the Board. Regular pānui were shared of the Elections coming up



and we encouraged Ngātiwai beneficiaries over the age of 18 to enrol to be eligible to vote.

Hui-ā-Iwi are a successful way for the Board to inform iwi members in a face-to-face forum what is currently happening within Governance and Operations. These hui will continue throughout the year as they are a good opportunity for the Board to meet with our uri kanohi ki te kanohi. A hui-ā-iwi was hosted at Ngunguru Marae in July.

The Annual General Meeting of the Ngātiwai Trust Board was held on the 14th of December 2019 at the ASB Leisure Centre in Whangarei. The 2019 Annual Report was made available on our website with hard copies also available at the AGM and the Trust Board office. The official pānui was posted in the newspaper and shared on our Facebook and website pages within the required notification period. Pānui were posted regularly inviting whānau to the AGM.

The Board hold monthly meeting of Trustees with a summary of these meetings produced by the Board to inform members. These summaries are made available and posted to our Facebook pages, website and included in our regular newsletters.

Treaty Claims continues to be a focus of our communications ensuring our iwi is kept informed on our own Treaty Mandate and other related issues such as Overlapping Claims and the Marine and Coastal Area Act (MACA).





Although our Settlement is currently paused as we work through mediation as set out by the Waitangi Tribunal, we continue to make available our Te Arawhiti Mandate Maintenance reporting available to beneficiaries on our website. This gives our members an understanding of and access to all the information, pānui and correspondence relating to work undertaken relating to our Mandate over the last year. The report to Te Arawhiti is required of us on a 3-monthly basis on our mandate.

Te Tūkaiaia monthly newsletter continues to share stories of Ngātiwai, celebrating and acknowledging various achievements of the iwi. Kōrero and contributions by whānau to the newsletter are what make these articles possible. Te Tūkaiaia often feature articles and topical issues relevant and current to the iwi.

One highlight of the year in Tūkaiaia was when Ngātiwai were invited to tautoko the release of three rehabilitated turtles at Aorangi – The Poor Knights. After being found sick at sea these turtles were nurtured back to health by the team from Auckland's Sea Life Kelly Tarlton's. Once healthy the turtles were tagged and released back into the ocean at Aorangi, which Ngātiwai as mana whenua supported on the day. It was great to partner with Kelly Tarlton's who are playing their part in the conservation of these wonderful creatures, they were delighted to be able to release these three turtles in the Ngātiwai rohe.

Another highlight was an article supporting Matapouri marae and Te Whānau a Rangiwhakaahu at their Pou Rahui Ceremony. A pou was placed at Rangitapu to recognise the rāhui that was placed over access to Te Wai O Taniwha (The Mermaid Pools) by the hapū. It was great to be able to support the whānau and raise awareness the impact of massive visitor numbers were having on Te Wai O Taniwha. There was extensive media coverage about



the rāhui across all mainstream media.

Each year the Whangaruru School Cultural Festival keeps growing from strength to strength and this year was no exception. The Board were very proud to be able to support and promote the kura and their annual Festival.

March seen the announcement of Covid-19 being up scaled to a world pandemic. The Ngātiwai Trust Board began to take all necessary precautions to reduce its spread and protect our people. A high level

of communications was initiated with key messages and updates being shared. This began an almost daily communication with whānau via our outbound Telephone calls, a 0800 free call number established, updates on social media and website as the pandemic evolved. Communications adapted to Covid with hui being held via Zoom and other online methods.

The next 12 months will see a review of our Communications Strategy which will be shared with the iwi when completed. You will

continue to see a high level of communications from Ngātiwai at hui and across all our communication platforms. 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.





# Ngātiwai Treaty Claims Report



## Settlement Negotiations

In October 2017, the Waitangi Tribunal released its report on the Ngātiwai Mandate Inquiry. It recommended that the negotiations process be paused so that mediation or what it referred to as the longer route could take place.

### Mediation or the Longer Route

The Tribunal recommended that mediation or facilitated discussions take place to debate the unsatisfactory elements of the Deed of Mandate. There should be an agreed number of hui involving all parties, including the Trust Board, conducted by an agreed mediator, mediators, or facilitators, to seek agreed formulae or acceptable solutions.

In the event of rejection by the parties, the Tribunal recommended what it termed the longer route which would involve the withdrawal of the mandate and the setting up of a new entity such as a Rūnanga or taumata, named and organised more inclusively and able to represent all hapū and groups in the inquiry district, whether or not they are Ngātiwai.

In either case whether it is the mediation or the longer route the Tribunal recommended that the Crown should fund these processes.

## Mediation Proposal and Funding

After more than a year of reflection and several hui-ā-iwi to discuss the Tribunal's finding in February 2019, the Board approached the Minister for Treaty Settlement Negotiations to see if the Crown would fund mediation. On 6 March 2019, the Board submitted a DRAFT mandate mediation proposal and budget to the Minister consistent with the Waitangi Tribunal's recommendations. Throughout May to July 2019 the Board responded to the Crown's queries about the proposal and updated the affected

hapū claimants as this work progressed. In September 2019, the Crown approved funding for the Board to participate in the mediation.

Between August and September 2019, the Board continued to provide updates to the hapū claimants and supported independent funding to be made available directly to them for participation in the mediation. The Crown received queries and funding request from the claimant hapū up until 31 March 2020. On 21 May 2020, while not strictly within

the annual reporting period the Crown approved independent hapū claimant funding for participation in the mediation.

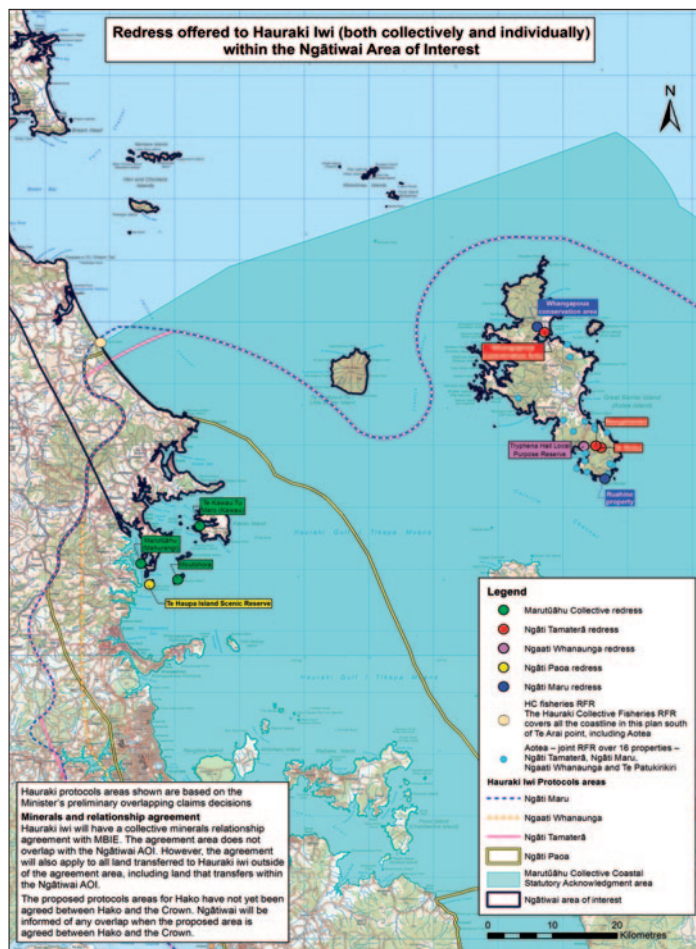
## Overlapping Claims

### Hauraki

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







On 8 December 2019, the Waitangi Tribunal released its report on the Hauraki Overlapping Claims Inquiry recommending:

- That the legislation giving effect to the Pare Hauraki Collective Settlement Deed, and the individual Hauraki iwi settlement deeds, does not proceed until the contested redress items have been through a proper overlapping claims process as set out in its report.
- That the Crown, when undertaking overlapping engagement processes during settlement negotiations, fully commits to and facilitates consultation, information-sharing, and the use of tikanga-based resolution processes that reflect the principles they had identified in their report.

On 22 January 2020, the Board wrote to the Prime Minister asking for confirmation that the Tribunal's

recommendations would be followed. The Board also requested full disclosure of all current overlapping redress (see map of Hauraki redress). The Board received a response from Minister Little in February 2020 confirming that he does not intend to progress the Hauraki settlement legislation and his strong preference was to support and encourage iwi-led tikanga-based

engagement on the disputed redress.

In February and then again in March 2020, the Board wrote to the negotiator for the Hauraki and Marutūāhu Collectives and Ngāti Maru who had been asking for hui to discuss the disputed redress. The purpose of these letters were to ask if he too was willing to commit to the tikanga-based process recommended by the Tribunal. Unfortunately the Board never received a response to this correspondence.

### Ngati Whātua

In August 2019, the Board received notice from the Crown about revised redress for Ngati Whātua. As the redress related to areas within the rohe of Patuharakeke and Ngāti Manuhiri the Board sought their views on the revised redress before engaging with Ngati Whātua.

In September 2019, a hui was held with Ngati Whātua to discuss their revised redress. The Board indicated that in relation to the Marsden Point properties it supports the hapū position. The remaining redress including the Ministry for Primary Industries relationship protocol area, the Kaipara Catchment Co-governance group and Fisheries Right of First Refusal required further discussions.

In November 2019, a further hui was held with Ngati Whātua to continue discussions. The Board indicated that where the Kaipara

catchment overlaps with the Ngātiwai area of interest, those Ngātiwai hapū/marae needed to be included in any co-governance arrangements. It was also agreed that the Fisheries right of first refusal map will not be included in the settlement documentation. The hui concluded that further discussions were required on the protocol area in relation to the east coast.

In February 2020, the Crown advised the Board that Kaipara Uri, Te Rūnanga o Ngati Whātua and the Crown were working to agree a process for further engagement, identifying issues and potential solutions for involvement in the Kaipara Moana arrangements and solutions that can work for everyone.

### Marine and Coastal Area Act (MACA)

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").





# Ngātiwai Treaty Claims Report continued

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.

As a result 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 Wai 2660 MACA kaupapa Inquiry); and
- filed 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.

## Wai 2660 MACA Kaupapa Inquiry

On 4 July 2018, the Board filed a Statement of Claim in the Waitangi Tribunal's MACA Kaupapa Inquiry - Wai 2660. The scope of this inquiry is targeted at the legislative framework and applications process established under the MACA Act 2011.

The inquiry is being conducted 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 within the processes available under the MACA Act.

Hearings for the stage 1 claimant evidence took place in Wellington from 25 to 29 March 2019 and then for closing submissions from 31 July to 2 August 2019. The Board presented its evidence in these hearings and responded to the Tribunal's written questions in August 2019.

## MACA High Court Process

In May 2019, the Board sought an adjournment of its application in the High Court, preferring the Crown engagement process but also to allow Ngātiwai whānau, hapū and marae applicants to have their applications prioritised over the Board's application. On 4 June 2019, the High Court confirmed that the Board's application will be adjourned until July 2020.

In June 2019, the Board contracted an historian to assist the Board with undertaking historical research to support the Board's application in the High Court. The historian will undertake research into written source material while oral and traditional evidence gathering will be conducted separately and then incorporated into a final report.

On 13 November 2019, the Board hosted a hui for Ngātiwai and Ngātiwai related MACA applicants in either the Crown engagement process or the High Court. The purpose of the hui was to discuss "what is the best approach to take to the MACA Act?" It was great to have a good turnout.

Discussions were very respectful with everyone able to present their applications to the hui and talk about where they were up to in advancing them.

The Board's position in relation to all Ngātiwai MACA applications has been to support them and to provide a protective blanket for any Ngātiwai whānau, hapū or marae who were unable to file their own applications by the deadline of 3 April 2017. On 20 February 2020, the Board hosted a second hui for all Ngātiwai MACA applicants. This hui built on the kaupapa established for the first hui and further discussed "What is the best approach to take to the MACA Act?" Again there was a good turnout with some new faces and with a greater focus on the upcoming Wai 2660 MACA Kaupapa inquiry.

## MACA Crown Engagement Process

There have been no development with the Board's Crown Engagement application since it was submitted other than the Board receiving an acknowledgement from that Crown of its receipt.





# Resource Management Unit Report

## A challenging year

The Ngātiwai Trust Board Resource Management Unit during the financial year 1st April 2019 - 31 March 2020 had a challenging year in the absence of a dedicated Manager of the Unit.

With no dedicated full time Manager the Unit had a number of contracts with local kaitiaki in our rohe who were overseeing resource consents, site visits and other consultation work on behalf of the Board. We thank them for their mahi and efforts over this time.

In July 2019 our whānau and community of Aotea Great Barrier Island marched down Queen Street in Auckland to protest the Environment Protection Authority's (EPA) decision to grant Coastal Resources Ltd (CRL) permission to increase the amount of sediment it dumps from 50,000 cubic metres to 250,000 cubic metres annually for 35 years, just 25km off the east coast of Aotea, Great Barrier Island. Ngātiwai kaumātua, staff and Trustees travelled down to support our hapū of Aotea bringing Queen Street to a standstill. We used our social media platforms to tautoko and help raise the awareness of the proposed dumping.

During this period the Chief Executive Officer of the Board completed a Draft Ngātiwai Iwi Hapū Environmental plan. The draft plan was made available to trustees for consultation with whānau, marae and hapū in due course.

The Board attempted to recruit a new Manager during this period to lead the Resource Management Unit, but unfortunately no suitable candidate was able to be found. Administration and basic functions of the Resource Management Unit were handled internally during this time in the absence of a dedicated Manager.

## Thank you to our kaumatua

The Ngātiwai Trust Board would like to acknowledge Hori Parata for his support of the Resource Management Unit during this time. Brought in as a contractor to the Board to support the Resource Management Unit, Hori continued the work on the ground. Hori also led responses to whale stranding in the rohe and also continued on developing potential remedies to Kauri Dieback in conjunction with other hapū and Iwi.





# Ngātiwai Trust Board

## Financial Statements for the year ending 31 March 2019





NGĀTIWAI TRUST BOARD & GROUP

TABLE OF CONTENTS

For the Year Ended 31 March 2020

---

	Page
Trust Directory	1
Statement of Comprehensive Revenue & Expense	2
Statement of Changes in Net Assets/Equity	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6
Schedule: Reporting Requirements	24
Independent Auditor's Report	25



## NGĀTIWAI TRUST BOARD & GROUP

### TRUST DIRECTORY

As at 31 March 2020

#### Nature of Business

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

#### Business Location

129 Port Road  
Whāngārei

#### IRD Registration Number

042-033-006

#### Auditors

BDO Northland  
Adelle Allbon

#### Bankers

Westpac Bank  
Whāngārei

### SYNOPSIS

As at 31 March 2020

Date of Trust Deed: 22 November 1966

Marae	Trustee
Kawa	No Trustee elected
Matapouri	Aperahama Edwards
Mōkau	Clive Wiremu Stone
Motairehe	Martin Cleave
Ngunguru	Mike Rundlett
Ngaioitonga	Merepeka Henley
Oākura	Henry Bertie Purcell Murphy
Omaha	Annette Baines
Otetao	Gary Reti
Pātaua	Hori Puturangi Māhanga
Punaru	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	Jim Smillie e-mail jim@ngatiwai.iwi.nz
Chief Operating Officer	Angeline Waetford e-mail awaetford@ngatiwai.iwi.nz
Treaty Claims Manager	Tania McPherson e-mail tania.mcpherson@ngatiwai.iwi.nz
Resource Management Unit Manager (Interim)	Jim Smillie e-mail jim@ngatiwai.iwi.nz
Communications Advisor	Barry Caldwell e-mail barry.caldwell@ngatiwai.iwi.nz
Education Unit Contracts Manager	Gayle Wellington e-mail gayle@ngatiwai.iwi.nz
Board Secretary	Moana MacDonald e-mail mmacdonald@ngatiwai.iwi.nz
Chief Financial Officer	Angela Gill e-mail agill@ngatiwai.iwi.nz
In - House Counsel	Hayley MacDonald e-mail hsm@ngatiwai.iwi.nz

### TRUSTEE REMUNERATION

During the year remuneration was paid to the following Trustees:

	2020 Remuneration \$	2020 Meetings Attended	2019 Remuneration \$	2019 Meetings Attended
No Trustee elected	-	-	-	-
A Edwards	7,175	28	9,440	19
C W Stone	2,520	6	-	-
M Cleave	6,746	7	3,360	8
M Rundlett	4,480	12	1,260	3
M Henley	16,650	46	8,680	26
H Murphy	8,050	29	5,810	15
A Baines	3,885	9.25	2,100	5
G Reti	24,745	121	16,370	45
H P Māhanga	2,940	7	4,200	10
H T Edmonds	45,000	12	45,000	12
No Trustee elected	-	0	-	-
R Diamond	10,920	34	13,650	44.5
K Caldwell	6,300	17	8,470	26
A Sadler	2,100	5	-	-
W Sullivan	420	1	-	-
J Chapman	420	1	-	-
	<u>142,351</u>		<u>118,340</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:

	2020 Remuneration \$	2019 Remuneration \$
C Wells	29,208	29,208
J Paki	12,500	12,500
B Edwards	12,500	12,500
	<u>54,208</u>	<u>54,208</u>



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 31 March 2020

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Income</b>					
Revenue - exchange transactions	3	3,762,228	4,017,734	167,698	528,196
Revenue - non exchange transactions	3	1,558,467	899,630	1,080,217	389,572
Other Income	3	1,064,443	52,317	4,530,874	1,509,392
<b>Total Income</b>		<b>6,385,138</b>	<b>4,969,681</b>	<b>5,778,789</b>	<b>2,427,159</b>
<b>Expenses</b>					
Employee remuneration	3	1,571,709	1,538,787	442,657	427,480
Depreciation and amortisation	5	265,284	254,456	33,088	24,454
Other expenses	3	4,032,647	2,996,148	3,012,563	1,969,058
<b>Total Expenses</b>		<b>5,869,640</b>	<b>4,789,390</b>	<b>3,488,309</b>	<b>2,420,992</b>
<b>Surplus/(Deficit) before net financing costs</b>		<b>515,499</b>	<b>180,291</b>	<b>2,290,480</b>	<b>6,168</b>
Finance income - loans and receivables	4	186,493	63,475	187,355	63,036
Finance costs - financial liabilities at amortised cost	4	531,868	566,321	160,216	168,697
<b>Net finance costs</b>	<b>4</b>	<b>(345,375)</b>	<b>(502,847)</b>	<b>27,139</b>	<b>(105,661)</b>
Share of equity accounted investees surplus/(deficit) for the year	10	252,389	259,670	-	-
<b>Surplus/(deficit) for the year</b>		<b>422,513</b>	<b>(62,886)</b>	<b>2,317,620</b>	<b>(99,493)</b>
<b>Surplus/(deficit) attributable to:</b>					
Equity Holders of Ngātiwai		337,443	(155,465)	2,317,620	(99,493)
Non controlling interest		85,070	92,579	-	-
<b>Other Comprehensive Revenue and Expense</b>					
(Loss)/Gain on revaluation of available-for-sale financial assets	8	-	(100,000)	-	-
<b>Total comprehensive revenue and expense for the year</b>		<b>422,513</b>	<b>(162,886)</b>	<b>2,317,620</b>	<b>(99,493)</b>
<b>Total comprehensive revenue and expense attributable to:</b>					
Equity Holders of Ngātiwai		337,443	(255,465)	2,317,620	(99,493)
Non controlling interest		85,070	92,579	-	-
		<b>422,513</b>	<b>(162,886)</b>	<b>2,317,620</b>	<b>(99,493)</b>

BDO Northland  
Assurance 



## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the Year Ended 31 March 2020

	Restricted Reserve	Capital Reserve	Available for Sale Fair Value Reserve	Minority Interest	Accumulated Funds	Total Equity
Group	\$	\$	\$	\$	\$	\$
Opening balance 1 April 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	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	-	-	-
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
Profit/(Loss) for the year	-	-	-	85,070	337,443	422,513
Other comprehensive income - revaluation	-	-	-	-	-	-
Total comprehensive income	-	-	-	85,070	337,443	422,513
Other Comprehensive income - reserve transfer	-	-	-	-	-	-
Acquisition of controlling interest	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	(100,025)	-	(100,025)
Closing balance 31 March 2020	19,304	424,736	86,152	833,756	16,029,606	17,393,554

	Accumulated Funds	Total Equity
Parent	\$	\$
Opening balance 1 April 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)
Profit/(Loss) for the year	2,317,620	2,317,620
Other Comprehensive Income - revaluation/(devaluation)	-	-
Total comprehensive income	2,317,620	2,317,620
Closing balance 31 March 2020	1,838,525	1,838,525



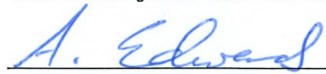
NGĀTIWAI TRUST BOARD & GROUP

STATEMENT OF FINANCIAL POSITION

As At 31 March 2020

		Consolidated Group		Ngātiwai Parent Entity	
	Note	2020	2019	2020	2019
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and cash equivalents	6	1,136,465	518,522	445,086	280,895
Receivables (from exchange transactions)	7	274,538	454,152	134,681	143,755
Recoverables (from non exchange transactions)	7	168,924	58,980	120,345	46,564
Prepayments		116,490	116,008	6,116	4,163
<b>Total Current Assets</b>		<b>1,696,418</b>	<b>1,147,662</b>	<b>706,227</b>	<b>475,377</b>
<b>Non Current Assets</b>					
Investments	8	1,000,000	1,506,435	-	506,435
Investment in controlled entities	9	-	-	1,003,200	1,003,200
Investment in equity accounted entities	10	3,048,575	3,128,915	2,000	2,000
Concessionary loan - Bland Bay Camp Ground	11	513,907	546,986	513,907	546,986
Loan - Whananaki Marae	24	6,813	16,427	6,813	16,427
Concessionary loans to controlled entities	11	-	-	213,453	27,859
Intangible assets	12	12,239,063	12,239,063	-	-
Property, plant and equipment	13	3,645,298	3,728,011	144,035	136,123
Investment Property	14	6,784,641	6,899,004	-	-
<b>Total Non Current Assets</b>		<b>27,238,295</b>	<b>28,064,841</b>	<b>1,883,408</b>	<b>2,239,029</b>
<b>Total Assets</b>		<b>28,934,713</b>	<b>29,212,504</b>	<b>2,589,635</b>	<b>2,714,407</b>
<b>Current Liabilities</b>					
Cash and cash equivalents	6	393,573	384,794	-	-
Trade and other payables	16	633,372	660,041	398,293	305,058
Employee entitlements	17	81,219	165,747	21,704	32,056
Deferred Revenue - Aotearoa Fisheries Limited		567,577	957,993	-	-
Non-exchange liabilities	19	475,891	459,949	331,116	394,990
Borrowings	18	87,592	132,660	-	-
<b>Total Current Liabilities</b>		<b>2,239,224</b>	<b>2,761,181</b>	<b>751,113</b>	<b>732,103</b>
<b>Non Current Liabilities</b>					
Borrowings	18	9,301,935	9,380,257	-	-
Concessionary loans from controlled entities	11 & 18	-	-	-	2,461,401
<b>Total Non Current Liabilities</b>		<b>9,301,935</b>	<b>9,380,257</b>	<b>-</b>	<b>2,461,401</b>
<b>Total Liabilities</b>		<b>11,541,160</b>	<b>12,141,438</b>	<b>751,113</b>	<b>3,193,504</b>
<b>Net Assets</b>		<b>17,393,556</b>	<b>17,071,066</b>	<b>1,838,525</b>	<b>(479,095)</b>
<b>Equity</b>					
Available For Sale Fair Value Reserve		86,152	86,152	-	-
Restricted Reserve	15	19,304	19,304	-	-
Capital Reserve		424,736	424,736	-	-
Accumulated Funds		16,029,606	15,692,163	1,838,525	(479,095)
Minority Interest		833,756	848,711	-	-
<b>Total Equity</b>		<b>17,393,556</b>	<b>17,071,066</b>	<b>1,838,525</b>	<b>(479,095)</b>

Authorised and signed on behalf of the Trustees:

  
Chairperson

26/02/2021  
Date

  
Trustee

26/02/2021  
Date

BDO Northland  
Assurance 



## STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2020

	Note	Consolidated Group		Ngātiwai Parent Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash was provided from:					
Revenue		5,967,543	3,362,101	2,131,563	1,210,079
Interest Income		123,037	13,073	122,855	207
Goods and Services Tax		19,008	13,635	9,038	5,259
Dividends Received		66,226	50,323	-	-
Dividends Received from a Related Party		-	-	-	224,262
		<u>6,175,814</u>	<u>3,439,132</u>	<u>2,263,456</u>	<u>1,439,807</u>
Cash was applied to:					
Payments to Suppliers		(3,479,643)	(2,498,202)	(851,407)	(758,184)
Payments to Employees, Directors and Trustees		(1,656,237)	(1,536,181)	(473,992)	(418,442)
Interest Paid		(529,570)	(566,321)	-	-
Income Tax		-	(522)	-	-
		<u>(5,665,450)</u>	<u>(4,601,226)</u>	<u>(1,325,399)</u>	<u>(1,176,626)</u>
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>		<u>510,364</u>	<u>(1,162,094)</u>	<u>938,057</u>	<u>263,181</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash was provided from:					
Sale of property, plant and equipment		18,679	4,017	-	-
Drawings From Equity Investment		325,191	-	-	-
Sale of Investments		3,443	463,087	-	-
		<u>347,313</u>	<u>467,104</u>	<u>-</u>	<u>-</u>
Cash was applied to:					
Purchase of investment property		(8,779)	(59,805)	-	-
Purchase of property, plant and equipment		(79,777)	(264,441)	(41,000)	(57,667)
		<u>(88,556)</u>	<u>(324,246)</u>	<u>(41,000)</u>	<u>(57,667)</u>
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>		<u>258,757</u>	<u>142,858</u>	<u>(41,000)</u>	<u>(57,667)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash was provided from:					
Related Party Loans		-	-	-	75,000
Proceeds from loans borrowed from other parties		-	894,455	-	-
Loan repayments		-	9,070	-	-
Repayments Received from Concessionary Loan		162,000	53,000	165,125	-
		<u>162,000</u>	<u>956,525</u>	<u>165,125</u>	<u>75,000</u>
Cash was applied to:					
Loans advanced - Concessionary Loan		(98,539)	-	(897,991)	(22,000)
Loan Repayments		(123,390)	-	-	-
Distribution to non-controlling interest		(100,025)	(125,030)	-	-
		<u>(321,954)</u>	<u>(125,030)</u>	<u>(897,991)</u>	<u>(22,000)</u>
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES</b>		<u>(159,954)</u>	<u>831,495</u>	<u>(732,865)</u>	<u>53,000</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<u>609,164</u>	<u>(187,741)</u>	<u>164,192</u>	<u>258,514</u>
Opening Balance of Cash and Cash Equivalents		133,728	321,469	280,895	22,381
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	6	<u>742,892</u>	<u>133,728</u>	<u>445,086</u>	<u>280,895</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

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 (the controlling entity) and its 100% controlled entities, 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% owned 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).

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

Basis of Preparation - Statement of Compliance

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

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

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

Basis of measurement

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

Functional and presentation currency

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

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

2. Specific Accounting Policies

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

(a) Basis of Consolidation

Business combinations

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

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

The Group measures goodwill at the acquisition date as:

The aggregate of;

The fair value of consideration transferred

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

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

Less:

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

Any gain on bargain purchases is recognised immediately in surplus or deficit.

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. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. 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. The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

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.

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. Non-controlling interests are allocated their share of net surplus or deficit in the consolidated Statement of Comprehensive Revenue and Expense, and are presented within Equity in the consolidated Statement of Financial Position separately from equity attributable to owners of the controlling entity.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

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. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

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. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

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.

**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 and are expected to be settled wholly before 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

**(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, 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: loans and receivables, and available-for-sale. The Group classifies financial liabilities into the following categories: 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 for sale 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.

**(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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

*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 surplus or deficit. The cumulative loss that is reclassified from equity to surplus or deficit 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 surplus or deficit. 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 surplus or deficit. However, any reversals of impairment on equity instruments that are classified as available for sale are recognised in other comprehensive revenue and expense.

**(h) 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.

*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

**(i) 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

Franchise Fees

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

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

**(j) 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.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

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.

**(k) 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.

**(l) 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.

**(m) 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 commitments and contingencies are disclosed exclusive of GST.

**(n) 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 revenue and expense, net of amounts reclassified to surplus or deficit when those assets have been disposed of or are determined to be impaired.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

Restricted Reserve

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

(o) 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.

(p) 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 2020 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. (2019 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 has previously been disclosed as a non-current asset on the basis that these costs would be recovered from a new settlement entity (yet to be established) when the Treaty Claim is finalised. This balance was carried on a concessionary basis because interest did not apply. These costs have been written off in the 2020 financial year.

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.

Controlled Entities

It has been assessed that Rathbone James Limited Partnership is a controlled entity on the basis of sole directorship and the percentage of voting rights available.

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.

A number of new standards, interpretations and amendments effective for the first time for periods beginning on (or after) 1 January 2019, have been adopted in these financial statements. The nature and effect of each new standard, interpretation and amendment adopted by the Group is detailed below.

PBE IPSAS 35 Consolidated Financial Statements

PBE IPSAS 35 supersedes PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements and introduces a single 'control model' for all entities whereby control exists when all of the following conditions are present:

- Power over investee
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the entity's returns from investee.

The adoption of PBE IPSAS 35 has not had a material impact on the Group as all entities that are controlled by the Group as a result of the new definition of 'control' are already being consolidated

PBE IPSAS 38 Disclosure of Interests in Other Entities

PBE IPSAS 38 sets out the disclosure requirements relating to an entity's interests in controlled entities, joint arrangements, associates and structured entities. The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity's relationship with other entities. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance.

PBE IPSAS 39 Employee Benefits

PBE IPSAS 39 supersedes PBE IPSAS 25 Employee Benefits. The main change to the Group as a consequence of PBE IPSAS 39 is the definition of short-term employee benefits has changed to be employee benefits expected to be settled (as opposed to 'due to be settled') wholly within 12 months after the end of the reporting. There has been no material impact on the Group as a result of this change in definition.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

3. REVENUE & EXPENSES	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
REVENUE:				
<i>Revenue from exchange transactions</i>				
Commercial Trading Operations Revenue	2,554,374	2,540,389	-	-
Rental and Lease Income	1,040,156	939,315	-	-
Royalties	76,340	66,266	76,340	66,266
Other Exchange Revenue	91,358	471,764	91,358	461,930
	3,762,227	4,017,734	167,698	528,196
<i>Revenue from non-exchange transactions</i>				
Grants and Contracts	1,558,466	899,630	1,080,217	389,572
	1,558,466	899,630	1,080,217	389,572
Total revenue	5,320,693	4,917,364	1,247,915	917,767
OTHER INCOME:				
Covid-19 Government Subsidy	10,714	-	-	-
Debt Forgiveness - Ngatiwai Fishing Limited (Note 11)	-	-	2,612,033	-
Dividend Income (Available for Sale)	66,226	50,323	-	-
Dividend - Controlled Entity	-	-	931,338	1,509,392
Settlement Income - Te Ohu Kaimoana	987,503	-	987,503	-
Gain on sale of property, plant and equipment	-	1,994	-	-
	1,064,444	52,317	4,530,874	3,018,784
Wages & Salaries	1,521,777	1,487,001	442,657	427,480
Kiwisaver Contributions	49,932	51,786	-	-
	1,571,709	1,538,787	442,657	427,480
Aquaculture Settlement Costs	46,564	-	46,564	-
Auditors remuneration - BDO Northland;				
- Audit of financial statements	56,800	51,800	15,000	10,000
- Technical assistance	-	-	-	-
Accountancy Fees	25,000	-	25,000	-
Bad and Doubtful Debts	-	636	-	-
Contracting Costs	364,436	447,946	86,150	130,705
Covid-19 Costs	36,443	-	36,197	-
Data Centre Proposal Costs	46,686	193,315	46,686	193,315
Directors Fees	54,208	54,208	-	-
Election Expenses	24,337	8,686	24,337	8,686
Foundation North - Te Kupenga Reo Phases 1 - 3	-	100,490	-	100,490
GIFT Costs	6,000	16,351	6,000	16,351
Impairment on Investment - James Street Car Park Limited	4,095	24,993	-	-
J R McKenzie Contract Costs	105,404	79,563	105,404	79,563
Kaipara Sands Royalties Payments	38,170	33,133	76,340	33,133
Koha and Hui	16,112	39,246	16,112	38,780
Kuia Kaumatua Costs	12,541	24,621	12,541	10,687
Leases	60,552	30,593	10,218	10,312
Legal Fees	58,097	16,953	56,065	16,953
Legal Fees - Treaty Claims	6,103	11,608	6,103	11,608
Loss on Sale of Property, Plant & Equipment	1,673	569	-	569
Ministry For Primary Industries (MPI) - Childrens Book	35,191	57,662	35,191	57,662
Mokau Kohanga Reo - Financial Aid	-	10,000	-	10,000
Moving the Maori Nation Contract Costs	16,143	26,254	16,143	26,254
Rangatahi Wananga	-	3,350	-	3,350
Scholarships	45,000	32,250	45,000	32,250
Sponsorships & Grants	40,544	51,725	40,544	51,725
Te Kawa Matakura Expenses	510,795	-	510,795	-
Te Puni Kokiri - Te Reo O Ngātiwai Contract Costs	33,847	34,660	33,847	34,660
Te Waka Reo O Ngatiwai Expenses	84,070	-	84,070	-
Toki Rau Stop Smoking Services Expenses	20,010	-	20,010	-
Treaty Claim Costs - Write Off (Note 8)	536,821	-	536,821	-
Trustee Remuneration	142,351	118,340	142,351	118,340
Marae Distributions (refer below)	140,000	140,000	140,000	140,000
Distribution to Controlled Entity	-	-	604,497	630,659
Other Expenses	1,464,654	1,387,197	234,577	203,007
	4,032,646	2,996,148	3,012,563	1,969,058



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

MARAE DISTRIBUTIONS:

Kawa Marae	10,000	10,000	10,000	10,000
Matapouri Marae	10,000	10,000	10,000	10,000
Mōkau Marae	10,000	10,000	10,000	10,000
Motairhe Marae	10,000	10,000	10,000	10,000
Ngaiotonga Marae	10,000	10,000	10,000	10,000
Ngunguru Marae	10,000	10,000	10,000	10,000
Oākura Marae	10,000	10,000	10,000	10,000
Omaha Marae	10,000	10,000	10,000	10,000
Otetao Reti Marae	10,000	10,000	10,000	10,000
Pātaua Marae	10,000	10,000	10,000	10,000
Whananāki Marae	10,000	10,000	10,000	10,000
	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>

4. NET FINANCE COSTS

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
<i>Finance Income</i>	\$	\$	\$	\$
Interest income (Loans & Receivables)	123,426	63,475	123,241	63,036
Imputed Interest Adjustment	63,067	-	64,114	-
Total finance income	<u>186,493</u>	<u>63,475</u>	<u>187,355</u>	<u>63,036</u>
<i>Finance Costs</i>				
Interest expense - financial liabilities at amortised cost	529,570	554,824	147,674	144,613
Imputed Interest Adjustment	2,298	11,497	12,542	24,084
Total finance costs	<u>531,868</u>	<u>566,321</u>	<u>160,216</u>	<u>168,697</u>
NET FINANCE COSTS	<u>(345,375)</u>	<u>(502,847)</u>	<u>27,139</u>	<u>(105,661)</u>

5. DEPRECIATION AND AMORTISATION

		Consolidated Group		Ngātiwai Parent Entity	
	Note	2020	2019	2020	2019
		\$	\$	\$	\$
Depreciation on Property, Plant & Equipment	13	142,140	132,830	33,088	24,454
Depreciation on Investment Property	14	123,143	120,326	-	-
Amortisation	12	-	1,300	-	-
		<u>265,283</u>	<u>254,456</u>	<u>33,088</u>	<u>24,454</u>

6. CASH AND CASH EQUIVALENTS

	Terms	Interest Rate		Consolidated Group		Ngātiwai Parent Entity	
		2020	2019	2020	2019	2020	2019
		%	%	\$	\$	\$	\$
Current assets							
Bank Balances	On Call	0.50%	1.00%	1,136,465	518,522	445,086	280,895
Current liabilities				1,136,465	518,522	445,086	280,895
Bank overdraft used for cash management purposes		7.15%	7.50%	(393,573)	(384,794)	-	-
Cash and cash equivalents in the statement of cash flows				<u>742,892</u>	<u>133,728</u>	<u>445,086</u>	<u>280,895</u>

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

The credit facility held with Westpac New Zealand Limited is a revolving credit facility with a limit of \$400,000 (2019 \$800,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited. Ngātiwai Fishing Limited has provided an unsupported unlimited guarantee. The interest rate applicable at 31 March 2020 was 7.15% per annum (2019 7.5% per annum). The facility is repayable on demand.

7. RECEIVABLES

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade receivables from exchange transactions	274,538	454,152	134,681	143,755
	<u>274,538</u>	<u>454,152</u>	<u>134,681</u>	<u>143,755</u>
Recoverables from non exchange transactions				
Taxation and Māori Authority Tax Credits	15,243	12,416	-	-
Grant Funding Contracts	153,681	-	120,345	-
Aquaculture Settlement Costs	-	46,564	-	46,564
	<u>168,925</u>	<u>58,980</u>	<u>120,345</u>	<u>46,564</u>

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 2020 and 2019, 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 (2019 - Nil).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

8. INVESTMENTS

	Category of Financial Instrument	Consolidated Group		Ngātiwai Parent Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Non-Current</b>					
Aotearoa Fisheries Limited Income Shares	Available for sale	1,000,000	1,100,000	-	-
(Devaluation) Revaluation	Available for sale	-	(100,000)	-	-
Treaty Claim Costs	Loans and receivable	-	506,435	-	506,435
		<u>1,000,000</u>	<u>1,506,435</u>	<u>-</u>	<u>506,435</u>

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 2020 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.

(2019 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.)

Treaty Claim Costs

The net costs that the Ngātiwai Trust Board incurred for the Treaty Claim has previously been disclosed as a non-current asset. This was on the basis that these costs would be reimbursed from a new settlement entity (yet to be established) when Treaty Settlement occurs. The balance had been calculated on a concessionary basis consistent with concessionary loans as per note 11. The fair value adjustment was \$Nil (2019 \$Nil). Interest of \$30,386 (2019 \$28,666) has been earned. These costs were written off in full in the 2020 financial year on the basis that there is no certainty these funds will be recovered.

9. GROUP ENTITIES

Name of controlled entity	Place of incorporation & operation	Ownership Interest & Voting Right		Principal activity
		2020	2019	
Ngātiwai Investment Holdings Limited	NZ	100%	100%	Holding Company
Oceans Resort Tutukaka Limited	NZ	100%	100%	Hospitality
Ngātiwai Fishing Limited	NZ	100%	100%	Fishing
Ngātiwai Holdings Limited	NZ	100%	100%	Quota Lease
Ngātiwai Management Limited	NZ	100%	100%	Management Company
Tuparehuia Trustee Limited	NZ	100%	100%	Corporate Trustee
Ngātiwai Education Limited Partnership	NZ	100%	100%	Education
Rathbone James Limited Partnership	NZ	75%	75%	Commercial Lease

The reporting date of the controlled entities is 31 March.

10. INVESTMENT IN EQUITY ACCOUNTED ENTITIES

Ngātiwai Investment Holdings Limited has a 50% interest in James Street Carpark Limited and a 36.5789% interest in 42 Port Road Limited Partnership. 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 has taken 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. This entity was wound up subsequent to balance date

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. This interest is not equity accounted for on the basis that significant influence does not exist.

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Movements in the carrying amount of the investment in equity accounted entities:				
Investment in equity accounted entities at 1 April	3,128,915	3,693,782	2,000	2,000
Share of profit/(loss)	252,389	259,670	-	-
Disposal of investment	(7,488)	(463,087)	-	-
Advances during the year	(325,241)	(361,450)	-	-
Investment in equity accounted entities at 31 March	<u>3,048,575</u>	<u>3,128,915</u>	<u>2,000</u>	<u>2,000</u>
Summarised financial information of equity accounted entities (100%)	Assets	Liabilities	Revenues	Profit
	\$ 19,464,769	\$ 10,062,264	\$ 1,442,642	\$ 884,716



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

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. The loans to/from subsidiaries were extended for cashflow purposes. Ngātiwai Trust Board has advanced funds to Bland Bay Camp Ground to enable its facilities to be upgraded with a view to maximising occupancy.

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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Opening balance (1 April)	546,986	565,385	(1,886,556)	(1,832,243)
Imputed interest (market effective interest rate)	32,681	33,233	(113,946)	(111,380)
Advance/(repayments) during period	(63,461)	(40,135)	128,372	81,152
Write Off - Ngātiwai Fishing Limited			2,612,033	
Fair value adjustment on additional loan (advanced) / received	(2,298)	(11,497)	(12,542)	(24,084)
Closing balance (31 March)	513,908	546,986	727,360	(1,886,556)
Non-current asset - Bland Bay Camp Ground	513,908	546,986	513,907	546,986
Non-current asset - Loans to Controlled Entities	-	-	213,453	27,859
Non-current liability - Loan from Controlled Entities	-	-	-	(2,461,401)
	513,908	546,986	727,360	(1,886,556)

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. At the conclusion of the 2020 financial year the inter-entity loan payable from the parent to Ngātiwai Fishing Limited was written off.

12. INTANGIBLE ASSETS

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
<u>Fish Quota</u>				
Balance at 1 April (275,388,729 quota shares)	11,864,806	11,864,806	-	-
Additions	-	-	-	-
Balance at 31 March (275,388,729 quota shares)	11,864,806	11,864,806	-	-
<u>NZ ETS Units</u>				
Balance at 1 April	7,082	7,082	-	-
Additions	-	-	-	-
Balance at 31 March	7,082	7,082	-	-
<u>Goodwill</u>				
Balance at 1 April	367,175	367,175	-	-
Impairment	-	-	-	-
Balance at 31 March	367,175	367,175	-	-
<u>Franchise</u>				
Balance at 1 April	-	1,300	-	-
Amortisation	-	(1,300)	-	-
Balance at 31 March	-	-	-	-
Total Intangible Assets at 31 March	12,239,063	12,239,063	-	-

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 (2019 Nil).

Fish Quota

The Trustees have acquired a valuation of the quota at 31 March 2020 from Quota Management Systems Limited, which indicates a value of \$24,037,278 (2019 \$24,284,803) 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 (2019 \$Nil).

Ngātiwai Fishing Limited has a revolving credit facility with Westpac New Zealand Limited with a limit of \$400,000 (2019 \$800,000), secured by a first fixed charge over the interest, rights and title in SNA1, SNA8, CRA1 and CRA2 quota owned by Ngātiwai Fishing Limited.

Goodwill

(a) Impairment of Goodwill

Goodwill acquired through business combinations has been allocated to the subsidiary, Rathbone James Limited Partnership (RJLP), which the group considers to be a cash generating unit for the purposes of impairment testing. There are no unallocated amounts of goodwill as at 31 March 2020.

(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 2020

13. PROPERTY, PLANT & EQUIPMENT

Consolidated Group	Motor Vehicles	Land	Buildings & Leasehold	Plant & Equipment	Website, Office & Furniture	Total
	\$	\$	\$	\$	\$	\$
<b>Cost/valuation</b>						
Balance as 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 at 1 April 2019	65,077	440,494	3,414,655	293,581	62,452	4,276,259
Additions	-	-	20,878	58,901	-	79,779
Disposals	(17,753)	-	(1,646)	(951)	-	(20,350)
Balance as at 31 March 2020	47,324	440,494	3,433,886	351,531	62,452	4,335,687
<b>Accumulated Depreciation and impairment</b>						
Balance as 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
Depreciation on subsidiary assets acquired	-	-	-	-	-	-
Disposals	-	-	-	(55,011)	(4,703)	(59,714)
Balance at 1 April 2019	7,919	-	317,907	194,495	27,928	548,248
Depreciation expense	8,628	-	92,797	37,852	2,862	142,140
Disposals	-	-	-	-	-	-
Balance at 31 March 2020	16,547	-	410,704	232,347	30,790	690,388
<b>Net Book Value</b>						
31/03/2018	23,360	440,494	3,010,469	102,470	21,629	3,598,422
31/03/2019	57,158	440,494	3,096,748	99,086	34,523	3,728,011
31/03/2020	30,777	440,494	3,023,182	119,184	31,662	3,645,299

Ngātiwai Parent Entity	Motor Vehicles	Land	Buildings & Leasehold	Plant & Equipment	Website Development	Total
	\$	\$	\$	\$	\$	\$
<b>Cost/valuation</b>						
Balance as 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 at 1 April 2019	39,122	-	102,672	154,674	4,346	300,814
Additions	-	-	-	41,001	-	41,001
Disposals	-	-	-	-	-	-
Balance as at 31 March 2020	39,122	-	102,672	195,675	4,346	341,815
<b>Accumulated Depreciation</b>						
Balance as 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 1 April 2019	652	-	48,997	112,236	2,807	164,691
Depreciation expense	7,694	-	5,367	19,257	769	33,087
Disposals	-	-	-	-	-	-
Balance at 31 March 2020	8,346	-	54,364	131,493	3,576	197,778
<b>Net Book Value</b>						
31/03/2018	-	-	59,639	40,761	3,078	103,479
31/03/2019	38,470	-	53,675	42,438	1,539	136,123
31/03/2020	30,776	-	48,308	64,182	770	144,037



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

14. INVESTMENT PROPERTY	Consolidated Group	Ngātiwai Parent Entity
Cost	\$	\$
Balance as at 1 April 2018	7,636,042	-
Additions	59,805	-
Balance at 1 April 2019	7,695,847	-
Additions	8,779	-
Balance as at 31 March 2020	7,704,626	-
Accumulated Depreciation and impairment		
Balance as at 1 April 2018	676,518	-
Depreciation expense	120,326	-
Balance at 1 April 2019	796,844	-
Depreciation expense	123,143	-
Balance at 31 March 2020	919,987	-

Net Book Value

31/03/2018	6,959,525	-
31/03/2019	6,899,004	-
31/03/2020	6,784,640	-

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.

15. RESTRICTED RESERVES	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
<u>Kauri Dieback Reserve</u>				
Balance at 1 April	1,680	1,680	-	-
Reserve utilised	-	-	-	-
Balance at 31 March	1,680	1,680	-	-
<u>Emergency Whale Response Kit Reserve</u>				
Balance at 1 April	17,624	17,624	-	-
Reserve utilised	-	-	-	-
Balance at 31 March	17,624	17,624	-	-
Total Restricted Reserves at 31 March	19,304	19,304	-	-

Kauri Dieback Reserve

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

Emergency Whale Response Kit Reserve

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

16. TRADE AND OTHER PAYABLES

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade payables from exchange transactions	633,372	660,041	398,293	305,058
	633,372	660,041	398,293	305,058

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

17. EMPLOYEE ENTITLEMENTS

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Accrued Salaries	16,462	80,959	7,197	32,056
Annual Leave	64,757	84,788	14,506	-
	81,219	165,747	21,704	32,056





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

18. BORROWINGS	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
<i>Current</i>	\$	\$	\$	\$
Bank loans	87,592	132,660	-	-
<i>Non Current</i>				
Loans from controlled entities	-	-	-	2,461,401
Bank loans	9,301,935	9,380,257	-	-
Total	9,389,527	9,512,917	-	2,461,401

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. This loan was written off at 31 March 2020.

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 4.04% per annum (2019 5.04%) and was repayable on 8 January 2020. It was 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 (2019 \$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 been formally documented between the two entities and 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 5.00% per annum (2019 5.60% 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 4.40% per annum (2019 5.8%) and the maturity date is 1 August 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 4.04% and 4.40% per annum (2019 5.04% and 5.8%).

19. NON EXCHANGE LIABILITIES

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
<i>Current</i>	\$	\$	\$	\$
Deferred non-exchange revenue	475,891	459,949	331,116	394,990

Deferred non-exchange revenue predominantly 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. As at 31 March 2020 Government Covid-19 Subsidies of \$76,293 (2019 : \$Nil) are included.

20. OPERATING LEASES

Operating lease commitments receivable and payable

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
The future non-controllable minimum base payments of operating leases as lessor at reporting date are:	\$	\$	\$	\$
Operating lease commitments receivable:				
Within one year	607,160	607,160	-	-
Between one and five years	2,428,640	2,428,640	-	-
Greater than five years	1,454,468	2,061,628	-	-
	4,490,268	5,097,428	-	-

	Consolidated Group		Ngātiwai Parent Entity	
	2020	2019	2020	2019
The future non-controllable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:	\$	\$	\$	\$
Operating lease commitments payable:				
Within one year	180,972	201,695	33,261	33,261
Between one and five years	303,211	464,906	26,497	26,497
Greater than five years	-	53,232	-	-
	484,183	719,833	59,758	59,758

21. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group has no material commitments for expenditure as at 31 March 2020 (2019 Nil).

Contingent Assets

The Trustees are not aware of any contingent assets as at 31 March 2020 (2019 Nil).





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

Contingent Liabilities

A personal grievance has been lodged subsequent to balance date.

In 2017 the Ngatiwai Trust Board offered to be a second tranche underwriter for operating losses incurred by the Whangarei Art Museum Trust in operating the Hundertwasser Arts Centre to the sum of \$750,000. The Ngatiwai Trust Board is ranked behind third parties underwriting the first \$1.25 million of operating losses. The Ngatiwai Trust Board's funds are to be called upon only after the first underwritten sum of \$1.25 million has been paid in full. Furthermore, the call on the Ngatiwai Trust Board funds in any one year is to be capped at \$500,000. The underwriting does not come into effect until the Hundertwasser Arts Centre is trading and will be for a maximum of 10 years. There are controls in place that allows the underwriters to directly monitor the performance of the Hundertwasser Arts Centre, should significant losses start to accumulate.

Other than these items there are no other Contingent Liabilities as at balance date.

(2019 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)

22. EVENTS AFTER THE REPORTING DATE

On 14 April 2020, an amount of \$470,142 GST inclusive was received from Moana New Zealand for lease of April ACE of various fish stock for one year starting April 2020 and ending March 2021. A further amount of \$1,175,924 GST inclusive was received 16 October 2020 from Moana New Zealand for lease of October ACE of various fishstock for one year starting October 2020 and ending September 2021.

Aperahama Edwards was voted Chairman of the Ngatiwai Trust Board on 31 July 2020, replacing Haydn Edmonds. Subsequently Aperahama Edwards was appointed director of Ngatiwai Fishing Limited, Ngatiwai Holdings Limited, Ngatiwai Investment Holdings Limited, Ngatiwai Education General Partner Limited, 42 Port Road General Partner Limited and Rathbone James General Partner Limited and Haydn Edmonds resigned as a director from these same companies. Haydn Edmonds also resigned as a director of Oceans Resort Tutukaka Limited on 28 August 2020. Subsequent to Haydn's resignation of Oceans Resort Tutukaka Limited, the following changes to directors have taken place since 31 March 2020;

- Martin Cleave appointed 28 August 2020 (resigned 29 January 2021)
- Simon Mitchell appointed 29 January 2021
- Brandon Edwards appointed 29 January 2021

Subsequent to balance date, the Ngatiwai Trust Board's Chief Executive Officer position, the Chief Financial Officer position and the In-house Lawyer position all became vacant. Furthermore, the Ngatiwai Trust Board is processing a personal grievance filed subsequent to balance date.

In May 2020 the funds held on behalf of Amokura Iwi Consortium Limited were paid over to that entity and consequently both deferred revenue and bank funds decreased by \$275,000.

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

(Subsequent to 31 March 2019

On 6 May 2019, Ngatiwai 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 Ngatiwai 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.)

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;

	2020	2019
	\$	\$
Ngatiwai distribution to Ngatiwai Management Limited	604,497	630,659
Ngatiwai sponsorship to Ngatiwai Education Limited Partnership	20,000	20,000
Inter-entity Interest	156,871	158,520
Dividends from Ngatiwai Fishing Limited to Ngatiwai Trust Board	931,338	1,509,392
Quota lease Ngatiwai Fishing Limited to Ngatiwai Holdings Limited	31,200	31,200
Administration oncharges	14,257	14,068
Apartment Rentals - Ngatiwai Investment Holdings Limited to Oceans Resort Tutukaka Limited	37,440	44,357

Advances made within the Group are detailed at note 11.

KEY GOVERNANCE PERSONNEL REMUNERATION:

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

- Members of the Governing Body
- Senior Executive Officers

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

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

	2020	Number of	2019	Number of
	\$	Individuals	\$	Individuals
Members of the governing body	196,559	18	172,548	14
Senior executive officers	785,856	7	779,102	6



# NGĀTIWAI TRUST BOARD & GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

### 23. RELATED PARTY DISCLOSURES (Continued)

#### GOVERNING BODY RELATED PARTY TRANSACTIONS:

Name	Entity	Relationship	Transaction Type	2020 \$	2019 \$
<u>Craig Wells</u>					
	Ngātiwai Fishing Limited	Director	Director's Fees	12,504	12,504
	Ngātiwai Holdings Limited	Director	Director's Fees	4,200	4,200
	Ngātiwai Management Limited	Director	Director's Fees	12,504	12,504
	Oceans Resort Tutukaka Limited	Director	-	-	-
<u>John Paki</u>					
	Ngātiwai Fishing Limited	Director	Director's Fees	12,500	12,500
	Ngātiwai Management Limited	Consultant	Consultancy	12,500	12,500
<u>Brandon Edwards</u>					
	Ngātiwai Investment Holdings Limited	Director	Director's Fees	12,500	12,500
<u>Haydn Edmonds</u>					
	Ngātiwai Trust Board	Chairperson	Trustee Honoraria	45,000	45,000
	Ngātiwai Fishing Limited	Director	-	-	-
	Ngātiwai Holdings Limited	Director	-	-	-
	Ngātiwai Management Limited	Director	-	-	-
	Oceans Resort Tutukaka Limited	Director	-	-	-
	Ngātiwai Investment Holdings Limited	Director	-	-	-
	Rathbone James General Partner Limited	Director	-	-	-
	Ngātiwai Education General Partner Limited	Director	-	-	-
	Tuparehuia Trustee Limited	Director	-	-	-
	Tukaiaia General Partner Limited	Director	-	-	-
	NW Land Holdings Limited	Director	-	-	-
	Ruakaka Digitel Limited	Director	-	-	-
<u>Kris MacDonald - Ceased 7 October 2019</u>					
	Ngātiwai Management Limited	Director	-	-	-
	Tuparehuia Trustee Limited	Director	-	-	-
	Amokura Iwi Consortium Limited	Director	-	-	-
	Ngātiwai Trust Board	Chief Executive Officer	Salary	96,187	162,929
<u>Merepeka Henley</u>					
	Ngātiwai Trust Board	Trustee	Trustee Honoraria	16,650	8,680
	Tuparehuia Trustee Limited	Director	-	-	-
	Ngātiwai Management Limited	Director	-	-	-
	Ngātiwai Trust Board	Contractor	Contracting	-	5,000
<u>Aperahama Edwards</u>					
	Ngātiwai Trust Board	Trustee	Trustee Honoraria	7,175	9,440
	Ngātiwai Trust Board	Contractor	Contracting	-	5,000
	Ngātiwai Trust Board	Chairperson	Treaty Negotiations	-	-
<u>Gary Reti</u>					
	Ngātiwai Trust Board	Trustee	Trustee Honoraria	24,745	16,370
	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 Ngatiwai Trust Board from Ngātiwai Fishing Limited for an amount of \$2,765,630 was written off at the end of the 2020 financial year after it was determined that the Ngatiwai Trust Board would never be in a financial position to repay the debt to Ngatiwai Fishing Limited. This loan was interest free and repayable on demand.

The related party loan to Oceans Resort Tutukaka Limited from Ngātiwai Fishing Limited for an amount of \$1,872,713 was written off at the end of the 2020 financial year after it was determined that Oceans Resort Tutukaka Limited would never be in a financial position to repay the debt to Ngatiwai Fishing Limited. This loan was interest free and repayable on demand.

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

(2019: The related party loan to Ngatiwai Education Limited Partnership from Ngātiwai Fishing Limited for an amount of \$453,000 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 Ngatiwai Fishing Limited. This loan was interest free and repayable on demand. Going forward it has been agreed that should any funds be advanced to Ngatiwai 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.)

### 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 2020

Fair value of financial instruments

Although there is no active market for these available shares, an independent valuation was obtained as at 31 March 2020 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.

(2019 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 \$900,000 and \$1.1 million. As such a valuation of \$1 million was adopted by the Trustees as a fair market value.)

Categories of financial instruments

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

Group 2020	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	742,892	-	-	742,892
Trade and other receivables	7	443,463	-	-	443,463
Investments	8	-	1,000,000	-	1,000,000
Loans receivable	11	520,721	-	-	520,721
<b>Total Financial Assets</b>		<b>1,707,076</b>	<b>1,000,000</b>	<b>-</b>	<b>2,707,076</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	633,372	633,372
Borrowings	18	-	-	9,389,527	9,389,527
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>10,022,899</b>	<b>10,022,899</b>

Group 2019	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
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	563,413	-	-	563,413
<b>Total Financial Assets</b>		<b>1,210,274</b>	<b>1,506,435</b>	<b>-</b>	<b>2,716,709</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	660,041	660,041
Borrowings	18	-	-	9,512,917	9,512,917
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>10,172,958</b>	<b>10,172,958</b>

Ngātiwai Parent 2020	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	445,086	-	-	445,086
Trade and other receivables	7	255,026	-	-	255,026
Loans receivable	11	734,173	-	-	734,173
<b>Total Financial Assets</b>		<b>1,434,284</b>	<b>-</b>	<b>-</b>	<b>1,434,284</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	398,293	398,293
Borrowings	18	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>398,293</b>	<b>398,293</b>

BDO Northland Assurance 



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

Ngātiwai Parent 2019	Note	Loans & receivables	Available-for-sale	Financial liabilities at amortised cost	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	6	280,895	-	-	280,895
Trade and other receivables	7	190,319	-	-	190,319
Loans receivable	11	591,272	-	-	591,272
<b>Total Financial Assets</b>		<b>1,062,487</b>	<b>-</b>	<b>-</b>	<b>1,062,487</b>
<b>Financial Liabilities</b>					
Trade and other payables	16	-	-	305,058	305,058
Borrowings	18	-	-	2,461,401	2,461,401
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,766,459</b>	<b>2,766,459</b>

## 26. GOING CONCERN

The group has negative working capital of \$542,806 (2019 negative \$1,613,522) and positive equity of \$17,393,556 (2019 positive \$17,071,066) at balance date. The parent has negative working capital of \$44,886 (2019 negative \$256,726) and positive equity of \$1,838,525 (2019 negative \$479,095).

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 16 October 2020, an amount of \$1,175,924 inclusive GST was received from Moana New Zealand for lease of October ACE of various fishstock for one year starting October 2020 and ending September 2021.
- 3) The lease of April Ace of various fishstock is due to be received in April 2021. This will be for one year starting April 2021 and ending March 2022.
- 4) 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.
- 5) 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. This included the Trust Board engaging Deloitte in August 2020 to carry out an Organisation Review, followed by a Financial Performance Review in October 2020. The Trustees are working through the "Next Steps" as recommended in the reports.
- 6) Ngātiwai Investment Holdings Limited - This is the fourth 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.
- 7) Ngātiwai Education Limited Partnership - Ngātiwai Trust Board Group have committed to support the Limited Partnership by providing adequate financial assistance if required, to enable it to continue business operations for the foreseeable future. Ngātiwai Trust Board are not able to financially support the Limited Partnership in its own right. However, through reliance of ongoing dividends Ngātiwai Trust Board receives from Ngātiwai Fishing Limited, it is able to utilise a portion of these funds to provide ongoing financial support to the Limited Partnership, if required during the financial year. Ngātiwai Trust Board is the 100% shareholder of both limited partners, being Ngātiwai Investment Holdings Limited and Ngātiwai Management Limited.  
The directors are confident that future cash flows will be maintained. 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 was scheduled for November 2020, however has been postponed until April 2021 due to covid-19. Effective communication has been maintained with TEC in regards to compliance and the Limited Partnership will continue to seek new funding opportunities. The Education Unit has received TEC funding for the first time, for the 2021 year totalling \$192,645. 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.
- 8) In the event that support was withdrawn from the parent there is a material uncertainty on the Trust's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Northland  
Assurance 



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

27. COVID-19 DISCLOSURES

In December 2019, a new virus, COVID-19 was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020 the World Health Organization declared that the outbreak should be considered a pandemic.

The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of national borders, the closure of non-essential businesses, the cancellation of public events and the imposition of restrictions on individuals) in an attempt to reduce transmission of the virus.

In late March 2020, the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home. This lockdown was still in effect at the reporting date. Following the lockdown, restrictions were gradually eased within New Zealand, although restrictions remained at the border. Subsequent to this, alert levels have and will continue to change depending upon the spread of community transmission in the New Zealand.

Although the Group has been impacted by COVID-19, the Trustees have concluded that the Group will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because:

- The Group has sufficient cash resources that even with reduced revenue streams, it can manage expenditure for at least 12 months from the date of signing these financial statements.

- The Group has access to grant funding streams that have been unaffected by Covid-19 and have continued post balance date. Specifically the Ngatiwai Education Limited Partnership was fortunate in that the lock-down did not affect its key funding contracts and were able to adjust the work conditions to continue delivery of the contracts. Furthermore, the unit was granted a rent holiday for April 2020 for their premises at Semenoff Stadium.

- The Warehouse building in which the company holds a 36.5789% interest in, had to close its doors for business. As a consequence, Ngatiwai Investment Holdings Limited did not receive their share of lease revenue for April 2020 and only received 50% share of lease revenue for May 2020. Effective 1 June 2020 however the country moved to alert level 1 with the Warehouse building being fully operational again, resulting in 100% of lease revenue allocation being paid.

- Oceans Resort Tutukaka has received the first and second Covid-19 wage subsidy to assist in supporting its operations.

28. Compliance DIA Charities

As a registered charity the Trust is required to file annual financial statements by 30 September of each year. This has not been met for several years including 2020. An extension was sought from the Charities Commission for all of the registered charities within the group and the extended date of 31 January 2021 was granted via an email received on 6 November 2020. No further extension has been sought at this stage.





SCHEDULE: REPORTING REQUIREMENTS

For the Year Ended 31 March 2020

Māori Fisheries Act 2014

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 and was reconvened on 4 July 2020.
<b>Annual report for the previous financial year reporting against objectives set out in the annual plan and includes:</b>		
1. Steps taken by MIO to increase number of registered members.	Ngātiwai Trust Board	See Communications 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.	Ngātiwai Trust Board	275,388,729 quota shares.
a. Quantity of settlement quota held by the MIO's asset holding company.	Ngātiwai Trust Board	NIL
b. Value of settlement quota sold or exchanged.	Ngātiwai Trust Board	N/A
c. Identity of purchaser or other party to the exchange.	Ngātiwai Trust Board	No new transactions for the 2020 year, see Audited Financial Statements for details of existing registered interests.
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	NIL
e. Settlement quota interests that have been registered against the quota shares of the MIO.	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.
f. The value of income shares sold, exchanged, valued or acquired.	Ngātiwai Trust Board	NIL
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
<b>An annual plan for the next financial year which includes:</b>		
1. The objectives of the annual plan.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
2. The policy of the MIO in respect of sales and exchanges of settlement quota.	Ngātiwai Trust Board	No sales or exchanges anticipated.
3. Any changes in that policy from the policy for the previous year.	Ngātiwai Trust Board	NIL
4. Any proposal to change the constitutional documents of any fishing company owned by the MIO.	Ngātiwai Trust Board	NIL
<b>In relation to every asset holding company or subsidiary of an asset holding company that received settlement assets:</b>		
1. An annual report on:		
a. The performance of that asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	See the consolidated financial statements.
b. The investment of money of that asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	See the consolidated financial statements.
c. The matters set out in paragraph (b) of Kaupapa 2.	Ngātiwai Trust Board	NIL
2. Any proposal to change the constitutional documents of the asset holding company or any of its subsidiaries.	Ngātiwai Trust Board	NIL
<b>Every MIO must exercise strategic governance over the process to examine and approve annual plans that set out:</b>		
1. The key strategies for the use and development of iwi fisheries assets.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
2. The expected financial return on the assets.	Ngātiwai Trust Board	Annual budgets approved by Board of Directors and Ngātiwai Trust Board
3. Any programme to:		
a. Manage the sale of annual catch entitlements derived from settlement quota held by asset holding companies or their subsidiaries.	Ngātiwai Trust Board	See Strategic Plan available on Trust website.
b. Reorganise the settlement quota held by asset holding companies or their subsidiaries, as by buying and selling settlement quota in accordance with the MFA.	Ngātiwai Trust Board	Governed by legislative and constitutional constraints.

## **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 2020, 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 2020, 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 2020 the parent's total liabilities exceed its total assets by \$44,886. 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.

### **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  
26 February 2021