



NGĀTI   
PĀHAUWERA  
Development Group

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PŪRONGO Ā-TAU  
**2018**

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ANNUAL REPORT FOR FINANCIAL  
YEAR ENDING 30 JUNE 2018

Ka tika te whakatauāki o Ngāti Pāhauwera e kī ana  
Ko te amorangi ki mua  
Ko te hapai o ki muri  
Te tūturutanga mahi pono o te Māori mana motuhake  
Hei whakakūititanga  
Hei whakakitenga  
Ngā mihi ki ngā tīpuna kua wehe atu ki te pō uriuri,  
ki te pō tangotango  
Nā rātou ngā taonga i tuku whakarere iho  
Te pūtake o mātou rangatiratanga  
Na rātou nga tūmanako ki te pupuri ki te whenua mo  
ngā uri whakatipu Mo te oranga o Ngāti Pāhauwera  
Uhi wero  
Tau mai te mauri  
Haumi e Hui e Tāiki e



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# 2018 ANNUAL GENERAL MEETING AGENDA

**MEETING TIME:** 10am Sunday 9 December 2018, Waipapa A Iwi Marae, Mohaka

1. Karakia – Mihi - Apologies
2. Trustees annual report on the operations of the Ngāti Pāhauwera Development Group including the Trusts and Companies for year ended 30 June 2018
  - **Resolution to note and receive the annual plan report for 30 June 2018**
3. Audited Financial Statements for the Ngāti Pāhauwera Development Group for the Financial Year Ended 30 June 2018
  - **Resolution to receive Audited Financial Statements for year ended 30 June 2018**
4. 2018/2019 Annual Plan. Updated 5 year, and 100 year plans for Ngāti Pāhauwera Development Group
  - **Resolution to note and receive the updated plans**
5. Note the appointment of Crowe Howarth as Auditor for Ngāti Pāhauwera Development Group for 2018-2020
  - **Resolution to note the appointment of Crowe Howarth from 2018-2020**
6. General Business:
  - Announcement of new trustees: Re-elected Toro Waaka, Chaans Tumataroa Clarke, newly appointed Gerald Aranui for four years along with Amiria Tomoana and Tom Keefe appointed for the next two years
  - Presentation of taonga for Tania Hodges who did not seek re-election
  - Call for non-notified business items
  - **Resolution to note the appointments of the newly elected trustees and acknowledge the contribution of Tania Hodges**
7. Confirm minutes from Annual General Meeting held on the 12 November 2017
  - **Resolution that the minutes of 12 November 2017 be received and noted as a true account of proceedings from the last Annual General Meeting**

The annual report and financial statements will be available from the NPDT offices on 9th November 2018 to meet the reporting requirements.

For further information, please visit [www.ngatipahauwera.co.nz](http://www.ngatipahauwera.co.nz) or you can contact the Trust Office via mail PO Box 374, Wairoa, 4160, email [admin@npdt.co.nz](mailto:admin@npdt.co.nz), or phone: (06) 838 6869.



An aerial photograph of a river with a large gravel bar. Numerous colorful inflatable rafts (red, yellow, blue, green) are lined up on the bar. A large group of people is gathered on the bar, some standing and some sitting. The river is greenish-brown, and the surrounding area is lush green forest. In the top left corner, there is a stylized grey graphic of a sun or a tree with curved lines.

# NGĀTI PĀHAUWERA DEVELOPMENT GROUP ANNUAL REPORT TO 30 JUNE 2018

Tangitū ki te moana,  
Maungaharuru ki uta,  
Mōhaka te awa,  
Ko Ngāti Pāhauwera te iwi.

This report should be read in conjunction with the financial statements for the year ended 30 June 2018, it includes the 'Achievement Goals' for the 'Annual plan 2017-18' and is a summary of significant events and achievements for the group.

| Image: Rangatahi rafting at Big Camp Mohaka

## 1. Good Governance: Mana Rangatiratanga

| GOVERNANCE   |
|--|
| 1.1 Strong principled, committed and practical leadership                      |
| 1.2 High level Trustee capability in governance, policy and practice           |
| 1.3 Politically vigilant, astute and proactive                                 |
| OPERATIONAL  |
| 1.4 Intergenerational Fairness and Succession Planning                         |
| 1.5 Responsive ready to hapū and whānau engagement, participation, empowerment |
| 1.6 Effective and efficient management infrastructure                          |
| 1.7 Transparent, accountable and accessible processes                          |
| 1.8 Open and accessible communications   |

### GOVERNANCE

#### Two trustees ceased as Trustees in November 2017 by trustee resolution.

Ngaire and Richard are acknowledged for their contribution. As will be reported in the next financial year, in September 2018, replacement trustees were included in the 2018 trustee elections and Amiria Tomoana and Tom Keefe will be the replacement trustees until the next 2020 rotational elections.

#### *We welcome the replacement trustees.*

Ngāti Pāhauwera is well represented on local and regional committees. Robin Hape NPDT CEO attends the Hastings District Council Maori Joint Committee. The Wairoa District Council has representatives from each marae, Duane Culshaw (WDC Iwi Liaison) and Charlie Lambert as a Councillor. The Trust Chairman, Toro Waaka is Co-Chair of the Hawkes Bay Joint Regional Planning Committee (RPC) which includes the majority of pre and post settlement governance entities (PSGE) in Hawkes Bay.

The RPC are charged with contributing and monitoring Resource Management Act decisions made by Hawkes Bay Regional Council that impact on tangata whenua and has its own settlement legislation. In July 2018 Toro publically called for the removal of HBRC Councillors and appointment of government appointed commissioners in response to the declining state of water quality and the environment.

As Chairman, Toro also attends the Iwi Chairs Forum (ICF) to collaborate with other Iwi Chairs on the full range of issues faced by Māoridom nationally and freshwater is an ongoing matter of concern being debated at both a local, regional and national level. Te Kei o Tākitimu and Te Kāhui Ōhanga are another two local Iwi and PSGE forums being developed to have specific input into the potential for our own iwi regional development and how iwi as post settlement entities can collaborate to avoid duplication of effort or find regional investment opportunities. Robin Hape is involved in the Federation of Maori Authorities (FoMA) in an information gathering and in an advisory capacity.



## OPERATIONS

Robin Hape CEO NPDT worked closely with the Trusts Accountant to ensure all financial obligations were met and improved upon.

Governance policies and procedures were reviewed in relation to trustee obligations. A management structure and a job sizing review was undertaken in relation to the CEO NPDT and CCO NPCDL to bring about internal management structure is consistent with like organisations. An internal review of policies has been initiated and will be ongoing.

## COMMUNICATIONS

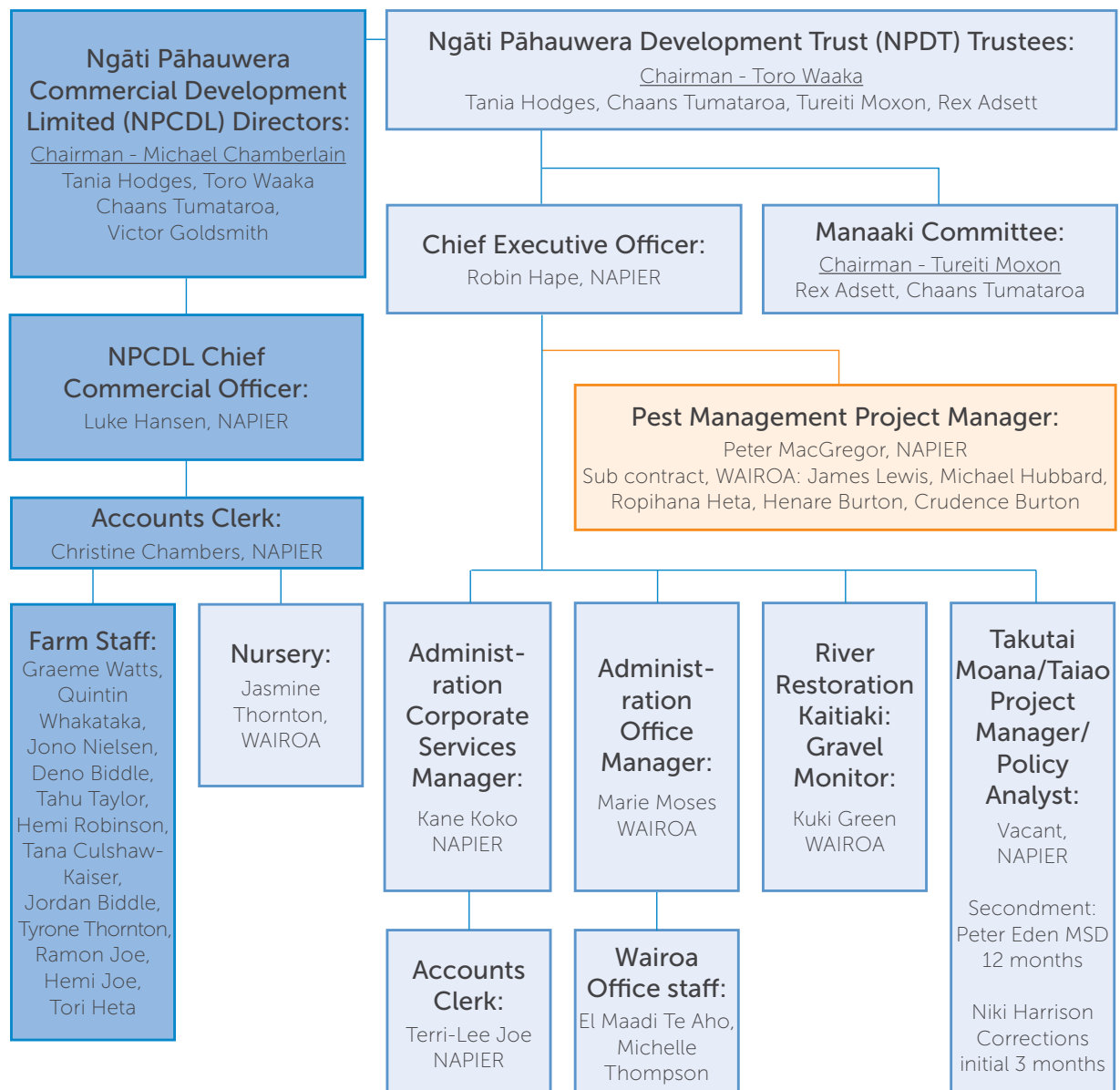
The internal newsletter 'Te Putorino o Pāhauwera' is being well received with issues produced in July '17, Dec '17, and March '18.

The newsletters have contained a mix of commercial, environmental, social, political and cultural content keeping our members informed on the wide range of mahi that we conduct. The newsletter is available online, printed copies are distributed and available from the offices.

Facebook and the Pahauwera website [www.ngatipahauwera.co.nz](http://www.ngatipahauwera.co.nz) are used to update members and focuses on the Trusts activities and the achievements of members. The AGM for 2017 was livestreamed. There is a standing invitation for members to submit items of interest and for social media to be used more effectively showcasing the diverse work done by NPDT and the members.



## ORGANISATION STRUCTURE AS AT 30 JUNE 2018



In terms of Pāhauwera representation as at 30th June 2017 NPDT and NPCDL was governed and managed as follows;

- Governance; NPDT: 5 Pāhauwera member trustees and NPCDL: 3 Pāhauwera directors, 1 Māori and 1 non-Māori independent directors
- Total 28 staff; 20 Pāhauwera (17 registered members & 3 whakapapa/marriage), 4 Māori and 4 non-Māori.



## 2. Social Responsibility: Manaakitanga

### SOCIAL RESPONSIBILITY: MANAAKITANGA

- 2.1** Creating and encouraging opportunities for mana motuhake, independence, and positive and healthy lifestyles for hapū and whanau
- 2.2** Raising Ngāti Pāhauwera earning capacity per capita
- 2.3** Business mentor opportunities pursued
- 2.4** Access to and provision of services for basic needs
- 2.5** Access to and delivery of educational opportunities
- 2.6** Support across all for whanau age groupings

### HEALTH

NPDT acknowledge support from Lumino The Dentists, Mainfreight Transport and Hawkes Bay District Health Board for assistance to provide much needed dental services for Ngāti Pāhauwera members and the wider Wairoa community.

The services have been operating since 2015 and for 2018 operated from Monday 15th January to Thursday 19th January 2018 with 5 dentists and 3 dental assistants.

Members wanting treatment for 2019 should contact the office early to register.

### OTHER ACHIEVEMENTS

- Te Taiwhenua o Heretaunga (TTOH) to enter into a service package MoU to access dental truck services during the holidays as part of developing packages of care for our members using TTOH services
- Memorandum of understanding (MoU) with He Korowai Manaaki research and project group, signed March 18 to identify service gaps for young mums and their babies.
- Also liaising with Hawkes Bay District Health Board and other organisations regarding health and social service delivery



LUMINO - THE NUMBERS

**89**

NPDT Members treated

**106**

People treated  
in total

**17**

Wairoa community  
members treated



NPDT staff and the Lumino Team



## NGĀTI PĀHAUWERA PIG HUNTING

Two entities were created to account for a split in hunters being the Ngāti Pāhauwera Hunting Club Incorporated (NPHCI) and the Ngāti Pāhauwera Pig Hunting Club Incorporated.

The existing arrangements for hunting continued through NPHCI for this season which began on Easter weekend (April) and ends Labour weekend (October), this allows for 30 weekends of hunting during the year. The forest was closed for 2 weekends due to storm damage in the forest.

Over the year dated 1 July 2017 – 30 June 2018 there were 562 permits issued, this was spread out over 28 weekends. In 2017 there were 19 cultural permits issued and 2018 there were 18 cultural permits issued. Cultural permits are for tangihanga only.

Incidents included some hunters being trespassed and stood down for different reasons and the issues will be addressed by the club officials, Pan Pac and the Trust.

*Above: Tom Heta talking about Pig Hunting at at Rangatahi Camp*

Hunting Permits issued:  
Year 1 July 2017 – 30 June 2018

**562 total**

**2017**

**2018**

**16**

Cultural Permits  
issued for tangihanga

**18**

Cultural Permits  
issued for tangihanga

### DID YOU KNOW?

NPDT support local Kura, Wānanga and special occasions (i.e. ANZAC day commemorations) and have contributed practical support and over \$30,000 to the Raupunga Water Supply project.

## INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT)

NPDT were successful as a recipient of funding from Te Puni Kōkiri's - Ka Hao: Māori Digital Technology Development fund in 2017 year which rolled over to 2018.

The funding was to maintain the interest in ICT through a gaming club but also encourage coding and business online opportunities. The funding allowed gaming clubs in both Wairoa and the Napier Office. The set up planned for Mohaka school was delayed because of hardware and technical issues.

*"Originally, we anticipated gaining around 10-50 club members with around 25-30 members each gaming club event and 8-10 each coding club event. To date we have around 350 members across all the clubs and regularly achieve 40-50 members at gaming events and 10-20 each coding club event"*

– Andrew Hume Curve Technology



## MAHI, EDUCATION AND TRAINING



| Jim Lewis from Lewis Pest Control

Lewis Pest Control (LPC) through James Lewis and Ngāti Pahauwera Silviculture (NPS) through Dave Huata have created sixteen jobs for Ngāti Pāhauwera members.

NPDT continue to provide back office support to both LPC and NPS as business mentoring. Peter Eden (Ministry of Social Development Seconded) to NPDT for 2018-19 year will support these and explore new opportunities.

*We achieved a total of 72 employment opportunities. 57 based on placement Work and Income and Pāhauwera Employee Audit Horticulture/Farm report and an additional 15 as part of Hawke's Bay Maori Tourism and Ngāti Pāhauwera Partnership.*

Education, grants, employment and training opportunities were offered or advertised to staff and members via facebook and our website.



# MANAAKI COMMITTEE REPORT

The Manaaki Committee has been fortunate enough to provide funding for the fifth consecutive year.

The funding has been made available to the members of Ngāti Pāhauwera to support whanau aspirations in both Secondary (Boarding) & Tertiary Education and providing support to the Community.

The recipients are listed as an appendix at the end of this booklet and are encouraged to continue to strive and achieve.

|                   |                      |
|-------------------|----------------------|
| Marae:            | \$ 142,000.00        |
| Secondary:        | \$ 22,000.00         |
| Tertiary:         | \$ 43,615.00         |
| Community Groups: | \$ 2,200.00          |
| <b>TOTAL</b>      | <b>\$ 209,815.00</b> |

### 3. Environmental Accountability – Wairuatanga & Manaaki Taiao

#### ENVIRONMENTAL ACCOUNTABILITY – WAIRUATANGA & MANAAKI TAIAO

- |            |  |
|------------|--|
| <b>3.1</b> | Protection of all lands, coastal marine areas, waterways, ecosystems, wildlife and flora and fauna |
| <b>3.2</b> | Influence and monitoring Resource Consents   |
| <b>3.3</b> | High water quality standards promoted and maintained   |
| <b>3.4</b> | Elimination of pests and noxious plants  |
| <b>3.5</b> | Efficient waste management   |
| <b>3.6</b> | Reduction of leeching and/or run off into waterways  |
| <b>3.7</b> | Protection of customary fishing  |

#### DEPARTMENT OF CONSERVATION (DOC) – RESERVE MANAGEMENT

**For a small team we have achieved a great deal in the past year.**

In October 2017 22 sites were visited to assess management threats and opportunities. From those visits a Biodiversity Strategy for lands in our core area and a Joint Operational Plan for the management of Te Heru o Tureia have been completed. These are core documents that will feed into the Iwi Hapu Management Plan and assist in prioritising environmental mahi. This work was supported by DOC.

#### TE AWAAWA STREAM ENHANCEMENT

**The \$600,000 Te Awaawa Stream enhancement project is underway!**

An application under the Freshwater Improvement Fund through the Ministry for the Environment for the improvement of the Te Awaawa Stream was accepted, this is a three year \$600,000 project, \$300,000 of which is funded. This is a great project which will provide employment, cultural and educational opportunities for our members.



*Fencing Crew at Tawhirirangi*





## PUTERE LAKES

NPDT organised a hui/ symposium at Putere Marae in November 2017 bringing together whanau and experts to discuss the impact and potential management of the aquatic weeds hornwort and elodea which are infesting the lakes.

Mahi (fencing, planting and pest control) at Putere on the two smaller lakes (Rotongaio, Rotoroa) continues, the DOC contract to fence the two lakes is coming to an end.

### THANK YOU BRUCE

We would like to acknowledge Bruce Nicholson who passed away in February 2018 and thank his family for letting us continue with this work.



| Above: 'Lake Rotongaio

| Putere Lakes

## TAKUTAI MOANA

Ratification hui for the offer from the National Government for our Takutai Moana (Marine and Coastal Area) claim were held in Te Hauke (20 July 2017), Mohaka (22 July 2017) and Hastings (30 July 2017).

Although well-advertised, there was a fairly low turnout to the hui (69 attendees) we also received (52) votes and letters of support from registered members via email and through our offices. The majority voted to accept the offer. Ratification results were immediately sent to the Ministry of Justice.

*The Labour Government came into office in October 2017 and there was been no official response with regards to our claim. It is not a priority for this Government to complete the Takutai Moana process which is extremely disappointing.*



We have gathered a huge amount of information which will be valuable for generations to come.





## PEST CONTROL

A Memorandum of Understanding (MoU) was signed in July 2017 with TBfree NZ Ospri as a direct recognition and response to opposition to air dropped 1080.

In September 2017 a contract was signed with Lewis Pest Control (LPC). LPC have been in the Mohaka Forest since November 2017 which has resulted in the trapping of approximately 10,000 possums or 8500kg as at June 2018. During this financial year the team have done one full cycle of the forest ahead of targets and completed/ passed Bite Mark Indicators of 25% as per the conditions of the MoU.

*A side benefit of this work is the confirmed presence of Kiwi. The team led by James Lewis is congratulated for their great achievement.*

**10,000**

Total of Possums trapped since November 17

**8,500kg**

Total weight of Possums trapped by June 2018



*Mohaka Strata Map |*

## OTHER ENVIRONMENTAL MAHI:

Kiwi release

Korure feeding at Boundary Stream

Maungataniwha visit

Pan Pac Wastewater Committee

Cape to City Project Team

Hawkes Bay Marine Group Committee and district/agency liaison (WDC, HBRC, MFE, DOC).

Regular water testing undertaken to monitor water quality of rivers, lakes and streams.

## 4. Economic Prosperity – Whai Rawa/Rangatiratanga

### ECONOMIC PROSPERITY – WHAI RAWA/RANGATIRATANGA

- |            |  |
|------------|--|
| <b>4.1</b> | Increase the Ngāti Pāhauwera Development Group funds and asset base by prudent investing |
| <b>4.2</b> | Profitable utilisation of Ngāti Pāhauwera farms and land interests                       |
| <b>4.3</b> | Investment in Ngāti Pāhauwera Business Initiatives                                       |
| <b>4.4</b> | Increase employment opportunities for Ngāti Pāhauwera whānau                             |
| <b>4.5</b> | Establishing and maintaining strong and healthy strategic business relationships         |
| <b>4.6</b> | Tourism – develop a tourism strategy for Pāhauwera                                       |

#### Current government/ non-government funding includes:

- Te Puni Kokiri – ICT (Information, Communication, Technology)
- Department of Conservation – Fencing and traps
- TBfree NZ OSPRI – Pest Management
- Ministry of Social Development – Secondment, Employment, training and pastoral care
- Corrections – Partnership options
- Hawkes Bay Regional Council – Governance and engagement
- Pan Pac – Rangatahi wananga
- Lumino – Free dental services.

#### Mahi supported by the NPDT:

- Lewis Pest Control and Ngāti Pāhauwera Silviculture supported (administration, liaison etc) by NPDT
- ICT Symposium supported in Mahia and Digital Conference in Hastings racecourse
- Maori Tourism workshops supported in Hastings and Wairoa
- Working with other Iwi and councils along the wider Pacific Highway to improve foot traffic.

| Image: Te Otane Road



# COMMERCIAL DEVELOPMENT REPORT

## Managing the commercial assets following the Treaty Settlement

Ngāti Pāhauwera Commercial Development Limited (NPCDL) was set up by the Ngāti Pāhauwera Development Group as the entity to manage the commercial assets following the Treaty Settlement.

They are managed by NPCDL under a management agreement with the Trustees. From the agreement it is the intention to manage the capital of the Trust:

To generate an increasing income stream to support the agreed social and community objectives;

To develop the strategic and other assets of the Trust within Ngāti Pāhauwera, for future generations;

To invest in businesses that provide employment and a strong economic future.





## BOARD

**NPCDL is governed by a board of Directors.**

Three of the Trustees are also Directors on NPCDL (Tania Hodges, Toro Waaka, and Chaans Tumataroa-Clarke) and one is an independent Director (Michael Chamberlain).

The chairman is Michael Chamberlain.

For the 2017/2018 financial year

Victor Goldsmith was also a director.

The Directors acknowledge the efforts of Victor until his resignation in August 2018.

## MANAGEMENT

**NPCDL is run by its Chief Commercial Officer, Luke Hansen.**

Luke heads up a team of 16, 12 of which are employed on the farms, two for nursery and rongoā activities, one for cropping, and he has his assistant, Christine Chambers. 12 of the 16 people employed by NPCDL are of Ngāti Pāhauwera descent. NPCDL also has access to the employees of the Trust, particularly on the financial accounting side of the business.

*Supplementary feeding at Rawhiti.*

## STRATEGY

**The current strategy of NPCDL is to get the farms to a position whereby they can generate an appropriate return.**

The strategy involves identifying the best use of the land and building appropriate infrastructure. It also includes determining how returns from the forestry land can be optimised and what the financial implications are to being a forest owner.

*Finally, we aim to build businesses around horticulture, rongoā and tourism, that increase employment and which may see the investments in shares and cash reduced.*

## SUMMARY OF INCOME

Year on year NPCDL continues to make significant headway with building the income stream.

A summary of key areas for the past three years is presented as follows:

|                           | 2015/2016<br>(15 months) | 2016/2017          | 2017/2018          |
|---------------------------|--------------------------|--------------------|--------------------|
| <b>Forestry</b>           | \$911,000                | \$911,000          | \$1,157,549        |
| <b>Access For Hives</b>   | \$45,000                 | \$45,000           | \$45,000           |
| <b>Farms</b>              | \$(485,152)              | \$200,710          | \$197,399          |
| <b>Rongoā</b>             | -                        | \$1,594            | \$4,008            |
| <b>Shares - Dividends</b> | \$326,116                | \$294,169          | \$311,867          |
| <b>Interest On Cash</b>   | \$368,455                | \$94,809           | \$36,397           |
| <b>Total</b>              | <b>\$1,192,419</b>       | <b>\$1,547,282</b> | <b>\$1,752,220</b> |

The 2018/2019 year will also see a new line item of horticulture as we move into broccoli and other crops.

## SUMMARY OF CHANGE IN VALUE OF THE ASSETS

At 30 June 2018, the value of the assets and investments were \$67.5 million, up \$14.8 million over the previous year.

Before delving into the specifics of each investment area, a summary of the total asset value is presented here. It shows that across the past three years the asset value of the Trust has increased by \$18.8 million due, in part, to significant capital gains in the farms and forestry land.

By growing the capital base, we also put NPCDL in a position where it can generate increased revenue to support the Trust in subsequent years.





| Dried Kawakawa leaves

## CASH DEPOSITS

Across the 12-month period the available cash was invested with several different banks at varying rates of interest and terms.

The average term deposit rate was 3.7% and this generated \$36,397 of income. The official cash rate (the Reserve Bank's tool to manage interest rates) was held unchanged during the period which meant little movement in term deposit rates. Since year end, we have started to invest the cash assets through Nikko Asset Management to provide greater flexibility and to look to increase the return available.

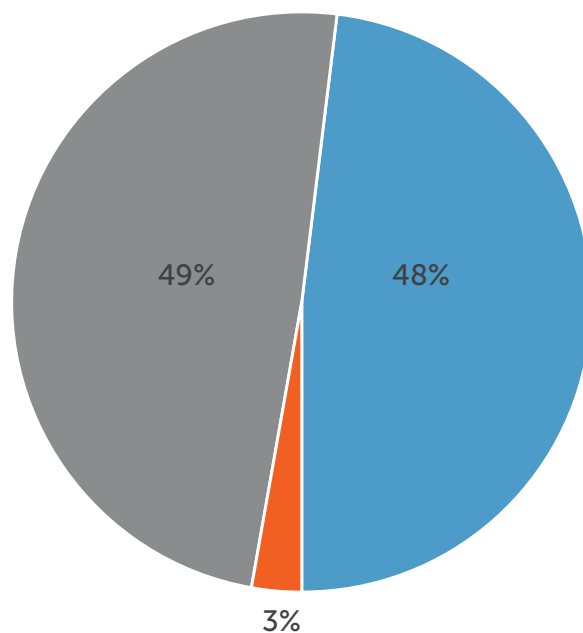
## EQUITIES

Equity investments are held to provide dividend income each year and to provide growth over the long term to help protect the capital against the impact of inflation.

In the 2017/2018 year, dividends of \$311,867 were received and the portfolio increased in value to \$10.152 million.

The portfolio had an opening value of \$9.889 million. Therefore, the total gain was \$262,947 during the period. Since inception the share portfolio has given an average return of 15.2% a year on invested capital.

The equities are made up of investments across 46 companies. Of the 46 companies, 44 are listed in the NZ and Australian stock exchanges, and two are private (namely Phytomed and Supreme Health). The following table provides a summary of the equities with the pie chart showing how the portfolio is spread.



| Market                       | Year-end value |
|------------------------------|----------------|
| New Zealand publicly listed  | \$4,844,666    |
| New Zealand privately listed | \$332,957      |
| Australian publicly listed   | \$4,974,748    |
| Total                        | \$10,152,315   |





*Jasmine Thornton among 90kg calves on renewed pasture*

## NGĀTI PĀHAUWERA DEVELOPMENT GROUP FARMS

Developing the farms into a sound business with reduced risk continues to be the focus of the farming strategy.

The farming team, headed up by Graeme Watts, continues to build infrastructure and complete the last of the development work. Graeme heads a team of twelve with two Stock Managers, a Fencing, Weeds, and Water Manager, and a Senior Shepard reporting directly to him.

The major challenges for the farms being addressed are to:

- (a) to lessen the impact of weather events,
- (b) stock losses, and
- (c) to reduce the risk with market pricing.

### (a) Weather events

The light soils on the farms mean that soils dry out quickly which impacts on feed volumes during extended dry periods, particularly summer. For this reason, a supplementary feed system using maize silage was established to avoid being forced to sell cattle when feed pressure comes on. At the same time, 170 hectares of pasture have been re-established with drought resistant species.

Winter storms also pose risk to the land through slips and stock death, particularly during lambing. The continued and focused planting of poplars and willows aims to minimise the impact of such events.

### (b) Stock losses and deaths

Stock losses and deaths cost the farms \$216,000 in the past financial year.

### (c) Market pricing

The best market pricing for livestock occurs when there is a point of difference and when stock is sold during early spring and autumn. Ngāti Pāhauwera has a facial eczema tolerant sheep flock that will command a premium over other sheep when sold at the store market. Additionally, the supplementary feed area allows beef to be finished more quickly for the better market pricing.

All of these efforts and hard work is paying off with the farms posting a \$197,399 profit for the year. This is a credit to the input from a lot of dedicated individuals.

## HORTICULTURE

**NPCDL's strategy is to build the revenue from horticulture activities to be 20% of the total revenues within the next 10 years.**

As part of this strategy an initial commercial crop of broccoli (9 hectares) was established from April 2018. This planting was aimed to upskill staff, create employment, establish a customer base, and understand any issues before larger programmes are embarked upon.

Harvesting will begin post 30 June 2018 (in August and finish in October) and be accounted for in the 2018/2019 financial statements.

## HONEY

**Ngāti Pāhauwera has fixed term contract with Arataki Honey which provides \$45,000 of annual income.**

While our goal is to have bee keepers, the levels of Manuka honey being produced does not justify direct investment at this time. Land access for hive placement was tendered out to seven parties during the year with Arataki providing the best deal at the continued \$45,000 per annum for a two-year term. Our strategy is to increase the Manuka plantings over time to increase the level of Manuka honey produced so that the income from this source is maximised.

*The long-term strategy is to own our own hives and in association with other Iwi and capture the premium pricing available to quality Manuka honey.*

## RONGOA

**Wild harvest of Kawakawa and Koromiko continues to gain momentum and this has also extended into growing Echinacea and Withania.**

The dried leaves are sent to Phytomed who manufacture herbal medicines for the retail market. Our relationship with this company continues to expand with more supply opportunities being established and Ngāti Pāhauwera taking further investment in Phytomed to now hold 12.9% of the company.

## FORESTRY

**Pan Pac have a lease agreement over the forestry land that runs until 2053.**

Every three years the land rental is re-negotiated according to a set of rules in the agreement. In short, this rental was increased from \$941,000 to \$1,125,000 in late 2017 which represents a 19.5% increase.

*The board of NPCDL continues to work through options on how best to generate better returns from this large asset.*

## CARBON CREDITS

**Throughout the year, the carbon credits were held passively and increased in value from \$4.37 million to \$5.40 million.**

Since year end, we have begun the process to realise the value of the carbon credits to be applied to other investment opportunities.

## 5. Cultural Consolidation – Matauranga Pahauwera

### CULTURAL CONSOLIDATION – MATAURANGA PAHAUWERA

- 5.1** Defining and consolidating Ngāti Pāhauwera identity and visibility
- 5.2** Ensure on-going learning of Ngāti Pāhauwera tikanga and kawa
- 5.3** Identify and strengthen te reo of Ngāti Pāhauwera through the teaching of Te Reo at all learning levels
- 5.4** Collection, storage and repository of Ngāti Pāhauwera taonga
- 5.5** Nurturing Ngāti Pāhauwera spiritual and metaphysical relationships and connection with the environment in particular ma-rae and wāhi tapu
- 5.6** Retention of traditional knowledge and practices

### SUPPORTING COMMUNITIES

Te Whare Wananga o Awanuiarangi Pou Hono courses were completed with administrative support from NPDT with the presentation of certificates to over 30 students in June 2018.

An application to the Ministry of Business Innovation and Employment (MBIE) to support approximately 30 rangatahi into employment pathways was submitted and is being considered. NPDT continue to deliver ICT Club activities with the intent of digitising the information for future use. The club has membership of 350 with 20% being identified as Ngāti Pāhauwera.

#### Other Achievements:

- Executive support has been provided to the Te Huki marae representatives to assist with the completion of the building project
- With the Marae grant received, Putere Marae have completed their ablution block and are now looking at enlarging their wharenui
- Marketing and branding for uniforms, farm signs and vehicles has been completed. NPDT vehicles have NPDT logo as identification.

### BIG CAMP MOHAKA

A Rangatahi Wananga was held in January 2018 for 35 rangatahi in conjunction with Te Taitimu Trust who brought another 35 rangatahi.

Ngāti Pāhauwera whanau and Trust staff were involved in the camp which had the rangatahi rafting, swimming, fishing, learning waiata, and listening to korero on pig hunting and other aspects of Ngāti Pāhauwera identity. A Pou was unveiled as part the Rangatahi Wananga for Patuwahine as a connection to the whenua.



*Above: Nga Rangatahi at Big Camp Mohaka*



# 100 YEAR PLAN 2018–2118

## VISION:

Te Oranganui o Ngāti Pāhauwera.  
Healthy, wealthy and happy  
Pāhauwera people.

## MISSION:

Ko te Amorangi ki Mua - To develop leadership and the organisational support systems and expertise to progress the following goals (Good Governance):

## GOAL ONE:

Toitū te Pāhauweratanga – culturally strong in Ngāti Pāhauwera tikanga and reo. (Cultural Consolidation)

## GOAL THREE:

Toitū te Whenua – to be the owners and kaitiaki of Ngāti Pāhauwera lands collectively. (Environmental Accountability)

## GOAL TWO:

Te Puāwaitanga o te Pāhauweratanga – Ngāti Pāhauwera striving and leading wherever they are. (Social Responsibility)

## GOAL FOUR:

Toitū te whairawa – to be the wealth creators, business owners and global importers and exporters. (Economic Prosperity)

The measure of success for the above goals is achievement.

# 5 YEAR PLAN 2018–2023

## 1. GOOD GOVERNANCE

### – Pāhauwera leadership to achieve.

- Strong principled, committed and pragmatic leadership
- High level Trustee capability in governance, policy and practice
- Politically vigilant, astute and proactive
- Intergenerational Fairness and Succession Planning
- Responsive ready to hapū & whānau engagement, participation, empowerment
- Effective and efficient management infrastructure
- Transparent, accountable and accessible processes
- Open and accessible communication.

## 2. SOCIAL RESPONSIBILITY

### – Manaakitanga

- Creating and encouraging opportunities for mana motuhake, independence, and positive and healthy lifestyles for hapū and whānau
- Raising Ngāti Pāhauwera earning capacity per capita
- Access to and provision of services for basic needs.
- Access to and delivery of educational opportunities
- Support across all whānau age groupings

## 3. ENVIRONMENTAL ACCOUNTABILITY

### – Sustainability of resources.

- Protection of all lands, coastal marine areas, waterways, ecosystems, wildlife, flora and fauna
- Influence and monitoring Resource Consents
- High water quality standards promoted and maintained
- Elimination of pests and noxious plants
- Efficient waste management
- Reduction of leeching and/or run off into waterways
- Protection of customary fishing

## 4. ECONOMIC PROSPERITY

### – Wealth creation, regionally, nationally and internationally.

- Increase the Ngāti Pāhauwera Development Group funds and asset base by prudent investing
- Profitable utilisation of Ngāti Pāhauwera farms and land interests
- Investment in Ngāti Pāhauwera Business Initiatives
- Increase employment opportunities for Ngāti Pāhauwera whānau
- Establishing and maintaining strong and healthy strategic business relationships

## 5. CULTURAL CONSOLIDATION

### – Culturally connected

- Defining and consolidating Ngāti Pāhauwera identity and visibility
- Ensure on-going learning of Ngāti Pāhauwera tikanga and kawa
- Identify and strengthen te reo of Ngāti Pāhauwera through the teaching of te reo at all learning levels
- Collection, storage and repository of Ngāti Pāhauwera taonga
- Ngāti Pāhauwera spiritual and metaphysical relationships with the environment in particular marae and wāhi tapu

# ANNUAL PLAN 2018-2019

## VISION:

Te Oranganui o Ngāti Pāhauwera.  
Healthy, wealthy and happy  
Pāhauwera people.

## MISSION:

Ko te Amorangi ki Mua - To develop leadership and the organisational support systems and expertise to progress the following goals (Good Governance):

## GOAL ONE:

Toitū te Pāhauweratanga – culturally strong in Ngāti Pāhauwera tikanga and reo. (Cultural Consolidation)

## GOAL THREE:

Toitū te Whenua – to be the owners and kaitiaki of Ngāti Pāhauwera lands collectively. (Environmental Accountability)

## GOAL TWO:

Te Puāwaitanga o te Pāhauweratanga – Ngāti Pāhauwera striving and leading wherever they are. (Social Responsibility)

## GOAL FOUR:

Toitū te whairawa – to be the wealth creators, business owners and global importers and exporters. (Economic Prosperity)

The measure of success for the above goals is achievement.





| Prizegiving at rangatahi wānanga'

- GOOD GOVERNANCE: Pāhauwera leadership to achieve.
- SOCIAL RESPONSIBILITY: Active Involvement
- ENVIRONMENTAL ACCOUNTABILITY: Sustainability of resources.
- ECONOMIC PROSPERITY: Wealth creation, regionally, nationally and internationally.
- CULTURAL CONSOLIDATION: Culturally connected.

## 1. CULTURAL CONSOLIDATION – MATAURANGA PĀHAUWERA

GOAL: Toitū te Pāhauweratanga – Culturally strong in Ngāti Pāhauwera tikanga and reo.

|   |  |
|---|--|
| <p><b>1.1</b><br/>Defining and consolidating Ngāti Pāhauwera identity and visibility</p>                                      | <p>1.1 Complete marketing and branding for uniforms, farm signs, vehicles, Pou for any significant NP assets included.</p>               |
| <p><b>1.2</b><br/>Ensure on-going learning of Ngāti Pāhauwera tikanga and kawa</p>  | <p>1.2 Organise and facilitate learning of reo, tikanga and kawa wānanga with local marae</p>  |
| <p><b>1.3</b><br/>Identify and strengthen te reo of Ngāti Pāhauwera through the teaching of te reo at all learning levels</p> | <p>1.3 Develop a relationship with Ngati Kahungunu Iwi Incorporated and Te Matawai to advance reo development within Ngati Pahauwera</p> |

|  |   |
|--|---|
| <b>1.4</b><br>Collection, storage and repository of Ngāti Pāhauwera taonga   | 1.4 Develop policies, a digital and reference platform for Pāhauwera whakapapa, matauranga Maori and wāhi tapu/ wāhi taonga   |
| <b>1.5</b><br>Nurturing Ngāti Pāhauwera spiritual and metaphysical relationships and connection with the environment in particular marae and wāhi tapu | 1.5 Support marae aspirations and sustainability by supporting the development of strategies and planning.  |
| <b>1.6</b><br>Retention of traditional knowledge and practices.  | 1.6. Develop a digital platform that allows access to the traditional information gathered from the treaty claims that would assist in the retention and fostering of NP matauranga, tikanga and kawa |

## 2. SOCIAL RESPONSIBILITY – MANAAKITANGA

GOAL: Te Puawaitanga o te Pāhauweratanga – Ngāti Pāhauwera striving and leading wherever they are.

|   |   |
|---|---|
| <b>2.1</b><br>Creating and encouraging opportunities for mana motuhake, independence, and positive and healthy lifestyles for hapū and whānau | 2.1 Produce a housing support information package demystifying home ownership regulations for Papakainga, social housing and increased Pāhauwera home ownership.  |
| <b>2.2</b><br>Raising Ngāti Pāhauwera earning capacity per capita.  | 2.2 Develop a scoping paper and proposal with AgResearch/ NPCDL for the development of both NP and other owned Maori land<br>2.2 Expand the ICT initiatives to provide scope for business opportunity regionally, nationally and internationally                  |
| <b>2.3</b><br>Access to and provision of services for basic needs   | 2.3 In conjunction with the beneficiary demographic profile and in partnership with the HBDHB, PHO, He Korowai Manaki and other health providers undertake an Iwi health survey and formulate a Health Strategy that delivers improved health services for whanau |
| <b>2.4</b><br>Access to and delivery of educational opportunities   | 2.4 Investigate government agencies, social policies and programs to ensure whanau have access to adequate services including business development  |
| <b>2.5</b><br>Support across all of the whanau age groupings  | 2.5 Through Manaaki grants support whanau who are studying to achieve their goals   |

### 3. ENVIRONMENTAL ACCOUNTABILITY – WAIRUATANGA & MANAAKI TAIAO.

Goal: Toitū te Whenua – to be the owners and kaitiaki of Ngāti Pāhauwera lands collectively.

|  |   |
|--|---|
| <b>3.1</b><br>Protection of all lands, coastal marine areas, waterways, ecosystems, wildlife and flora and fauna | 3.1 Develop an Iwi hapu Management Plan (IHMP) with an overview of current resources and future plans for all NPDT Taiao related activities   |
| <b>3.2</b><br>Influence and monitoring Resource Consents   | 3.2 Appropriate representation on local government decision making bodies <ul style="list-style-type: none"> <li>• Appoint representation on HBRC RPC, HBRC Maori Advisory Standing Committee, Hastings District Council Maori Joint Committee, and Wairoa District Council Maori standing committee to ensure the interests of NP are advocated</li> </ul> |
| <b>3.3</b><br>High water quality standards promoted and maintained.  | 3.3 Monitor water quality <ul style="list-style-type: none"> <li>• Undertake water sampling at key areas of concern, Putere Lakes, Mohaka awa, Waihua and Waikare</li> <li>• Riparian planning in areas where there is still stock access. Putere Lakes and other NPDT lands</li> </ul>   |
| <b>3.4</b><br>Elimination of pests and noxious plants  | 3.4 Develop pest management/ control strategies for Pāhauwera lands   |
| <b>3.5</b><br>Efficient waste management   | 3.5 Support sustainable strategies for Pāhauwera i.e. recycling.  |
| <b>3.6</b><br>Reduction of leeching and/or run off into waterways.   | 3.6 Monitor and review farm/ forestry practices/ policies to protect waterways from silt/ slash build up and mitigate negative effects on waterways from farming/ forestry practices  |
| <b>3.7</b><br>Protection of customary fishing.   | 3.7 Secure Takutai Moana marine title and support kaitiaki to fulfil the customary fishing regulations to meet the customary fishing needs of NP  |
| <b>3.8</b><br>Progress the Waitangi Tribunal recommendations regarding the Mohaka River Claim                    | 3.8 Initiate litigation for ownership of the Mohaka River   |



#### 4. ECONOMIC PROSPERITY – WHAI RAWA & RANGATIRATANGA.

GOAL: Toitū te whai rawa – to be the wealth creators, business owners and global importers and exporters.

|  |  |
|--|--|
| <p><b>4.1</b></p> <p>Increase the Ngati Pahauwera Group funds and asset base by prudent investing</p>      | <p>4.1 After considering the reports develop a long term strategy on;</p> <ul style="list-style-type: none"> <li>Increasing the productivity and profitability of Trust owned farms</li> <li>Develop NP wide land based enterprises</li> <li>Possibility of co-ordination with wider Ngāti Pāhauwera owned land</li> </ul>   |
| <p><b>4.2</b></p> <p>Profitable utilisation on Ngati Pahauwera farms and lands</p>                         | <p>4.2 Develop long term Forestry strategy</p> <ul style="list-style-type: none"> <li>Identify whether to continue to lease and/ or pursue joint venture arrangements</li> <li>Assess ways of minimising environmental impact of Forestry operations</li> </ul> <p>4.2 Develop farming strategy for all farms with a focus on training and employment</p> <ul style="list-style-type: none"> <li>Develop government/ NGO partnerships to facilitate industry training and employment i.e. WINZ, TPK. Apiculture, horticulture and other agriculture based training to increase opportunity within the farms</li> </ul> |
| <p><b>4.3</b></p> <p>Investment in Ngāti Pāhauwera Business Initiatives</p>                                | <p>4.3 Develop a strategic intent to support local NP business development</p> <ul style="list-style-type: none"> <li>Establish and investment fund for new business and continue to support Pest Management with Lewis Pest Control and Silviculture with NP Silviculture</li> <li>Develop a Tourism strategy</li> </ul>  |
| <p><b>4.4</b></p> <p>Increase employment opportunities for Ngāti Pāhauwera whānau</p>                      | <p>4.4 Possibility of co-ordination with non-Pāhauwera owned land in the core area</p> <ul style="list-style-type: none"> <li>Maintain MSD support to encourage training and employment of NP members</li> </ul>   |
| <p><b>4.5</b></p> <p>Establishing and maintaining strong and healthy strategic business relationships.</p> | <p>Develop strategic relationships with government and non-government agencies like the Post Settlement Entities to explore business opportunities</p>   |

## 5. GOOD GOVERNANCE AND RELATIONSHIPS – MANA RANGATIRATANGA

GOAL: Ko te Amorangi ki Mua - To develop leadership and the organisational support systems and expertise to progress the following goals

|  |   |
|--|---|
| <b>5.1</b><br>Strong principled, committed and practical leadership.                     | 5.1 Review planning documents to ensure all documents are in line with the current strategic direction i.e. 2018-19 Annual, 5 and 100 year plans  |
| <b>5.2</b><br>High level Trustee capability in governance, policy and practice           | 5.2 Review Deed clauses to test any redundant clauses <ul style="list-style-type: none"> <li>• Tiaki Trust deed review (TT) to be undertaken and complete</li> </ul>  |
| <b>5.3</b><br>Politically vigilant, astute and proactive.                                | 5.3 Review capacity, capability and relevance of the beneficiary database and develop demographic profile of Ngāti Pāhauwera beneficiaries including skills, qualifications and any other aspects of potential  |
| <b>5.4</b><br>Intergenerational Fairness and Succession Planning.                        | 5.4 Review capacity, capability and relevance of the beneficiary database and develop demographic profile of Ngāti Pāhauwera beneficiaries including skills, qualifications and any other aspects of potential  |
| <b>5.5</b><br>Responsive ready to hapū and whānau engagement, participation, empowerment | 5.5 Improve the Information and Communications with members <ul style="list-style-type: none"> <li>• Hui a kaumatua, hui a rangatahi, Pāhauwera day, hui a iwi</li> <li>• Live streaming of hui a iwi and AGM</li> <li>• Minutes loaded onto the website</li> </ul> |
| <b>5.6</b><br>Effective and efficient management infrastructure                          | 5.6 Implement organisational review to confirm efficacy and job sizing <ul style="list-style-type: none"> <li>• Executive management review with CEO and CCO job sizing</li> <li>• Corporate/ Support Service Review</li> </ul>                                     |
| <b>5.7</b><br>Transparent, accountable and accessible processes                          | 5.7 Review policies and delegations to ensure compliance <ul style="list-style-type: none"> <li>• Policy cycle of review is current</li> <li>• Delegations are in place and being followed</li> </ul>   |
| <b>5.8</b><br>Open and accessible communications.  | 5.8 Open and accessible communication <ul style="list-style-type: none"> <li>• Quarterly newsletter, Te Putorino</li> <li>• Website/ facebook updating</li> <li>• Trust meeting minutes on website</li> </ul>   |



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## **NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED**

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Ngati Pahauwera Development Trust

#### Qualified Opinion

We have audited the consolidated financial statements of Ngati Pahauwera Development Trust and its controlled entities (the Group) on pages 5 to 38, which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Accounting Standards") issued by the New Zealand Accounting Standards Board.

#### Basis for Qualified Opinion

We were unable to conduct observation testing of livestock quantities at 1 July 2017 and 30 June 2018 or to satisfy ourselves concerning those quantities by alternative means. Since the opening and closing quantities of livestock affects the determination of the results of operations, we were unable to determine whether adjustments to the results of operations were necessary for the year ended 30 June 2018.

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 Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Ngati Pahauwera Development Trust or any of its controlled entities.

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

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, Manaaki Committee Report and Commercial



Development Limited 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, 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.

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

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

In preparing the consolidated financial statements, The Trustees are responsible 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 those charged with governance either 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 the audit opinion.

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

#### **Other Matter**

The financial statements of Ngati Pahauwera Development Trust and its controlled entities for the year ended 30 June 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 9 October 2017.

Ngati Pahauwera Development Trust's Trust Deed requires that an annual report must be prepared within four months of balance date. This requirement of the Trust Deed has not been met for the year ended 30 June 2018.



**Crowe Horwath New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS  
7 November 2018

## **NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED**

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### **TRUST DIRECTORY AS AT 30 JUNE 2018**

|                               |   |
|-------------------------------|---|
| <b>Settlement:</b>            | 27 September 2008   |
| <b>Nature of Business:</b>    | Receive, manage and administer the Treaty Settlement fund for commercial and social development of beneficiaries of the Trust.  |
| <b>Location of Business:</b>  | Wairoa, Hawkes Bay  |
| <b>Trustees:</b>              | Rex Adsett<br>Chaans Clarke<br>Tania Hodges<br>Tureiti Moxon<br>Toro Waaka  |
| <b>Bankers:</b>               | BNZ<br>Hastings   |
| <b>Solicitors:</b>            | Langley Twigg<br>Napier   |
| <b>Auditors:</b>              | Crowe Horwath New Zealand Audit Partnership<br>Hastings   |
| <b>Accountants:</b>           | Gardiner Knobloch Limited<br>PO Box 145<br>Napier 4140  |
| <b>Consolidated Entities:</b> | Ngati Pahauwera Development Trust<br>Ngati Pahauwera Commercial Development Ltd<br>Ngati Pahauwera Manaaki Trust<br>Ngati Pahauwera Tiaki Trust<br>Ngati Pahauwera Development Trust Ltd<br>Ngati Pahauwera Tiaki Custodian Ltd |

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**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2018

|   | Note | \$<br>2018  | \$<br>2017 |
|---|------|-------------|------------|
| <b>COMMERCIAL ACTIVITIES</b>                    |      |             |            |
| <b>REVENUE - Farming</b>                        |      |             |            |
| Livestock Sales - Cattle and Sheep              | 20   | 1,394,843   | 1,466,913  |
| Less Livestock Purchases - Cattle and Sheep     | 21   | (1,147,724) | (940,880)  |
|   |      | 247,119     | 526,033    |
| Increase (Decrease) in Livestock Values         | 22   | 1,514,235   | 907,635    |
| Other Farm Income incl. Wool and Forestry       | 23   | 231,185     | 146,363    |
|   |      | 1,992,539   | 1,580,031  |
| <b>Less Farm Expenses</b>                       |      |             |            |
| Farm Working Expenses                           | 24   | 1,135,167   | 953,898    |
| Repairs and Maintenance                         | 25   | 97,476      | 80,001     |
| Motor Vehicle Expenses                          | 26   | 149,684     | 79,770     |
| Administration Expenses                         | 27   | 261,799     | 202,471    |
| Standing Charges                                | 28   | 149,279     | 60,837     |
| Finance Expenses                                | 29   | 1,735       | 2,344      |
|   |      | 1,795,140   | 1,379,321  |
| <b>Net Operating Surplus from Farming</b>       |      | 197,399     | 200,710    |
| <b>Other Revenue</b>                            |      |             |            |
| Lease Received - Forest and Maulders            |      | 1,162,549   | 916,000    |
| Dividends Received                              |      | 311,867     | 294,169    |
| Interest Received                               |      | 36,397      | 94,809     |
| Honey Income                                    | 30   | 90,000      | 45,000     |
| Other Sundry Income                             |      | 14,457      | 18,293     |
|   |      | 1,812,669   | 1,568,981  |
| Less Company Expenses                           | 31   | 438,505     | 268,695    |
| <b>Net Revenue from Commercial Activities</b>   |      | 1,374,164   | 1,300,286  |
| <b>TRUST ACTIVITIES</b>                         |      |             |            |
| <b>INCOME - Exchange Transactions</b>           |      |             |            |
| Contract & Programme Income                     | 32   | 596,975     | 459,693    |
| Less Direct Contract and Programme Materials    |      | (380,354)   | (125,603)  |
|   |      | 216,621     | 334,090    |
| <b>Net Revenue to fund Trust Expenses</b>       |      | 1,590,785   | 1,634,376  |
| <b>TRUST EXPENSES</b>                           |      |             |            |
| Operating Expenses excl. Contract and Programme | 33   | 126,232     | 127,007    |
| Communication Costs                             | 34   | 50,692      | 24,905     |
| Grants  | 35   | 221,000     | 217,092    |
| Financial Costs                                 | 36   | 250,740     | 239,821    |
| Furniture & Equipment                           | 37   | 25,898      | 29,463     |
| Occupancy                                       | 38   | 70,135      | 90,088     |
| Personnel Costs                                 | 39   | 570,376     | 735,808    |
| Trustee Costs                                   | 40   | 123,958     | 177,518    |
| Vehicle Costs                                   | 41   | 31,110      | 32,761     |
|   |      | 1,470,141   | 1,674,463  |

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants

# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2018

|   | Note | \$<br>2018         | \$<br>2017<br>(Restated) |
|---|------|--------------------|--------------------------|
| <b>Consolidated Operating Surplus (Deficit) Before Revaluations</b> |      | 120,644            | (40,087)                 |
| Impairment of Phytomed Medicinal Herbs - Shares                     | 14   | (370,510)          | -                        |
| Fair value movements on financial instruments - Shares              |      | 648,730            | 702,051                  |
| Fair value movements on investment property - Forestry              | 7    | 2,785,000          | 7,820,000                |
| <b>NET SURPLUS FOR THE YEAR</b>                                     |      | 3,183,864          | 8,481,964                |
| <b>Other Comprehensive Revenue and Expenses</b>                     |      |                    |                          |
| Carbon Credits Revaluation  | 6    | 1,032,027          | (204,869)                |
| Revaluation Gains - Farms   | 7    | -                  | 1,348,840                |
| <b>Total Other Comprehensive Revenue and Expenses</b>               |      | 1,032,027          | 1,143,971                |
| <b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>        |      | <u>\$4,215,891</u> | <u>\$9,625,935</u>       |

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants

## NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

### STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 30 JUNE 2018

|   | Note | \$<br>2018          | \$<br>2017<br>(Restated) |
|---|------|---------------------|--------------------------|
| Net Assets / Equity at Start of Year                  | 2    | 64,947,362          | 55,321,427               |
| <b>Add Total Comprehensive Revenue and Expenses</b>   |      |                     |                          |
| Total Comprehensive Revenue and Expenses for the Year |      | 4,215,891           | 9,625,935                |
| <b>TOTAL NET ASSETS / EQUITY AT END OF PERIOD</b>     |      | <u>\$69,163,253</u> | <u>\$64,947,362</u>      |

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

|                                    | Note | \$<br>2018                 | \$<br>2017<br>(Restated)   |
|------------------------------------|------|----------------------------|----------------------------|
| <b>CURRENT ASSETS</b>              |      |                            |                            |
| Cash and Cash Equivalents          |      | 1,361,218                  | 875,522                    |
| Trade and Other Receivables        | 3    | 507,106                    | 283,328                    |
| Current Tax Assets                 |      | 10,744                     | 11,256                     |
| Related Party Loan                 | 14   | 40,564                     | 40,564                     |
| GST Receivable                     |      | 713                        | 13,089                     |
| Farming Inventories                | 11   | 310,052                    | -                          |
| Biological Assets - Livestock      | 10   | 4,630,425                  | 3,116,189                  |
| Biological Assets - Crops          | 11   | 96,870                     | -                          |
|                                    |      | <u>6,957,692</u>           | <u>4,339,948</u>           |
| <b>CURRENT LIABILITIES</b>         |      |                            |                            |
| Cash and Cash Equivalents          |      | 3,652                      | 4,519                      |
| Trade and Other Payables           |      | 272,870                    | 473,405                    |
| Employee Benefits Liabilities      |      | 149,377                    | 89,262                     |
| Revenue in Advance                 | 5    | 291,964                    | 130,466                    |
|                                    |      | <u>717,863</u>             | <u>697,652</u>             |
|                                    |      | 6,239,829                  | 3,642,296                  |
| <b>NON CURRENT ASSETS</b>          |      |                            |                            |
| Property, Plant and Equipment      | 13   | 17,167,633                 | 16,029,249                 |
| Investment Property - Forestry     | 8    | 29,785,000                 | 27,000,000                 |
| Loans                              |      | 415,000                    | 415,000                    |
| Share Investments                  | 4    | 10,152,376                 | 9,889,429                  |
| Term Deposits                      |      | -                          | 3,600,000                  |
| Intangible Assets - Carbon Credits | 6    | 5,403,415                  | 4,371,388                  |
|                                    |      | <u>62,923,424</u>          | <u>61,305,066</u>          |
| <b>TRUST NET ASSETS / EQUITY</b>   | 2    | <u><b>\$69,163,253</b></u> | <u><b>\$64,947,362</b></u> |

Authorised on behalf of the Trust Board

Trustee

07 November 2018

Date

Trustee

07 November 2018

Date

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants

# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2018

|  | Note | \$<br>2018         | \$<br>2017       |
|--|------|--------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                                |      |                    |                  |
| <b>Cash was provided from:</b>                             |      |                    |                  |
| Contracts, Rents and Other                                 |      | 1,873,260          | 2,177,555        |
| Sale of Livestock  |      | 1,471,825          | 1,572,052        |
| Net GST Refunded   |      | -                  | 45,020           |
| Net Tax Refund   |      | 512                | 3,627            |
|  |      | <u>3,345,597</u>   | <u>3,798,254</u> |
| <b>Cash was applied to:</b>                                |      |                    |                  |
| Wages  |      | 1,412,948          | 1,540,337        |
| Expenses   |      | 2,501,413          | 1,588,596        |
| Interest Paid  |      | 2,122              | 5,027            |
| Purchase Livestock   |      | 1,096,306          | 994,065          |
| Net GST Paid   |      | 46,153             | -                |
|  |      | <u>5,058,942</u>   | <u>4,128,025</u> |
| <b>Net Cash Inflow (Outflow) from Operating Activities</b> |      | <b>(1,713,345)</b> | <b>(329,771)</b> |
| <b>INVESTING ACTIVITIES</b>                                |      |                    |                  |
| <b>Cash was provided from:</b>                             |      |                    |                  |
| Interest Received  |      | 52,208             | 110,915          |
| Dividends Received   |      | 311,867            | 294,169          |
| Maturity of Term Deposits                                  |      | 3,600,000          | 1,900,000        |
| Sale of Shares   |      | 2,533,048          | 463,241          |
| Sale of Fixed Assets                                       |      | 19,648             | 68               |
|  |      | <u>6,516,771</u>   | <u>2,768,393</u> |
| <b>Cash was applied to:</b>                                |      |                    |                  |
| Purchase of Shares   |      | 2,517,775          | 567,300          |
| Purchase of Fixed Assets                                   |      | 1,799,088          | 1,545,454        |
| Reduction to Te Huki Marae Account                         |      | -                  | 6,628            |
|  |      | <u>4,316,863</u>   | <u>2,119,382</u> |
| <b>Net Cash Inflow (Outflow) from Investing Activities</b> |      | <b>2,199,908</b>   | <b>649,011</b>   |

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants

## NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

### STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2018

|   | \$                 | \$               |
|---|--------------------|------------------|
| Note  | 2018               | 2017             |
| <b>Net Increase (Decrease) in Cash Held</b>             | 486,563            | 319,240          |
| Add Opening Cash brought forward                        | 871,003            | 551,763          |
| <b>Ending Cash Carried Forward</b>                      | <u>\$1,357,566</u> | <u>\$871,003</u> |
| <b>Cash Balances in Statement of Financial Position</b> |                    |                  |
| BNZ On Call PIE Account                                 | 6,960              | 6,954            |
| BNZ Account 0174129                                     | 972,714            | 454,170          |
| BNZ Farm Account  | 85,601             | 124,002          |
| Westpac Business Account                                | 172                | 222              |
| BNZ Account - Commercial Development Ltd                | (2)                | (354)            |
| BNZ Account 036609                                      | 238,952            | 237,049          |
| ANZ Business Current Account                            | 129                | 193              |
| Petty Cash  | 150                | 150              |
| Forsyth Barr Accounts                                   | 56,540             | 52,782           |
| BNZ Creditcards   | (3,650)            | (4,165)          |
| <b>Ending Cash Carried Forward</b>                      | <u>\$1,357,566</u> | <u>\$871,003</u> |

The accompanying notes and Auditors Report form part of these financial statements.



**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 1 **STATEMENT OF ACCOUNTING POLICIES**

These are the financial statements of Ngati Pahauwera Development Trust and its controlled entities (the Group). Ngati Pahauwera Development Trust is a Trust established and domiciled in New Zealand by trust deed dated 27 September 2008. The Trust is also registered as a charity under the Charities Act 2005.

The financial statements were authorised for issue on the  
Trustees.

by the

### **STATEMENT OF COMPLIANCE**

These financial statements of the Group have been prepared in accordance with the Charities Act 2005 and generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit Not-For-Profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and as for the two most recent reporting periods it has had between \$2 million and \$30 million in operating expenses.

The Trustees have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so have taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

The Financial Statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

### **Measurement Basis**

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Publicly listed share investments
- Carbon credits
- Biological assets - Livestock
- Land & Buildings - Farms Only
- Investment Property - Forestry

### **Functional and presentational currency**

The information is presented in New Zealand dollars, which is the Group's functional currency, rounded to the nearest dollar.

### **Basis of consolidation**

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

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



**Gardiner Knobloch Limited**  
Chartered Accountants

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

### **SPECIFIC ACCOUNTING POLICIES**

In the preparation of these financial statements, the specific accounting policies are as follows:

#### **Revenue**

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.

#### *Revenue from exchange transactions*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is recognised.

Government grants are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant.

Contract revenue is initially recognised on receipt and then unspent monies at year end are carried forward to the next period.

Sales of goods and livestock are recognised when the entity has transferred the significant risk and rewards associated with ownership of the goods to the customer.

#### **Accounts receivable**

Receivables are stated at their estimated realisable value.

#### **Goods and Services Tax**

Financial information in these accounts is recorded exclusive of GST with the exception of receivables and payables, which include GST. GST payable or receivable at balance date is included in the appropriate category in the Statement of Financial Position.

#### **Intangible assets**

##### *Recognition and measurement*

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

Carbon credits have been revalued at year end to the fair value and the gain or loss recorded in Other Comprehensive Income. They are considered to be indefinite life intangible assets based on the view that there is no expiry period for the units and there is no expectation that the ETS will be repealed.



**Gardiner Knobloch Limited**  
Chartered Accountants

# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

The Group has the following classes of property, plant and equipment:

Land and Buildings - Other  
Land and Buildings - Farms  
Plant and Equipment  
Motor Vehicles  
Furniture & Fittings  
Computer Software & Equipment  
Plant, Equipment & Vehicles - Pihanui  
Plant, Equipment & Vehicles - Rawhiti  
Plant, Equipment & Vehicles - Chimney Creek

Gains and losses on the disposal of any items of property plant and equipment are shown in the statement of financial performance.

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.

All the Group's items of property plant and equipment are subsequently measured in accordance with the cost model (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment, apart from Farms which are included at their fair value after revaluation in October 2016.

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for the period are as follows:

|  | <b>Rate</b> | <b>Method</b> | <b>Useful Life<br/>Years</b> |
|--|-------------|---------------|------------------------------|
| Land and Buildings - Other                     | 2-10%       | P and DV      | 14.3 to 50                   |
| Land and Buildings - Farms                     | 2-40%       | P and DV      | 3.3 to 50                    |
| Plant and Equipment                            | 10-67%      | DV            | 1.5 to 14.3                  |
| Motor Vehicles                                 | 13-30%      | DV            | 4.8 to 11.7                  |
| Furniture & Fittings                           | 10-40%      | DV            | 3.3 to 14.3                  |
| Computer Software & Equipment                  | 20-67%      | DV            | 1.5 to 7.4                   |
| Plant, Equipment & Vehicles - Pihanui          | 8-67%       | DV            | 1.5 to 16.7                  |
| Plant, Equipment & Vehicles - Rawhiti          | 8-67%       | DV            | 1.5 to 16.7                  |
| Plant, Equipment & Vehicles - Chimney<br>Creek | 8-40%       | DV            | 3.3 to 16.7                  |

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

Buildings have been estimated to have a useful life of 50 years, therefore a depreciation rate of 2% has been applied.



**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### ***Investment property***

Investment property applies the fair value model.

The Forestry land was initially included in the financial statements at its value at date of settlement. This was amended in the 30 June 2017 year to the fair value revaluation undertaken as at that date with a subsequent change in the 30 June 2018 year to the fair value revaluation undertaken as at 30 June 2018. The valuation gains are recorded in surplus or deficit in the Statement of Comprehensive Revenue and Expenses.

### ***Taxation***

Taxation charged against profits is based on estimated tax payable for the current year. The Trust became a Maori Authority effective from 1 April 2012. The Trust applied for, and was granted, charitable status from 20 September 2013. This means that the Trust income will be exempt from income tax from 20 September 2013 to the extent that the income is applied to, or intended to be applied to, charitable purposes within NZ.

### ***Valuation of Livestock***

Livestock assets 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.

Livestock assets are subsequently measured at fair value as determined by Ian Risetto of PGG Wrightson Ltd less costs to sell, with any change therein recognised in surplus or deficit. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

### ***Valuation of Sileage***

Sileage has been recorded at the lower of cost and net realisable value (see note 11).

### ***Leases***

The Group lease certain plant and equipment and land and buildings.

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.

### ***Employee Benefits***

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

### ***Foreign currency***

Transactions in foreign currency have been converted at the date of payment or receipt. Year end balances in foreign currency have been converted at the exchange rate ruling at balance date.



**Gardiner Knobloch Limited**  
Chartered Accountants

# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### ***Finance Income and Finance Costs***

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

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

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign currency movements are in a net gain or net loss position.

### ***Financial Instruments***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

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

- the Group has transferred substantially all the risks and rewards of the asset; or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

### ***Financial Assets***

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

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

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

Financial assets at fair value through surplus or deficit. Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Group's share investments equities fall into this category of financial instruments.



**Gardiner Knobloch Limited**  
Chartered Accountants

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

### *Impairment of financial assets*

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

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

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

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

### *Financial liabilities*

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

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



**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### ***Significant Accounting Judgements, Estimates and Assumptions***

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### ***Judgements***

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- That the historical rent arrears will be partially unrecoverable and therefore they are included in accounts receivable at a written down value.
- That the investments in Supreme Biotechnologies Ltd are stated at cost on the assumption that its current value is at least equal to its cost.
- That a large portion of the expenditure on land development, fencing, tracks and dams in the 2017 & 2018 financial year has an enduring benefit to the farms and has therefore been capitalised to the fixed asset schedule. The significant investment in fertiliser and infrastructure is allowing more stock to be carried across all the farms, this generates future cash flows from the land and gives the expenditure future economic benefits.

### ***Estimates and assumptions***

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

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

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

- The condition of the asset
  - The nature of the asset, its susceptibility and adaptability to changes in technology and processes
  - The nature of the processes in which the asset is deployed
  - Availability of funding to replace the asset
  - Changes in the market in relation to the asset
- The estimated useful lives of the asset classes held by the Group are listed in the Property, plant and equipment policy above.

### ***Investments***

Investments are initially valued at fair value at time of acquisition. Publicly listed shares are revalued at balance date to their fair value (market value) and gains or losses are recorded through surplus or deficit in the Statement of Comprehensive Revenue and Expenses. Shares that are not publicly listed are valued at their original fair value at time of acquisition, apart from the Phytomed shares which are carried at cost less accumulated impairment losses at 30 June 2018.



**Gardiner Knobloch Limited**  
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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### *Changes in accounting policies*

There have been no changes in accounting policies.

The format of the statement of comprehensive revenue and expenses has been changed during the year to reorganise and reclassify revenue and expenditure items. This reclassification results in improved communication of the results of the Group's operations. Comparative numbers have been grouped on a consistent basis as that presented for the 2018 financial year.

## 2 GROUP NET ASSETS / EQUITY

|   | 2018                | 2017                |
|---|---------------------|---------------------|
| Treaty Settlement   | 44,879,574          | 44,879,574          |
| Trust Income Reserve                                      | 5,139,069           | 4,740,205           |
| Carbon Credit Revaluation Reserve                         | 3,482,770           | 2,450,743           |
| Revaluation Reserve - Farms                               | 1,348,840           | 1,348,840           |
| Revaluation Reserve - Forestry                            | 14,313,000          | 11,528,000          |
|   | <u>\$69,163,253</u> | <u>\$64,947,362</u> |
|   | 2018                | 2017                |
| <b>Treaty Settlement</b>                                  |                     |                     |
| Opening Balance   | 44,879,574          | 44,879,574          |
| Plus Total Comprehensive Revenue and Expense for the year | -                   | -                   |
| Closing Balance   | <u>\$44,879,574</u> | <u>\$44,879,574</u> |
| <b>Trust Income Reserve</b>                               |                     |                     |
| Opening Balance   | 4,740,205           | 4,078,241           |
| Plus Total Comprehensive Revenue and Expense for the year | 3,183,864           | 8,481,964           |
| Less Transfer to Forestry Revaluation Reserve             | (2,785,000)         | (7,820,000)         |
| Closing Balance   | <u>\$5,139,069</u>  | <u>\$4,740,205</u>  |
| <b>Carbon Credit Revaluation Reserve</b>                  |                     |                     |
| Opening Balance   | 2,450,743           | 2,655,612           |
| Plus Total Comprehensive Revenue and Expense for the year | 1,032,027           | (204,869)           |
| Closing Balance   | <u>\$3,482,770</u>  | <u>\$2,450,743</u>  |
| <b>Revaluation Reserve - Farms</b>                        |                     |                     |
| Opening Balance   | 1,348,840           | -                   |
| Plus Total Comprehensive Revenue and Expense for the year | -                   | 1,348,840           |
| Closing Balance   | <u>\$1,348,840</u>  | <u>\$1,348,840</u>  |
| <b>Revaluation Reserve - Forestry</b>                     |                     |                     |
| Opening Balance   | 11,528,000          | 3,708,000           |
| Plus Transfer from Trust Income Reserve                   | 2,785,000           | 7,820,000           |
| Closing Balance   | <u>\$14,313,000</u> | <u>\$11,528,000</u> |



**Gardiner Knobloch Limited**  
Chartered Accountants

# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|                              |                  |                  |
|------------------------------|------------------|------------------|
| <b>3 RECEIVABLES</b>         | <b>2018</b>      | <b>2017</b>      |
| Accounts Receivable          | 588,602          | 267,518          |
| Less Provision for Bad Debts | (81,496)         | -                |
| Interest Accrued             | -                | 15,810           |
|                              | <u>\$507,106</u> | <u>\$283,328</u> |

Accounts Receivable includes rental arrears on the farm properties. The Trust is currently in a legal process with the lessees to recover the outstanding rent. The rent arrears have been written down, by a bad debt provision, to \$50,000.

|                                   |                              |                              |
|-----------------------------------|------------------------------|------------------------------|
| <b>4 INVESTMENTS - SHARES</b>     | <b>Market Value<br/>2018</b> | <b>Market Value<br/>2017</b> |
| New Zealand Shares                | 4,844,666                    | 3,936,658                    |
| New Zealand Private Equity Shares | 332,957                      | 700,516                      |
| Australian Shares                 | 4,974,752                    | 3,656,820                    |
| Overseas Shares                   | -                            | 1,595,434                    |
|                                   | <u>\$10,152,375</u>          | <u>\$9,889,428</u>           |

The publicly listed shares were valued at the quoted market values as determined by Forsyth Barr as at 30 June 2018.

The NZ private equity shares were valued at cost initially, with the Phytomed shares being adjusted for accumulated impairment losses.

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| <b>5 CONTRACT INCOME IN ADVANCE</b> | <b>2018</b>      | <b>2017</b>      |
| TPK Digital Projects                | 4,090            | 4,090            |
| Putere Lakes Project                | 22,064           | 22,942           |
| River Restoration                   | 31,706           | (7,771)          |
| DHB High Needs                      | 1,909            | 5,832            |
| DOC Trapping Fund                   | 10,000           | 10,000           |
| Ka Hao Maori Digital                | 70,205           | 26,900           |
| MPI Project                         | 32,913           | 32,913           |
| MSD Project Management              | 9,077            | 35,559           |
| MSD Secondment                      | 110,000          | -                |
|                                     | <u>\$291,964</u> | <u>\$130,465</u> |

### 6 CARBON EMISSION CREDITS

The Carbon Emission Credits were trading at \$21.10 per unit at 30 June 2018, valuing the Trust holding at \$5,403,415 (the unit price was \$17.07 as at 30 June 2017 for a total value of \$4,371,388).

|                               |                    |
|-------------------------------|--------------------|
| Opening Value of 1 July 2017  | 4,371,388          |
| Revaluation to market value   | 1,032,027          |
| Closing Value at 30 June 2018 | <u>\$5,403,415</u> |

The value of these units is volatile due to the political nature, and uncertainty, surrounding the climate change issue.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 7 REVALUATION - FARMS & FORESTRY

The Trust owned farms were valued as at 19 October 2016 by Morice Valuers, registered independent valuers.

There were three valuation options available:

- market approach - where value is determined by comparing the subject assets with similar assets for which price information is available
- income approach - where value is determined by the income an asset would generate over its useful life and capitalised future cashflows to a single current capital value through the application of an appropriate discount rate
- cost approach - where the value is determined based on the price a buyer would pay for the asset being not more than the cost to purchase and construct an equivalent asset.

The farms were valued using the methodology: market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The term "market value" required that the assets be valued in their "highest and best use". The International Valuation Standards define "highest and best use" as: "Is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible. This highest and best use may be for continuation of an assets existing use or for some alternative use. This is defined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid."

The Trust owned forestry land was valued as at 30 June 2018 by Lewis Wright, registered independent valuer.

The Mohaka Forestry land is represented by approximately 15,485 hectares.

The forestry land was valued using the methodology: market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The market value was determined by the direct sales comparison approach, applying a market based dollar per hectare. This involves the analysis of a sufficient number of sales and making comparisons with the subject property, allowing for differences such as location, lead to a port, contour, production and other special features.



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## NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

| <b>8 INVESTMENT FORESTRY LAND</b> | <b>2018</b>         | <b>2017</b>         |
|-----------------------------------|---------------------|---------------------|
| Cost                              | 15,472,000          | 15,472,000          |
| Revaluation                       | 11,528,000          | 3,708,000           |
| Net Book Value                    | <u>\$27,000,000</u> | <u>\$19,180,000</u> |

#### **Movement for the year**

|                        |                     |                     |
|------------------------|---------------------|---------------------|
| Opening Net Book Value | 27,000,000          | 19,180,000          |
| Additions              | -                   | -                   |
| Disposals              | -                   | -                   |
| Revaluation            | 2,785,000           | 7,820,000           |
|                        | <u>\$29,785,000</u> | <u>\$27,000,000</u> |

The fair value gain of \$2,785,000 in 2018 is not directly comparable to the \$7,820,000 fair value gain in 2017 for the Mohaka Forest land, because the \$7,820,000 represents movements in fair value from October 2014 and 30 June 2017. The amounts are presented this way because the Group adopted the fair value model for investment property in the 2017 financial year, and it has been considered impracticable to determine the fair value of the Mohaka Forest land as at 1 July 2016 without the benefit of hindsight.

| <b>9 BIOLOGICAL ASSETS AND FARM INVENTORIES</b> | <b>2018</b>        | <b>2017</b>        |
|---|--------------------|--------------------|
| Cattle (Note 10)                                | 3,541,970          | 2,333,778          |
| Sheep (Note 10)                                 | 1,088,455          | 782,411            |
| Silage (Note 11)                                | 310,052            | -                  |
| Echinacea - Native Plants (Note 11)             | 62,476             | -                  |
| Green Crop - Broccoli (Note 11)                 | 34,394             | -                  |
|   | <u>\$5,037,347</u> | <u>\$3,116,189</u> |



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

| 10 | VALUE OF LIVESTOCK                     | 2018             | 2017             |
|----|--|------------------|------------------|
|    | The value of livestock at 30 June was: |                  |                  |
|    | Cattle                                 | 3,541,970        | 2,333,780        |
|    | Sheep                                  | 1,088,455        | 782,410          |
|    |  | <u>4,630,425</u> | <u>3,116,190</u> |

Livestock valuations at 30 June 2018 were provided by PGG Wrightson Ltd. These market values reflect livestock of similar age, breed and genetic merit.

At 30 June 2018 livestock comprised 6,242 sheep, 2,872 beef cattle (2017: 5,597 sheep, 1,906 cattle).

The change in the value of livestock owned by the Company during the year was due to:

|  | 2018               | 2017               |
|--|--------------------|--------------------|
| Livestock Value at Start of Year           | 3,116,190          | 2,208,555          |
| <b>Value changes caused by:</b>            |                    |                    |
| Birth and growth of animals                | 1,690,343          | 1,036,408          |
| Purchases                                  | 1,147,724          | 939,970            |
| Livestock losses                           | (204,925)          | (99,688)           |
| Livestock available for sale or production | <u>5,749,332</u>   | <u>4,085,245</u>   |
| Book value of stock sold                   | (1,322,572)        | (1,446,087)        |
| Effect of price changes                    | 203,665            | 477,032            |
| Livestock Value at End of Year             | <u>\$4,630,425</u> | <u>\$3,116,190</u> |

## 11 OTHER BIOLOGICAL ASSETS AND FARM INVENTORIES

### Silageage

Silageage has been valued at the lower of cost and net realisable value. The silageage inventory was reviewed by Pioneer Seeds and determined to contain 1,007 tonnes of dry matter. Pioneer Seeds also valued the cost, infield, to be 22.5 cents per kilogram with a further cost of 10 cents per kilogram for cutting, freight and ensiling costs. This valued the silageage inventory at \$327,492 compared to a cost price of \$310,052. The cost price of \$310,052 was therefore used as the value to carry forward.

### Echinacea - Native Plants

These have been valued at cost and do not include any increase in value for the growth since planting.

### Green Crop - Broccoli

This crop has been valued at cost and does not include any increase in value for the growth since planting.

|                               | Silageage        | Echinacea -<br>Native Plants | Green Crop -<br>Broccoli |
|-------------------------------|------------------|------------------------------|--------------------------|
| Opening Value at 1 July 2017  | -                | -                            | -                        |
| Cost to 30 June 2018          | 310,052          | 62,476                       | 34,394                   |
| Closing Value at 30 June 2018 | <u>\$310,052</u> | <u>\$62,476</u>              | <u>\$34,394</u>          |



**Gardiner Knobloch Limited**  
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# NGATI PAHAUWERA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 12 CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

|  | <i>At Fair Value<br/>Through Surplus<br/>or Deficit</i> | <i>Available<br/>for Sale</i> | <i>Held to<br/>Maturity</i> | <i>Loans and<br/>Receivables</i> | <i>Other<br/>Amortised<br/>Cost</i> | <i>Carrying<br/>Amount</i> |
|--|---|-------------------------------|-----------------------------|----------------------------------|-------------------------------------|----------------------------|
| <b>30 June 2018</b>                        |   |                               |                             |                                  |                                     |                            |
| Financial Assets                           |   |                               |                             |                                  |                                     | -                          |
| Cash and Cash Equivalents                  |   |                               |                             | 1,361,217                        |                                     | 1,361,217                  |
| Trade and Other Receivables                |   |                               |                             | 507,106                          |                                     | 507,106                    |
| Term Deposit Investments                   |   |                               |                             | -                                |                                     | -                          |
| Due from Related Parties                   |   |                               |                             | 40,564                           |                                     | 40,564                     |
| <b>Total Current Financial Assets</b>      | -   | -                             | -                           | 1,908,887                        | -                                   | 1,908,887                  |
| Investments                                | 9,819,418   | 332,957                       |                             |                                  |                                     | 10,152,375                 |
| Due from Related Parties                   |   |                               |                             | 415,000                          |                                     | 415,000                    |
| <b>Total Non-Current Financial Assets</b>  | 9,819,418   | 332,957                       | -                           | 415,000                          | -                                   | 10,567,375                 |
| <b>Total Financial Assets</b>              | <u>9,819,418</u>  | <u>332,957</u>                | <u>-</u>                    | <u>2,323,887</u>                 | <u>-</u>                            | <u>12,476,262</u>          |
| Financial Liabilities                      |   |                               |                             |                                  |                                     |                            |
| Trade and Other Payables                   |   |                               |                             |                                  | 230,654                             | 230,654                    |
| Cash or cash equivalents                   |   |                               |                             | 3,652                            |                                     | 3,652                      |
| Employee Entitlements                      |   |                               |                             |                                  | 149,377                             | 149,377                    |
| Due to Related Parties                     |   |                               |                             |                                  |                                     | -                          |
| <b>Total Current Financial Liabilities</b> | -   | -                             | -                           | 3,652                            | 380,031                             | 383,683                    |
| <b>Total Financial Liabilities</b>         | <u>-</u>  | <u>-</u>                      | <u>-</u>                    | <u>3,652</u>                     | <u>380,031</u>                      | <u>383,683</u>             |
|  | <i>At Fair Value<br/>Through Surplus<br/>or Deficit</i> | <i>Available<br/>for Sale</i> | <i>Held to<br/>Maturity</i> | <i>Loans and<br/>Receivables</i> | <i>Other<br/>Amortised<br/>Cost</i> | <i>Carrying<br/>Amount</i> |
| <b>30 June 2017</b>                        |   |                               |                             |                                  |                                     |                            |
| Financial Assets                           |   |                               |                             |                                  |                                     | -                          |
| Cash and Cash Equivalents                  |   |                               |                             | 875,522                          |                                     | 875,522                    |
| Trade and Other Receivables                |   |                               |                             | 283,328                          |                                     | 283,328                    |
| Term Deposit Investments                   |   |                               | 3,600,000                   |                                  |                                     | 3,600,000                  |
| Due from Related Parties                   |   |                               |                             | 40,564                           |                                     | 40,564                     |
| <b>Total Current Financial Assets</b>      | -   | -                             | 3,600,000                   | 1,199,414                        | -                                   | 4,799,414                  |
| Investments                                | 9,188,912   | 700,516                       |                             |                                  |                                     | 9,889,428                  |
| Due from Related Parties                   |   |                               |                             | 415,000                          |                                     | 415,000                    |
| <b>Total Non-Current Financial Assets</b>  | 9,188,912   | -                             | -                           | 415,000                          | -                                   | 10,304,428                 |
| <b>Total Financial Assets</b>              | <u>9,188,912</u>  | <u>-</u>                      | <u>3,600,000</u>            | <u>1,614,414</u>                 | <u>-</u>                            | <u>15,103,842</u>          |
| Financial Liabilities                      |   |                               |                             |                                  |                                     |                            |
| Trade and Other Payables                   |   |                               |                             |                                  | 436,538                             | 436,538                    |
| Cash or cash equivalents                   |   |                               |                             | 4,519                            |                                     | 4,519                      |
| Employee Entitlements                      |   |                               |                             |                                  | 89,262                              | 89,262                     |
| Due to Related Parties                     |   |                               |                             |                                  |                                     | -                          |
| <b>Total Current Financial Liabilities</b> | -   | -                             | -                           | 4,519                            | 525,800                             | 530,319                    |
| <b>Total Financial Liabilities</b>         | <u>-</u>  | <u>-</u>                      | <u>-</u>                    | <u>4,519</u>                     | <u>525,800</u>                      | <u>530,319</u>             |



**Gardiner Knobloch Limited**  
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# NGATI PAHAUWERA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 13 PROPERTY, PLANT AND EQUIPMENT - TRUST

|   | Land and<br>Buildings<br>Other | Land and<br>Buildings<br>Farms | Plant and<br>Equipment | Motor<br>Vehicles | Furniture<br>Fittings | Computer<br>Software<br>Equipment | Total             |
|---|--------------------------------|--------------------------------|------------------------|-------------------|-----------------------|-----------------------------------|-------------------|
| <b>As at 30 June 2017</b>                       |                                |                                |                        |                   |                       |                                   |                   |
| Cost  | 590,778                        | 13,564,520                     | 35,917                 | 418,792           | 40,105                | 149,316                           | 14,799,428        |
| Revaluation                                     | (14,577)                       | (241,970)                      | (27,124)               | (122,822)         | (16,512)              | (78,800)                          | (501,805)         |
| Accumulated Depreciation                        | 576,201                        | 13,322,550                     | 8,793                  | 295,970           | 23,593                | 70,516                            | 14,297,623        |
| Net Book Value                                  |                                |                                |                        |                   |                       |                                   |                   |
| <b>Movement for the year ended 30 June 2018</b> |                                |                                |                        |                   |                       |                                   |                   |
| Opening Net Book Value                          | 576,201                        | 13,322,550                     | 8,793                  | 295,970           | 23,593                | 70,516                            | 14,297,623        |
| Additions                                       |                                |                                | 17,555                 | 43,708            |                       | 53,569                            | 114,832           |
| Disposals                                       | (6,491)                        | (84,524)                       | (4,960)                | (71,306)          | (3,353)               | (51,215)                          | (221,849)         |
| Depreciation Charge                             |                                |                                |                        |                   |                       |                                   | 0                 |
| Depreciation adjustment on sale                 |                                |                                |                        |                   |                       |                                   | 0                 |
| Revaluation                                     |                                |                                |                        |                   |                       |                                   | 0                 |
| <b>Closing Net Book Value</b>                   | <u>569,710</u>                 | <u>13,238,026</u>              | <u>21,388</u>          | <u>268,372</u>    | <u>20,240</u>         | <u>72,870</u>                     | <u>14,190,606</u> |
|   |                                |                                |                        |                   |                       |                                   |                   |
| <b>As at 30 June 2016</b>                       |                                |                                |                        |                   |                       |                                   |                   |
| Cost  | 590,778                        | 11,730,680                     | 35,917                 | 303,032           | 37,135                | 103,171                           | 12,800,713        |
| Accumulated Depreciation                        | (8,072)                        | (149,676)                      | (23,702)               | (74,225)          | (12,778)              | (31,533)                          | (299,986)         |
| Net Book Value                                  | <u>582,706</u>                 | <u>11,581,004</u>              | <u>12,215</u>          | <u>228,807</u>    | <u>24,357</u>         | <u>71,638</u>                     | <u>12,500,727</u> |
| <b>Movement for the year ended 30 June 2017</b> |                                |                                |                        |                   |                       |                                   |                   |
| Opening Net Book Value                          | 582,706                        | 11,581,004                     | 12,215                 | 228,807           | 24,357                | 71,638                            | 12,500,727        |
| Additions                                       |                                | 485,000                        |                        | 126,021           | 2,970                 | 46,753                            | 660,744           |
| Disposals                                       |                                |                                |                        | (9,213)           |                       | (68)                              | (9,281)           |
| Depreciation Charge                             | (6,505)                        | (92,294)                       | (3,422)                | (53,009)          | (3,734)               | (47,793)                          | (206,757)         |
| Depreciation adjustment on sale                 |                                |                                |                        | 3,364             |                       | (14)                              | 3,350             |
| Revaluation                                     |                                | 1,348,840                      |                        |                   |                       |                                   | 1,348,840         |
| <b>Closing Net Book Value</b>                   | <u>576,201</u>                 | <u>13,322,550</u>              | <u>8,793</u>           | <u>295,970</u>    | <u>23,593</u>         | <u>70,516</u>                     | <u>14,297,623</u> |

Gardiner Knobloch Limited

Chartered Accountants





# NGATI PAHAUWERA COMMERCIAL DEVELOPMENT LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 13 PROPERTY, PLANT AND EQUIPMENT - COMPANY AND CONSOLIDATED

|   | Farms - Land<br>Development<br>Improvements | Plant and<br>Equipment<br>Pihauui | Plant and<br>Equipment<br>Rawhiti | Plant and<br>Equipment<br>Chimney Creek<br>Kakariki | Total<br>Company | Total<br>Trust    | Total<br>Consolidated |
|---|---|-----------------------------------|-----------------------------------|---|------------------|-------------------|-----------------------|
| <b>As at 30 June 2017</b>                       |   |                                   |                                   |   |                  |                   |                       |
| Cost  | 1,298,586                                   | 379,000                           | 175,789                           | 56,453  | 1,909,828        | 14,799,428        | 16,709,256            |
| Revaluation                                     |   |                                   |                                   |   | 0                | 0                 | 0                     |
| Accumulated Depreciation                        | (43,268)                                    | (82,389)                          | (45,735)                          | (6,810)   | (178,202)        | (501,805)         | (680,007)             |
| Net Book Value                                  | 1,255,318                                   | 296,611                           | 130,054                           | 49,643  | 1,731,626        | 14,297,623        | 16,029,249            |
| <b>Movement for the year ended 30 June 2018</b> |   |                                   |                                   |   |                  |                   |                       |
| Opening Net Book Value                          | 1,255,318                                   | 296,611                           | 130,054                           | 49,643  | 1,731,626        | 14,297,623        | 16,029,249            |
| Additions                                       | 1,337,566                                   | 12,768                            | 88,622                            | 12,442  | 1,451,398        | 114,832           | 1,566,230             |
| Disposals                                       | (10,435)                                    | (10,435)                          |                                   |   | (10,435)         | 0                 | (10,435)              |
| Depreciation Charge                             | (100,000)                                   | (54,929)                          | (29,694)                          | (14,122)  | (198,745)        | (221,849)         | (420,594)             |
| Depreciation adjustment on sale                 |   | 3,183                             |                                   |   | 3,183            | 0                 | 3,183                 |
| Revaluation                                     |   |                                   |                                   |   | 0                | 0                 | 0                     |
| <b>Closing Net Book Value</b>                   | <b>2,492,884</b>                            | <b>247,198</b>                    | <b>188,982</b>                    | <b>47,963</b>                                       | <b>2,977,027</b> | <b>14,190,606</b> | <b>17,167,633</b>     |
|   |   |                                   |                                   |   |                  |                   |                       |
| <b>As at 30 June 2016</b>                       |   |                                   |                                   |   |                  |                   |                       |
| Cost  | 370,455                                     | 268,687                           | 116,638                           | 2,208   | 757,988          | 12,800,713        | 13,558,701            |
| Accumulated Depreciation                        | (3,915)                                     | (42,909)                          | (22,667)                          | (466)   | (69,957)         | (299,986)         | (369,943)             |
| Net Book Value                                  | 366,540                                     | 225,778                           | 93,971                            | 1,742   | 688,031          | 12,500,727        | 13,188,758            |
| <b>Movement for the year ended 30 June 2017</b> |   |                                   |                                   |   |                  |                   |                       |
| Opening Net Book Value                          | 366,540                                     | 225,778                           | 93,971                            | 1,742   | 688,031          | 12,500,727        | 13,188,758            |
| Additions                                       | 928,131                                     | 110,313                           | 59,151                            | 54,245  | 1,151,840        | 660,744           | 1,812,584             |
| Disposals                                       |   |                                   |                                   |   | 0                | (9,281)           | (9,281)               |
| Depreciation Charge                             | (39,353)                                    | (39,480)                          | (23,068)                          | (6,344)   | (108,245)        | (206,757)         | (315,002)             |
| Depreciation adjustment on sale                 |   |                                   |                                   |   | 0                | 3,350             | 3,350                 |
| Revaluation                                     |   |                                   |                                   |   | 0                | 1,348,840         | 1,348,840             |
| <b>Closing Net Book Value</b>                   | <b>1,255,318</b>                            | <b>296,611</b>                    | <b>130,054</b>                    | <b>49,643</b>                                       | <b>1,731,626</b> | <b>14,297,623</b> | <b>16,029,249</b>     |



**Gardiner Knobloch Limited**  
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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 14 RELATED PARTY TRANSACTIONS

An advance of \$40,564 is owed by Ngati Pahauwera Section 30 Representative Co-operative Society Ltd (2017: \$40,564). Toro Waaka is a Director of this entity and Trustee of the Ngati Pahauwera Development Trust. The advance is on-demand, interest free and unsecured.

The Trust purchased shares in Phytomed Medicinal Herbs Ltd during the 2017 year, totalling \$351,343. The total shareholding at 30 June 2017 was 164,172 shares at a cost of \$668,980. Michael Chamberlain, a director of NPCDL (a Company wholly owned by the Trust) is also a director and shareholder of Phytomed Medicinal Herbs Ltd via his company Onimeg Investments Ltd. An impairment loss of \$370,510 was recognised during the year.

Sales of \$2,354 (2017: \$833) were made by the Group to Phytomed Medicinal Herbs Limited, the Group is a shareholder of the company.

The Trust purchased 59,030 convertible notes to the equivalent of 59,030 shares in Supreme Biotechnologies Ltd for \$2,952 in the year ending 30 June 2018. The total shareholding at 30 June 2018 is 14,757 shares plus 59,030 rights to shares, for a total cost of \$33,694 (2017: 14,757 shares at a cost of \$30,742). Michael Chamberlain, a director of NPCDL (a company wholly owned by the Trust) is also a shareholder of Supreme Biotechnologies Ltd via his company Onimeg Investments Ltd.

Tania Hodges, a trustee here in and a director of NPCDL (a Company wholly owned by the Trust) is also a shareholder of Supreme Biotechnologies Ltd via her trust, Whanau.com.

Manaaki grants were made to the following people who were related to the trustees:

- Te Ra Hodges - Tai \$Nil (2017: \$1,400) son of trustee Tania Hodges
- Bonny Hatami - \$Nil (2017: \$1,400) daughter of trustee Toro Waaka
- Sharleen Hawkins (on behalf of Te Huki Urupa Community Group Grant) \$2,000 (2017: \$3,569) sister of trustee Tureiti Moxon.

Payments were made in 2018 to the Hawkins Whanau Trust, of which Tureiti Moxon has declared an interest in for:

- Manaaki grant of \$8,000
- Accommodation in respect of Lumino Dentists of \$1,360
- Rangatahi wananga \$700



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Trustee and Director fees have been paid to the Trustees and Directors of Ngati Pahauwera Development Trust & Ngati Pahauwera Commercial Development Ltd as detailed below:

|   | 2018             | 2017             |
|---|------------------|------------------|
| Toro Waaka                                  | 80,000           | 80,000           |
| Chaans Clarke                               | 27,400           | 15,500           |
| Gerald Aranui - in period while a trustee   | -                | 3,861            |
| Tania Hodges                                | 30,500           | 30,500           |
| Tureiti Moxon                               | 10,900           | 10,000           |
| Charlie Lambert - in period while a trustee | -                | 3,861            |
| Lu McDonnell - in period while a trustee    | -                | 15,444           |
| Ngaire Culshaw - in period while a trustee  | 2,500            | 6,139            |
| Rex Adsett - in period while a trustee      | 10,900           | 6,139            |
| Richard Allen - in period while a trustee   | 2,500            | 6,139            |
| Victor Goldsmith                            | 16,500           | 5,500            |
|   | <u>\$181,200</u> | <u>\$183,083</u> |

Michael Chamberlain provides his services as Director of Ngati Pahauwera Commercial Development Limited and investment advisory services for no charge.

| 15 | KEY MANAGEMENT PERSONNEL   | 2018<br>\$ | Number of<br>Individuals | 2017<br>\$ | Number of<br>Individuals |
|----|--|------------|--------------------------|------------|--------------------------|
|    | Trustees and Directors (per above note)                                  | 181,200    | 8                        | 183,083    | 11                       |
|    | Senior Executive Officers and close family members of trustees/directors | 328,442    | 3                        | 307,488    | 7                        |

Senior Executive Officers includes Robin Hape and Luke Hansen.

Close family members of trustees and directors includes Bonnie Hatami.

## 16 CONTINGENT LIABILITIES

There are no contingent liabilities at year end (30 June 2017: \$Nil).



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 17 COMMITMENTS

There are no capital commitments at year end (30 June 2017: \$235,551).

There are lease commitments by the Trust for office premises at Shakespeare Road Napier.

There is one year remaining on the lease from 1 July 2018, at \$24,870 per year (2017: \$49,740).

### 18 SIGNIFICANT EVENTS AFTER BALANCE DATE

The Trust will be assuming the net assets/liabilities of Ngati Pahauwera Section 30 Representatives Co-operative Society Ltd.

The Trust sold 256,086 carbon credit units for a total value of \$6,302,346, between 17 August 2018 and 1 October 2018.

The Trust has committed to purchasing 20,000 apple trees, at a total cost of \$319,000, with delivery September 2020.



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# NGATI PAHAUWERA DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 19 PRIOR PERIOD ADJUSTMENT

During the current period it was noted that the gains on: share revaluations, sale of shares and forestry revaluations were recorded as "Other Comprehensive Revenue" when they should have been recorded in surplus or deficit prior to the addition of "Other comprehensive income". In addition to this, the forestry valuation used for the 2017 financial statements was undertaken in October 2014. This has been updated by the valuers to a valuation at 30 June 2017 and resulted in a \$4,112,000 increase in the 2017 comprehensive income for the period. The errors were corrected for the current year results but the below table summarises the changes made to the statement of comprehensive revenue and expenses and notes regarding trust equity.

#### Impact on items in statement of comprehensive revenue and expenses.

|   | <b>As Previously<br/>Stated</b> | <b>As Adjusted</b> |
|---|---------------------------------|--------------------|
| Surplus (- Deficit) for the year at 30 June 2017            | (40,087)                        | (40,087)           |
| Share Revaluation   |                                 | 598,165            |
| Gain on Sale of Shares                                      |                                 | 103,886            |
| Revaluation Gain - Forestry                                 |                                 | 7,820,000          |
| Restated Surplus (Deficit) for the year ending 30 June 2017 | (40,087)                        | 8,481,964          |
| Other Comprehensive Revenue and Expenses                    |                                 |                    |
| Share Revaluation   | 598,165                         |                    |
| Carbon Credits Revaluation                                  | (204,869)                       | (204,869)          |
| Gain on Sale of Shares                                      | 103,886                         |                    |
| Revaluation Gain - Farms                                    | 1,348,840                       | 1,348,840          |
| Revaluation Gain - Forestry                                 | 3,708,000                       |                    |
| <b>Comprehensive Income for the period</b>                  | <b>5,513,935</b>                | <b>9,625,935</b>   |

#### Impact on Trust Equity Notes

|   | <b>Share<br/>Revaluation<br/>Reserve</b> | <b>Treaty<br/>Settlement</b> | <b>Trust Income<br/>Reserve</b> | <b>Carbon Credit<br/>Revaluation<br/>Reserve</b> | <b>Revaluation<br/>Reserve<br/>Farms</b> | <b>Revaluation<br/>Reserve<br/>Forestry</b> |
|---|--|------------------------------|---------------------------------|--|--|---|
| Balance Reported at 1 July 2016               | 1,117,482                                | 44,879,574                   | 2,960,762                       | 2,655,612  | 0  | 0   |
| Effect of prior period errors to 30 June 2016 | (1,117,482)                              | 0                            | 1,117,482                       | 0  | 0  | 3,708,000                                   |
| Restated Balances at 1 July 2016              | 0  | 44,879,574                   | 4,078,244                       | 2,655,612  | 0  | 3,708,000                                   |
| Balance Reported at 30 June 2017              | 1,715,647                                | 44,879,574                   | 3,024,559                       | 2,450,743  | 1,348,840                                | 3,708,000                                   |
| Effect of prior period errors to 30 June 2016 | (1,117,482)                              | 0                            | 1,117,482                       | 0  | 0  | 3,708,000                                   |
| Effect of prior period errors to 30 June 2017 | (598,165)                                | 0                            | 598,165                         |  |  | 4,112,000                                   |
| <b>Restated Balances at 30 June 2017</b>      | <b>0</b>                                 | <b>44,879,574</b>            | <b>4,740,206</b>                | <b>2,450,743</b>                                 | <b>1,348,840</b>                         | <b>11,528,000</b>                           |



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

| 20 | <b>LIVESTOCK SALES - CATTLE &amp; SHEEP</b>         | <b>Average Price</b> | <b>Qty</b> | <b>2018</b> | <b>2017</b> |
|----|---|----------------------|------------|-------------|-------------|
|    | <b>Sales - Cattle</b>                               |                      |            |             |             |
|    | Calves  | 671                  | 11         | 7,381       | -           |
|    | Rising 1 Yr Heifers                                 | 1,066                | 72         | 76,758      | 86,565      |
|    | Rising 2 Yr Heifers                                 | 1,287                | 12         | 15,442      | 261,509     |
|    | Mixed Age Cows                                      | 1,227                | 114        | 139,927     | 209,714     |
|    | Rising 2 Yr Steers & Bulls                          | -                    | -          | -           | 134,956     |
|    | Mixed Age Steers & Bulls                            | -                    | -          | -           | 5,017       |
|    | Breeding Bulls                                      | 1,950                | 3          | 5,850       | 22,566      |
|    | Bull Calves   | 927                  | 8          | 7,416       | -           |
|    | Rising 1 Yr Bulls                                   | 1,540                | 2          | 3,080       | -           |
|    | Rising 2 Yr Bulls                                   | 1,454                | 229        | 332,875     | -           |
|    |   |                      | 451        | 588,729     | 720,327     |
|    | <b>Sales - Sheep</b>                                |                      |            |             |             |
|    | Lambs   | 115                  | 5,966      | 686,079     | 452,009     |
|    | Ewe Hoggets   | -                    | -          | -           | 2,718       |
|    | Ram & Wether Hoggets                                | 156                  | 1          | 156         | 1,070       |
|    | Two Tooth Ewes                                      | 111                  | 44         | 4,869       | 126,825     |
|    | Mixed Age Ewes                                      | 127                  | 904        | 114,810     | 163,164     |
|    | Breeding Rams                                       | 67                   | 3          | 200         | 800         |
|    |   |                      | 6,918      | 806,114     | 746,586     |
|    | <b>Total Livestock Sales - Cattle and Sheep</b>     |                      | 7,369      | \$1,394,843 | \$1,466,913 |
| 21 | <b>LIVESTOCK PURCHASES - CATTLE &amp; SHEEP</b>     | <b>Average Price</b> | <b>Qty</b> | <b>2018</b> | <b>2017</b> |
|    | <b>Purchases - Cattle</b>                           |                      |            |             |             |
|    | Rising 1 Yr Heifers                                 | -                    | -          | -           | 58,500      |
|    | Rising 2 Yr Heifers                                 | -                    | -          | -           | 57,003      |
|    | Rising 1 Yr Steers & Bulls                          | -                    | -          | -           | 363,183     |
|    | Rising 2 Yr Steers & Bulls                          | 1,392                | 175        | 243,660     | -           |
|    | Mixed Age Steers & Bulls                            | 1,419                | 15         | 21,284      | -           |
|    | Breeding Bulls                                      | 6,667                | 6          | 40,000      | 54,404      |
|    | Bull Calves   | 432                  | 632        | 273,022     | -           |
|    | Rising 1 Yr Bulls                                   | 1,166                | 220        | 256,576     | -           |
|    |   |                      | 1,048      | 834,542     | 533,090     |
|    | <b>Purchases - Sheep</b>                            |                      |            |             |             |
|    | Ewe Hoggets   | 193                  | 375        | 72,382      | 21,370      |
|    | Two Tooth Ewes                                      | 199                  | 316        | 63,020      | 106,392     |
|    | Mixed Age Ewes                                      | 163                  | 854        | 139,430     | 229,728     |
|    | Breeding Rams                                       | 983                  | 39         | 38,350      | 50,300      |
|    |   |                      | 1,584      | 313,182     | 407,790     |
|    | <b>Total Livestock Purchases - Cattle and Sheep</b> |                      | 2,632      | \$1,147,724 | \$940,880   |



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

| 22 | CHANGE IN LIVESTOCK VALUES                   | Average Price | Qty   | 2018        | 2017      |
|----|--|---------------|-------|-------------|-----------|
|    | <b>Opening Stock - Cattle</b>                |               |       |             |           |
|    | Rising 1 Yr Heifers                          | 860           | 204   | 175,440     | 167,880   |
|    | Rising 2 Yr Heifers                          | 1,195         | 167   | 199,500     | 259,770   |
|    | Mixed Age Cows                               | 1,519         | 598   | 908,300     | 761,750   |
|    | Rising 1 Yr Steers & Bulls                   | 920           | 162   | 149,040     | 59,042    |
|    | Rising 2 Yr Steers & Bulls                   | 1,350         | 4     | 5,400       | 3,600     |
|    | Mixed Age Steers & Bulls                     | 1,400         | 1     | 1,400       | -         |
|    | Breeding Bulls                               | 3,411         | 18    | 61,400      | 84,503    |
|    | Rising 2 Yr Bulls                            | 1,520         | 232   | 352,640     | 31,200    |
|    | Rising 1 Yr Bulls                            | 924           | 520   | 480,660     | 193,320   |
|    |  |               | 1,906 | 2,333,780   | 1,561,065 |
|    | <b>Closing Stock - Cattle</b>                |               |       |             |           |
|    | Rising 1 Yr Heifers                          | 750           | 228   | 171,000     | 175,440   |
|    | Rising 2 Yr Heifers                          | 1,179         | 154   | 181,560     | 199,500   |
|    | Mixed Age Cows                               | 1,493         | 585   | 873,500     | 908,300   |
|    | Rising 1 Yr Steers & Bulls                   | 870           | 619   | 538,250     | 149,040   |
|    | Rising 2 Yr Steers & Bulls                   | 1,445         | 357   | 516,000     | 5,400     |
|    | Mixed Age Steers & Bulls                     | 1,500         | 1     | 1,500       | 1,400     |
|    | Breeding Bulls                               | 4,048         | 21    | 85,000      | 61,400    |
|    | Rising 2 Yr Bulls                            | 1,400         | 725   | 1,015,000   | 352,640   |
|    | Rising 1 Yr Bulls                            | 880           | 182   | 160,160     | 480,660   |
|    |  |               | 2,872 | 3,541,970   | 2,333,780 |
|    | <b>Increase in Livestock Values - Cattle</b> |               | 966   | \$1,208,190 | \$772,715 |
|    | <b>Opening Stock - Sheep</b>                 |               |       |             |           |
|    | Lambs  | 93            | 834   | 77,430      | -         |
|    | Ewe Hoggets                                  | -             | -     | -           | 106,160   |
|    | Ram & Wether Hoggets                         | 50            | 38    | 1,900       | 490       |
|    | Two Tooth Ewes                               | 165           | 670   | 110,550     | 95,160    |
|    | Mixed Age Ewes                               | 148           | 3,973 | 586,380     | 257,430   |
|    | 5 & 6 Yr Ewes                                | -             | -     | -           | 181,125   |
|    | Breeding Rams                                | 75            | 82    | 6,150       | 7,125     |
|    |  |               | 5,597 | 782,410     | 647,490   |
|    | <b>Closing Stock - Sheep</b>                 |               |       |             |           |
|    | Lambs  | 120           | 3     | 360         | 77,430    |
|    | Ewe Hoggets                                  | 140           | 1,153 | 161,420     | -         |
|    | Ram & Wether Hoggets                         | 96            | 131   | 12,625      | 1,900     |
|    | Two Tooth Ewes                               | 190           | 910   | 173,160     | 110,550   |
|    | Mixed Age Ewes                               | 184           | 3,948 | 727,090     | 586,380   |
|    | Breeding Rams                                | 142           | 97    | 13,800      | 6,150     |
|    |  |               | 6,242 | 1,088,455   | 782,410   |
|    | <b>Increase in Livestock Values - Sheep</b>  |               | 645   | \$306,045   | \$134,920 |
|    | <b>Total Increase in Livestock Values</b>    |               | 1,611 | \$1,514,235 | \$907,635 |



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Cattle Reconciliation

|                    | 2018<br>Qty  |            | 2017<br>Qty  |
|--------------------|--------------|------------|--------------|
| Sales              | 451          |            | 684          |
| Closing Stock      | <u>2,872</u> |            | <u>1,906</u> |
|                    |              | 3,323      | 2,590        |
| Opening Stock      | 1,906        |            | 1,526        |
| Purchases          | 1,048        |            | 571          |
| Natural Increase   | <u>493</u>   |            | <u>538</u>   |
|                    |              | 3,447      | 2,635        |
| Deaths and Missing |              | <u>124</u> | <u>45</u>    |

### Sheep Reconciliation

|                    | 2018<br>Qty  |            | 2017<br>Qty  |
|--------------------|--------------|------------|--------------|
| Sales              | 6,918        |            | 7,962        |
| Closing Stock      | <u>6,242</u> |            | <u>5,597</u> |
|                    |              | 13,160     | 13,559       |
| Opening Stock      | 5,597        |            | 6,037        |
| Purchases          | 1,584        |            | 2,584        |
| Natural Increase   | <u>6,936</u> |            | <u>5,401</u> |
|                    |              | 14,117     | 14,022       |
| Deaths and Missing |              | <u>957</u> | <u>463</u>   |

| 23 | OTHER FARM INCOME INCL. WOOL AND FORESTRY | 2018             | 2017             |
|----|---|------------------|------------------|
|    | Wool Income                               | 65,329           | 54,451           |
|    | Herb Income                               | 4,008            | 1,594            |
|    | Interest Received                         | 223              | 1,026            |
|    | Sundry Income                             | 2,565            | -                |
|    | Goat Sales                                | 1,622            | 4,271            |
|    | Insurance Proceeds                        | -                | 9,507            |
|    | Forestry Income                           | 134,175          | -                |
|    | Excise Refund                             | -                | 3,215            |
|    | House Rent                                | 20,080           | 69,059           |
|    | Grazing                                   | -                | 3,240            |
|    | Depreciation Recovered                    | <u>3,183</u>     | <u>-</u>         |
|    |   | <u>\$231,185</u> | <u>\$146,363</u> |



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|  |                    |                  |
|--|--------------------|------------------|
| <b>24 FARM - WORKING EXPENSES</b>        | <b>2018</b>        | <b>2017</b>      |
| Animal Health                            | 94,988             | 71,315           |
| Calf Rearing incl Wages                  | 33,197             | -                |
| Dog Expenses                             | 23,329             | 21,042           |
| Fertilizer                               | 44,193             | 6,412            |
| Fodder                                   | -                  | 59,811           |
| Freight & Cartage                        | 36,929             | 33,467           |
| Fringe Benefit Tax                       | 3,277              | 6,657            |
| Grazing                                  | -                  | 5,586            |
| Herb Expenses                            | 631                | 437              |
| Horse Expenses                           | -                  | 2,586            |
| Horticulture Expenses                    | 2,507              | -                |
| Pasture Management                       | 197,998            | -                |
| Power                                    | 19,491             | 34,608           |
| Protective Clothing                      | -                  | 2,182            |
| Seed                                     | 12,718             | 35,951           |
| Shearing & Crutching                     | 61,660             | 42,770           |
| Soil Testing                             | -                  | 1,217            |
| Station Expenses                         | -                  | 399              |
| Stores                                   | -                  | 3,457            |
| Trees                                    | 4,423              | -                |
| Wages                                    | 518,934            | 489,874          |
| Weed & Pest Control                      | 80,892             | 136,127          |
|  | <u>\$1,135,167</u> | <u>\$953,898</u> |
| <b>25 FARM - REPAIRS AND MAINTENANCE</b> | <b>2018</b>        | <b>2017</b>      |
| Buildings                                | 17,655             | 5,651            |
| Dwelling                                 | 44,702             | 18,945           |
| Fencing                                  | 1,580              | 19,850           |
| General                                  | 4,536              | 6,959            |
| Plant                                    | 9,064              | 7,385            |
| Tracks & Yards                           | 9,042              | 3,135            |
| Water Supply                             | 10,897             | 18,076           |
|  | <u>\$97,476</u>    | <u>\$80,001</u>  |
| <b>26 FARM - MOTOR VEHICLE EXPENSES</b>  | <b>2018</b>        | <b>2017</b>      |
| - Fuel                                   | 74,129             | 40,134           |
| - Motorbikes                             | 22,724             | 12,945           |
| - Repairs & Maintenance                  | 18,854             | 9,741            |
| - Road User                              | 10,456             | 1,085            |
| - Tractor                                | 23,300             | 3,320            |
| - Trailer                                | 221                | 682              |
| - Truck                                  | -                  | 3,192            |
| - Ute                                    | -                  | 8,671            |
|  | <u>\$149,684</u>   | <u>\$79,770</u>  |



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|           |                                       |                  |                  |
|-----------|---------------------------------------|------------------|------------------|
| <b>27</b> | <b>FARM - ADMINISTRATION EXPENSES</b> | <b>2018</b>      | <b>2017</b>      |
|           | Accountancy Fees                      | 12,307           | 44,931           |
|           | Advertising                           | 1,301            | 5,123            |
|           | Bank Charges                          | (1)              | 27               |
|           | Computer Expenses                     | 215              | 635              |
|           | Consultancy Fees                      | 4,020            | 9,702            |
|           | Depreciation                          | 198,745          | 108,245          |
|           | General Expenses                      | 4,311            | 5,645            |
|           | Health & Safety                       | 6,620            | 9,165            |
|           | Postage                               | -                | 54               |
|           | Printing & Stationery                 | 962              | 563              |
|           | Security Costs                        | 1,803            | 5,339            |
|           | Staff Expenses                        | 26               | 2,147            |
|           | Staff Training & Welfare              | 10,593           | 1,683            |
|           | Subscriptions                         | 7,898            | 1,468            |
|           | Telephone                             | 12,999           | 7,744            |
|           |                                       | <u>\$261,799</u> | <u>\$202,471</u> |
| <b>28</b> | <b>FARM - STANDING CHARGES</b>        | <b>2018</b>      | <b>2017</b>      |
|           | ACC Levy                              | 24,410           | 4,111            |
|           | Insurance                             | 30,733           | 15,440           |
|           | Lease Payments                        | 35,623           | -                |
|           | Rates                                 | 58,513           | 41,286           |
|           |                                       | <u>\$149,279</u> | <u>\$60,837</u>  |
| <b>29</b> | <b>FARM - FINANCE EXPENSES</b>        | <b>2018</b>      | <b>2017</b>      |
|           | Interest                              | <u>1,735</u>     | <u>2,344</u>     |
|           |                                       | <u>\$1,735</u>   | <u>\$2,344</u>   |

### 30 HONEY INCOME

The honey income recorded in the 2018 year (\$90,000) relates to two years. The Trust was previously invoicing, in July each year, for the previous 12 months to 30 June. This meant that apiary rentals were being recorded 12 months in arrears. This has now been remedied and the Trust received apiary rental income in July 2017 for the June 2017 year and also in June 2018 for the June 2018 year.



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# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

| <b>31 COMPANY EXPENSES</b>       | <b>2018</b>             | <b>2017</b>             |
|----------------------------------|-------------------------|-------------------------|
| <b>Administration</b>            |                         |                         |
| Advertising                      | 1,220                   | 4,639                   |
| Cleaning                         | 581                     | -                       |
| Consultancy                      | 14,215                  | 12,497                  |
| General Expenses                 | 1,685                   | 2,695                   |
| Legal Fees                       | 5,386                   | 661                     |
| Meeting Expenses                 | 2,032                   | 5,672                   |
| Printing & Stationery            | 1,226                   | 2,572                   |
| Project Expenditure              | 3,000                   | 34,298                  |
| Subscriptions                    | 50                      | -                       |
|                                  | <u>\$29,395</u>         | <u>\$63,034</u>         |
| <b>Communication</b>             |                         |                         |
| Postage                          | 6                       | -                       |
| Telephone                        | 5,577                   | 2,986                   |
|                                  | <u>\$5,583</u>          | <u>\$2,986</u>          |
| <b>Directors Expenses</b>        |                         |                         |
| Directors Meeting Fee            | 66,000                  | 43,208                  |
| Directors Travel                 | 12,951                  | 11,573                  |
|                                  | <u>\$78,951</u>         | <u>\$54,781</u>         |
| <b>Financial Costs</b>           |                         |                         |
| Audit Fees                       | 7,500                   | 7,000                   |
| Bad Debt Provision               | 70,866                  | -                       |
| Bank Charges                     | 25                      | 13                      |
|                                  | <u>\$78,391</u>         | <u>\$7,013</u>          |
| <b>Furniture &amp; Equipment</b> |                         |                         |
| Computer Maintenance             | 680                     | -                       |
| Fixed Assets <\$500              | 217                     | -                       |
|                                  | <u>\$897</u>            | <u>-</u>                |
| <b>Motor Vehicles</b>            |                         |                         |
| Motor Vehicle Costs              | 7,970                   | 9,851                   |
|                                  | <u>\$7,970</u>          | <u>\$9,851</u>          |
| <b>Operating Expenses</b>        |                         |                         |
| Power                            | 7,616                   | -                       |
| Rent                             | 10,239                  | -                       |
| Staff Training                   | 113                     | -                       |
| Travel                           | 356                     | -                       |
|                                  | <u>\$18,324</u>         | <u>-</u>                |
| <b>Personnel</b>                 |                         |                         |
| Salary & Wages                   | 218,994                 | 130,806                 |
| Staff Training                   | -                       | 224                     |
|                                  | <u>\$218,994</u>        | <u>\$131,030</u>        |
|                                  | <u><b>\$438,505</b></u> | <u><b>\$268,695</b></u> |

Prior year (2017) company expenses were not allocated for items such as share of rent, power, etc.



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|           |   |                  |                  |
|-----------|---|------------------|------------------|
| <b>32</b> | <b>TRUST - CONTRACT &amp; PROGRAMME INCOME</b>              | <b>2018</b>      | <b>2017</b>      |
|           | MPI Project   | 14,000           | 7,087            |
|           | Te Puni Kokiri - Digital Opportunities                      | -                | 70,347           |
|           | Te Puni Kokiri - Ka Hao Digital Tech                        | 88,196           | 23,100           |
|           | HBDHB Funding - High Needs Population Fund                  | 3,924            | 4,168            |
|           | Department of Conservation - Putere Lakes                   | 878              | 16,188           |
|           | HBRC Gravel Monitor   | 18,625           | -                |
|           | MSD - Project Management                                    | 36,482           | 24,441           |
|           | Takutai Moana - Ministry of Justice Funding                 | 15,824           | -                |
|           | MSD Pastoral Support  | 20,000           | -                |
|           | River Restoration co funded with MFE                        | 3,000            | -                |
|           | WINZ Subsidy  | 8,696            | -                |
|           | Ospri Contract  | 343,112          | -                |
|           | HBRC - River Restoration                                    | 44,238           | 314,362          |
|           |   | <u>596,975</u>   | <u>459,693</u>   |
| <b>33</b> | <b>TRUST - OPERATING COSTS EXCL. CONTRACT AND PROGRAMME</b> | <b>2018</b>      | <b>2017</b>      |
|           | Cleaning  | 2,463            | 2,615            |
|           | Consultancy Fees  | 11,157           | 16,821           |
|           | Cross Claim - Iwi Relationship                              | 929              | -                |
|           | General Expenses  | 5,812            | 6,362            |
|           | Health and Safety   | 4,030            | -                |
|           | Hui-a-Iwi Expenses  | 73               | 1,141            |
|           | Koha Paid   | 1,718            | 350              |
|           | Legal Fees - Deductible                                     | 3,034            | -                |
|           | Pastoral Support  | 24,602           | -                |
|           | Printing & Stationery                                       | 10,408           | 14,784           |
|           | Project - Takutai Moana Expenses                            | 18,617           | 69,838           |
|           | Rangatahi Investment  | 36,458           | -                |
|           | Subscriptions & Levies                                      | 3,066            | 5,910            |
|           | Trustee Meeting Expenses                                    | 3,865            | 2,981            |
|           |   | <u>\$126,232</u> | <u>\$120,802</u> |



**Gardiner Knobloch Limited**  
Chartered Accountants



# NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|           |  |                  |                  |
|-----------|--|------------------|------------------|
| <b>34</b> | <b>TRUST - COMMUNICATION COSTS</b>       | <b>2018</b>      | <b>2017</b>      |
|           | AGM Expenses                             | 15,768           | 7,592            |
|           | Communications and Marketing             | 12,317           | -                |
|           | Internet/Email                           | -                | 44               |
|           | Postage                                  | 15               | 686              |
|           | Telephone - Tolls and Faxes              | 3,339            | 3,303            |
|           | Telephone Rental                         | 19,253           | 13,280           |
|           |  | <u>\$50,692</u>  | <u>\$24,905</u>  |
| <b>35</b> | <b>TRUST - GRANTS</b>                    | <b>2018</b>      | <b>2017</b>      |
|           | Grants - Manaaki                         | 221,000          | 217,092          |
|           |  | <u>\$221,000</u> | <u>\$217,092</u> |
| <b>36</b> | <b>TRUST - FINANCIAL COSTS</b>           | <b>2018</b>      | <b>2017</b>      |
|           | Accountancy Fees - Gardiner Knobloch     | 18,200           | 22,030           |
|           | Audit Fee - Current Year Accrual         | 7,500            | 7,000            |
|           | Bank Charges                             | 1,069            | 1,337            |
|           | Depreciation                             | 221,849          | 206,757          |
|           | Interest Expense - Bank                  | -                | 1                |
|           | Interest Expense - IRD                   | 2,122            | 2,682            |
|           | Loss on Sale                             | -                | 14               |
|           |  | <u>\$250,740</u> | <u>\$239,821</u> |
| <b>37</b> | <b>TRUST - FURNITURE &amp; EQUIPMENT</b> | <b>2018</b>      | <b>2017</b>      |
|           | Computer Expenses                        | 14,601           | 18,444           |
|           | Rental/Hire - External                   | 10,711           | 10,108           |
|           | Repairs & Maintenance - Equipment        | 586              | 911              |
|           |  | <u>\$25,898</u>  | <u>\$29,463</u>  |
| <b>38</b> | <b>TRUST - OCCUPANCY</b>                 | <b>2018</b>      | <b>2017</b>      |
|           | Insurance                                | 17,213           | 23,029           |
|           | Power                                    | 6,747            | 8,915            |
|           | Rates                                    | 16,083           | 29,976           |
|           | Rent - Napier                            | 16,631           | 24,874           |
|           | Repairs & Maintenance - Buildings        | 12,230           | 1,186            |
|           | Repairs & Maintenance - Grounds          | 1,231            | 2,108            |
|           |  | <u>\$70,135</u>  | <u>\$90,088</u>  |



## NGATI PAHAUWERA DEVELOPMENT TRUST CONSOLIDATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

|           |                                |                  |                  |
|-----------|--------------------------------|------------------|------------------|
| <b>39</b> | <b>TRUST - PERSONNEL COSTS</b> | <b>2018</b>      | <b>2017</b>      |
|           | ACC Levy                       | 5,328            | 7,754            |
|           | CEO - Travel and Expenses      | -                | 3,252            |
|           | Staff Training                 | 5,627            | 3,154            |
|           | Travelling Expenses            | 135              | 693              |
|           | Wages                          | 559,286          | 720,955          |
|           |                                | <u>\$570,376</u> | <u>\$735,808</u> |
| <b>40</b> | <b>TRUSTEE COSTS</b>           | <b>2018</b>      | <b>2017</b>      |
|           | Trustee & Consultancy Travel   | 8,758            | 12,992           |
|           | Trustee Election Expenses      | -                | 23,347           |
|           | Trustee Training               | -                | 1,304            |
|           | Trustees Honoraria             | 115,200          | 139,875          |
|           |                                | <u>\$123,958</u> | <u>\$177,518</u> |
| <b>41</b> | <b>TRUST - VEHICLE COSTS</b>   | <b>2018</b>      | <b>2017</b>      |
|           | Vehicle Costs                  | 31,110           | 32,761           |
|           |                                | <u>\$31,110</u>  | <u>\$32,761</u>  |



**Gardiner Knobloch Limited**  
Chartered Accountants

# APPENDIX: MANAAKI GRANTS

## Secondary, Tertiary and Group Recipients

The following were recipients of a Secondary Grant of \$1000.00 each:

| NAME                       | COLLEGE                  | AMOUNT |
|----------------------------|--------------------------|--------|
| Alizae Kaimoana-Adsett     | St Josephs MGC           | 1,000  |
| Danielle Alo               | St Josephs MGC           | 1,000  |
| Silve Alo                  | St Josephs MGC           | 1,000  |
| Valentine Beattie-Kahukura | Napier Girls High        | 1,000  |
| Te Kowhai Boynton-Rameka   | Hamilton Girls High      | 1,000  |
| Moana Crawford             | St Josephs MGC           | 1,000  |
| Kane Hedley                | Napier Boys High         | 1,000  |
| Oriwia Hoepo-Scott         | St Josephs MGC           | 1,000  |
| Syrade Irwin               | Napier Girls High        | 1,000  |
| Justyce Kaaho              | St Josephs MGC           | 1,000  |
| Karen King                 | St Josephs MGC           | 1,000  |
| Journey Tipoki-Manuel      | Hato Paora               | 1,000  |
| Mere Murray-Macgregor      | St Josephs MGC           | 1,000  |
| Paula Murray-Macgregor     | St Josephs MGC           | 1,000  |
| Ricki Scott-Baker          | Te Aute College          | 1,000  |
| Kopu Smith                 | Hato Paora               | 1,000  |
| Kumeroa Smith              | St Josephs MGC           | 1,000  |
| Rusty Tipoki               | Hato Paora               | 1,000  |
| Paku Upoko-Harrison        | Te Aute College          | 1,000  |
| Dylan Ngakohu Walker       | Rotorua Boys High School | 1,000  |
| Quentin Taumanu Walker     | Rotorua Boys High School | 1,000  |
| Romina Watene-Savea        | Hukarere Girls College   | 1,000  |
|                            |                          | 22,000 |



The following were recipients of a Tertiary Grant. Tertiary Grants ranged from \$865.00 to \$1,500 depending on the student's study programme.

| NAME                      | TERTIARY         | STUDY   | \$   |
|---------------------------|------------------|---|------|
| Aana Adsett               | TWO Aotearoa     | Bachelor Maori Arts Level 7                                 | 1000 |
| Te Rakarito Baker         | Wgtn IT          | Diploma Construction Level 6 Quantiy Surveying              | 1000 |
| Jessica Bird              | EIT - Napier     | Bachelor of Arts (Maori)                                    | 1000 |
| Michelle Brown            | TWO Aotearoa     | Diploma Maori Governance and Leader-ship                    | 1000 |
| Lyric Bird                | Uni Otago        | Bachelor of Arts - Major subjects Maori Studies             | 1000 |
| Claire Butler             | EIT - Napier     | Diploma in Heritage & Museum Studies                        | 1000 |
| Sophie Canning-Waddell    | Uni Auckland     | Bachelor of Arts Major in English, Minor in Writing Studies | 1000 |
| Jesse Crawford            | Uni Victoria     | Bachelor of Education (Teaching Early Childhood)            | 1000 |
| Migoto Eria               | TWO Raukawa      | Tahuhu Matauranga Maori Y2                                  | 1250 |
| Moana Hapeta              | Uni Otago        | Bachelor of Science majoring in Physi-ology                 | 1000 |
| Paige Heron               | Uni Victoria     | Bachelor of Science   | 1000 |
| Arena Heta                | SIT Invercargill | Diploma in Hospitality Management Level 6                   | 865  |
| Marie Hoepo-Scott         | Uni Otago        | Foundation Studies Certificate Health Science Term 1        | 1000 |
| Leonie Hura               | UCOL P/Nth       | Bachelor of Nursing Level 7                                 | 1000 |
| Trent Hooper              | EIT - Napier     | Diploma in Business Level 5                                 | 1000 |
| Kahu Jakicevich           | Uni Massey       | Visual Communication Design with Honours                    | 1250 |
| Abigail Johnson           | Uni Otago        | Bachelor of Science with Honours in Neuroscience            | 1000 |
| Ereti King                | Uni Victoria     | Conjoint Double LLB Degree Law and Commerce                 | 1000 |
| Hinemoana Markham-Nicklin | Uni Victoria     | Bachelor of Laws and Bachelor of Commerce                   | 1000 |
| Awatea Moxon              | Uni Otago        | Bachelor of Science Psychology Mjr Neursocience Mnr         | 1000 |
| Angus Ngarangioue         | Otago Polytech   | Diploma in Applied Addictions Counsel-ling Level 7          | 1000 |
| Tylah Ngarangione-Wicks   | Uni Waikato      | Bachelor of Teaching/Bachelor of Arts                       | 1000 |
| Melissa Paul              | TWO Raukawa      | Heke Te Rangakura-Kaiwhakaako                               | 1000 |
| Moananui Rameka           | EIT - Gisborne   | Bachelor of Computing Systems Pro-gramme                    | 1000 |

|                       |                 |   |               |
|-----------------------|-----------------|---|---------------|
| Jennifer Robinson     | TWO - Gisborne  | Bachelor of Bicultural Social Work Level 7                      | 1000          |
| Nigel Ross            | Waikato IT      | Bachelor of Media Arts - Commercial Music                       | 1000          |
| Rongo Ross            | TWO Raukawa     | Poutuarongo Te Rangkura - Kaiwha-kaako - Y2                     | 1000          |
| Bobby Rutene          | EIT Gisborne    | Te Kupenga o Te Ao Tikanga (Level 4)                            | 1000          |
| Amy Scott             | Uni Massey      | Postgraduate Diploma in Specialist Teaching Autism Spectrum     | 1250          |
| Charles William Smith | Uni Waikato     | Bac Social Sciences-Environ Plan Major, Social Policy 2nd Major | 1000          |
| Rikki Solomon         | TANAR Whakatane | Dr of Indigenous Development and Advancement                    | 1500          |
| Christina Stockman    | TWO Raukawa     | Tahuhu Whakaakoranga Master of Maori Education                  | 1250          |
| Desiree Taunoa        | EIT - Napier    | Diploma in Cookery Advanced Level 5                             | 1000          |
| Devo Te Aho           | TWO Aotearoa    | Bachelor of Maori Art - Maunga Kura Toi Level 7 Raurangi        | 1000          |
| Shakyr Te Aho         | Uni Waikato     | Bachelor of Science - Faculty of Science and Engineering        | 1000          |
| Leah Tuhi             | Uni Otago       | Bachelor of Physiotherapy                                       | 1000          |
| Warren Wainohu        | TWO Raukawa     | Tahuhu Whakaakoranga Master of Maori Education - Final yr       | 1250          |
| Simeon Wilson         | Uni Otago       | Bachelor of Oral Health   | 1000          |
| Maia Winiana          | Uni Otago       | Bachelor of Arts & Law Major subjects                           | 1000          |
| Hemi Wong             | Uni Otago       | Bachelor of Science - Major subjects Neuroscience               | 1000          |
| Tiana Jakicevich      | Uni Victoria    | Bachelor of Arts, Bachelor of Laws                              | 1000          |
| Huiarau Stewart       | Uni Waikato     | Master of Business Administration                               | 1000          |
|                       |                 |   | <b>43,615</b> |

The following recipients received a Group Grant:

| NAME  | KAUPAPA  | \$             |
|---|--|----------------|
| Waipapa-A-Iwi Mohaka Marae                  | Recladding walls of Rongomaiwahine, checking piles, electrical work & new spouting | 80,000         |
| Wairoa Ross Shield                          | Travel support   | 1,000          |
| Te Kura o Mohaka                            | Cultural Ball which includes the Kotemaori, Tutira and Putere Schools              | 1,000          |
| Ngati Pahauwera Hauora – Water Committee    | To provide a quality water supply to people of Raupunga.                           | 30,000         |
| NP Kaumatua Trust                           | Transporting kaumatua re shopping, tangi and hui                                   | 2,000          |
| Putere Marae                                | Plaster & paint toilet block and paint wharekai                                    | 24,000         |
| Te Huki Urupa Group                         | To maintain the Te Huki urupa  | 2,000          |
| Arakanihi Urupa                             | Assist with fixing headstones/gravesites   | 2,000          |
| <b>TOTAL</b>                                |  | <b>142,000</b> |
|   |  |                |
| Wairoa Search & Rescue                      | Tautoko  | 550            |
| Wairoa Ambulance Services                   | Tautoko  | 550            |
| Lowe Corporation Rescue Helicopter Services | Tautoko  | 550            |
| Wairoa Fire Service                         | Tautoko  | 550            |
| <b>TOTAL</b>                                |  | <b>2,200</b>   |



# APPENDIX: MINUTES OF AGM 2017

## MINUTES ANNUAL GENERAL MEETING 2017

Sunday 19th November 2016

10:10am

Waipapa-A-Iwi Mohaka Marae

### TRUSTEES IN ATTENDANCE:

Toro Waaka, Tania Hodges, Tureiti Moxon, Chaans Tumataroa-Clarke, Rex Adsett.

### STAFF IN ATTENDANCE:

Robin Hape Chief Executive Officer (CEO), Peter MacGregor, Luke Hansen (Chief Commercial Officer), Peter Eden (MSD Secondment), Kane Koko, Terrilee Joe, Lynn Quinn, Kane Koko, Kuki Green, Marie Moses, Michelle Thompson, Elmaadi Te Aho, Raymond Joe.

Peter Gillies as Trust Accountant, Michael Chamberlain Chairman, Ngati Pahauwera Commercial Development Ltd (NPCDL).

### MEMBERS IN ATTENDANCE:

Nell Adsett, Willie Adsett, Richard Allen, James Aranui, Materoa Aranui, Tiwana Aranui, Yvonne Aranui, Eddie Gemmell, Glenda Hancy, George Hancy, Vilma Hape, Te Aroha Hiko, Edina & Haami Hilton, Margaret Hamlin, Chrissy Hauraki, Gaye Hawkins, Keri Hawkins, Pani Hokianga, Hiria Horua, Barry Hoskin, Carol Huata, Derek Huata, Cassandra Huata, Ellen Issacson, Dan Joe, Tini Kapua, Rangi Keefe, Syd Keremete, William Kupa, Charles Lambert, Gaylene Lambert, May Mathews, Deborah Maulder, Peter Maulder, Rill Meihana, Marlene McDonnell, Taha Morrell, Te Rina Murphy, Gladys Nelson, Theresa Netane, Zeb Nicklin, Molly Pardoe,

Rose Perrett, Sharnie Perrett, Malcolm Puhia, Doug Putaranui, Beverley Rameka, James Robin, Ruruhira Rameka, Isobel Selby, Dave Shelford, Steve Shelford, Tina Sialemlisa, Cathy Spooner, Fraya Spooner, Jill Spooner, Judy Spooner, Mutu Spooner, Jean Stuart, Lea Stuart, Rebecca Sturgess, Thomas Rawiri Taumata, Dora Taumata-Kamo, Guy Te Kahika, Peter Te Kahika, Kopu Tipoki, Michelle Toe Toe, Mere & Ngahiwi Tomoana, Awhina Waaka, Richard Waaka, Francis Waihape, Jason Waihape, John Waihape, Charlie Wainohu, Henare Wainohu, Frankie Pitiera Wainohu, Graeme Watts, Neti & Trevor Whatuira, Ethan Wichman.

### APOLOGIES:

Kath Adsett, Stephanie Allen, Arthur Brightwell, Tahlia Brown, Joanne Burrell, Michelle Clarke, Gareth Coxhead, Jo Coxhead, Michele Coxhead, Paul Coxhead, Ngaire Culshaw, Dale Ennor, R Freeman, Sharleen Hawkins, Amiria Harvey, Sissiel Henderson, Mary Hoskin, Isobel Houia, Kandanz Huata, Abby Johnson, Ripeka Kaipuke, Mike Keefe, Tuki King, Aaron Koroheke, Tai Kotuhi, Amelia Lambert, Ben Lambert, Nina Lambert, Marissa Lambert, Justin Lawlor, Mason Lawlor, Edward Moses (jnr), Edward Moses (snr), Areta Moses, Awatea Moxon, Kiri Moxon, Te Aro Moxon, Tureia Moxon, LeRoy Pardoe, Joy Putaranui, Hokiwaka Rameka, Moana Rameka, Olga Rameka, Sam Rameka, Rawiri Rameka, Tatari Rameka, Anahera Rameka-Keremete, Ani Rameka-Keremete, Chelsea Spooner, Katarina Spooner, Lee Spooner, Christina Stockman, Joe Te Kahu, Anthony Te Kahu, Calvin Te Kahu, Susanne Te Rure-Puhia, Connie Wainohu, Minita Watene (snr), Matiu Wihape.

## AGM AGENDA AS NOTIFIED:

1. Karakia – Mihi
2. Trustees annual report on the operations of the Ngāti Pāhauwera Group including the Trusts and Companies.
  - **Resolution: To receive and note the Ngāti Pāhauwera Development Group Annual Report.**
3. Audited Financial Statements for the Ngāti Pāhauwera Development Group for the Financial Year End 30 June 2017.
  - **Resolution: To receive and note the audited Financial Statements for Ngāti Pāhauwera Development Group for the Year End 30 June 2017.**
4. 2017/2018 Annual Plan.  
Updated 5 year, and 100 year plans for Ngāti Pāhauwera Development Group.
  - **Resolution: To receive and note the 2017/2018 Annual Plan in addition the updated Five (5) Year and 100 year plans for the Ngāti Pāhauwera Development Group.**
5. To appoint Crowe Horwath as the Auditor for the Ngāti Pāhauwera Development Group for 2018 – 2020.
  - **Resolution: To appoint Crowe Horwath as the Auditor for Ngāti Pāhauwera Development Group for the period 2018 – 2020.**
6. General Business
  - Call for non-notified business items.
7. Confirm minutes from AGM 19 November 2016.
  - **Resolution: To receive and accept the minutes of the Annual General Meeting of 19 November 2017.**

CHAIRPERSON: Toro Waaka

## AGENDA ITEM 1. KARAKIA – Mihi:

Chaans Tumataroa-Clarke and Toro Waaka.

## AGENDA ITEM 2. Ngāti Pāhauwera Development Trustees Annual Report for 2017.

The areas covered in the AGM booklet were explained and presented by Toro Waaka including the following excerpts.

### Governance:

The Crown determined the Governance structure for all entities of the Trust. The Ngati Pahauwera Tiaki Trust holds all the lands and items of cultural significance which cannot be sold. All Trustees are to act in the best interest of the trust and for its members. These responsibilities are covered in the Deed of Trust, Trust policies and the Companies and Trusts Act. All Trustees are required to sign documents accepting those responsibilities according to the Deed and the various Company Constitutions.

### Community Support:

Free dental service is provided to the greater community of Wairoa not just for Ngāti Pāhauwera. The service is sponsored by Lumino, Mainfreight (in kind sponsorship), the Hawkes Bay District Health Board and the Trust. The dental staff all volunteer their time. Consultation is being held with the Heretaunga Taiwhenua as they provide dental services to the Heretaunga area.

### Takutai Moana:

The Minister has only recognised Customary Marine Title over a small part of the application area and 12 nautical miles of hangi stone protection. The Trust is filing an application in the High Court to pursue the

Customary Rights and Wahi Tapu Protection to our Takutai Moana from the high watermark out to 12 nautical miles which includes the Mohaka River mouth.

#### **Putere Lakes:**

As part of the Environmental work that is being undertaken, the Trust is currently working with DOC, NIWA, HBRC and Nga Whenua Rahui, to protect two lakes in Putere, fencing off the waterways from stock and controlling pests. The Trust also attends meetings and works with other Government and non-Government stakeholders on several initiatives.

#### **ICT:**

Acknowledgment given to Te Puni Kokiri for the putea received from the Ka Hao Maori Digital Technology Development Funding for the Information, Communication and Technology (ICT) strategy. This project was set up as part of the Trust's employment strategy, to digitise the Trusts' archival data and to build the infrastructure to increase broadband access in the Mohaka area. The Trust intends to expand the strategy into the Maraenui community.

Concern expressed that improved computer access should be provided in Raupunga/ Mohaka itself. Response was that there was a need for good data access and a willing and qualified person to supervise. The Trust has a partnership with Curve Technology who is providing the ICT capacity in Wairoa.

#### **Mahi, education and Training:**

Ministry of Social Development (MSD) Secondment – Peter Eden continues to assist people into employment. In partnership with the Police and MSD– 20 Rangatahi gained their drivers licences, 10 gained their learner truck licences, 40 participants attended the

Whakatupato Firearms Safety training and 34 passed their gun licences test.

#### **Manaaki Committee Report presented by Tureiti Moxon:**

The current Manaaki Committee members are Tureiti Moxon (Chair), Rex Adsett, Chaans Tumataroa-Clarke, and Ngaire Culshaw. The process of how the funds are allocated and providing the accountability reports are posted on the Trust website at [www.ngatipahauwera.co.nz](http://www.ngatipahauwera.co.nz).

While the decision of the manaaki committee is final the following matters were raised for the committee's attention:

- Clarify the criteria for those at secondary schools,
- Confirm the various tohu each member is applying for,
- The quantum received by the GHAT youth group as being insufficient,
- Te Huki marae remaining uncompleted.
- Ineligibility of whanau outside of New Zealand accessing manaaki grants.

Gaye Hawkins spoke about the Pouhono Wānanga provided by Te Whare Wānanga o Awanuiārangi that is being held with a small group from both Te Huki and Mohaka Marae. Funding from these wānanga are paid directly to the respective marae. Marae also have their own autonomy and have their own Trustees to manage their Marae business.

#### **NPCDL Report presented by Michael Chamberlain:**

2017 was a successful year with NPCDL managing five farms which have produced a \$200,000 profit that is re-directed back to NPDT. There are currently 1895 effective hectares and aiming to get to 2298 hectares by 2019. Much development has been completed on all farms from fencing, installing all weather



yards to weigh and manage stock, building cattle handling facilities, spraying blackberry and gorse. The Company would like to lease land that needs development but also harvest kawakawa and koromiko which are then sold to Phytomed as a dried product. Native seedlings are also planted in the nursery.

Currently there are three types of investments: Shares in public companies, shares in private companies and money in the bank.

- \$7.69 million has been invested in 72 companies.
- The portfolio is now worth \$10.14 million and has paid out \$778.000 dividends.
- The total return from that investment has been \$3.22 million since October 2013.
- The return on investment has been 15.1% per annum against an industry benchmark of 8.9%.

**Action:** A copy of the NPCDL presentation as different to the AGM booklet to be placed on the Trust website.

Victor Goldsmith, Independent Director for NPCDL introduced himself to those in attendance.

**Resolution: To receive and note the Ngāti Pāhauwera Development Group Annual Report. Moved by Api Robin seconded by Rangi Keefe. Majority in favour. Resolution passed.**

### **AGENDA ITEM 3. Audited Financial Statements for the Ngāti Pāhauwera Development Group for the Financial Year End 30 June 2017.**

Financial Statements for the year ending 30 June 2017 are detailed in the AGM booklet, including audit report and the notes which provide much of the detail.

The trust accountant, Peter Gillies of Gardiner Knobloch Limited, provided the following detail:

- The Trust has a Tier 2 Charitable Status therefore in line with the Governments requirements, the financial statements have to comply with the Charities Act.
- The Section 30 (S30) advance of \$40,564.00 is not likely to be recovered and should be considered for write off by the trustees.

**Resolution: To receive and note the audited Financial Statements for Ngāti Pāhauwera Development Group for the Year end 30 June 2017. Moved by Peter Robin and Rangi Keefe. 46 in favour, 29 against. Resolution passed.**

### **AGENDA ITEM 4. 2017/2018 Annual, 5 Year and 100 Year Plans for NPDT Plans.**

An overview on the Annual, 5 Year and 100 Year plans for the NPDT are detailed in the AGM booklet. The plans were explained by Robin Hape CEO NPDT.

- Request to receive update on the contracts from the Ministry of Education (MOE) and Te Taura Whiri. Advised that all contracts were now complete but MOE advised they had no funds to implement the Pāhauwera educational strategy and any new reo funding require iwi support and approaches through Te Matawai the regional investment.
- Another query was raised regarding the housing strategy and how many homes if any would the trust be providing. Advised that the trust support whanau to access the current papakainga funding which provided feasibility, and project management support provided there was agreement with the whanau land owners to build. The biggest





## | Lake Rotongaio Panorama

barrier is obtaining agreement from all owners. At this stage housing is work in progress with a priority on employment.

Resolution: To receive and note that the 2017/2018 Annual Plan in addition the updated Five (5) Year and (100) Year plans for the Ngāti Pāhauwera Development Group. Moved by Rangi Keefe seconded by Gladys Nelson. One against the resolution. Resolution passed.

### **AGENDA ITEM 5. To appoint Crowe Horwath as the Auditor for the Ngāti Pāhauwera Development Group for the period 2018 – 2020.**

- CEO explained that a request for proposal was issued to the local accounting firms which included Price Waterhouse Cooper (PWC), BDO, Crowe Horwath, Oldershaw & Co.
- Crowe Horwath presented well demonstrating experience with other Iwi/ Maori entities, involvement in farm accounting and were competitively priced.

Resolution: To appoint Crowe Horwath as the Auditor for the Ngāti Pāhauwera Development Group for the period 2018-2020 moved by Gaye Hawkins and Rangi Keefe. Two against the motion. Resolution passed.

### **AGENDA ITEM 6. General Business**

**Trustees:** Tureiti Moxon explained that the Trust Deeds stipulate the rules that Trustees need to abide by. Two trustees challenged the process and have engaged a lawyer. The matter will be sorted through the legal process.

**Conflicts of Interest:** All Trustees/ directors must declare their conflicts of interest at each meeting. This is the same if close family members of trustees or directors are either working for the Trust or working for contractors doing work for the Trust.

**Staff Convictions:** Resource management offence raised, however was informed that the matter was not an indictable criminal offence and was dealt with in the Environmental Court.

### **AGENDA ITEM 7. Confirm minutes from AGM of 19 November 2016.**

- Query regarding the Trust Deeds and Charitable Status. All entities of the Trust have either a Deed of Trust or a Constitution. Ngāti Pāhauwera Development Group had successfully applied to the Charities Commission for Charitable Status, given that the other entities are formed from the Ngāti Pāhauwera Development Group Deed, they automatically become eligible for Charitable Status. The updated NPDT Trust Deed is on the Trust website [www.ngatipahauwera.co.nz](http://www.ngatipahauwera.co.nz)
- Ngāti Pāhauwera Development Group undertook a Trust Deed review as per its Trust Deed requirement in 2014, however, it would also be timely to review the constitutional documents of the other entities including the Ngati Pahauwera Tiaki Trust.

Resolution: To receive and accept the minutes of the Annual General Meeting of 19 November 2016 moved by Tania Huata and Guy Te Kahika. Resolution passed.  
The Annual General Meeting closed at 15:40pm by Chaans Tumataroa-Clarke.



# OUR PĀHAUWERA PEOPLE

## TRUSTEES

The Trustees are Toro Waaka, Tania Hodges, Tureiti Moxon, Chaans Tumataroa Clarke, Rex Adsett, Richard Allen and Ngaire Culshaw. Details and biographies of our trustees and directors can be found on the Ngāti Pāhauwera website.

## DIRECTORS

The Directors of the company are Michael Chamberlain (Independent, chairman), Toro Waaka (NPDT Trustee), Chaans Tumataroa Clarke (NPDT Trustee), Tania Hodges (NPDT Trustee), Victor Goldsmith (Independent).

## STAFF: WAIROA OFFICE

The Wairoa Office is the main point of contact for our members and their queries. Marie Moses is the office Manager working with Michelle Thompson (Administrator) and El Maadi Te Aho (Member Registrations). Kuki Green works from the other Wairoa space as our Kaitiaki Supervisor.

## STAFF: NAPIER OFFICE

The Napier Office has our CEO, CCO, financial and project staff. Robin Hape (CEO), Kane Koko (Corporate Services Manager), Terri-Lee Joe (Accounts Administrator), Bonny Hatami (Project Manager Takutai Moana) and Peter MacGregor (Pest Control). Absent from photo: Peter Eden (Training and Employment).

## COMPANY, RONGOA AND FARM STAFF

For the Company, Luke Hansen (CCO) and Christine Chambers (Accounts Clerk) are also based in the Napier Office. Theresa Thornton and Jas Thornton are based out of Wairoa.

Farm Manager, Graeme Watts heads a team of eleven - Jonno Neilson (Stock Manager Pihanui), Quintin Whakataka (Stock Manager Kakariki and Chimney Creek), Jordan Biddle (Senior Shepherd Rawhiti) and Deno Biddle (Fencing, Weeds, and Water Manager) and his team, Hemi Robinson, Tahu Taylor, Tori Heta, Hemi Joe, Reka Joe and Tyrone Thornton.

**WE WOULD LIKE TO THANK THE STAFF FOR THEIR LOYALTY, HARD WORK AND COMMITMENT TO QUALITY OUTCOMES WHILE WORKING IN A CHANGING ENVIRONMENT. WE LOOK FORWARD TO 2019-2020 AND ALL THAT IT BRINGS.**

**KEI Ā TĀTOU ANŌ TE ARA TIKA.  
THE ANSWERS ARE WITHIN US.  
TŌU ROUROU, TŌKU ROUROU,  
KA ORA AI TE IWI.  
TĒNĀ RĀ TĀTOU KATOA.**



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