



WE ARE WHĀNAU

NGĀTI KAHUNGUNU KI WAIRARAPA – TĀMAKI NUI Ā RUA TRUST

ANNUAL REPORT 2016/17



WE ARE NGĀTI KAHUNGUNU

KI WAIRARAPA TĀMAKI NUI-A-RUA!

THIS IS OUR CHANCE TO COME TOGETHER AS ONE PEOPLE



He Mihi

Tēnei au, tēnei au, te hōkai nei o taku tapuwae
Te hōkai nuku, te hōkai rangi,
Te hōkai o taku tipuna, o Tāwhaki
Ko Tāmaki Nui-a-Rua ki raro,
Ko Wairarapa ki runga,
Ko Ngāti Kahungunu ka horapa.

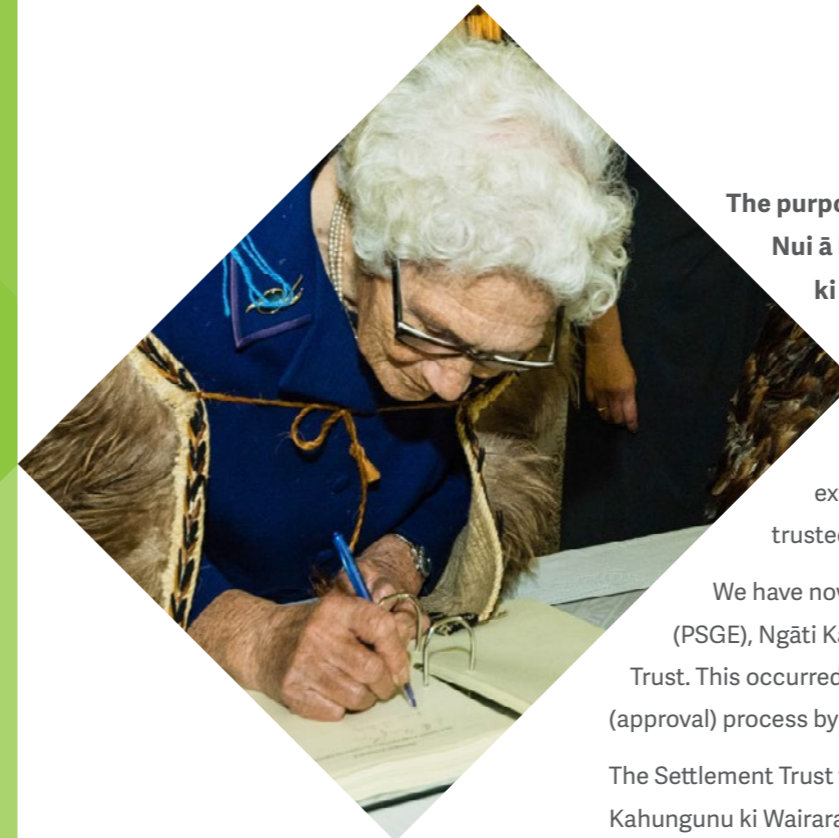
Tihei Mauriora!

E tangihia tonuhia ana ngā mate huhua o tēnā
moka, o tēnā moka; o tēnā hapū, o tēnā hapū;
otirā, o tēnā iwi, o tēnā iwi puta noa. Ko te aroha
tēnei te rere nei ki ngā whānau pani e tohe ana ki
te puta ki te ao marama. Rātau ki a rātau, tātau ki a
tātau, tēnā rā tātau katoa.

Tēnei te reo karanga e kōkiri nei i ngā
whakapaparanga o Ngāti Kahungunu ki Wairarapa
Tāmaki Nui-a-Rua kia tahuri mai ki ngā kōrero
whaitake o te wā e hāngai ana ki a tātau i roto i te
hikoitanga i te ara o Kerēme ki te ara o Ora.

Kāti ake, tēnā rā tātau katoa

About the Trust



The purpose of Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust is to represent all Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua iwi members in negotiating the settlement of our Treaty of Waitangi grievances with the Crown.

The Trust was established in December 2010 following extensive consultation with our iwi, hapū and marae. Our trustees were elected by Ngā Hapū Karanga.

We have now established the Post-Settlement Governance Entity (PSGE), Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust. This occurred on 31 March 2017 after a successful ratification (approval) process by our people in late 2016.

The Settlement Trust will receive and administer the assets for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua upon completion of our settlement, and will take our people forward on our post-settlement journey.

The PSGE Trust Deed and associated operational policies govern the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust.

KEY DOCUMENTS INCLUDING THIS ANNUAL REPORT ARE AVAILABLE ONLINE AT WWW.KKWTNR.ORG.NZ OR BY CONTACTING OUR OFFICE ON 0800 KKWTNR (0800 559 867).

HE TAURA HARAKEKE,
KA KUKUMEA, A TONA WĀ,
KA WHATI.
HE TAURA WHAKAPAPA,
KA KUKUMEA AHAKOA KA
PĒHEA TE ROA,
E KORE RAWA E NGĀ MOTU.



Contents

Chairperson's Report	8
The Settlement Process	10
Settlement Package Overview	11
Your Trustees	12
Operational Report	13
Feature: <i>Te Marae o Rongotaketake</i>	16
Audited Financial Statements	19

A CHORD MADE OF FLAX, WHEN STRETCHED,
WILL EVENTUALLY BREAK. BUT A CHORD
MADE OF WHAKAPAPA, NO MATTER HOW FAR
IT IS STRETCHED WILL NEVER BE SEVERED.

TE HIKA A PĀPĀUMA



Chairperson's Report

Tēnā koutou katoa

On behalf of Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust, I am pleased to present this Annual Report for the 2016/2017 financial year.

ESTABLISHING THE FOUNDATIONS FOR SUCCESS

As we have moved closer to the final stages of our Treaty of Waitangi claims settlement, the Trust has been keenly aware of the need to establish solid and secure foundations that will serve our iwi members into the future. Our mahi over the 2016/17 year to prepare for settlement has progressed well and we are in a good position to move to the next milestone – the initially of our Deed of Settlement.

Although it was predicted that we would be further along this path by now, Crown resourcing issues meant that Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua was one of several iwi groups whose settlement negotiations were delayed during the year. This is not uncommon in the lead up to a General Election, and, although somewhat frustrating, the Trust remains focused on the bigger picture – our responsibility to achieve the best settlement we can for all Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua.

We have continued to engage with our people during this process, which has been rewarding for all Trustees involved. This process has enlightened and empowered us – our hapū and iwi have been able to connect once again like our old people did, while finding out more about ourselves and our identity as Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua.

I want to emphasise that the settlement is not the end of the road – it is the start of the next phase for our iwi as Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua moves forward in unity. This is a new dawn for our people – te ao hou. Together we are stronger than fighting alone.

It is also important to remember that although this is clearly a Crown process, we believe it will be our iwi, hapū, marae and whānau that will ultimately benefit and thrive. As I have said many times, while the settlement can never fully compensate for all our losses, or reflect the true extent of our people's suffering, it will provide a platform from which we can build a prosperous future.

PREPARING OUR WHARE

We have already put much in place to prepare us for settlement – over the 2016/17 year the Trust has worked to establish systems and structures that Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua will need post-settlement.

In November, we undertook a ratification voting process for our Post-Settlement Governance Entity (PSGE), which gained approval from 91.6 percent of those who voted. The Minister of Treaty Negotiations and Crown officials accepted this as showing sufficient support from our people, and we established our new Trust, Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust, on 31 March 2017. Our Settlement Trust will take us forward for the remaining stages of our settlement journey and beyond.

The Trust has now finalised its investment entity, which, once our settlement redress is received, will protect and grow our assets and make strategic commercial decisions, so we can make the most of opportunities for our people in the years to come. Work is also underway to establish our iwi development entities. These organisations will be responsible for social and cultural initiatives for our whānau, hapū and marae. I am proud of the Trust's progress in establishing these entities, which will stand us in good stead at the completion of our settlement.

THE TRUST'S INVESTMENT ENTITY WILL PROTECT AND GROW OUR ASSETS AND MAKE STRATEGIC COMMERCIAL DECISIONS, SO WE CAN MAKE THE MOST OF OPPORTUNITIES FOR OUR PEOPLE IN THE YEARS TO COME.

We have continued to necessarily operate in a constrained financial environment, but have managed our funding well and succeeded in fulfilling our obligations to our principal sponsor the Crown Forestry Rental Trust (CFRT), and our key stakeholder the Office of Treaty Settlements.

ENGAGING WITH OUR COMMUNITY

Communication and engagement is very important to the Trust, and we have tried to ensure regular kōrero with our iwi members throughout the year. This will only increase going forward, as we seek to ensure we are taking all our whānau with us on this journey. Our door has always been open to all our people, and will remain so.

The Trust took up an opportunity this year to build and enhance knowledge and engagement with our people, local communities and the wider region. We invested in the stunning exhibition *Te Marae o Rongotaketake*, on display at Aratoi Museum from April to September 2017 and curated by our own Trustee, Haami Te Whaiti. This was a resounding success, offering so many whānau, locals and visitors the opportunity to learn and appreciate our stories, our taonga, our history, and the journey we have taken towards our settlement.

HE MIHI

The progress we have achieved over the year is the result of substantial mahi, not just by the Trust and our operational team, but by our Ngāti Kahungunu ki

Wairarapa Tāmaki Nui-a-Rua whānau. The support of our iwi and hapū is what keeps this kaupapa going, and on behalf of the Trust, we thank you wholeheartedly.

I mihi to my fellow Trustees, our Advisory Trustees and our Kaumātua and Kuia of Wairarapa and Tāmaki Nui-a-Rua. Ngā mihi for your commitment and dedication to our people and our future.

The Trust's day to day business has run smoothly thanks to our hardworking operational team, led by Manager Lee Gray. Together with all our Trustees, I wish to thank you Lee, the office team, and our key advisors including our legal counsel and our financial advisors.

OUR EXCITING FUTURE

We are about to embark upon an especially crucial year – one that we anticipate will include a positive and robust ratification process, and hopefully final approval from our iwi for our settlement to go ahead. This will bring an end to over 30 years of struggle and mahi. Our tīpuna began this journey for us, and we owe it to them – and to our future generations – to complete it now.

I encourage all our people to participate in this historic time for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua. It is your right to be a part of this and decide on our future. Our Trustees are encouraged and humbled by the support you have shown us, and we are privileged to progress this fundamental kaupapa for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua.

Nākū noa, nā

**Ian Perry
Chairperson**



The Settlement Process

There are four key stages in a Treaty settlement.

○ STAGE ONE: PRE-NEGOTIATION (COMPLETE)

○ STAGE TWO: NEGOTIATION AND AGREEMENT

The Iwi representatives and the Crown negotiate the settlement. This involves key milestones along the way:

- **Signing an Agreement in Principle (AIP) – the framework for the settlement (COMPLETE)**
- Initialling a Deed of Settlement (iDOS) (OUR NEXT STEP)
- Ratification process – voting on the Deed of Settlement
The claimant group must agree to the proposed settlement before moving to the next stage. The Crown decides if the ratification voting shows 'sufficient support' for the settlement to go ahead.

○ STAGE THREE: LEGISLATION

If 'sufficient support' is received, the settlement goes through the law-making process.

○ STAGE FOUR: IMPLEMENTATION

The Crown and the claimant group work together to make sure everything agreed in the Deed of Settlement happens.

** Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua hopes to initial our Deed of Settlement in December 2017. We would then go through the Ratification process in early 2018. This is subject to Government process, our Iwi ratification and Ministerial approval.*

Settlement Package Overview

We have negotiated a broad settlement package, which provides a basis for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua to work with the Crown to develop a detailed Deed of Settlement.

The total settlement value is approximately \$140 million and is set out in our Agreement in Principle (AIP). This includes:

- **Quantum of \$93 million plus:**
 - The value of cultural redress properties
 - Interest on quantum from the date of Agreement in Principle (at Official Cash Rate)
 - Accumulated rentals for 70% share of Ngāumu Forest (approx. \$10-11 million by settlement date)
- **70% of Ngāumu Forest (10,313.81 ha)**, one LINZ Property and Deferred Selection of 28 Office of Treaty Settlements' Landbank and five Ministry of Education properties
- **Right of First Refusal** over 110 Crown-owned properties
- **Landcorp Farms still under negotiation**
- **Historical Account:** Agreed summary of the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua / Crown relationship since 1840
- **Crown Acknowledgments** of its Treaty breaches
- **Crown Apology** to Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua for its breaches of our Tiriti o Waitangi relationship
- **Cultural Redress** including gifting of culturally-significant properties throughout our rohe, the return of Wairarapa Moana lake-bed, Deeds of Recognition and Statutory Acknowledgments

- **Natural Resources Redress** including Wairarapa Moana Board, Manawatu River Advisory Board and permanence for Te Upoko Taiao
- **Relationship Agreements** with several Crown agencies

The Crown offer of \$93 million plus cultural redress and rentals from Ngāumu Forest means ours will be one of the largest Treaty settlements to date. Although this package in no way fully compensates our people for the losses we have endured, the Trust believes we have negotiated the best possible outcome for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua and our future generations.

...THE TRUST BELIEVES WE HAVE NEGOTIATED THE BEST POSSIBLE OUTCOME FOR NGĀTI KAHUNGUNU KI WAIRARAPA TĀMAKI NUI-A-RUA AND OUR FUTURE GENERATIONS.



Your Trustees

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust has 12 Trustees, appointed on the basis of Hapū Karanga.

OUR TRUSTEES ARE (LISTED IN ALPHABETICAL ORDER):

- **Ākura (one Trustee)**
Connie Oneroa
- **Hurunui-o-Rangi Marae (one Trustee)**
Paul Jason (PJ) Devonshire
- **Ngāi Tumapūhia-a-Rangi (one Trustee)**
Ian Perry (*Chair*)
- **Ngāti Hinewaka (one Trustee)**
Haami Te Whaiti
- **Pāpāwai Marae (one Trustee)**
Marama Tuuta
- **Tāmaki Nui-a-Rua (four Trustees)**
Hayden Hape (*Deputy Chair*)
Bryan Te Huki
Rangimaria Taite
Paul Te Huki
- **Te Hika a Papauma ki Whakatahi (one Trustee)**
Robin Potangaroa
- **Te Oreore Marae (one Trustee)**
Rex Hemi
- **Wairarapa Moana (one Trustee):**
William Workman

In accordance with the Second Schedule of our Trust Deed, elections for new Trustees will be held by March 2018. Trustees for our Settlement Trust will serve a term of three (3) years.

TRUST STAFF:

- Lee Gray – Manager
- Michele Elliott – Trust Administrator Wairarapa
- Lorraine Nikora – Trust Administrator Tāmaki Nui-a-Rua

Operational Report

The 2016/17 financial year has included substantial progress in key workstreams – particularly mahi to set up structures that Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua will need once our settlement is completed.

Our negotiations are ongoing but as they come to an end, the Trust is in a good place with policies and processes to protect and grow the pūtea once it is delivered to our iwi.

During the 2016/17 year the Trust has achieved significant milestones, which include:

1. Establishing our PSGE, Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
2. Establishing our Asset Investment Trust (Trust Deed drafted in the financial year, and has subsequently been approved)
3. Mahi towards setting up our Iwi Development Trusts

Details of this work are provided on the following pages.

The Trust's financial position has been well-managed throughout the year, and we have achieved a lot despite limited funding. The Trust operates in overdraft and is then reimbursed by CFRT for approved projects and milestones. Our financial statements should be viewed with this in mind.

As the audited financial accounts (at page 21 onwards) show, in the year to 30 June 2017 the Trust made a loss of \$280,671. This is an improvement of \$494,319 on the 2015/16 year, and in line with budget. The previous financial year's result was due to our Agreement in Principle being reached outside of the Crown funding provided. However, our revised and agreed offer from \$75 million to \$93 million commercial redress and the gifting back of a 90% share of Wairarapa Moana, more than makes up for this.

The Trust has sought to keep our iwi members informed of developments and our ongoing work over the year. Our Trust Board has held monthly meetings and individual Trustees have reported back to whānau at scheduled Hapū Karanga hui, providing a summary of the minutes. We have also issued quarterly pānui through our website and Facebook page.

However, we know we can do better in this regard, and it is our intention that whānau will hear more from the Trust going forward. We will be using digital media to reach even more of our people, so look out for email pānui and 'like' our Facebook page to stay up to date. We will of course still issue important pānui in hard copy, and as always, we encourage all our iwi members to contact their Trustee representatives to kōrero and ask questions at any time.

We have now begun work on our overall strategic direction – we need to understand where we want to go as iwi, and then put plans in place to achieve this. Once finalised, this will mean a change to our operational structure and the creation of more permanent roles within the Trust.

As part of our strategic planning, we will be undertaking a process for our iwi members to provide their own input into what the Trust does. We will be holding hui and consulting our people widely, kanohi ki te kanohi, to ensure that we understand how to best serve you into the future and that our organisation is set up for success.



Operational Report Continued

POST-SETTLEMENT GOVERNANCE ENTITY (PSGE)

As we have reported previously, before any redress or settlement assets can be transferred to an iwi, the Crown requires that a Post-Settlement Governance Entity or PSGE is established to receive and manage those assets. Our PSGE is called the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust.

In November, we held hui across the motu and voted to approve this PSGE to receive and manage our settlement package on behalf of all Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua.

Final voting results showed support from 91.6% of those members who voted. Trustees reported these results to Ministers, who then decided there was sufficient support for our PSGE to be approved.

We established Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust on 31 March 2017.

The Settlement Trust will:

- Represent all members of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua
- Have transparent decision-making and dispute resolution procedures
- Be fully accountable to the whole of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua
- Ensure that the beneficiaries of the settlement and the beneficiaries of the PSGE are identical when the settlement assets transfer to the Settlement Trust

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust is governed by a Trust Deed, which was approved and signed on 30 March 2017. The full Trust

Deed is available on our website at www.kkwtnr.org.nz REPRESENTATION

Our Establishment Trustees are detailed on page 12 of this report.

At our November hui, the Trust received valuable feedback from iwi members on how they wish to be represented on the Settlement Trust. More than 90% of submissions wanted to retain the existing Hapū Karanga structure, which is made up of nine Hapū Karanga and represented by 12 Trustees.

This structure is accepted and is detailed within our approved Trust Deed.

Elections for new Trustees for the Settlement Trust will take place within 12 months of the PSGE's establishment date of 31 March 2017 – so by March 2018.

SUBSIDIARIES: ASSET INVESTMENT TRUST & IWI DEVELOPMENT TRUSTS

The redress Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust receives upon completion of our settlement will form the basis of our ability to provide economically, socially and culturally for our people. It is vital that we protect, nurture and grow this resource.

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust will establish subsidiary entities to hold the assets received under the settlement, and to create initiatives for the social, cultural and economic wellbeing of our people.

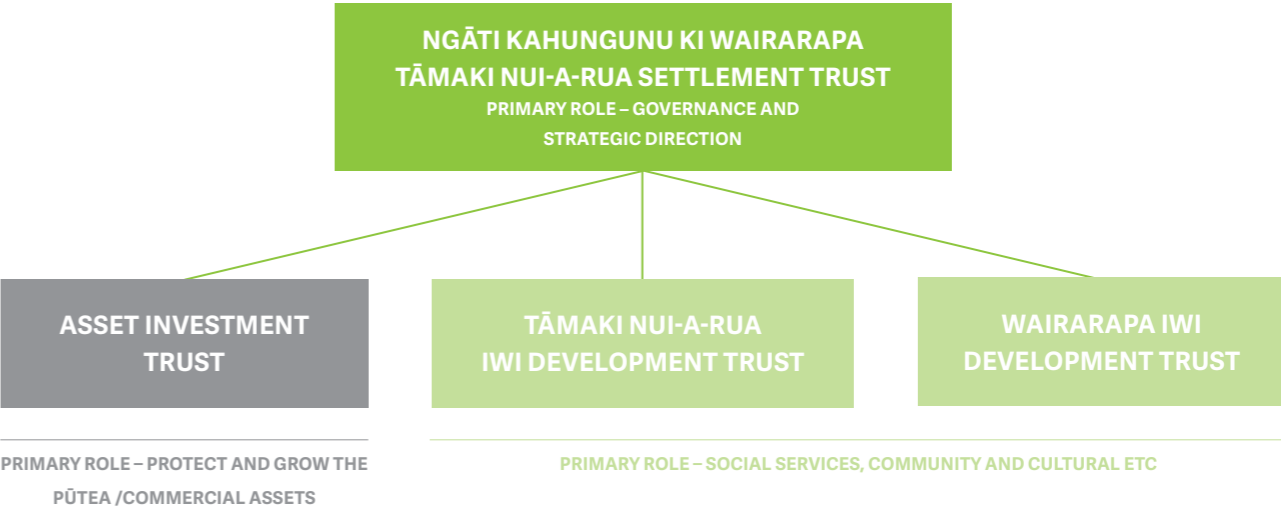
The Trust has begun this work in 2016/17 and is in the process of establishing the Asset Investment Trust. The Asset Investment Trust will allow us to operate in the commercial world and put our assets to best use, to fund

our social and cultural initiatives. We will bring in specific expertise to support and lead the Asset Investment Trust.

In this coming financial year we will be moving into consultation with our people about the Iwi Development Trusts. These entities will be tasked with developing and implementing social and cultural initiatives to enhance the wellbeing and hau ora of our people.

Below is a simple diagram of the preferred overall structure for our PSGE and subsidiaries. This includes an Iwi Development Trust for Ngāti Kahungunu ki Wairarapa and an Iwi Development Trust for Ngāti Kahungunu ki Tāmaki Nui-a-Rua. We intend to consult our iwi members before we establish our Iwi Development Trusts, to ensure that we are serving our people in the best way.

PREFERRED STRUCTURE OPTION – OVERVIEW



Feature: Te Marae o Rongotaketake



After two years of preparation, Aratoi Museum presented the largest exhibition of our taonga ever on display, with the support of Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust.

Curated by our Trustee, Haami Te Whaiti, *Te Marae o Rongotaketake - Redressing our Kahungunu History* demonstrated the journey of our people and our Treaty settlement, through a significant exhibition that filled the entire Museum. It featured Ngāti Kahungunu stories and a pōwhiri process to guide visitors through the museum experience. This included karanga, whaikōrero, Te o Ha – the coming together – and a Kaumātua Kitchen as a place of learning and socialising.

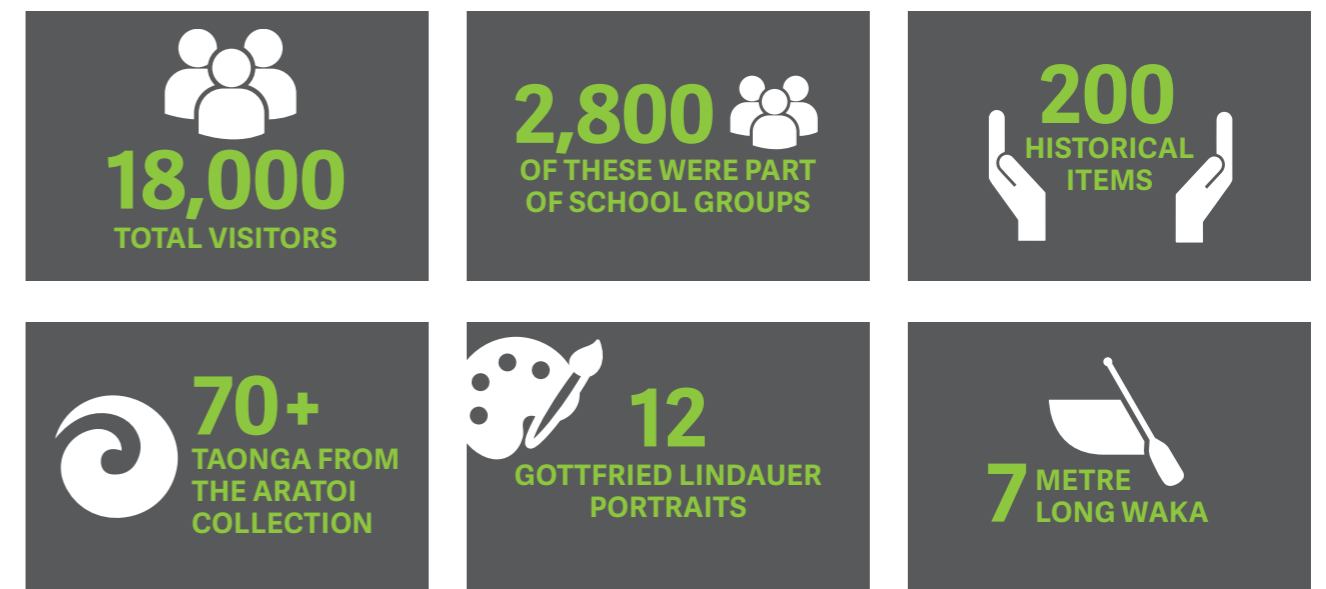
...PEACE SPEAKS TO OUR FUTURE RELATIONSHIPS WITH THE CROWN AND THE COMMUNITY HERE, JUST AS MUCH AS IT DID TO OUR ANCESTORS BACK THEN. HAAMI TE WHAITI, CURATOR

The word 'Rongotaketake' in the exhibition title means 'enduring peace'. Haami says, "This peace speaks to our future relationships with the Crown and the community here, just as much as it did to our ancestors back then. The iwi has always been committed to non-violence, and it is well-known that the Wairarapa was "the bloodless province" of Aotearoa.

"The exhibition publicly presents the Treaty settlement to both the iwi community and the wider public. The visitor is enabled to discover and relearn some of the key events that happened during this historical period – the loss and disenfranchisement, as well as the iwi hopes and aspirations post-settlement."

A full education programme was undertaken as part of *Te Marae o Rongotaketake*, with primary and secondary schools throughout the region participating, and around 3,000 students visiting the exhibition.

The exhibition ran from 8 April to 3 September 2017.



TAONGA

Various taonga were loaned from museums, such as the Fowler Museum in Los Angeles, Auckland Museum, MTG (Napier), Puke Ariki (New Plymouth), Te Manawa (Palmerston North) and Te Papa (Wellington).

Aratoi Museum sourced taonga nationally and internationally for this large-scale project, including an ornate wahaika (hand weapon) from the Sir Henry Wellcome Collection of the Fowler Museum in Los Angeles. Carved in celluloid by Jacob Heberley (1849-1906), the wahaika originally belonged to Tamahau Mahupuku, of Papawai Marae, and was presented to the 5th Earl of Ranfurly, Governor of New Zealand from 1897-1904, before his departure from Aotearoa.

The entire front of a wharenui carved by Te Nahu Haeata and Hohepa Hutana for the Te Ore Ore Marae, recently restored, stood along the highest wall of the Museum.

Among the items displayed were: waka, wahaika, harakeke waistcoat, several korowai (cloaks), hei tiki, hinaki (eel trap), shark tooth necklace, whale ivory amulets, pounamu spearheads, fish hooks, adzes, adze heads, and needles.

Several works from contemporary artists also featured, including: Tom Donald, Ngataiharuru Taepa and Rongomaia Te Whaiti.

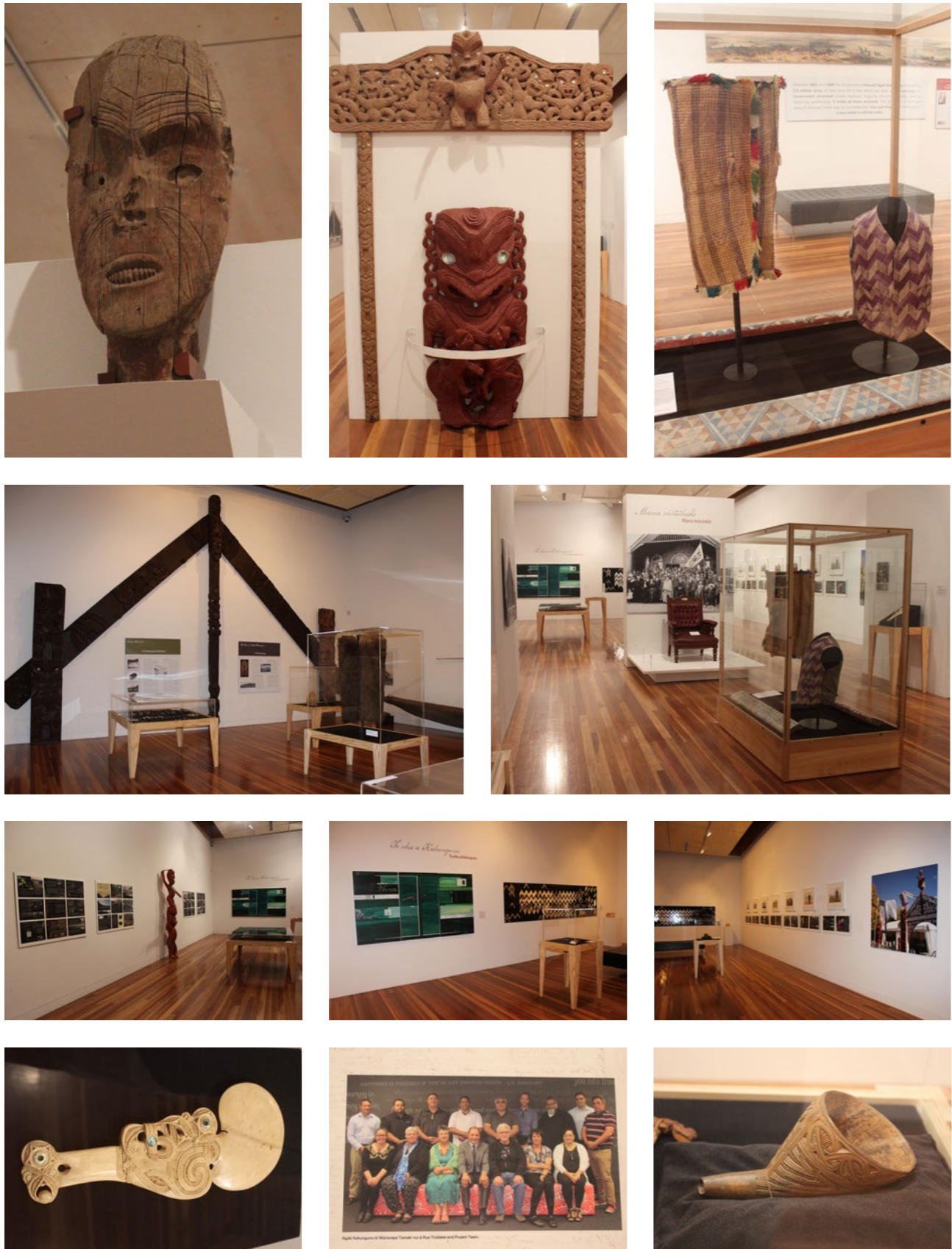


Photo Credit: Deb Donaldson

Financial Statements

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust
FOR THE YEAR ENDED 30 JUNE 2017

Contents

Directory	20
Financial Statements Approval	21
Statement of Profit or Loss	22
Statement of Changes in Equity	24
Balance Sheet	25
Notes to the Financial Statements	26
Independent Auditor’s Report	30



Directory

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

Date of Trust Deed

Formed December 2010, Original Trust Deed 17 October 2011 & Amended Trust Deed December 2013

Trustees

Elected Trustees	Hapu Karanga
Connie Oneroa	Akura
Haami Te Whaiti	Hinewaka
PJ Devonshire	Hurunuiorangi
Marama Tuuta	Papawai
Hayden Hape (Deputy Chairman)	Tāmaki Nui a Rua
Paul Te Huki	Tāmaki Nui a Rua
Rangimaria Taite	Tāmaki Nui a Rua
Bryan Te Huki	Tāmaki Nui a Rua
Robin Potangaroa	Te Hika o Papauma
Rex Hemi	Te Ore Ore
Ian Perry (Chairman)	Tumapuhiaarangi
Will Worman	Wairarapa Moana

Chartered Accountant

Deloitte Limited
(as Trustee for the Deloitte Trading Trust)

Auditor

Independent Auditors Limited

Solicitors

Braithwaite & Smail Limited

Bankers

ASB

IRD Number

108-619-368

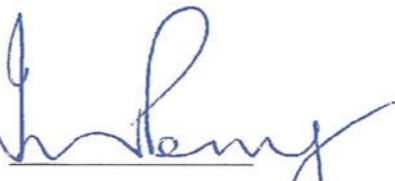
Financial Statements Approval

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

On this date the Trustees approve and issue the financial statements Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust For the year ended 30 June 2017

APPROVED

For and on behalf of the Trustees


Ian Perry
Date 9th Oct 2017



Statement of Profit or Loss

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

	NOTES	2017	2016
Income			
Funding Income		1,023,775	275,302
Interest Received		57	30
Other Income		11,391	2,012
Total Income		1,035,224	277,344
Expenses			
Finance Expenses			
Bank Fees		639	603
Interest on Overdraft		62,960	48,214
Total Finance Expenses		63,599	48,817
Honorariums (Trustees, Negotiators and Negotiation Advisors)			
Negotiator Fees		271,799	266,476
Trustee Fees		72,330	120,420
Total Honorariums (Trustees, Negotiators and Negotiation Advisors)		344,129	386,896
Hui/Claimant Community			
Advertising and Panui		10,746	19,647
Mandating Hui		8,597	20,292
Total Hui/Claimant Community		19,343	39,939
Office Administration			
Administration Costs		5,571	709
Depreciation		352	704
Election Expenses		59,316	-
Exhibition Costs		102,463	-
Office Overheads		18,250	13,856
Printing, Stationery & Postage		17,772	25,476
Project Manager Fees		118,500	76,720
Rent		21,534	-
Salaries & Wages		60,354	66,702
Total Office Administration		404,112	184,167
Professional Services			
Accounting Fees		37,800	41,154
Audit Fees		4,350	3,950
Communications Advice		7,741	5,512
Due Diligence Costs		3,000	-
Economic Advice		4,850	29,150
Legal Fees		98,427	143,329
PSGE Establishment		28,904	22,350
Strategic Advice		78,467	43,281
Taxation Advice		44,000	6,000

	NOTES	2017	2016
Valuation & Property Advice		88,656	1,300
Total Professional Services		396,195	296,027
Travel & Accommodation			
Accommodation & Meals		12,749	11,548
Mileage, Airfares & Vehicle Rental		63,529	70,867
Venue Catering		7,316	10,874
Venue Hire		4,922	3,200
Total Travel & Accommodation		88,517	96,488
Total Expenses		1,315,895	1,052,333
Net Trustees Income (Loss) for the Year		(280,671)	(774,990)



Statement of Changes in Equity

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

	2017	2016
Trust Capital		
Opening Balance	(1,297,313)	(522,323)
Increases/Decreases		
Trustees Income (Loss) for the Period	(280,671)	(774,990)
Total Increases/Decreases	(280,671)	(774,990)
Total Trust Capital	(1,577,984)	(1,297,313)

Balance Sheet

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

	NOTES	30 JUN 2017	30 JUN 2016
Assets			
Current Assets			
Trade and other receivables		199,906	22,023
GST receivable		111,735	26,947
Total Current Assets		311,640	48,970
Non-Current Assets			
Property, plant and equipment		352	704
Total Non-Current Assets		352	704
Total Assets		311,992	49,674
Liabilities			
Current Liabilities			
Bank		1,544,473	1,256,954
Trade and other payables		345,503	90,032
Total Current Liabilities		1,889,976	1,346,987
Total Liabilities		1,889,976	1,346,987
Net Assets		(1,577,984)	(1,297,313)
Trust Capital			
Accumulated Funds		(1,577,984)	(1,297,313)
Total Trust Capital		(1,577,984)	(1,297,313)

Notes to the Financial Statements

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

1. Reporting Entity

Ngāti Kahungunu Ki Wairarapa – Tāmaki Nui ā Rua Trust (the "Trust") is a trust established by a trust deed dated December 2010, and subject to the Trustees Act 1956.

2. Statement of Accounting Policies

Basis of Preparation

The Trust prepares special purpose financial statements for the purpose of internal management and funding purposes.

Unless otherwise stated the accounting policies recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been followed by the entity. The information is presented in New Zealand dollars.

These special purpose financial statements have been prepared for:

Ngāti Kahungunu Ki Wairarapa – Tāmaki Nui ā Rua Iwi

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Funding from the Office of Treaty Settlements and Crown Forestry Rental Trust is exempt from Income Tax, and all expenditure in relation to that funding is non-deductible. Income earned from other activities is subject to Income Tax and expenses are deductible. Income Tax expense will be charged to the Profit and Loss Statement which recognises the current obligations for the period, calculated using the Taxes Payable method.

	2017	2016
3. Income Tax Expense		
Net Trustees Income before Taxation	(280,671)	(774,990)
Additions to Taxable Profit		
Non-Deductible Expenditure	1,234,282	1,019,333
Total Additions to Taxable Profit	1,234,282	1,019,333
Deductions from Taxable Profit		
Non-Taxable Income	1,023,775	275,302
Total Deductions from Taxable Profit	1,023,775	275,302
Taxable Profit / (Loss)	(70,165)	(30,959)
Tax Payable at 33%	-	-

The financial statements should be read in conjunction with the notes to the financial statements and the audit report.

INDEPENDENT
AUDITORS

	2017	2016
Income Tax Payable (Refund Due)	-	-

Income tax losses available to be carried forward total \$151,497.93 (2016: \$81,333.65). The losses are subject to Inland Revenue Department confirmation.

	2017	2016
--	------	------

4. Property, Plant and Equipment

Furniture and Fittings		
Office Equipment	1,728	1,728
Less Accumulated Depreciation on Office Equipment	(1,376)	(1,024)
Total Furniture and Fittings	352	704
Total Property, Plant and Equipment	352	704
	2017	2016

5. Movement Schedule of Property, Plant and Equipment

Additions	-	-
Disposals	-	-
Depreciation for the Year	(352)	(704)
Impairment Losses	-	-
Total Movement Schedule of Property, Plant and Equipment	(352)	(704)

6. Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

7. Audit

These financial statements have been subject to audit, please refer to the Auditor's report.

8. Recognition of Income

Project Funding is received from Crown Forestry Rental Trust and the Office of Treaty Settlements. Unspent project funding is repayable to the funder, therefore project funds received are recognised only to the extent that they have been spent. Unspent tagged funds are recorded as a liability at year end.

9. Bank Overdraft Facility

There is an unsecured bank overdraft facility of \$1,600,000 arranged as at 30 June 2017. The interest rate at balance date was 5.00% p.a. The bank overdraft as at 30 June 2017 was \$1,551,352, (2016: \$1,257,124).

Prior to balance date ASB had approved for the Trust to increase the overdraft facility to \$2,000,000 as at 30 June 2017 (up from \$1,500,000). The \$1,600,000 overdraft facility at balance date is the temporary overdraft increase arranged with ASB until the trustees could all sign the new overdraft agreement after balance date.

The financial statements should be read in conjunction with the notes to the financial statements and the audit report.

INDEPENDENT
AUDITORS



Notes to the Financial Statements Continued

Ngāti Kahungunu ki Wairarapa – Tāmaki Nui ā Rua Trust. For the year ended 30 June 2017.

10. Going Concern

The Trust is no longer considered a going concern because the Trust plans to dissolve during the next financial year and resettle as the Ngāti Kahungunu Ki Wairarapa – Tāmaki Nui ā Rua Settlement Trust (the "Settlement Trust"). Accordingly, the financial statements for the year ended 30 June 2017 have not been prepared on a going concern basis. In preparing the financial statements on a non-going concern basis, the Trustees have continued to apply the requirements of NZ GAAP, taking into account the Trust is not expected to continue as a going concern in the foreseeable future.

All remaining assets and liabilities will be transferred into the Settlement Trust at carrying value, as such no adjustments have been made in the financial statements resulting from the adoption of the non-going concern basis of preparation.

11. Contingent Liabilities

At balance date there are no contingent liabilities (2016: \$nil).

12. Related Party Transactions

	Negotiation Fees	Trustee Honoraria and Mandating Hui	Total Fees Paid	Travel Reimbursement	Total Paid
Robin Potangaroa	64,000	4,320	68,320	25,930	94,250
Ian Perry (Chairman)	64,000	4,960	68,960	13,680	82,640
Hayden Hape (Deputy Chairman)	64,000	3,840	67,840	5,604	73,444
Haami Te Whaiti	64,000	2,400	66,400	-	66,400
Marama Tuuta	3,200	6,200	9,400	2,340	11,740
Rawiri Smith	6,900	480	7,380	-	7,380
Bryan Te Huki	-	4,320	4,320	1,050	5,370
Mark Rutene	-	4,880	4,880	308	5,188
Rex Hemi	-	2,640	2,640	1,988	4,628
Rangimarie Taite	-	4,000	4,000	462	4,462
Connie Oneroa	-	3,840	3,840	463	4,303
PJ Devonshire	-	3,760	3,760	158	3,918
Leah Matarina Bain	-	3,200	3,200	380	3,580
Morry Black	2,320	-	2,320	952	3,272
Paul Te Huki	-	2,400	2,400	-	2,400
Kaylene Kani	-	800	800	1,271	2,071
William Workman	-	1,440	1,440	500	1,940
Michael Roera	-	1,920	1,920	-	1,920
Maria Edwards	-	1,440	1,440	-	1,440
Pikitia Tuuta	-	1,200	1,200	-	1,200
Charles Morunga	-	1,040	1,040	-	1,040

13. Subsequent Events

After balance date the Trust has been approved for additional funding of \$450,000 from the Office of Treaty Settlements (OTS) as below:

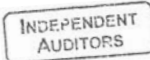
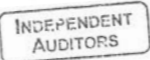
- \$400,000 of exceptional circumstances funding. This consists of \$60,000 towards the costs of finalising the deed of settlement, \$40,000 towards the costs of finalising the Joint Redress Bill, and \$300,000 towards the unexpected additional operational costs the Trust will incur due to the delay in signing the deed of settlement with the Crown. These amounts were approved by OTS on 25 July 2017.
- On 25 July 2017 OTS also approved \$50,000 of funding towards the development, implementation and delivery of a communications strategy to the claimant community.

The Trust was notified on the 25 July 2017 that the Crown has approved an on-account payment of 20% of the settlement quantum. A payment of \$18,600,000 will be made to the post-settlement governance entity following the signing of a deed of on-account. The Crown has drafted a deed of on-account, which as of July 2017 is being reviewed by the Trust. The Crown has noted that settling groups are eligible for up to 75% of settlement quantum to be provided on-account at deed signing. As 20% of the Ngāti Kahungunu settlement quantum has been approved, a further 55% of the quantum (\$51,150,000) is available at deed signing.

14. PSGE Establishment

On 30 March 2017 the trustees ratified the Ngāti Kahungunu Ki Wairarapa – Tāmaki Nui ā Rua Settlement Trust deed. The Settlement Trust has been set up as the Trust's Post Settlement Governance Entity (PSGE). As per note 10 all assets and liabilities will be transferred to the Settlement Trust at carrying value.

The PSGE has not undertaken any transactions up to 30 June 2017.



INDEPENDENT AUDITOR'S REPORT

To the Trustees of Ngāti Kahungunu Ki Wairarapa-Tāmaki Nui ā Rua Trust

Report on the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Ngāti Kahungunu Ki Wairarapa-Tāmaki Nui ā Rua Trust, ("the Trust") which comprise the balance sheet as at 30 June 2017, the profit or loss and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2017, and of its financial performance and cash flows for the year then ended in accordance with the accounting policies detailed in the statement of accounting policies.

Basis of Opinion

We conducted our audit in accordance with International Standards of Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described the *Auditor's Responsibilities for the Audit of the 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 opinion.

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to the Basis of Accounting Note in the financial statements. The financial statements are prepared for internal management and funding purposes. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and its Trustees and should not be distributed to parties other than the Trust and its Trustees. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 10 in the financial statements, which indicates that the Trust has the intention of being dissolved during the following financial year. The financial statements are therefore not prepared on a going concern basis. This has not resulted in any changes to the valuation of assets, as all assets of the Trust are to be resettled into another trust at carrying value. Our opinion is not modified in respect of this matter.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of these financial statements in accordance the accounting policies detailed in the statement of accounting policies and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the auditor identifies during the audit.

Independent Auditors Ltd.

INDEPENDENT AUDITORS LTD
Nelson

9 October 2017



WE ARE NGĀTI KAHUNGUNU KI WAIRARAPA TĀMAKI NUI-A-RUA!

Postal Address

P O Box 756

Masterton, 5840

Physical Address

189 Queen Street Rear

Masterton, 5840

Freephone

0800 KKWTNR | 0800 559 867

Phone

06 216 1277 | Free to Masterton and Carterton callers

Email

admin@kkwtmr.org.nz