



We Are Whānau

We are Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua!

NGĀTI KAHUNGUNU KI WAIRARAPA TĀMAKI NUI-A-RUA SETTLEMENT TRUST
ANNUAL REPORT 2018/2019



He mihi

Ka rere taku manu tūi ki te raki, ki Tāmaki-nui-a-Rua
Ka topa ki te rāwhiti, ki Te Aho-o-Māui
Ka hoka whakatetonga,
Kia tirohia iho te whenua o Rongokako
Kia mihia ai te iwi o Ngāti Kahungunu
ki Wairarapa Tāmaki-nui-a-Rua
Ka rere tonu ki te kauae o Te Ika-a-Māui, ki Tūrakirae,
ka piki ki te karu, ki Wairarapa Moana
Tuia i runga, tuia i raro!
E tau e taku manu tūi e

My tūi bird flies to Tāmaki-nui-a-Rua in the north,
and then flies to the east to Te Aho-o-Māui.

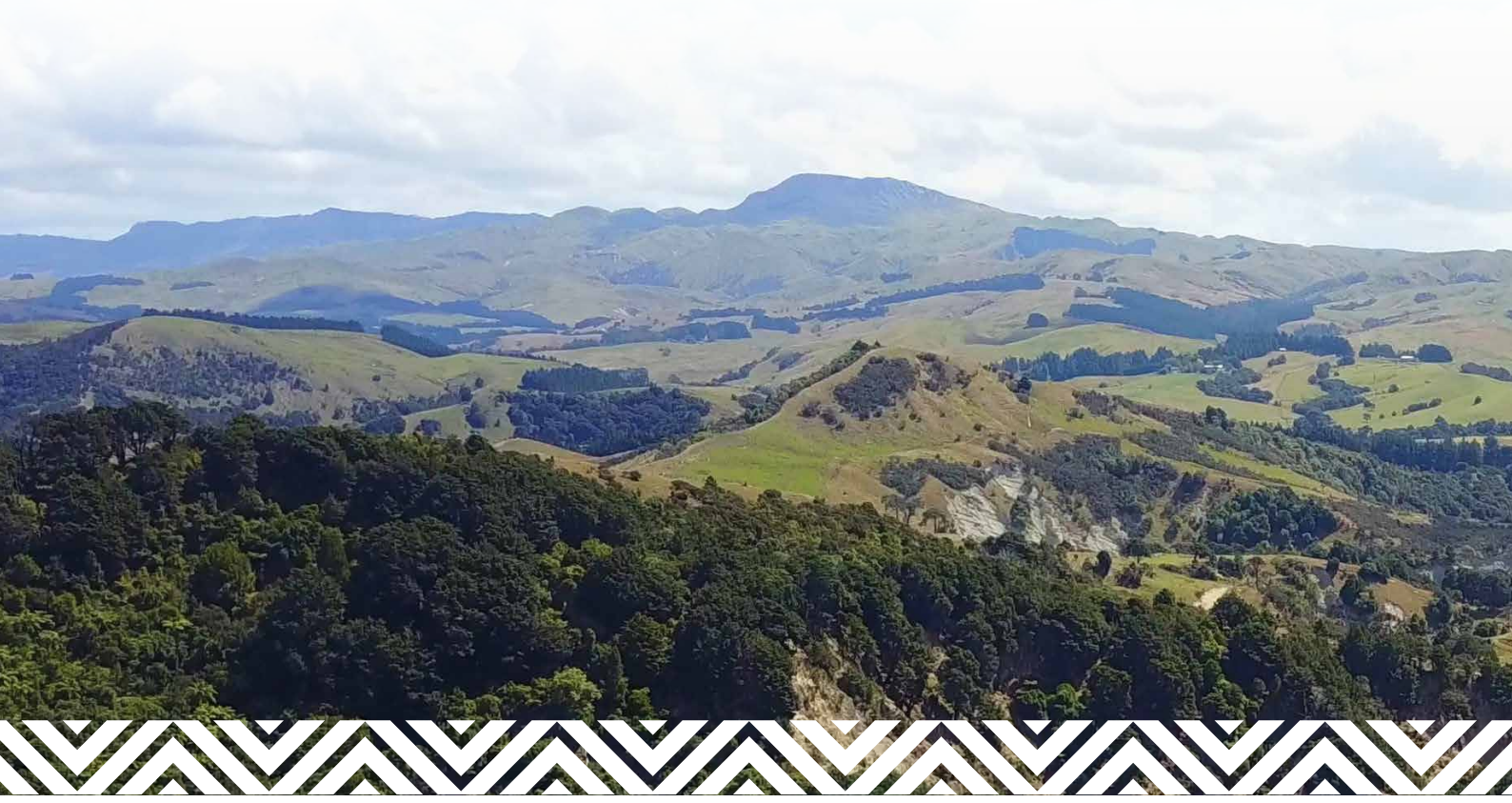
From there he soars southward to look upon the land
known as Rongokako and acknowledge Ngāti Kahungunu
of Wairarapa, of Tāmaki-nui-a-Rua.

The tūi continues on his way to the jawbone of Te Ika-a-Māui,
to Tūrakirae, moving upwards to the eye to Lake Wairarapa

Bind from above, bind from below

Come to rest my tūi bird





About Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust represents all our iwi members in negotiating the settlement of our Treaty of Waitangi grievances with the Crown.

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

The original Trust has now transitioned to a Settlement Trust as we work towards completing this important kaupapa for all those who whakapapa to Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua.

The Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua claims boundary extends from Turakirae in the South, to Dannevirke in the North, to Te Aho a Maui (Cape Turnagain) on the East Coast (as per the Waitangi Tribunal Report).

The Settlement Trust is a Post-Settlement Governance Entity (PSGE), so will receive and administer the assets for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua upon completion of our settlement. We will then 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).



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Chairperson's Report

Tēnā koutou katoa

On behalf of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust, I am pleased to present this Annual Report for the 2018/2019 financial year.

The first half of the financial year was a significant time for us, with our members voting on our proposed Deed of Settlement in October and November 2018. We are very pleased to report that the majority of our voting members said 'Āe' in support of the settlement.

In February 2019, the Minister for Treaty of Waitangi Negotiations, Hon Andrew Little, and Te Minita Whanaketanga Māori, Hon Nanaia Mahuta, confirmed that they had reviewed the results of the vote and there was sufficient support from our people for our settlement to progress.

While this was positive news to receive, at this point in time the Crown has indicated it is unwilling to sign the Deed of Settlement for Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust until the outcome of the Waitangi Tribunal hearings (Pouākani Remedies - Wai 85, and Wairarapa ki Tararua District Inquiry - Wai 863 & Wai 429) is known.

As a result, the second half of the financial year has seen us largely focused on preparing for and presenting our position in these hearings. This has included some challenging kaupapa, which has required us to go back and scrutinise our original aspirations as an iwi for this journey. Ultimately, it all comes back to tikanga - respecting our values and each other and ensuring we go about getting the best settlement for our people, in a way that we, our tīpuna, and tamariki, can be proud of.

As can happen with these hearings, delays in scheduling have occurred and at the time of writing this report the hearings are still underway. It has already been a long path for us and further delays are very frustrating. But we must allow this process to run its course. In the meantime, we continue to look to the future and are committed to putting solid foundations in place now to enable us to move forward when our time arrives.

Please read on for more information on our key achievements for this year.

VOTING ON OUR SETTLEMENT

We are pleased to share with you the positive results for voting on our settlement.

In September 2018, we commenced the voting process for our proposed Deed of Settlement with the Crown. This is one of the most crucial parts of our settlement - the ratification of the Deed of Settlement. We presented the settlement package that we negotiated, for you, our members, to have your say on whether you support it or not.

The results showed 71.7 percent voted yes/āe in support of the Trust signing the Deed of Settlement on behalf of the iwi. A total of 71.5 percent also voted yes/āe in support of the resolution for the Trust to acquire the two Landcorp farms - Wairio Station and Rangedale Station - on behalf of the iwi.

This signified an important moment for us on our journey, to reflect and be grateful for all the hard mahi that has been put in by many people to get to this point, including those who aren't here today. We believe our tīpuna would be proud of us.

In February 2019, we received notification from the Crown that the ratification results showed sufficient support from our iwi members for the Deed of Settlement to progress. The Crown acknowledged that the ratification process was carried out in a robust manner and provided all registered members of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua the opportunity to receive information about the Deed of Settlement, and discuss and vote on whether the Deed of Settlement should be accepted.

We now wait for the Waitangi Tribunal hearings to run their course, before the Crown will confirm when it will sign our Deed of Settlement.

PROGRESS OF OUR SETTLEMENT

There are two resumption applications currently being heard by the Waitangi Tribunal, which have an implication on our settlement progressing. A resumption application is a request to the Waitangi Tribunal to make a binding recommendation to the Crown for it to return certain land to Māori ownership.

The first is the resumption application made by Wairarapa Moana Incorporation in relation to lands at Pouākani in Mangakino, where some of our people relocated following the loss of our lands at Wairarapa Moana in 1896.

That land in Pouākani was subsequently taken from our people under the public works legislation for the construction of the hydroelectric dam (Maraetai Dam) in 1949. These actions were found to be in breach of the Treaty of Waitangi and have been a key factor leading to our higher overall settlement amount.

Although our whānau have lived there for a long time, it is not our traditional land. Throughout our settlement negotiations, we have worked hard to ensure the mamae caused by the lands at Pouākani being taken is recognised in our comprehensive settlement, which all our people are a part of.

The second resumption application is Wai 429 and relates to the Ngāumu Forest resumption application by both the Tūmapūhia-ā-Rangi hapū and the Settlement Trust. This is about the redress of the Ngāumu Forest and who the redress should go to. Currently, some redress constitutes part of the Deed of Settlement that the Settlement Trust has negotiated with the Crown.

Both these resumption applications have the potential to negatively impact the settlement we have worked so hard to achieve. Our priority has always been, and remains, the protection of our settlement on behalf of our people. We are proceeding in this vein as we present our position in the hearings.

More information about the progress of both these hearings is available on our website.

FINANCIAL PERFORMANCE

For the 2018/2019 year, the Trust reported a surplus of \$783,956. This was largely driven by additional government grants and funding, interest income on term deposits and the recognition of accrued interest on the outstanding settlement quantum. Expenses were fairly consistent with last year at \$1.5 million, with the Trust managing its expenses closely while the Waitangi Tribunal hearings continue.

On 29 June 2019, the Trust purchased the former Carterton Post Office building at 1 High Street South, Carterton. This is the Trust's first investment, and plans are currently being developed for the site.

Twenty percent of the settlement quantum (\$18.6 million) was received from the Crown as an on-account payment last financial year. The remaining 80 percent of the settlement quantum is recognised as a receivable on the Trust's balance sheet.

Full and final settlement is conditional upon our settlement becoming law.

Nā reira, thank you whānau for your support as we continue our journey towards a brighter future for our people.

Nāku noa, nā



Robin Potangaroa
Chairman

Our settlement – an important milestone

On 22 March 2018 the Crown and Trustees of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust initialled our draft Deed of Settlement (iDOS). The initialling of the Deed marked a significant milestone for our iwi.

In September 2018 we commenced the voting on the proposed Treaty of Waitangi settlement with the Crown. This was one of the most crucial parts of our settlement – the ratification of the Deed of Settlement, where we presented the settlement package we have negotiated to you, our people, to vote on.

We were pleased and humbled to present this settlement to you. Our Trustees and Negotiators have worked hard to achieve a settlement that is for all our uri.

This settlement allows us to achieve a number of aspirations for our iwi. The cultural redress recognises Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua as kaitiaki and provides for the ability to exercise our kaitiaki responsibilities with the rivers, lakes, land and resources and restore these natural resources.

It means the return to us of several significant areas of the whenua, like Wairarapa Moana, which is a rich and spiritually significant taonga of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua and our tīpuna.

The Historical Account, Crown Acknowledgments and Apology together recognise the claims our tīpuna have made over the generations since the signing of the Treaty of Waitangi.

Our iwi has fought long and hard for this, and it is an important step in uniting us together, for our future. We hope to see progress soon, so we can move forward, and build the best future for our rangatahi.

YOU VOTED IN SUPPORT OF OUR SETTLEMENT GOING AHEAD

We received substantial support for the Treaty settlement with the Crown to go ahead.

A total of 71.7 percent of votes were cast in favour of the Trust signing the proposed Deed of Settlement on behalf of our iwi. A total of 71.5 percent of votes also supported the Trust's proposed purchase of two Landcorp farms – Wairio Station and Rangedale Station. The overall voter return was 33.31 percent of all eligible voters.

On 18 February 2019 we received notification from the Crown that the Minister for Treaty of Waitangi Negotiations, Hon Andrew Little, and Te Minita Whanaketanga Māori, Hon Nanaia Mahuta, had reviewed the ratification results for our Deed of Settlement.

The Crown confirmed that it believes the ratification results show sufficient support from our iwi members for the Deed of Settlement to progress. It also acknowledged that the ratification process was carried out in a robust manner and provided all registered members of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua with the opportunity to receive information about the Deed of Settlement, and discuss and vote on whether the Deed of Settlement should be accepted.

Because of several factors including government resourcing and availability, the Waitangi Tribunal hearings will likely not be completed until 2020. Therefore, the Crown will not sign our Deed of Settlement until after these hearings have taken place and the Tribunal has issued its report.



A SUMMARY OF THE SETTLEMENT PROCESS



The Settlement Process



STAGE ONE:
PRE-NEGOTIATION (COMPLETE)



STAGE TWO:
NEGOTIATION AND AGREEMENT (WE ARE HERE)

In this stage our iwi representatives negotiate with the Crown on our Comprehensive Settlement. This involves the following key milestones along the way:

- Signing an Agreement in Principle – complete
- Initialling a Deed of Settlement – complete
- Ratification (vote of iwi members) – complete
- *Waitangi Tribunal hearings underway for Pouākani Remedies - Wai 85 and Wairarapa ki Tararua District Inquiry - Wai 863 & Wai 429 2019 - **current***
- Signing of the Deed of Settlement (by the iwi and the Crown) – still to occur



STAGE THREE:
LEGISLATION



STAGE FOUR:
IMPLEMENTATION

The Deed of Settlement

The Deed of Settlement package is the result of decades of mahi to progress our Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua historical Treaty claims. This journey was started by our elders, some of whom have passed before seeing this historical settlement achieved. The Trustees believe we have secured the best settlement available to Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua under current Crown settlement policy.

APOLOGY REDRESS

- Historical Account, Crown Acknowledgements and Apology

CULTURAL REDRESS

- 9,000 hectares of gifted culturally significant land, including 90 percent of the bed of Lake Wairarapa
- Natural resources redress including the establishment of the Wairarapa Moana Statutory Board, permanence for Te Upoko Taiao (Wellington Regional Council Natural Resources Committee) and a seat on the Manawatu River Advisory Board
- The development of a new Te Tiriti relationship with the Crown including He Kawenata Hōu (a new covenant) through which we will work with the Crown to establish a social and economic revitalisation strategy

FINANCIAL AND COMMERCIAL REDRESS

- Financial Redress of \$93 million, and interest from the date of signing the Agreement in Principle (AIP).
- Transfer of 70 percent of Ngāumu Forest Land – the transfer value of the forest is deducted from the quantum, but this is offset by the accumulated rentals received for the forest land.
- Transfer of Landcorp Farms (Rangedale Station and Wairio Station if the resolution to purchase is supported)
- Transfer of the Whareama property (1.6465 hectares) on Settlement Date
- Deferred selection over 28 Treaty Settlement Landbank properties
- Deferred selection sale and leaseback of five Ministry of Education properties
- Right of First Refusal over 100 properties

WHAT HAPPENS NEXT

Once the outcome of the Waitangi Tribunal hearings is known, we hope to move forward to a formal signing of the Deed of Settlement.

The Government will then introduce the Settlement Bills to give legal effect to the aspects of the Deed of Settlement that require legislation. The Bills will go through the Parliamentary process and become law. All Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua historical Treaty claims will be settled by the passing of the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Claims Settlement Bill.

SIGNING OF THE DEED OF SETTLEMENT

There will be an official signing of the Deed of Settlement by the Crown, the Trustees of the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust and any members of our iwi who want to sign in support. This will be a momentous and historic occasion for our iwi. The Settlement Trust will provide details of this event closer to the time.

PASSAGE OF LEGISLATION

The Government will introduce the two separate Bills to Parliament and they will go through the legislative process to make our settlement law. There will be two separate pieces of legislation:

- 1. Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Claims Settlement Bill**
 - this covers the redress that is to be received by Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua alone, and settles the historical Treaty of Waitangi claims of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua
- 2. Te Rohe o Rongokako Joint Redress Bill**
 - this covers the redress that is to be jointly received by Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua and Rangitāne o Wairarapa and Rangitāne o Tamaki nui a Rua.

ENACTMENT OF LEGISLATION

Once the settlement legislation has passed, the redress will transfer to the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust, to be held and managed for the benefit of all our registered members and our generations to come.



Your Trustees

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust has 12 Trustees, appointed on the basis of Hapū Karanga. Trustee Elections were held in April 2019.

» Our Trustees are (listed in alphabetical order):

Ākura (one Trustee)

Connie Oneroa

Hurunui-o-Rangi Marae (one Trustee)

Paul-Jason Devonshire

Ngāi Tumapūhia-a-Rangi (one Trustee)

Ian Perry (Negotiator)

Ngāti Hinewaka (one Trustee)

Haami Te Whaiti (Negotiator)

Pāpāwai Marae (one Trustee)

Marama Tuuta (Advisor to Negotiators)

Tāmaki Nui-a-Rua (four Trustees)

Hayden Hape (Deputy Chair / Negotiator)

Rangimaria Taite

Kaylene Kani

Paul Te Huki

Te Hika a Pāpāuma ki Whakataki Marae (one Trustee)

Robin Potangaroa (Chair / Negotiator)

Te Oreore Marae (one Trustee)

Takare Leach

Wairarapa Moana (one Trustee)

Noelene Reti

» Our Trust staff:

Lee Gray

Manager

Michele Elliott

Trust Administrator, Wairarapa

Melodie Grace

Administrator, Tāmaki Nui-a-Rua

Andrew Sharrock

Chief Financial Officer



Financial Statements

NGĀTI KAHUNGUNU KI WAIRARAPA TĀMAKI NUI-A-RUA SETTLEMENT TRUST
FINANCIAL YEAR ENDING 30 JUNE 2019

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» **Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust**
» **For the year ended 30 June 2019**

Trustees

Robin Potangaroa (Chairman)
Hayden Hape (Deputy Chairman)
Paul-Jason Devonshire
Kaylene Kani
Takare Leach
Connie Oneroa
Ian Perry
Noelene Reti
Rangimaria Taite
Paul Te Huki
Haami Te Whaiti
Marama Tuuta

-Te Hika a Pāpāuma ki Whakataki Marae
-Tāmaki Nui-a-Rua
-Hurunui-o-Rangi Marae
-Tāmaki Nui-a-Rua
-Te Oreore Marae
-Ākura
-Ngāi Tumapūhia-a-Rangi
-Wairarapa Moana
-Tāmaki Nui-a-Rua
-Tāmaki Nui-a-Rua
-Ngāti Hinewaka
-Pāpāwai Marae

Trust Office

189 Queen Street Rear
Masterton, 5840

Chartered Accountants

Deloitte Limited
(As Trustee for the Deloitte Trading Trust)
20 Customhouse Quay
Wellington

Auditors

Independent Auditors Ltd
Level 2, Lucas House
51 Halifax Street
Nelson, 7010

Solicitors

Kahui Legal
Level 11
15 Murphy Street
Wellington

Stout Street Chambers (Mike Colson)
Level 6, Huddart Parker Building
1 Post Office Square
Wellington, 6011

Gibson Sheat
Level 1, 43 Chapel Street
Masterton, 5840

Bankers

ASB Bank Limited
ANZ Bank New Zealand Limited
Bank of New Zealand Limited
Westpac New Zealand Limited

Approval of Financial Statements

≡ Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

The Trustees are pleased to present the approved Financial Statements, including the historical Financial Statements, for the year ended 30 June 2019.

APPROVED

For and on behalf of the Beneficiaries



Trustee

2 December 2019

Date

Statement of Revenue and Expense

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

	Notes	Group	
		2019 \$	2018 \$
Revenue from Non-exchange Transactions			
Revenue from Treaty Settlement		-	93,000,000
Revenue from Government Grants and Funding		508,339	680,638
Total Revenue from Non-exchange Transactions		508,339	93,680,638
Revenue from Exchange Transactions			
Interest Revenue		1,891,188	3,575,542
Other Revenue		4,522	(5,435)
Total Revenue from Exchange Transactions		1,895,710	3,570,107
Total Revenue		2,404,049	97,250,745
Expenses			
Administration Expenses	4	1,038,168	1,022,550
Operating Expenses	5	21,180	30,273
Related Party Remuneration	6	371,400	409,277
Salaries and Wages		106,227	84,514
Total Expenses		1,536,975	1,546,614
Net Surplus/(Deficit) for the year		867,074	95,704,131
Taxation Expense	7	83,118	61,906
Total Surplus/(Deficit) for the year after taxation		783,956	95,642,225
Other Comprehensive Revenue and Expense for the year			
-		-	-
Total Comprehensive Revenue and Expense for the year		783,956	95,642,225

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

Statement of Changes in Net Assets

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

	Trust Capital	Accumulated Comprehensive Revenue and Expense	Total
	\$	\$	\$
Balance as at 1 July 2017	20	(1,578,004)	(1,577,984)
Total Comprehensive Revenue and Expense for the year	-	95,642,225	95,642,225
Balance as at 30 June 2018	20	94,064,221	94,064,241
Balance as at 1 July 2018	20	94,064,221	94,064,241
Total Comprehensive Revenue and Expense for the year	10	783,946	783,956
Balance as at 30 June 2019	30	94,848,167	94,848,197

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

Statement of Financial Position

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

	Notes	Group 2019 \$	2018 \$
Current Assets			
Accrued Interest		4,612,010	3,288,888
Cash and Cash Equivalents	9	441,362	427,332
GST Receivable		29,808	22,491
Income Tax Receivable	7	19,801	3,908
Other Debtors and Prepayments		2,641	2,487
Receivables from Exchange Transactions	10	4,900	849
Receivables from Non-exchange Transactions	11	74,810,016	74,490,020
Term Deposits		5,150,111	5,341,310
Total Current Assets		85,070,649	83,577,286
Non-Current Assets			
Investments- Commercial Property	12	525,000	-
Property, Plant and Equipment	13	4,979	176
Term Deposits		9,400,000	10,600,000
Total Non-Current Assets		9,929,979	10,600,176
Total Assets		95,000,628	94,177,462
Current Liabilities			
Trade and Other Payables	14	152,431	113,219
Total Current Liabilities		152,431	113,219
Total Liabilities		152,431	113,219
Net Assets		94,848,197	94,064,241
Equity			
Retained Earnings		94,848,197	94,064,241
TOTAL EQUITY		94,848,197	94,064,241

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

Statement of Cashflows

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

	Notes	Group 2019 \$	2018 \$
Cash Flows from Operating Activities			
Cash Received from Customers		696	1,348
Cash Paid to Suppliers and Employees		(1,506,908)	(1,721,211)
Grants and Donations Received		188,343	777,424
Interest Received		568,065	286,653
Interest Paid		(76)	(18,711)
Net GST Refunded/ (Paid)		2,811	53,426
Resident Withholding Tax Paid		(99,012)	(65,814)
Net Cash from Operating Activities	18	(846,081)	(686,885)
Cash Flows from Investing Activities			
Purchase of Property, Plant & Equipment		(531,088)	-
Net Proceeds from Term Deposit Maturities		1,391,199	(15,941,310)
Net Cash Used in Investing Activities		860,111	(15,941,310)
Cash Flows from Financing Activities			
Funds Received from Settlement		-	18,600,000
Net Cash from Financing Activities		-	18,600,000
Net Increase/(Decrease) in Cash		14,030	1,971,805
Opening Balance Cash		427,332	(1,544,473)
Closing Balance Cash	9	441,362	427,332

These Financial Statements should be read in conjunction with the notes to the Financial Statements. These Financial Statements have been audited.

Notes to the Financial Statements

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

1. Statement of Accounting Policies

Reporting Entity

These Consolidated Financial Statements for the year ended 30 June 2019 comprise the controlling entity, the Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust and its controlled entities the Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Negotiations Trust, the Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Investment Trust, and Carterton Post Office Limited, together referred to as the "Group."

The Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust was established by a trust deed dated 30 March 2017 and is subject to the Trustees Act 1956. It was established as the Post Settlement Governance Entity of Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua to settle historical Treaty of Waitangi Claims.

The Group is a Public Benefit Entity (PBE) for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The Financial Statements were authorised for issue by the Trustees on the 2nd of December 2019.

Basis of Preparation

Statement of Compliance

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

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had less than \$30m operating expenditure, is not publically accountable and elects to be a Tier 2 reporting entity.

Measurement Basis

The Consolidated Financial Statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value or amortised cost. The accrual basis of accounting has been used unless otherwise stated and the Financial Statements have been prepared on a going concern basis.

Functional and Presentation Currency

These Financial Statements are presented in New Zealand dollars (NZD), which is the functional currency for all entities of the Group. There has been no change in functional currency of the Group during the year.

Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are disclosed where applicable in the relevant notes to the Financial Statements.

Judgements made by management in the application of the PBE Standards RDR that have significant effects on the Financial Statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the notes to the Financial Statements.

Notes to the Financial Statements

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

2. Summary of Significant Accounting Policies

The significant accounting policies adopted by the Group are set out below and, except for the changes noted below, have been consistently applied to all periods presented in these Financial Statements.

Basis of Consolidation

The Financial Statements for the Group have been prepared in accordance with Generally Accepted The Consolidated Financial Statements incorporate the Financial Statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Comprehensive Revenue and Expense from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of Comprehensive Revenue and Expense are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Revenue and Expense of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra - Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue

Revenue is measured at the fair value of the consideration received. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and when the right to receive payment is established.

Specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised as detailed below:

Revenue from Non-exchange transactions

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

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

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

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

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

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

Notes to the Financial Statements

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

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

Grants & Donations

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

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

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

Treaty Settlement Income & Treaty Settlement Income from Transitioning Entities

Treaty Settlement Income is recognised when the Group's right to receive the payment has been established.

Funds Received

Funds received are recognised when the Group's right to receive the payment has been established.

Revenue from Exchange Transactions

Finance Income

Finance income comprises interest income on funds invested, interest on settlement funds not received and gains on the disposal of available for sale financial assets. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other income

Other income comprises administration services on-charged and sundry income and is recognised in the statement of Comprehensive Revenue and Expense when the revenue associated with the transactions can be measured reliably for the rendering of goods and services.

Employee Entitlements

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts, call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Term Deposits

Term deposits are classified as cash and cash equivalents if they will mature within 3 months of balance date. Other Term Deposits are classified as other non-derivative financial instruments and are stated at amortised cost.

Taxation

Income tax expense is recognised in the Statement of Comprehensive Revenue and Expense except to the extent that it relates to items recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Trade Receivables

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses for amounts that have a significant risk of non-collection. When a receivable is identified as being non-collectible it is expensed immediately in profit and loss.

Trade Payables

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

Impairment

The carrying amounts of the Group's assets are reviewed at each Statement of Financial Position date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expense.

Notes to the Financial Statements

Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust
For the year ended 30 June 2019

Impairment of Property, Plant and Equipment and Subsidiaries

The carrying amounts of property, plant and equipment and intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit is the greater of its value in use and its fair value less cost to sell. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Revenue and Expense. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Determination of Fair Value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the market values.

Any foreign exchange differences are recognised in the Other Comprehensive Revenue and Expense and presented in the Foreign Currency Translation reserve. Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly

probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with NZ IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Goods and Services Tax

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- For receivables and payables which are recognised inclusive of GST. (The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

Notes to the Financial Statements

Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of any self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expenses as incurred.

Depreciation

Depreciation is charged at rates that reflect the estimated consumption of economic benefits and useful lives of the assets. Depreciation is charged to the Statement of Comprehensive Revenue and Expense. Land is not depreciated. Depreciation methods, useful lives and residual values are reassessed on a continual basis.

Account	Method	Rate
Office Equipment	Diminishing Value	50%
Plant & Equipment	Diminishing Value	50%
Land & Buildings	Not Depreciated	-

Financial Assets at Amortised Cost

Financial Assets at Amortized Cost are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any impairments losses and foreign exchange differences are recognised in the Statement of Comprehensive Revenue and Expense. Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Financial Assets at Fair Value through Surplus or Deficit

A financial asset is classified as fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense or is designated as such upon initial recognition.

Upon initial recognition, attributable transaction costs are recognised in the Statement of Comprehensive Revenue and Expense when incurred. Subsequent to initial recognition, financial instruments at fair value through surplus or deficit are measured at fair value, and changes therein are recognised in the Statement of Comprehensive Revenue and Expense.

Financial Liabilities

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Investment Property

Investment Property is initially measured at cost and thereafter at fair value, being the price at which a property could be exchanged between knowledgeable, willing parties in an arm's length transaction. No property interests held under operating leases are classified and accounted for as Investment Property. Fair value of the Group's only investment property has been determined to be the cost of that property given it was purchased during the 2019 financial year and no independent valuation has been obtained.

Internal Charges

Internal charges are included within the contra accounts as both revenue and expenses to reflect the economic use of resources. These are eliminated, where appropriate, on consolidation.

Comparative Amounts

Comparative amounts are from the audited Financial Statements of the Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust for the year ended 30 June 2018. Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation.

Changes in accounting policies

The accounting policies adopted are consistent with those applied in the prior year.

3. Capital Risk Management

The Trust manages net assets attributable to the Group as its capital. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so it can continue to provide benefits for the Beneficiaries and to maintain an optimal capital structure to reduce the cost of capital. The Group does not have any externally imposed capital requirements.

Notes to the Financial Statements

4. Administration Expenses

	2019	2018
	\$	\$
Accommodation and Meals	36,297	12,927
Accounting Fees	49,200	47,000
Administration Costs	26,250	2,385
Advertising	65,312	10,386
Audit Fees	5,950	5,950
Bank Fees	863	637
Commercial Valuation Advice	-	24,844
Communications	16,183	3,117
Communications Advice	126,810	180,558
Complaints	6,000	-
Consultancy Fees	41,300	39,500
Due Diligence Costs	10,000	33,545
Economic Advice	-	10,000
Election Expenses	-	56,995
Exhibition Costs	-	3,795
General Expenses	1,384	16
Legal Fees	294,979	205,777
Mandating Hui	35,649	24,334
Mileage, Airfares and Vehicle Rental	93,404	82,418
Office Overheads	12,157	10,603
Pānui	1,332	2,408
Printing, Stationery and Postage	11,279	9,491
Project Management	120,000	130,000
Ratification Expenses	59,041	
Strategic Advice	21,378	84,114
Taxation Advice	-	34,100
Venue Catering	3,400	7,650
Total Administration Expenses	1,038,168	1,022,550

5. Operating Expenses

	2019	2018
	\$	\$
Depreciation	1,284	176
Insurance	9,295	6,413
Interest	77	18,711
Rates	32	-
Rent	8,855	2,952
Venue Hire	1,637	2,022
Total Operating Expenses	21,180	30,273

Notes to the Financial Statements

6. Related Party Remuneration

	2019 \$	2018 \$
Negotiators	245,760	271,360
Support Negotiator	-	7,920
Trustee- AFR	4,800	6,880
Trustee- Whakapapa Advisor	8,520	2,960
Trustees Fees and Honoraria	112,320	120,157
Total Related Party Remuneration	371,400	409,277

7. Taxation Expense

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2019 \$	2018 \$
Net Trustees Surplus/ (Deficit) before Taxation	867,074	95,704,131
Prima facie tax expense at 17.5%	151,738	16,748,223
Income Tax effects of:		
Non-Assessable Income	(327,627)	(16,945,500)
Non-Deductible Expenditure	259,007	258,300
Total Income Tax Expense for the Year	83,118	61,023
Unutilised Tax Losses Carried Forward	-	-
Tax Losses Utilised	-	883
Tax Expense per Profit and Loss	83,118	61,906
Opening Balance Refundable	(3,908)	-
Resident Withholding Tax Paid	(99,011)	(65,814)
Taxation Refund Received	-	-
Tax Expense For The Year	83,118	61,906
Tax Refundable/(Payable) at 30 June 2019	(19,801)	(3,908)

8. Māori Authority Credit Account (MACA)

	2019 \$	2018 \$
Opening Balance	65,814	-
Tax Refund	-	-
RWT Paid	98,975	65,814
Closing Māori Authority Credit Account (MACA)	164,789	65,814

Notes to the Financial Statements

9. Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash and Bank	441,362	427,332
Total Cash and Cash Equivalents	441,362	427,332

10. Receivables from Exchange Transactions

	2019	2018
	\$	\$
PAYE Receivable	-	349
Ngāti Kahungunu ki Tāmaki-nui-a-Rua Taiwhenua	4,900	500
Total Receivables from Exchange Transactions	4,900	849

Ngāti Kahungunu ki Tāmaki-nui-a-Rua Taiwhenua receivables relates to \$4,900 of administration support invoices outstanding at year end (2018: \$500).

11. Receivables from Non-exchange Transactions

	2019	2018
	\$	\$
Crown Forestry Rental Trust	10,016	90,020
Treaty Settlement	74,400,000	74,400,000
Te Arawhiti Funding	400,000	-
Total Receivables from Non-exchange Transactions	74,810,016	74,490,020

12. Investment Property

(i) Net Book Value

	Land and Buildings	Total
	\$	\$
As at 1 July 2017	-	-
Additions	-	-
Disposals	-	-
As at 30 June 2018	-	-
As at 1 July 2018	-	-
Additions	525,000	525,000
Disposals	-	-
As at 30 June 2019	525,000	525,000

Notes to the Financial Statements

13. Property, Plant and Equipment

(i) Cost

	Office Equipment \$	Plant and Equipment \$	Total \$
As at 1 July 2017	1,728	-	1,728
Additions	-	-	-
Disposals	-	-	-
As at 30 June 2018	1,728	-	1,728
As at 1 July 2018	1,728	-	1,728
Additions	870	5,217	6,087
Disposals	-	-	-
As at 30 June 2019	2,598	5,217	7,815

(ii) Accumulated Depreciation

	Office Equipment \$	Plant and Equipment \$	Total \$
As at 1 July 2017	1,376	-	1,376
Depreciation	176	-	176
As at 30 June 2018	1,552	-	1,552
As at 1 July 2018	1,552	-	1,552
Depreciation	414	870	1,284
As at 30 June 2019	1,966	870	2,836

(iii) Net Book Value

	Office Equipment \$	Plant and Equipment \$	Total \$
Balance as at 30 June 2017	352	-	352
Balance as at 30 June 2018	176	-	176
Balance as at 30 June 2019	632	4,347	4,979

14. Trade and Other Payables

	2019 \$	2018 \$
Accounts Payable	133,983	44,312
Accrued Expenses	5,950	66,023
Wages Payable	12,498	2,884
Total Trade and Other Payables	152,431	113,219

Notes to the Financial Statements

15. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2019 \$	2018 \$
Financial Assets		
Financial Assets at Amortised Cost		
Accrued Interest	4,612,010	3,288,888
Cash and Cash Equivalents	441,362	427,332
Term Deposits	14,550,111	15,941,310
Receivables from Exchange Transactions	4,900	849
Receivables from Non-exchange Transactions	74,810,016	74,400,000
Other Debtors and Prepayments	2,641	2,487
Income Tax Receivable	19,801	3,947
GST Receivable	29,808	22,491
Total Financial Assets	94,470,649	94,087,304
Financial Liabilities at Amortised Cost		
Trade and Other Payables	152,431	113,219
Total Financial Liabilities	152,431	113,219

16. Treaty Settlement

In November 2012 the Crown recognised the mandate of the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Negotiation Trust (the "Negotiation Trust") to represent Ngāti Kahungunu ki Wairarapa rāua ko Ngāti Kahungunu ki Tāmaki Nui-a-Rua in negotiating a comprehensive historical Treaty of Waitangi settlement.

An Agreement in Principle was signed on 7 May 2016 which formed the basis for the future settlement.

As part of the settlement process, in March 2017 the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust (the "Settlement Trust") was ratified as the Post-Settlement Governance Entity (PSGE) responsible for implementing the terms of the settlement and receiving the approximately \$93m settlement redress on behalf of Ngāti Kahungunu ki Wairarapa rāua ko Ngāti Kahungunu ki Tāmaki Nui-a-Rua.

An on-account payment of \$18,600,000, being 20% of Settlement Quantum, was received on 22 August 2017. This formed part of the financial and commercial redress to be provided by the Crown in the settlement of Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua historical claims.

On 22 March 2018, the Settlement Trust and the Crown initialled a Deed of Settlement which was then presented to our registered members. The ratification processes took place in late 2018 and a special general meeting was held in November 2018 where voting was closed. A majority of registered members voted in support of the Deed of Settlement.

In February 2019 the Crown advised that the Minister of Treaty Settlements and Te Minita Whanaketanga Māori had reviewed the ratification results and confirmed that they believe the results showed sufficient support from our iwi members for the Deed of Settlement to progress and the Trust then expected them to sign the Deed of Settlement. However, the Crown then indicated it was unwilling to sign the Deed of Settlement until the outcome of certain Waitangi Tribunal hearings (being Pouākani Remedies - Wai 85, and Wairarapa ki Tararua District Inquiry - Wai 863 & Wai 429) are known.

Due to several factors including government resourcing and availability, these Waitangi Tribunal hearings will not be completed until around April 2020, when the Tribunal makes its final recommendation. Therefore the Crown will not sign our Deed of Settlement until at least April 2020, resulting in our settlement quantum remaining as a current receivable on the Trust's balance sheet. The Trust is accruing interest on the amount receivable from the Crown and will continue to do so until full and final settlement is complete upon enactment of settlement legislation.

Notes to the Financial Statements

17. Related Party Transactions

	Negotiator Fees	Trustee Honoraria and Mandating Hui	Audit, Finance and Risk	Whakapapa and Other Support	Total
	\$	\$	\$	\$	\$
Robin Potangaroa	66,560	40,800	-	120	107,480
Hayden Hape	66,560	24,600	680	-	91,840
Ian Perry	46,080	4,680	-	-	50,760
Haami Te Whaiti	66,560	1,920	-	-	68,480
Marama Tuuta	-	9,600	-	4,400	14,000
Paul Jason Devonshire	-	3,840	-	-	3,840
Connie Oneroa	-	2,880	-	520	3,400
Takare Leach	-	4,320	-	1,400	5,720
Noelene Reti	-	4,320	-	-	4,320
Rangimaria Taite	-	4,320	-	-	4,320
Kaylene Kani	-	4,320	-	1,600	5,920
Paul Te Huki	-	4,320	-	160	4,480
Rex Hemi	-	-	-	2,400	2,400
Charles Morunga	-	-	1,120	-	1,120
Mark Rutene	-	-	3,000	-	3,000
Rawiri Smith	-	-	-	320	320
	245,760	109,920	4,800	10,920	371,400

Related Party Remuneration of \$371,400 (2018: \$409,277) in the Statement of Comprehensive Revenue and Expense comprises Negotiator Fees, Trustee Honoraria and Mandating Hui, Audit, Finance and Risk, and Whakapapa and Other Support.

18. Reconciliation of Operating Cash Flows

	2019	2018
	\$	\$
Total Surplus/ (Deficit) for the year after taxation	783,956	95,552,244
Add Non-cash items		
Depreciation	1,284	176
Add/ (Less) Items Classified as Investing or Financing Activities		
Funds Received from Settlement	-	(18,600,000)
Add Movements in Working Capital Items		
Decrease/ (Increase) in Accrued Interest	(1,323,122)	(3,288,888)
Decrease/ (Increase) in Receivables	(331,363)	(74,200,594)
Decrease/ (Increase) in Income Tax Receivable	(15,894)	(3,947)
Decrease/ (Increase) in Other Debtors and Prepayments	(154)	(2,487)
Increase/ (Decrease) in Trade and Other Payables	39,212	(143,389)
Net Cash from Operating Activities	(846,081)	(686,885)

Notes to the Financial Statements

19. Capital and Other Commitments

There are no known material capital commitments at year end (2018: \$Nil).

20. Contingent Assets and Liabilities

There were no known material contingent assets or liabilities to disclose at balance date (2018: \$Nil).

21. Events Subsequent to Balance Date

It is anticipated that the Ngāti Kahungunu Ki Wairarapa Tāmaki Nui-a-Rua Negotiations Trust will be dissolved and its assets transferred at carrying value to the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust within the following 12 months.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ngāti Kahungunu ki Wairarapa -Tāmaki Nui-ā-Rua Settlement Trust and its subsidiary ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive revenue and expense, consolidated statement of cash flows and the consolidated statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis of Opinion

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

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

Emphasis of Matter – accrual of settlement income

We draw the readers attention to Note 17 which details the Treaty Settlement progress. The financial statements include an accrual for the balance of the settlement funds to be received from the Crown, in the amount of \$74.4m. We note that the Crown has indicated their commitment to making this payment by initialling the Deed of Settlement, however as detailed in Note 17, the final settlement awaiting enactment of settlement legislation.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Group for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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Independent Auditor's Report

In preparing the financial statements, those charged with governance are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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), we exercise professional judgement and maintains 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 obtains 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 entity'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 entity'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 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 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

2 December 2019





Ngāti Kahungunu
Ki Wairarapa Tāmaki Nui-a-Rua Settlement Trust

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