

A watercolor illustration of a landscape. In the foreground, there is a wooden structure with a thatched roof, possibly a traditional Maori dwelling or a storage structure. The structure is made of vertical wooden posts and horizontal beams. In the middle ground, there is a body of water, possibly a lake or a wide river. In the background, there are rolling hills and mountains. A large tree is on the right side of the image. The overall style is soft and artistic.

— ·  
**NGĀTI RĀRUA ĀTIAWA**  
**IWI TRUST**  
2018 ANNUAL REPORT  
· —

## He Tūrangawaewae A PLACE TO STAND

Ko Pukeone, ko Tūao  
Wharepapa ngā maunga  
Ko Motueka te awa  
Ko Te Āwhina te marae  
Ko Tūrangapeke te wharenui  
Ko Ngāti Rārua, ko Te Āti Awa ngā iwi

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## Hapū

Ngāti Turangāpeke  
Ngāti Pareteata  
Ngāti Komako of  
Puketapu and Ngāti  
Hine of Ngāti Rahiri

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## Whāinga

**VISION STATEMENT**

**MOTUEKA**

He Taonga; He Mana  
Tuku Iho; He Ipukarea

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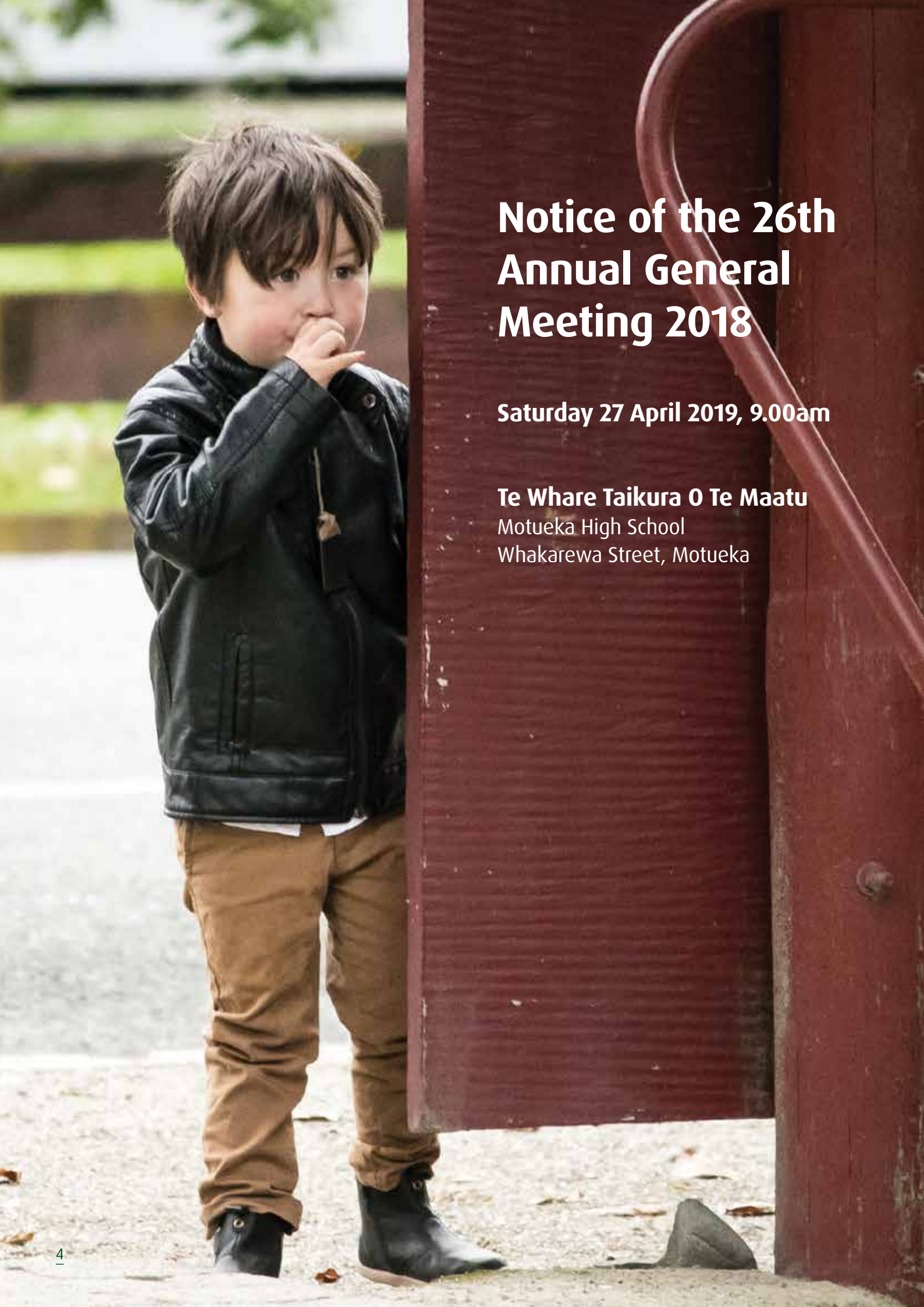
## Kaupapa

**MISSION STATEMENT**

Motueka–Whakarewa  
Connecting Ourselves,  
Our Lands and Our Legacy

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# Notice of the 26th Annual General Meeting 2018

**Saturday 27 April 2019, 9.00am**

**Te Whare Taikura O Te Maatu**  
Motueka High School  
Whakarewa Street, Motueka

**Business:**

1. Confirmation of Minutes of 2018 Annual General Meeting
  2. Chair's Report & Financial Statements for the Year Ended 31 December 2018
  3. Appointment of Auditors
  4. Election of Trustees:
5. Distributions
  6. Trustees' Fees
  7. General Business

**Ngāti Rārua Iwi**

Russell (Barney) Thomas and Mereama Chase will retire by rotation. Being eligible, they offer themselves for re-election for a further three-year term.

**Te Ātiawa Iwi**

John Kātene will retire by rotation. Being eligible, he offers himself for re-election for a further three-year term.

**Nomination of Trustee:**

If you wish to be nominated for any of these vacancies a nomination form and Section 16 (2) of the Charities Act 2005 declaration form are available from the office, Level 1, Wakatū House, Montgomery Square, Nelson or contact [info@nrait.co.nz](mailto:info@nrait.co.nz).

*Please note, under section 16 (2) of the Charities Act 2005, all nominees must declare that they are not disqualified from being an officer of a charity.*

Nominations close at the Secretary's office, Level 1, Wakatū House, Montgomery Square, Nelson at 4pm on Tuesday 16 April 2019.

Annual reports and a copy of the minutes are available to download off our website [www.nrait.co.nz](http://www.nrait.co.nz).

If you are unable to access the web and require a physical copy, please contact the office on 03 548 0770.

A limited number of physical reports will be available at the Annual General Meeting.

By Order of the Trustees  
J N MURRAY  
Secretary

# Chair's Report

## Rōpata Taylor

*Tūrangapeke – taonga hoatu noatu.*

*Tuatahi, me mihi ki te hunga i hinga mai  
i te parekura, i Otautahi. Haere, moe mai.  
Me mihi ki ngā mate o tātou i huri noa.  
Moe mai rā, te hunga wairua, moe mai.  
Kei ngā uri o Motueka, tēnā koutou katoa.*

On 15 March, 50 innocent people were gunned down during karakia. We, the families of Motueka pay our deepest respect to them and their families. We know only too well the dangers of cultural intolerance, and we must be forever vigilant against such bigotry, and have the courage to denounce it at every turn.

On behalf of the Board of Trustees, it is my pleasure to provide the Chair's report for the financial year ended 31 December 2018.

Another year has passed for our Trust, and I write this amidst a significant region wide drought, with no rain in sight. This has brought a series of fires to Aorere/Tasman Bay, and increased demand on water resources. With major shortages in Waimea, Motueka has been pressured to provide water to other areas. Our position on water and the interconnection wai has with whenua, remains the same, and we have needed to be steadfast in this trying time.

As was well flagged by management throughout the year, the Trust's annual result was on the weaker side versus last year. This was driven by known issues in the Trust's mussel and honey investments - both impacted by mother nature, and various extra-ordinary expenses requested by the Board, offset by increased contributions from our investment portfolio coupled with normal cost synergies achieved with normal operating expenditure. These are discussed further in the Chief Executive's Year in Review.

In summary, operationally the Trust achieved a headline net surplus after distributions of \$772,519 down 15.5% from the \$915,752 reported in 2017. On top of the reported operational result, the Trust achieved a top line growth rate of 11.21% in Total assets. Total assets have now grown \$51.7M from the original \$11.8M received in 1993 at the formation of the Trust, to today's current value of \$63.5M (2017 \$57.1M) representing a compound annual growth rate of 6.96% since inception of the Trust.

Throughout the last year the Trustees have continued to develop the Trust's longer-term aspirations. In June the Board undertook a strategic planning day using the services of KPMG as a facilitator. The central focus of this exercise was to concentrate on our Social & Cultural Strategy. What was clearly identified during this exercise was that our strategy needs to be set against our available resources (cash, capabilities and



### Asset Growth:



1993  
\$11.8m

2018  
\$63.5m

### Compound Annual Growth Rate:

6.96%

### Distributions Since 1993 \$1.3m



**Marae**  
\$474,144  
37%



**Koha**  
\$288,425  
23%



**Education**  
\$470,184  
37%



**Health**  
\$39,675  
3%

### Marae Grants Since 1993



**Te Āwhina Marae**

\$307,445



**Pareraru Marae**

\$65,899



**Onetahu Marae**

\$56,900




**Whakatū Marae**

\$25,900



**Marokopa Marae**

\$15,000

A photograph of a clear, green stream flowing through a dense forest. The water is crystal clear, revealing the mossy rocks beneath. The surrounding trees are vibrant green, and the overall scene is peaceful and natural. The text is overlaid on the right side of the image, enclosed in a white line with circular ends.

*"...Our position on water and the interconnection wai has with whenua, remains the same, and we have needed to be steadfast in this trying time."*

capacity) – but it also involves trade-offs – in that we (Trustees) can't deliver everything with our resources so we need to choose the best options we can for the resources we have.

To help provide focus and deliver on these aspirations, we as Trustees have to make careful strategic long term decisions and develop opportunities that satisfy the operational requirements balanced against owner aspirations. For this reason, Trustees jointly agreed the major initial areas of focus of the Trust's social and cultural program will be centred around Matauranga and Rangatiranga. With this in mind we are reviewing the whole education grant system to make it more accessible to all owners as well as rolling out a pilot wānanga that will be designed to instil a strong sense of hapū identity and to explore the genesis hapū we all come from. Pending a successful pilot, it is the intention of creating a regular wānanga programme for all owners.

Our support for the training and development of our people continues to be an important priority, particularly as the world changes with respect to new technology and business models. During the year the Board supported our Chief Executive to undertake professional development at Harvard University and to be a delegate of the Te Tira Toi Whakangao (T3W) initiative with New Zealand Trade and Enterprise. John has returned with exciting new views and initiatives to help radically improve Māori prosperity, a key fundamental driver of our Te Whanake strategy.

You will remember from last year the owners' resolution passed with respect to a proposed sell down and development on our Te Kumara lands (Thorp St 44ha). Unfortunately, due to various design and development constraints, this opportunity was not economically feasible to undertake. As such, we will seek other alternate uses of the site including partial development of the site as part of our wider rongoā project being undertaken as well as other alternate land uses. In the interim it will remain leased out for grazing.

As a result of owner inquiry, the Trustees have investigated the legality and possibility of providing grants and distributions to overseas based owners. To achieve such, we as owners need to agree to a change in the underlying Trust Deed. To achieve this, we need to hold a separate Special General Meeting (SGM) and gain the approval of 75% (seventy-five per cent) of attendee owners at the SGM. The intended resolution will seek the deletion of the words "in New Zealand" from clauses 3 and 4 of the Trust Deed. We had hoped to propose the required resolution at this AGM however, upon receipt of legal advice it was agreed by the Board that a formal SGM will be called once all requisite legalities have been satisfied and the SGM has been advertised in the correct form per the Ngāti Rārua Ātiawa Empowerment Act.

Discussions continued throughout the year between Trustees and Crown representatives with regard to resolving our issues pertaining to restoring justice and statutory reform over our leased lands. We were hopeful that we could present some offer to consider for acceptance or not at this year's AGM, however, delays experienced with Government Officials prevents this from happening. We will update you all on any progress at the AGM and via regular pānui as these negotiations evolve.

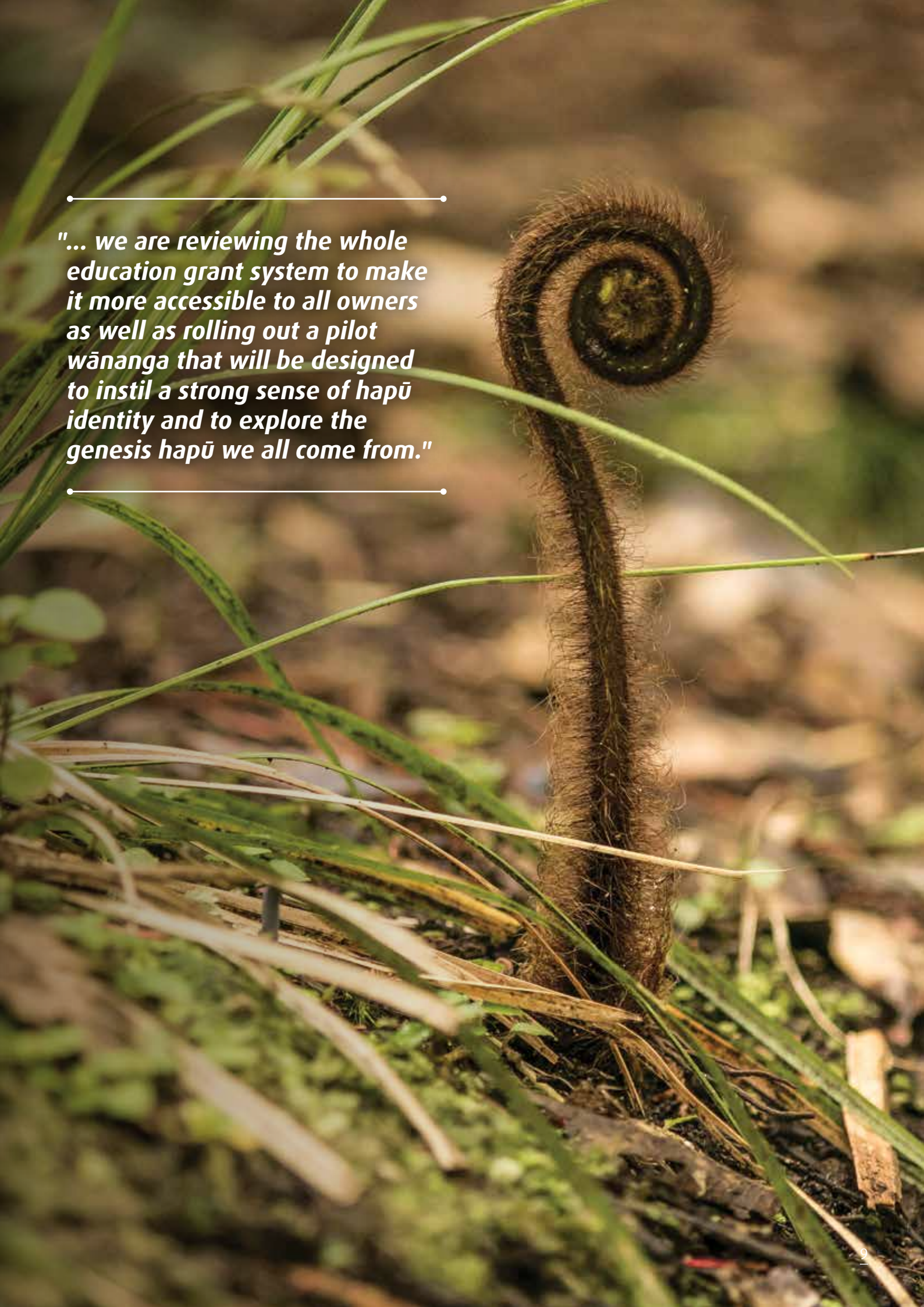
We still have a significant number of gone-no-address (GNA) of registered owners. A listing is available online and will be on display at the AGM – we need your help to track down these missing owners to ensure a vibrant and strong Trust moving forward. Please take the time to review the list and advise the Trust of any information you may have on these missing owners.

Lastly, I wish to acknowledge and congratulate our Chief Executive John Charleton and Project Coordinator Nichola Vessey for their endless mahi throughout the year, as well as acknowledging my fellow Trustees and the ongoing support received from you our Owners and whānau.



Nāku noa, nā  
Rōpata Taylor  
Chair





*"... we are reviewing the whole education grant system to make it more accessible to all owners as well as rolling out a pilot wānanga that will be designed to instil a strong sense of hapū identity and to explore the genesis hapū we all come from."*

# 2018 Board of Trustees

## **Rōpata Taylor, Chair**

*(centre Left)*

Rōpata is of Ngāti Rārua and Te Ātiawa descent. He is Chair of Ngāti Rārua Ātiawa Iwi Trust Board, ex-officio member to the Investment Committee and a member of the Education Committee. Rōpata is also currently General Manager People & Culture with Wakatū Incorporation, a Trustee of the Nelson Sculpture Trust, and is a Ministerial appointee to the Kaiteriteri Recreation Reserve Board. He is a graduate of the University of Otago and prior to joining Wakatū was a secondary school teacher and tertiary lecturer.

## **Russell (Barney) Thomas, Vice Chair**

*(centre right)*

Through Barney's mother, his iwi connections are Ngāti Rārua, Ngāti Tama, Ngāti Toa and Te Ātiawa, and through his father, Ngāi Tahu. Barney has been a Trustee of Ngāti Rārua Ātiawa Iwi Trust since its inception and Vice Chair since 1998. He is also a Director for Wakatū Incorporation. Barney was Chair of Ngāti Rārua Iwi Trust until he retired in 2005 and served on the Board of Trustees for Whakarewa School from 1991 to 1993. He is currently the Pou Tairangahau for the Department of Conservation in the Nelson/Marlborough area, and was formerly with the Inland Revenue Department and the Department of Labour. Barney is married to Shona who is very patient and supportive, has three children (Renee, Fraser and Jackson), and a granddaughter, Sophia.

## **Jarrold Buchanan, Trustee**

*(top left)*

Jarrold is of Ngāti Rārua and Te Ātiawa descent. He is the founder and operator of Nelson's largest holiday home marketing and property management service, Holiday Nelson. Jarrold's background is in sales and marketing with a career and education background in seafood and aquaculture. Jarrold is a graduate of the University of Tasmania and lived and worked in Japan for nine years in language teaching, seafood and in clinical research. Jarrold recently returned from Nelson to Tasmania with his wife and two children to allow his tamariki to connect with their Tasmanian whakapapa. He continues to operate Holiday Nelson and returns to Nelson bimonthly to oversee operations and to continue his commitment to NRAIT.

## **Paul Morgan, Trustee**

*(top middle)*

Paul Morgan is of Ngāti Rārua and Te Māhurehure descent. He has held a number of commercial directorships over many years including Chairman of Wakatū Incorporation and land trustee of Te Āwhina Marae. He has been a member of various government-appointed advisory groups and industry initiatives over the years.

## **John Kātene, Trustee**

*(top right)*

John is of Te Ātiawa descent and a descendant of Hohaia Rangiauru. He was reappointed to the Board in 2017 having spent eighteen years previously as a Trustee. John is also a Trustee of Te Ātiawa o Te Waka-a-Māui Trust.

## **Emma Park, Trustee**

*(bottom left)*

Emma is of Te Ātiawa descent and was appointed as a Trustee in April 2008. She is the Chair of the Audit & Risk and Investment committees and sits on the Education committee. Emma is a Chartered Accountant and a member of the Institute of Directors. She is an independent contractor providing financial accounting services for various organisations and Iwi Trusts in Taranaki, where she now lives with her partner and their pēpi.

## **Jeremy Banks, Trustee**

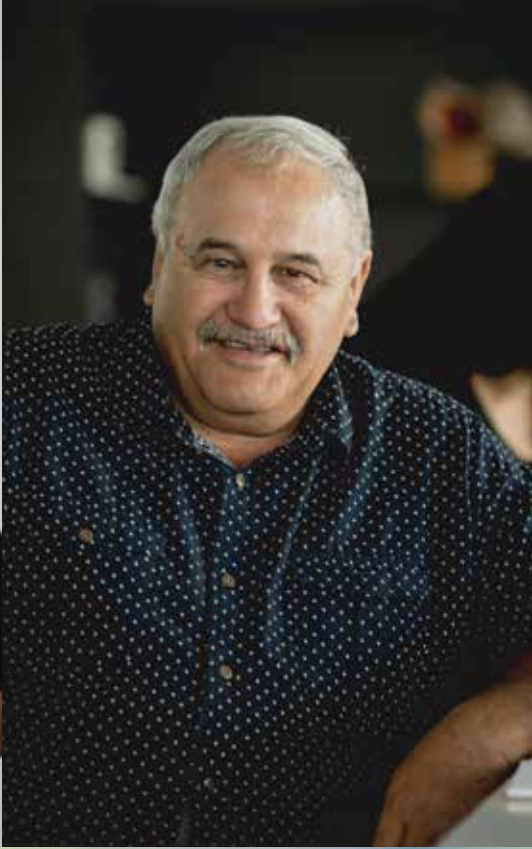
*(bottom middle)*

Jeremy is of Ngāti Rārua, Rangitāne and Ngāti Kuia descent. He was appointed as a Trustee of Ngāti Rārua Ātiawa Iwi Trust in 2013 and is a member of the Investment, Audit & Risk and Remuneration Committees. Jeremy and his wife Melissa run Plink Software, a Nelson based kaupapa Māori software company. Jeremy is a Director for Wakatū Incorporation and also holds a variety of other governance roles.

## **Mereama Chase, Trustee**

*(bottom right)*

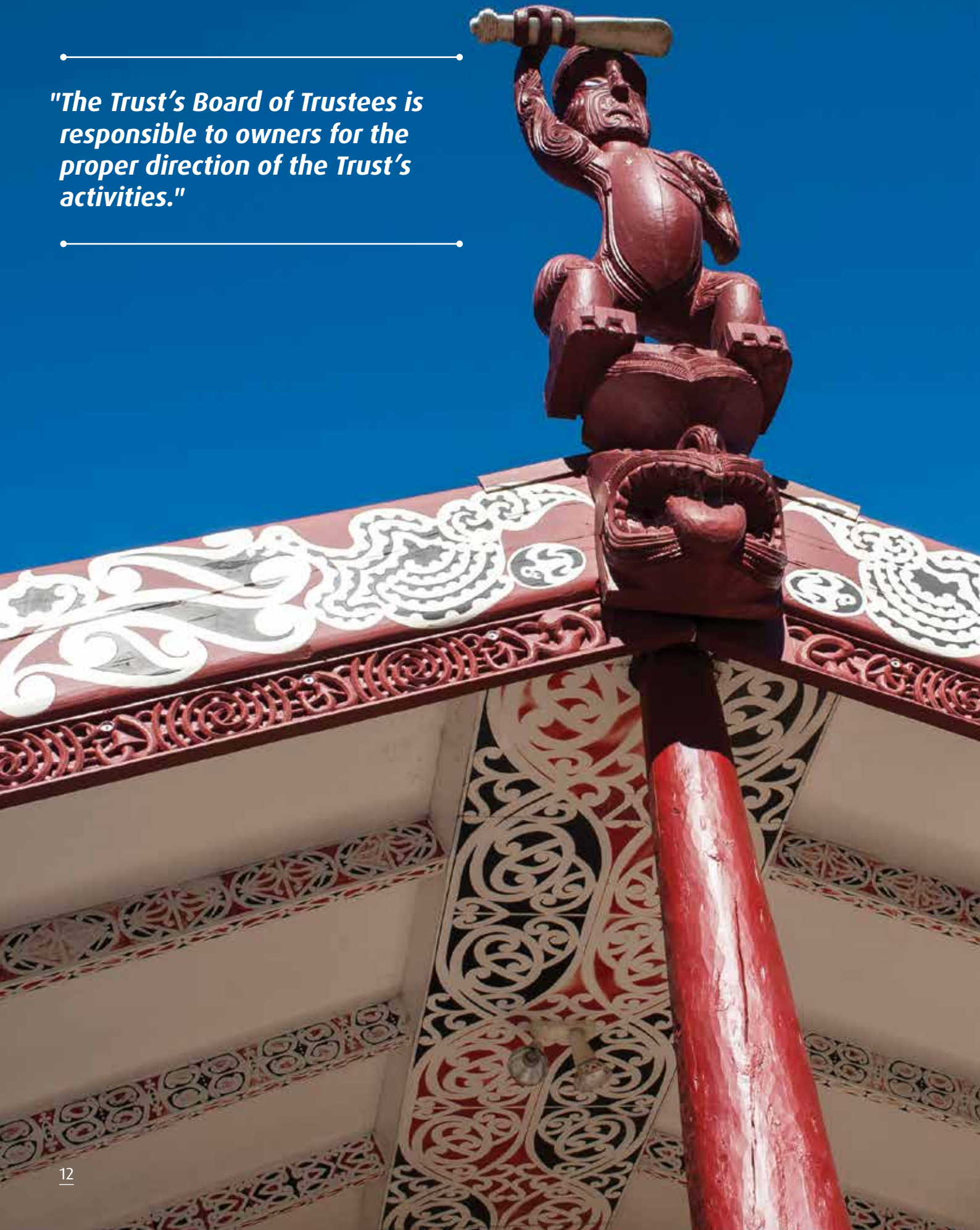
Mereama is of Ngāti Rārua and Te Ātiawa descent. She was appointed as a Trustee in 2015 and is a member of the Investment and Te Whanake committees. Mereama has extensive experience in public management and is currently a Director at the State Services Commission where she leads advice on the design and direction of New Zealand's Public Service. Mereama is a graduate of Victoria University and has a Bachelor of Laws and a Bachelor of Arts in Criminology and Māori Studies. She lives in Wellington with her husband and three tamariki.



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*"The Trust's Board of Trustees is responsible to owners for the proper direction of the Trust's activities."*

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# Our Trust's Governance

## Legislative and Regulatory Framework

At its highest level, Ngāti Rārua Ātiawa Iwi Trust is regulated and guided by the provisions of the Ngāti Rārua Ātiawa Iwi Trust Empowering Act 1993 together with the Charities Trust Act 1957 and the Charities Act 2005.

## The Board of Trustees

The Board is currently made up of eight elected Trustees, drawn from nominations received by registered owners of the Trust.

The Trustees are appointed via an election process by the owners for a term of three years. Current legislation permits Ngāti Rārua Iwi owners to appoint six Trustees and Te Ātiawa Manawhenua ki Motueka Iwi owners to appoint two Trustees. The terms of two or three Trustees expire each year and they are able to stand for re-election. This rotation allows for continuity and stability at Board level, whilst providing for the democratic election of new Trustees.

Details of Trustees' interests are recorded in the Interests Register section of this report.

## Board Committees

The Board has set up the following four committees that operate continuously and in conjunction with the Board.

Full minutes are kept of all Board and Sub-Committee meetings.

### Investment Committee

Chaired by Emma Park the Investment Committee reviews and monitors the Trust's overall investments for compliance with respect to formal Investment Policy guidelines and investment strategies adopted.

### Te Whanake Committee

Chaired by Barney Thomas the Te Whanake Committee review, monitor and enact the Trust's projects focusing on the social cultural deliverables of the Social Cultural Implementation Plan - Te Pae Mahutonga.

### Audit & Risk Committee

Chaired by Emma Park the Audit and Risk Committee reviews and monitors the Trust's overall risk (both financial and non-financial) and its risk management strategies. It reviews the effectiveness of, and monitors compliance with, all internal controls. The Committee also reviews and monitors the external audit process.

### Remuneration Committee

Chaired by Jeremy Banks the Remuneration Committee deals with the remuneration setting procedures for Trustees and the Chief Executive in a transparent and objective manner.

## Governance Statement

The Trust and all its subsidiaries and joint ventures operate under corporate governance principles designed to ensure all its activities are managed as effectively and efficiently as possible.

The Trust's Board of Trustees is responsible to owners for the proper direction of the Trust's activities. This responsibility includes approval of business plans and strategies, identification of business risks, protecting assets, overseeing management, ensuring business is conducted in compliance with the law, and reporting to owners.

Legislation requires Trustees to prepare financial statements that give a true and fair view of the Trust's financial position, its cash flows, and those of its subsidiaries and joint ventures for the period under review.

The accounts for the financial year ended 31 December 2018 have an unqualified audit report attached.

Trustees comply with statutory requirements to maintain and disclose entries in an Interests Register covering particulars of Trustees' interests in certain transactions, Trustees' remuneration, and Trustees, Directors and Officers liability insurance.

## Governance Policy

The role of the Trustees is to provide vision, values, and a mission. The Board establishes key objectives, employs the right people, determines strategies, ensures goals and standards are met, and determines a culture appropriate to the Trust's purpose.

The Trust also has a responsibility to ensure that there is an operative succession plan to cover all key governance and management roles within the current organisation, and to meet all expected future needs.

This plan requires identification and training of owners and others who might wish to participate in the Trust's governance and management.

The Trust looks forward to your participation.



Rōpata Taylor  
Chair

# The Year in Review

John Charleton

*Tēnā koutou te hapū o Ngāti Rārua Ātiawa ki Motueka*

It is my pleasure to report to you on the Trust's performance for the financial year ended 31 December 2018. The total Trust operations, including social and cultural investment via Te Whanake initiatives and distributions paid out, resulted in an annual headline net surplus after distributions of \$772,519 which is down 15.5% against last year's result of \$915,752.

The result is in line with overall expectations. Top line revenue received from mussels and honey was significantly below our expectations, caused by quality issues driven by the impacts of climatic risks, coupled with several Board driven one-off extraordinary expenses incurred throughout the year which when all combined impact upon the final reported surplus.

Some key takeaways from the result were:

- The Trust had somewhat flat total operating revenue for the period at \$2.5M up 0.9% over the prior corresponding period. This was driven by weaker than expected mussel and honey income due to quality and quantity factors (4.1%) offset by an 18.8% increase in earnings and dividends from our portfolio of investments.
- The full year result was again negatively impacted by a 16% increase in total expenses, including Te Whanake costs, to \$1.7M for the year (2017 \$1.4M). Though on the face of it these increases may appear concerning, the majority of these items were out of management control and are discussed further below. Management is confident these cost increases are not permanent in nature and the operating cost structure for 2019 will revert to normal historical levels.



- The operating surplus (operating revenue less operating expenses) for the year was \$1,039,669 (-19% on 2017 \$1,286,677). This result provides a prima-facie return on assets of 1.6%. This is not a very celebratory result and reflects the Trust's overburdened property asset base. When we combine this realised return with the unrealised gains achieved from the Trust's assets during 2018 of \$4.2 million, a total owner return of 8.2% is achieved for the financial year [2017 21.7%]. The total owner return is relatively pleasing and continues to illustrate the achievement of a number of initiatives aimed at lifting the Trust's overall performance.
- Operationally our property assets and equities portfolios continue to underpin the performance of the Trust, supported by steady free cash flows. Earnings quality remains sound with operating free cash flow of \$747,814 achieved for the year approximating the surplus achieved. The Trust ended the year with a total cash position (including term deposits) of \$3.3M, up 17.3% on the prior year of \$2.8M.
- The Trust balance sheet remains robust and strong with assets of \$63.5 million. Land based assets make up a significant portion of this balance at \$46.9 million [74%], with the balance spread over a diversified portfolio of assets to help the Trust achieve its operational objectives.

This year you will note a new financial statement on page 40, being the Statement of Comprehensive Income. It is one of five financial statements required in a complete set of financial statements for distribution outside of an entity.

The Statement of Comprehensive Income covers the same period of time as the Income Statement and consists of two major sections:

- Net income (or net earnings) from the company's Statement of Financial Performance.
- Other comprehensive income (OCI), which consists of positive and/or negative amounts for all other items that are excluded from the Statement of Financial Performance, for example: unrealised gains/losses on asset revaluations.

The totals from each of the above sections are summed and are presented as comprehensive income.

The statement, from a management perspective, adds no value to the reporting process and as such reliance will continue to be placed on our Statement of Financial Performance, and Statement of Cash Flows.

John Charleton, Nichola Vessey and John Murray



*"Operationally our property assets and equities portfolios continue to underpin the performance of the Trust, supported by steady free cash flows."*

As noted earlier there has been an increase in reported operating expenses this year. Please be aware that some of our annual spends are not directly linked to the income earned this year, though we remain cognisant of their individual impact on day-to-day operational results. Yes they may impact the reported surplus in one year, but the investment made needs to be assessed against our strategy for achieving long-term growth and future income that those projects will deliver.

An example of this is the use of debt to help fund new assets and investments. With the current low cost of funding available it makes sense to enhance our overall returns whilst using sensible debt facilities. The end result is perhaps interest and depreciation incurred in one year without any income generated, however, as time progresses the income and underlying assets value lead to the required growth and income we aspire to help us achieve our long-term social and cultural goals.

Other examples of major expenses incurred this year where the costs incurred hit the Statement of Financial Performance but the necessary benefits (income/growth) might not flow to the Trust for a further 2-3 years are Treaty Of Waitangi legal costs incurred in respect of lease reform, and consultancy costs incurred in project investigations like the New Zealand Superannuation Fund Retirement Village/Aged Care Facility feasibility that the Trust is involved in along with six other Māori organisations throughout Aotearoa, and the Thorp Street block that was investigated for development purposes.

It has been the fourth year of operations under our kete asset management structure and it is continuing to achieve the expected results. A summary of the annual performance of the three kete against their individual benchmarks is provided to the right of this report.

Major movements in our investment portfolio throughout the year were the redemption of investments within Spark Place and the Augusta Value Add No.1 Fund, plus, the additional investment in the Augusta Industrial Fund and additional Zespri Group shares. Due to differing fund management styles versus the Trust's strategic requirements we moved our fund manager appointment from Iwi Investor to ASB Funds Management. Moving ahead we look forward to undertaking new investments and projects to help drive the underlying earnings and asset growth of the Trust.

In closing, 2018 was a stable year as we bedded down some investment and investigated others. The Trust remains a high quality operating entity with somewhat defensive earnings streams. We will see growth in the years ahead as our investments start to perform as expected.

Finally, I wish to express thanks to my Board of Trustees and staff Nichola and Amelia for their support and input throughout the past year.

Nō reira, tēnā koutou katoa



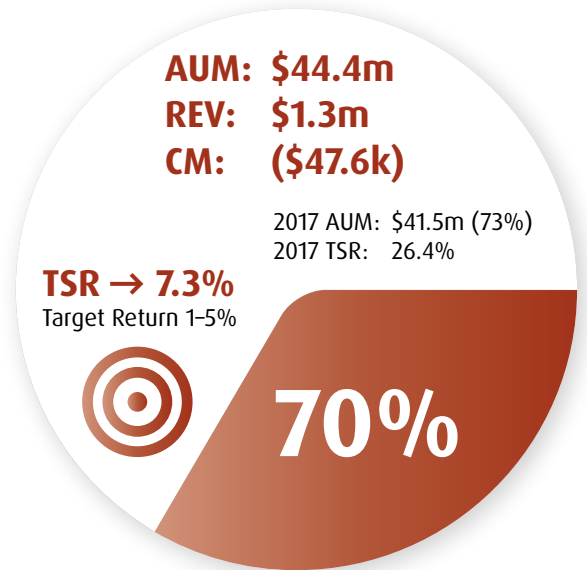
John Charleton  
Chief Executive



## Whenua Tū

*"to stand" - conservative*

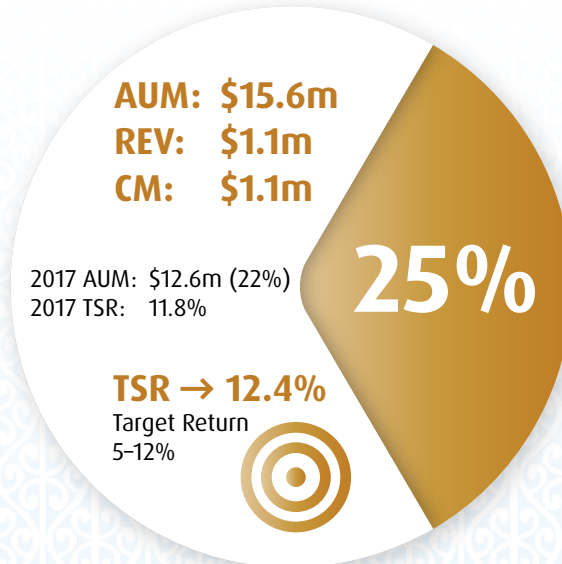
Predominantly the Trust's corpus lands and any surplus cash over operational requirements. Surplus funds are invested into a portfolio of defensive assets such as term deposits and fixed interest securities to provide a consistent and sustainable return.



## Whenua Tau

*"to rest" - balanced*

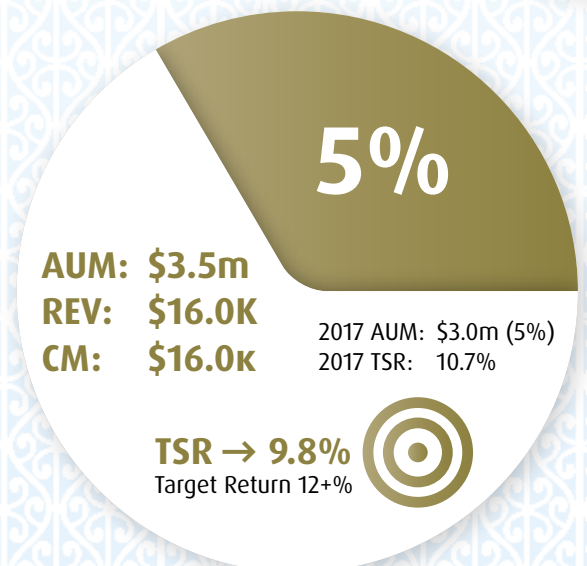
Invests in a diversified portfolio of defensive assets (cash, fixed interest etc.) and growth assets (property, equities etc.) to provide the nest egg if required.



## Whenua Tupu

*"to grow" - growth*

Invests predominantly into growth assets with a small allocation to defensive assets to help grow the underlying asset base of the Trust.



# Trustee Profile: Emma Park

Like many Ngāti Rārua Ātiawa Iwi Trust owners, Emma has spent much of her life growing up outside of Te Tau Ihu. In Emma's case her grandfather left Motueka initially after being forced out of their home from a fire. They then left Te Tau Ihu to head further north where greater employment opportunities could be found. With her whānau moving north Emma's journey began in Whāingarora (Raglan) where she was born.

Raglan is a huge part of Emma's life, and although she does not whakapapa to the whenua, growing up there has created a special bond to the place, which she shares with her two children and her partner. Emma's high school years were in Auckland and she later moved to the Waikato, where she has since spent most of her life.

Having grown up outside of Te Tau Ihu, Emma hadn't yet had much interaction with her homelands – but that would soon change.

Emma first came home to Motueka as a young adult when she was the recipient of an education grant through the Trust. At the time, she was attending a hui with 20+ other grant recipients who came together with other owners to contribute to the Trust's social initiatives, which later became known as Te Whanake.

This was a cornerstone moment for Emma. Coming home and connecting with the whenua, where our tūpuna grew up and where they walked on the land is how she truly came to understand her homelands.

From that moment on, Emma was a regular attendee at the AGMs held in Motueka at Te Āwhina Marae, and not long after she was called upon from her whānau to stand up and be a representative on the Trust's Board. Through her role on the Board, Emma is a natural conduit between the two communities in Motueka and the Waikato, where there is a strong Ngāti Rārua and Te Ātiawa ki Motueka community. When appointed as a Trustee in 2008, it was fitting that one of Emma's early roles was a position on the Education Committee.

Extremely passionate about education, Emma pursued a second education herself, and in 2011 became a member of the New Zealand Institute of Chartered Accountants. Since then, Emma has held various financial accounting positions including at one of Aotearoa's largest tertiary education providers, Te Wānanga o Aotearoa, and New Zealand's largest Crown research institute, AgResearch.

Today, Emma is an independent contractor providing financial accounting services for various organisations and Iwi Trusts in Taranaki, where she now lives with her partner and their pēpi. She also Chairs the Audit and Risk Committee and the Investment Committee of the Ngāti Rārua Ātiawa Iwi Trust Board.

Emma has been motivated to be successful in all parts of her life, starting right from the role of being a single parent through to her education and her career. Emma's experience in getting a second education and the impact that has had on her life is what inspires her to influence and encourage others to be passionate about also pursuing further education.

*“Education empowers our people – I am motivated to break down the barriers for our people to access education, and through the Trust's education grant programme, I can help enable that.”*

As the Trust doesn't distribute funds in the same fashion as other Iwi Trusts do, as governed by our Empowering Act, the Trust's core distribution method is through education grants – a method to which Emma believes is where it all begins.

*“If all our people are educated, it means greater opportunities for employment, and that means we're living well. I believe education is pivotal to this.”*

Emma is of Te Ātiawa descent and holds a Bachelor of Business majoring in Accounting and holds an advanced certificate in Māori Ambassadorship and Leadership.

## Coming home – a first journey

Just six months ago, Emma discovered she had an uncle she hadn't met before. At 69, Miles Harkness knew he had Māori heritage, but wasn't sure of his lineage and from where or who he descends. Since meeting with Emma, Miles has been learning more about the journey of his tūpuna and has accepted an invitation to attend Ohu Maatu this year in Motueka. Ohu Maatu will be where he can experience his heritage through the process of pōwhiri, kōrero of our tūpuna, and to stand on the whenua. He says he's excited to attend, meet the hapū, and learn about his tūpuna and whenua.

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*"If all our people are educated, it means greater opportunities for employment, and that means we're living well. I believe education is pivotal to this."*

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# Education Grants and Scholarships 2018

**Te Rākau Matauranga:** *To raise the level of education and training and to provide increased employment opportunities.*

Under the revised and simplified distribution framework in 2018 there was an increase in the number of applications from previous years. Actual funding distribution has increased from \$28,510 in 2017 to \$42,710 in 2018.

We aim to assist our members to realise their educational aspirations and academic success, and to financially assist those taking up vocational training, including apprenticeships.

NRAIT's education grants and scholarships programme commenced in 1996. To date \$453,000 has been distributed and 369 grants and scholarships have been awarded to 210 NRAIT members.

The Education policy is currently under review and any changes resulting from the review will be implemented in this year's funding round.

## 2018 Recipients

### Ngāti Rārua






Chase, Denim  
 ferrel, Chase  
 Ferrel, Petra  
 Ferrel, Tayla  
 Glasgow, Ramsey  
 Good, Samantha  
 Hayes, Renee  
 Howard, Andrew  
 Kaveney, Rangī  
 Kaveney-Gibb, Benjamin  
 Luke, Delane  
 McLeod-Bennett, Shana  
 Morgan-Edmonds,  
 Tūranga  
 Morris, Alexandra  
 Niwa, Hayel  
 Oh, Moana  
 Piggott, Taiapo  
 Sadd-Peawini, Kristin  
 Schofer, Kahu  
 Southee, Linda  
 Stephens, Pohe  
 Studd, Paris  
 Studd, Zayed  
 Tahī Hōhaia, April

### Te Ātiawa

Gardiner, Manahi  
 Gotty, Lucy  
 Korewha, Beatrice  
 Witika-Park, Te Wainui



**Distributions Since 1993:**  
**\$470,184** (2018 \$42,710)

Total Grants and Scholarships Awarded to Date:	Ngāti Rārua	Te Ātiawa
 <b>Scholarships</b>	<b>35</b>	<b>2</b>
 <b>Tertiary/ Education Grants</b>	<b>223</b>	<b>48</b>
 <b>Secondary School Grants</b>	<b>20</b>	<b>2</b>
 <b>Sports and Cultural Grants</b>	<b>10</b>	<b>-</b>
 <b>Kip McGrath/ Study Assist Grants</b>	<b>27</b>	<b>2</b>

## Pohe Stephens - Supreme Scholarship recipient

Born and raised in Motueka, it will always be home for Pohe.

Pohe is currently studying a Master of Business and Management at Waikato University. He chose this qualification to broaden his knowledge base, and with the combination of his previous degree and experience, it creates the perfect formula to work for his Iwi.

The Master of Business and Management has deepened his understanding of both business and management and he is developing and expanding on his professional skill set. Pohe is driven by the notion of working for the betterment of his people and sees NRAIT as the perfect example of a place where this is possible.

Pohe has had involvement in indigenous forums and was a key note speaker at two conferences – “Healing our Spirits” and the “World Indigenous Peoples Conference on Education”.

Last year Pohe was involved with establishing a support rōpū - Te Āwhina Marae - to assist kapa haka in the region.

He is also part of a group who are looking at establishing a formal rōpū – Motueka Mai Tawhiti – that aim to make their Te Matatini debut in Taranaki in 2023.

He was also Kaiwhakaako for Te Kura Kaupapa Māori o Tuia te Matangi Kapa Haka who competed at Te Huinga Whetu last year. Pohe says “I love kapa haka and I am dedicated to growing the capacity of our whānau in preparation for Te Matatini 2025 to be held in Nelson.”

As well as kapa haka, Pohe has strong interests and participation in waka ama and traditional navigational practices.

Pohe has a seven year old son, Hikareia. He wants to bring him home for his secondary school education, and start giving back and seeing his plans and ideas come to fruition with the ultimate goal of working at a tribal governance level.

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***"I love kapa haka and I am dedicated to growing the capacity of our whānau in preparation for Te Matatini 2025 to be held in Nelson."***

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# Trades Apprentices

*We are proud to contribute funding towards the education of future trades and professionals and look forward to seeing each owner complete their certifications and work in a job they love.*

## Ramsey Glasgow – climbing high

Wanting to be outdoors doing physical work and dealing with something different every day is what initially attracted Ramsey to being in the trades, and today Ramsey can attest to four years of on-the-ground experience as a scaffolder in Taranaki.

While he's been involved in the scaffolding industry for a few years already, this year is the first year scaffolding apprenticeships are available to trainees. Prior to this, the only requirement was that you had completed the required scaffolder's course.

The apprenticeship allows participants to get involved and learn on the job while earning a qualification. Ramsey is currently an apprentice at his family's business, Glasgow Scaffolding & Rigging in Taranaki.

Through the apprenticeship, Ramsey can continue working, which provides for further learning in itself, while also working towards a New Zealand Certificate in Scaffolding (Trade) Level 4.

Ramsey's overall goal in his scaffolding career is to further his studies and gain a New Zealand Certificate in

Scaffolding (Level 5) (Advanced), which will recognise him as a supervisory scaffolder. Someone with this level of qualification is able to manage advanced components and apply scaffolding design principles in order to design, plan, erect and dismantle structures, including suspended scaffolding structures. It's an important job that many of us may take for granted.

As a registered owner of the Ngāti Rārua Ātiawa Iwi Trust, Ramsey applied for funding towards his certification through our education funding programme under the category 'Education Grants.' These grants are for any registered owner wanting to complete a certificate, diploma, bachelor's degree, trades training, te reo, or adult education.

Through the grant, Ramsey has been able to get underway and work towards his goal, which we know he'll achieve, of receiving his level 4 trade certificate, without the larger constraints or barriers of having to pay back the full fees of the qualification.

Ramsey spent part of his childhood living in Motueka.

## Zayed Studd – on the tools

Starting straight out of school, Zayed has been working as a plumber for just over two years.

Zayed had a range of influences that led to him learning a trade. Around the house he was always helping his dad with odd jobs outside like cutting firewood, working on cars and building various bits and pieces. He's always been on the tools. Being involved in 'the work' from a young age meant Zayed could learn a range of valuable skills like how to use hand and power tools and came to develop a strong work ethic.

His older brother, who is a builder, was also very influential – Zayed would join him at work once a week through his school's Gateway programme. Getting involved in a work-site and being a part of the Gateway programme gave Zayed an insight into the range of trade jobs available, which is when he first started to explore plumbing.

Zayed prefers to be out on the tools and working with his hands rather than being inside behind a desk, so there was no doubt that he would enter a trade of some sort.

Looking for something varied that would allow him to work on a range of tasks every day, where no two days are the same, is what motivated Zayed to get into plumbing and begin his apprenticeship.

Another key factor that led Zayed to undertaking a trade, rather than going to university, was the thought of taking on a large amount of debt and not having a job at the end of the degree. By completing his plumbing apprenticeship, Zayed gets real world experience on the job while studying and knows he will be employable, with plenty of opportunities. Once his training has been completed Zayed will have a job with the company he currently works for, as is common with most trades' businesses taking on apprentices.

Zayed is currently working his way through his qualification with Skills NZ, where he will gain his plumbing, drain laying, and gas fitting certificates. These certificates will take Zayed 4-5 years to complete, with 12 off-job block courses outside of work hours. By working towards these certificates through his apprenticeship, he can learn from his team and within real-world situations on the job, as well as in theory classes, and will complete his training with a well-rounded perspective of the industry.

Zayed applied for funding towards his Skills NZ qualification as part of the Trust's education programme's scheme, in the 'Education Grant' category.



*“With the funding and support through the Trust I can work on my trade certificate and not worry about paying back a large debt.”*



# Tautoko Putea

*The Tautoko Putea grant programme provides financial assistance to individuals, groups and organisations participating in extra-curricular activities.*

At the discretion and approval of the Board, a contribution to the value of a maximum of \$1,000 will be granted upon application. NRAIT's contribution will supplement the cost of the activity.

## How to apply?

More information about the grant and how to apply can be found on our website: [www.nrait.co.nz/our-owners/member-benefits/education-funding](http://www.nrait.co.nz/our-owners/member-benefits/education-funding)

In 2018 the Trust awarded grants to Renee Thomas, Joy Shorrock, Te Kapa Haka o Te Āwhina Marae, Te Whareporera Hare-Herbert, Haelyn Ngaia, Te Whatukura Kapa Haka and Kingston Reihana.

## Renee Thomas & Joy Shorrock

*(centre left)*

Renee and Joy attended the World Indigenous Tourism Summit held in April at Waitangi. After listening to inspirational speeches and participating in thought-provoking workshops, they are keen to help work on a tourism strategy for Te Tau Ihu.

## Te Whareporera Hare-Herbert

*(centre 2nd from right)*

Te Whareporera attended a course last year at the IRANZ Rugby Academy which specialises in building player development and improving performance.

## Haelyn Ngaia

*(top left)*

Haelyn competed at the Jeff Speakman Kenpo 5.0 World Championships in Las Vegas, USA in July. She achieved a 3rd Place in Forms/Sets in ages 9 and under Brown - Black Belt category and placed 4th in Self Defence and Sparring.

## Te Whatukura Kapa Haka

*(top right)*

NRAIT provided a grant for Te Whatukura Kapahaka rōpū to compete at Te Waipounamu Festival in October where the junior and senior groups won.

## Kingston Reihana

*(centre right)*

Kingston performed with Tuia Te Matangi at Te Waipounamu Festival.

## Te Kapa Haka o Te Āwhina Marae

*(bottom)*

NRAIT awarded funding to assist the group to purchase uniforms.





Photos: Karaena Vincent



Photo: Karaena Vincent





# Te Āwhina Marae Redevelopment

Te Āwhina Marae is located on one of the oldest occupied pā sites in Te Tau Ihu o te Waka o Māui, standing beneath our mountains, Tū Ao Wharepapa (Mount Arthur) and Pukeone (Mt Campbell), and beside the Motueka River.

Ngāti Rārua and Te Ātiawa are the mana whenua Iwi of Te Āwhina Marae. The hapū are Ngāti Turangāpeke, Ngāti Pareteata, Ngāti Komako of Puketapu and Ngāti Hine of Ngāti Rahiri.

The oldest building on the site, Te Āhurewa Church, was built in 1897, replacing Te Awa Mate Church which stood to the north near the Awa Mate tributary of the Motueka River. Anglican Church services are held here on the third Sunday of each month.

The entire Pā site has been referred to as 'Te Āwhina' since the Wharekai (Te Āwhina) was opened in 1958. After World War 2 Motueka became a seasonal work destination for Māori from outside Te Tau Ihu. Te Āwhina was established as a place for these people to meet and support one another. Many of these people stayed, married locals, and their families have maintained an important relationship with the marae over the years.

The Marae land was reserved for Māori as part of the New Zealand Tenth. Title was eventually transferred to Wakatū Incorporation in 1977. On 18 December 1982 Wakatū Incorporation agreed to vest the land as the Te Āwhina Marae Māori Reservation.

A carving school was established in 1987 to carve the Wharenuī, Turangāpeke, which opened in 1990. Two years later the Kaumātua flats were built. Te Āwhina is also the home of Te Kōhanga Reo o Te Āwhina which was established in 1984 and operates independently.

Te Āwhina Marae has developed a proposal for a long-term Community Transformation Programme, to develop the capacity of the Marae whānau and become a hub for services – Cultural, Education, Health, Justice, Social, Cultural Tourism etc.

The programme includes the redevelopment of all the buildings which are old and in need of major maintenance. The whānau has chosen the option of rebuilding and extending the complex rather than upgrading.

## Next steps for Te Āwhina Marae

- Complete the Marae Development Plan and apply for funding through Oranga Marae.
- Complete the Community Transformation Plan by the end of July 2019.
- Involve whānau in the design of the Papakāinga; the internal fit-out design of the wharenuī, wharekai etc; the creation of the required carvings, tukutuku etc for the new buildings; and the landscaping of the complex.
- Develop the Papakāinga design and plans and secure funding for capital works by the end of 2019, with the aim of commencing construction in 2020.
- Complete all requirements for the development of the Marae complex by the end of December 2019, aiming to complete construction by the end of 2022.
- In collaboration with tribal entities and external funders, complete a multi-year Cultural Wellness programme for whānau, including the development of Te Reo, by the end of June 2019.
- Complete the Te Āwhina Marae Tourism Strategy by the end of June 2019.

Your Trustees are assessing this development opportunity to establish where, and how much, the Trust can contribute.



# Facebook



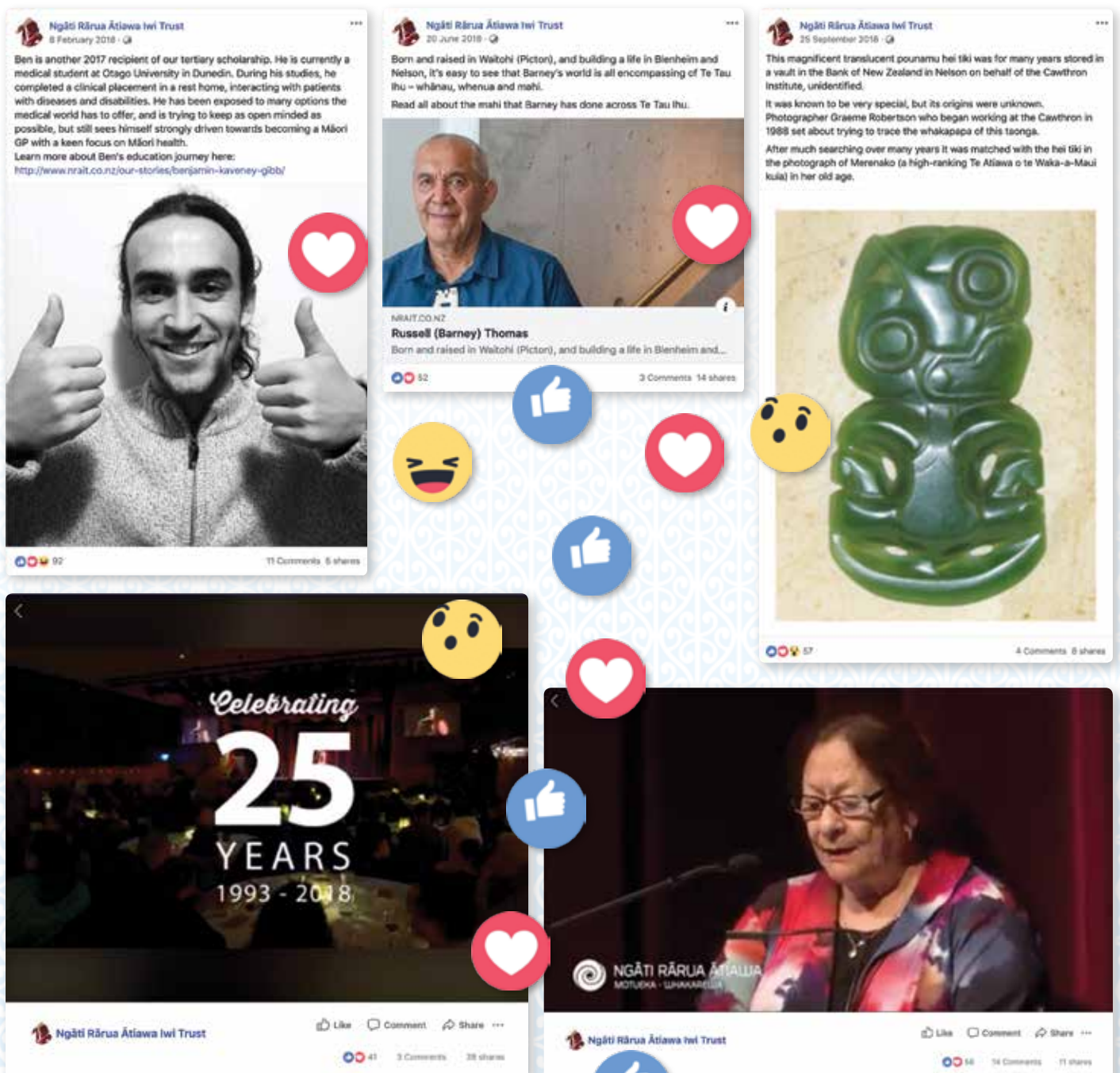
When you like our page, any updates, videos or photos that we publish show in your newsfeed. We promise to be interesting and informative! Engagement and communication with our owners is important to us and this is increasing through Facebook. We encourage our owners to like our page and be active by commenting or posting on the page.

Blogs, competitions, videos of events, information about one of our whānau?

You can view it all on Facebook!

Thanks for helping us reach our goal of 1000 likes last year – currently we have 1074 likes!

## Here's a few posts from 2018 with high engagement...





**NGĀTI RĀRUA ĀTIAWA**  
MOTUEKA - WHAKAREWA

Our tūpuna, our land, our kōrero tuku iho and our tikanga is our connection that unites us as a unique hapū. All elements need to be nourished, handed down, and retained for our future generations to thrive.

**We are proudly unique**

**Our owners make the difference to our success**

**We are kaitiaki**

**Our shared kōrero unites us**

**Coming together is how we stay connected**



# Updates from our 2018 AGM



## Perpetual Lease Reform

Throughout 2018 a small group of Trustees and management continued working and negotiating with Te Puni Kōkiri officials regarding an enduring full and final resolution to our existing perpetual lease impost. The most recent communication from Crown officials in March 2019 was that they may have a Cabinet approved proposal for consideration by the Trust and its beneficiaries by the second half of 2019. We hesitantly await this advice in due course, but as always the devil will be in the detail.



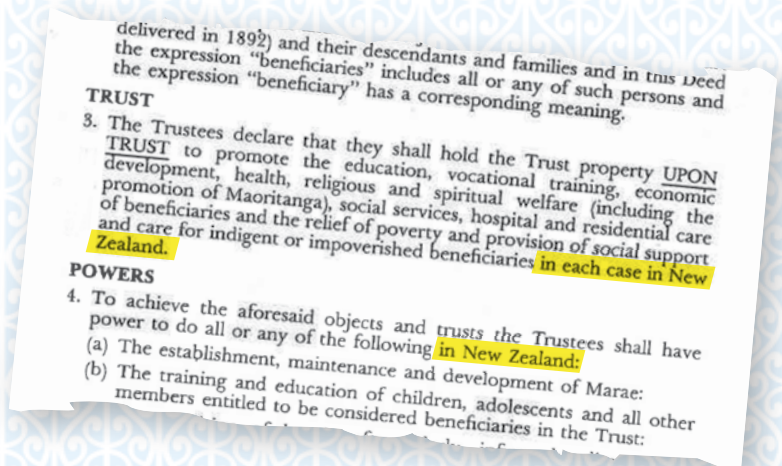
## Partial Land Sale (Thorp Street – Te Kumara)

You will remember from last year the owners' resolution passed with respect to a proposed sell down and development on our Te Kumara lands (Thorp St 44ha). Unfortunately, due to various design and development constraints, this opportunity was not economically feasible to undertake. As such, we will seek other alternate uses of the site including partial development of the site as part of our wider rongoā project as well as other alternate land uses. In the interim it will remain leased out for grazing.

## Distributions to Overseas Resident Owners

As a result of owner inquiry, the Trustees have investigated the legality and possibility of providing grants and distributions to overseas based owners. To achieve such, we as owners need to agree to a change in the underlying Trust Deed. To achieve this, we need to hold a separate Special General Meeting (SGM) and gain the approval of 75% (seventy-five per cent) of attendee owners at the SGM. The intended resolution will seek the deletion of the words "in New Zealand" from clauses 3 and 4 of the Trust Deed. We had hoped to propose the required resolution at this AGM however, upon receipt of legal advice it was agreed by the Board that a formal SGM will be called once all requisite legalities have been satisfied and the SGM has been advertised in the correct form per the Ngāti Rārua Ātiawa Empowerment Act – hopefully in conjunction with Perpetual Lease Reform noted above.

### Current clauses we seek to change:







# Our Current Investments

Above anything else, good investors should be well diversified with exposure to different sectors and asset classes, formulated around their risk profile and investment time horizon. Here is a brief summary of the Trust's current investments excluding our land and direct commercial property investments...



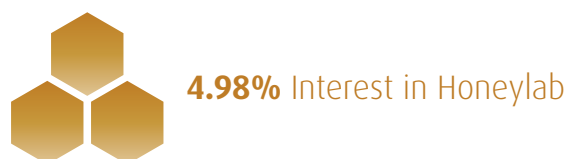
**Hikapu Reach – Mussel Farm** – The Trust owns 10.86ha of marine farm water space located in the Hikapu Reach locality of the Marlborough Sounds. The marine farm is managed under contract and the Trust receives its return from an annual harvest off the farm. Annual operating performance is a function of yield and quality of product. As noted in the CE review this year's harvest was severely impacted by climatic conditions and product quality. A net total of 106 GWT [300 GWT 2017] was harvested this year providing total revenue of \$108,603 [2017 \$332,256] and an operating deficit of \$(71,635) or -9.8% ROA [2017 Surplus \$115,519 or 15.4% ROA].



**Beehives** – At year end the Trust owns 1,360 beehives which are managed under contract by The True Honey Company. Under this agreement the Trust receives 25% of the final honey yield. Annual operating performance is a function of yield and quality of product and as noted in the CE review this year's harvest was severely impacted by climatic conditions and product quality. This year was our second harvest and our share of the total honey generated was 2.8 Tonne [Avg. 9.4kg/hive at \$65/kg] (2017 1.2 Tonne from 360 hives [Avg. 13.4kg/hive at \$85/kg]). The harvest proceeds provided total revenue to the Trust of \$185,635 (2017 \$102,808) and a total operating surplus of \$12,480 0.9% ROA [EBITDA \$188,817] Cash ROA 10.9%. [2017 \$34,307 9.5% ROA (EBITDA \$102,808) 24.2% Cash ROA].



**Managed Funds** – The Trust currently has two service providers providing investment management and advice. The Trust has a total of \$2.75M invested and these investments have grown to the current value at yearend of \$4.3M (+56% Absolute Return). The annual growth return achieved this year was 3.3%, the funds also generated \$146,000 in income representing a running yield of 3.39%. The Investment Committee will continue to monitor and grow these positions.



**HoneyLab Limited** – The Trust holds a direct share investment in this private unlisted company. HoneyLab has three key platforms: Dermatology, Pain Management and Nutrition and aims to position itself as a niche supplier and formulator of natural products in the multi-billion cosmetic, pharmaceutical and medical care markets. The Trust has a total of \$699,335 (227,304 shares) invested into the company representing a 4.98% interest in the Company. The average entry price over the various funding rounds is \$3.08 vs. the last trade price of \$4.50 (+46% Absolute Return) meaning an approximate value of these shares is \$1,022,868, however, due to current accounting rules applicable to the Trust, this asset is recorded at its historical cost of investment. Due to its current growth phase HoneyLab doesn't provide the Trust with any annual income.



**Meridian Energy Limited and Mercury Energy Limited** – Both companies are wholesale electricity generators with Mercury also having a retail presence. At the time of the initial share offerings the Trust invested \$121,000 into Mercury Energy and \$29,753 into Meridian Energy. These investments have now grown to \$177,390 (+46.6% Absolute Return) and \$67,637 (+127% Absolute Return) respectively. The Trust also receives dividend income from these investments on an annual basis representing a running yield of 7.82% (Mercury) and 6.2% (Meridian).



**Zespri Group Limited** – The Trust holds a direct share investment in this public unlisted company that has evolved from our historical position of being a Kiwifruit Operator as well as a perpetual lease landowner. Total shares held at 31 December 2018 are 270,350 with a market value of \$2.2M and a running forecast yield of 14.5%.



Committed Capital Investment  
**\$250,000**

**Miro Limited Partnership (MLP)** – The Trust has made a \$250,000 committed capital investment into Miro Limited Partnership. As at 31 December 2018 \$110,000 has been called upon. The partnership’s objective is to commercialise high-value varieties of berries in partnership with Maori Landowners. MLP also represents a unique opportunity to participate in one of the last freedom to operate areas within the horticulture industry and to own the complete value chain. This investment is about land utilization and owning a portion of the final value chain proceeds – not just an orchard gate return grower.



Committed Capital Investment  
**\$1,000,000**

**Māori Direct Investment Fund** – The Trust has made a \$1,000,000 committed capital investment into the Māori Direct Investment Fund. As at 31 December 2018 \$8,000 has been called upon. The Fund is an investment opportunity spearheaded by a Project Team with the support of the New Zealand Superannuation Fund (NZ Super) and with significant consultation from Māori and Iwi Investor Groups. The Fund will be a collective investment vehicle focused on large-scale direct investments in New Zealand businesses.

**ADDITIONS THIS YEAR:**

**Augusta Industrial Fund** – Is a limited liability company established as an open ended fund to invest in a portfolio of strategically selected industrial assets that provide both tenant and location diversification. Key objective is for the fund is to deliver a sustainable and stable income return, plus the potential for capital growth. Total amount invested in 2018 \$500,000.

**Zespri Group Limited** – An additional 155,430 shares were purchased as part of the Targeted share offer to existing shareholders. Total additional amount invested in 2018 \$1.2M.

**DISPOSALS FROM LAST YEAR**

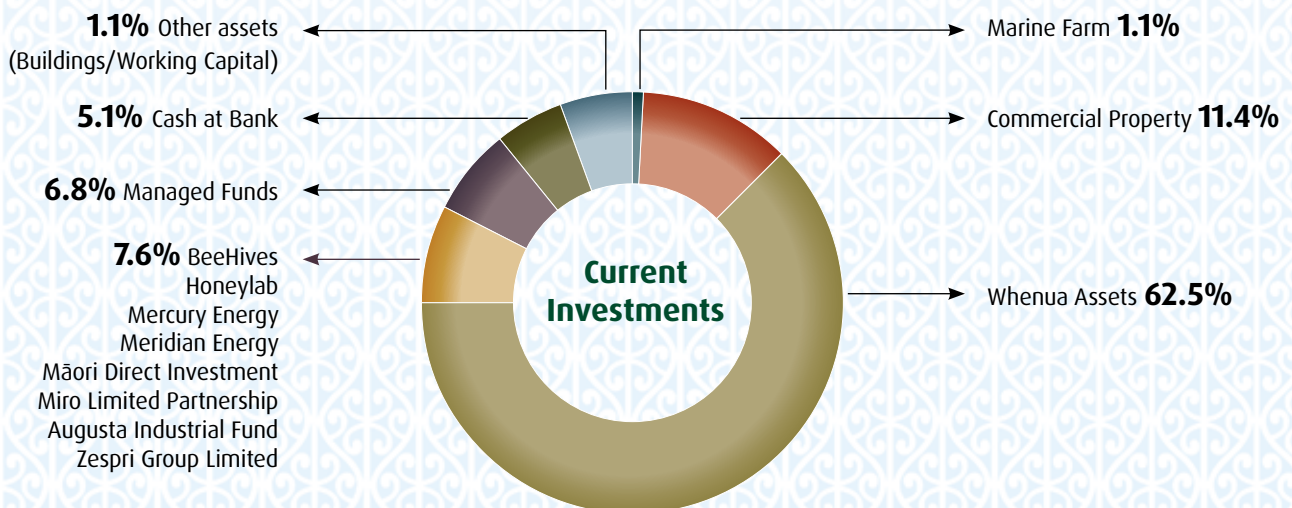
**Victoria Dock Nominees Joint Venture (Spark Place)** - Reason for exit – Syndicate asset sold, and the syndicate was formally liquidated. This investment provided the Trust with an overall Internal Rate of Return (IRR) of 11.9% during its hold period.

**Augusta – Value Add Fund No. 1** - Reason for exit – Fund assets sold, and the fund was formally liquidated. This investment provided the Trust with an overall Internal Rate of Return (IRR) of 11.75% during its hold period.

**NOTES:**

Committed Capital investments mean the Trust has committed to a maximum total investment of the amount noted over a period of years. Actual investments are made when the respective capital calls are received from the various investment managers. This explains the difference between the committed capital quantum and the actual quantum completed as at balance date.

The internal rate of return (IRR) is a measure of an investment’s rate of return.



## INDEPENDENT AUDITOR'S REPORT

### To the beneficiaries of Ngāti Rārua Ātiawa Iwi Trust

#### Opinion

We have audited the accompanying performance report of Ngāti Rārua Ātiawa Iwi Trust on pages 38 to 49, which comprises the entity information, statement of service performance, statement of financial performance, statement of comprehensive income and statement of cash flows for the year ended 31 December 2018, the statement of financial position as at 31 December 2018, the statement of accounting policies and other explanatory information.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the performance report on pages 38 to 49 presents fairly, in all material respects:
  - the entity information for the year ended 31 December 2018;
  - the service performance for the year then ended; and
  - the financial position of Ngāti Rārua Ātiawa Iwi Trust as at 31 December 2018, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

#### Basis for 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 on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Ngāti Rārua Ātiawa Iwi 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, Ngāti Rārua Ātiawa Iwi Trust.

#### Restriction on responsibility

This report is made solely to the beneficiaries of Ngāti Rārua Ātiawa Iwi Trust as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the beneficiaries of Ngāti Rārua Ātiawa Iwi Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries of Ngāti Rārua Ātiawa Iwi Trust as a body, for our audit work, for this report, or for the opinions we have formed.

#### Trustees' Responsibility for the Performance Report

The Trustees are responsible on behalf of the entity for:

- (a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of comprehensive income, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) for such internal control as the Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 performance report 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

*Thompson Daly & Co.*

26 March 2019  
Thompson, Daly & Co  
Nelson, New Zealand

p 03 548 2049 | f 03 546 9081 | e accountant@tdca.co.nz | w www.tdca.co.nz

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Barry Thompson B.Com FCA

Denis Daly B.Com CA

Wayne Anderson B.Com CA

Robbie Reynolds B.Com (Hort) PG Dip Com CA



## Charities Statement

Ngāti Rārua Ātiawa Iwi Trust Board

### Entity Information

*For the year ended 31 December 2018*

“Who are we?”, “Why do we exist”

<b>Legal Name of Entity:</b>	Ngāti Rārua Ātiawa Iwi Trust Board
<b>Other name of entity (if any):</b>	NRAIT
<b>Type of Entity and Legal Basis (if any):</b>	Charitable Trust and Registered Charity
<b>Registration Number:</b>	CC20248

### Entity Structure

#### Trust Structure:

Our Trust Deed states that we may have up to 10 Members of the Board (Trustees). We currently have eight Trustees that constitute our governance board plus an independent Secretary. Trustees/governance members may lead sub-committees as determined by our annual work plan and priorities.

#### Purpose/Mission:

The Trustees hold the Trust property UPON TRUST to promote the education, vocational training, economic development, health, religious and spiritual welfare (including the promotion of Māoritanga), social services, hospital and residential care of beneficiaries and the relief of poverty and provision of social support and for indigent or impoverished beneficiaries in each case in New Zealand.

#### Operational Structure:

Our operations are managed by a team of 2.5 paid full time equivalent employees. We employ a Chief Executive, an Office Manager/Project Coordinator, and a part-time Accountant. Any project work required is completed by third party contractors.

#### Main Sources of Entity's Cash and Resources, and Methods used to Raise Funds:

Ngāti Rārua Ātiawa Iwi Trust Board has received its income from a mixture of lease rentals from lands and investment properties owned, income from operational assets held and interest and dividends from investments made.

#### Entity's reliance on Volunteers and Donated Goods or Services:

No reliance is placed on volunteers and donated goods or services to carry out operations of the Trust.

### Contact Details

<b>Physical Address:</b>	Level 1, Wakatū House, 28 Montgomery Square, Nelson
<b>Postal Address:</b>	PO Box 13 Nelson
<b>Phone:</b>	03 5480770
<b>Email:</b>	info@nrait.co.nz
<b>Website:</b>	www.nrait.co.nz
<b>Facebook:</b>	www.facebook.com/ohumaatu



# Charities Statement

Ngāti Rārua Ātiawa Iwi Trust Board

## Statement of Service Performance

For the year ended 31 December 2018

“What did we do?”, “When did we do it”

### Description of the Entity’s Outcomes

The Trust's strategic intent is facilitating a mechanism to support and mentor whānau to create their own economic agenda or commercial goal. The key outcome to achieve this intent is the promotion of education grants upon application by owners. In 2018 28 grants were awarded up from the 24 awarded in 2017.

The Trust also continues to work closely with Te Āwhina Marae in regard the Marae’s redevelopment plans and the ongoing sustainable operations of the Marae. To achieve this outcome the Trust has provided operational funding grants and capital grants to Te Āwhina Marae over the course of 2018.

	<b>Actual 2018</b>	Actual 2017
<b>Description and Quantification of the Entities Outputs:</b>	<b>\$</b>	<b>\$</b>
Koha (including Sports and Culture Grants)	<b>5,118</b>	16,531
Education Grants	<b>42,710</b>	28,510
Marae Grants	<b>18,440</b>	82,005

*“While my year of study is almost completed at Te Wānanga Takiura, my haerenga in te reo Māori has just begun. I am happy to advise I have completed all assessments for my course to date and have only one remaining whakapuakī to complete in the coming month.  
Ngā mihi nui ki a koutou mō tō tautoko o ōku ako i roto i te reo Māori i tēnei wā. Tēnā koutou, tēnā koutou, tēnā koutou katoa.”*

Recipient of education grant 2018.

*“Thank you so much and I will ensure we are at the AGM to thank NRAIT board.”*

Recipient of education grant 2018.

*“I am writing to thank you and the members of the Ngāti Rārua Ātiawa Iwi Board for the Ngāti Rārua Ātiawa Iwi Trust Education grant I have recently been awarded. This grant will help offset some of the costs of studying fulltime this year and is very much appreciated.”*

Recipient of education grant 2018.

*“Great news and a fantastic help. Thanks to the Board, Members and yourself.”*

Recipient of education grant 2018.



## Statement of Financial Performance

For the Year Ended 31 December 2018

### How was it funded? and What did it cost?

	NOTE	2018 \$	2017 \$
<b>REVENUE</b>			
Revenue from Providing Goods or Services		<b>1,836,835</b>	1,916,097
Interest, Dividends and Other Investment Revenue		<b>652,832</b>	550,823
<b>TOTAL REVENUE</b>	1	<b>2,489,667</b>	2,466,920
<b>EXPENSES</b>			
Costs related to Providing Goods or Services		<b>1,055,100</b>	866,003
Employee Related Costs		<b>314,994</b>	342,137
Other Expenses		<b>280,786</b>	215,981
<b>TOTAL EXPENSES</b>	2	<b>1,650,880</b>	1,424,121
<b>NET SURPLUS BEFORE DISTRIBUTIONS</b>		<b>838,787</b>	1,042,799
Less Distributions	12	<b>66,268</b>	127,046
<b>NET SURPLUS AFTER DISTRIBUTIONS</b>		<b>\$ 772,519</b>	\$ 915,752

**REVENUE (Whiwhinga)** - This is the Trust's income from rentals charged on our lands and commercial properties, income from marine farm operations and interest and dividends received from our investments.

**NET SURPLUS (Hua)** - This represents the surplus revenue generated throughout the year after deduction of all expenses, adding the share of associate results and subtracting distributions paid out. This is then reinvested to generate future income.

**EXPENSES (Utu)** - These are all the costs we have had to pay to produce our income. This includes harvesting cost associated with marine farm operations, employee costs, governance costs, insurances, rentals, repairs and maintenance, valuations and legals.

## Statement of Comprehensive Income

For the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>NET SURPLUS AFTER DISTRIBUTIONS</b>	<b>772,519</b>	915,752
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		
Unrealised Gain on Revaluation Land & Buildings	<b>3,337,210</b>	10,727,050
Unrelaised Gain on Revaluation of Investments	<b>832,944</b>	386,113
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$ 4,170,154</b>	\$ 11,113,163
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 4,942,673</b>	\$ 12,028,915

**The Statement of Comprehensive Income** is one of the five financial statements required in a complete set of financial statements for distribution outside of an entity.

The statement of comprehensive income covers the same period of time as the Statement of Financial Performance and consists of two major sections:

- Net income (or net earnings) from the company's statement of financial performance.
- Other comprehensive income (OCI), which consists of positive and/or negative amounts for all the other items that are excluded from the Statement of Financial Performance for example Unrealised gains/losses on asset revaluations.

The totals from each of the above sections are summed and are presented as comprehensive income.





## Statement of Movement in Equity

For the Year Ended 31 December 2018

	NOTE	2018 \$	2017 \$
<b>TRUST CAPITAL</b>			
Surplus at beginning of year		<b>23,919,532</b>	23,919,532
Capital Profits / (Losses)		-	-
<b>TRUST CAPITAL - YEAR END</b>		<b>23,919,532</b>	23,919,532
<b>INVESTMENT REVALUATION RESERVE</b>			
Surplus at beginning of year		<b>1,187,533</b>	801,420
Revaluations increase / (decrease)		<b>832,944</b>	386,113
<b>INVESTMENT REVALUATION RESERVE - YEAR END</b>		<b>2,020,477</b>	1,187,533
<b>LAND AND BUILDINGS REVALUATION RESERVE</b>			
Surplus at beginning of year		<b>32,019,374</b>	21,292,324
Revaluations increase / (decrease)		<b>3,337,210</b>	10,727,050
<b>LAND AND BUILDINGS REVALUATION RESERVE - YEAR END</b>		<b>35,356,584</b>	32,019,374
<b>RETAINED EARNINGS</b>			
Opening Balance		<b>(1,056,504)</b>	(1,972,257)
Net Operating Surplus / (Deficit) Before Distributions		<b>838,787</b>	1,042,799
Distributions	12	<b>(66,268)</b>	(127,046)
<b>RETAINED EARNINGS - YEAR END</b>		<b>(283,986)</b>	(1,056,504)
<b>TOTAL ACCUMULATED FUNDS</b>		<b>\$ 61,012,607</b>	\$ 56,069,935

## Statement of Financial Position

As at 31 December 2018

(What we own and what we owe)

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	<b>655,404</b>	483,000
Crop on Line		<b>241,123</b>	234,891
Accounts Receivable - Trade & Sundry	3	<b>419,808</b>	132,561
Accounts Receivable and Accrued - Leased Land Rentals		<b>123,598</b>	142,173
Term Deposits	8	<b>2,614,984</b>	2,304,293
<b>TOTAL CURRENT ASSETS</b>		<b>4,054,917</b>	3,296,918
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4	<b>51,132,479</b>	47,960,568
<b>Total Property, Plant &amp; Equipment</b>		<b>51,132,479</b>	47,960,568
<b>Investments</b>			
Shares & Marketable Securities	5	<b>8,072,606</b>	5,601,802
Associate Companies	6	<b>265,192</b>	262,162
<b>Total Investments</b>		<b>8,337,798</b>	5,863,964
<b>TOTAL NON CURRENT ASSETS</b>		<b>59,470,277</b>	53,824,532
<b>TOTAL ASSETS</b>		<b>63,525,194</b>	57,121,450
<b>LESS CURRENT LIABILITIES</b>			
Accounts Payable	9	<b>128,260</b>	129,688
Trade Facilities	10	<b>2,384,327</b>	921,827
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,512,587</b>	1,051,515
<b>NET ASSETS</b>		<b>61,012,607</b>	\$ 56,069,935
<b>EQUITY</b>			
Trust Capital & Reserves		<b>61,296,593</b>	57,126,439
Retained Earnings		<b>(283,986)</b>	(1,056,504)
<b>TOTAL ACCUMULATED FUNDS</b>		<b>\$ 61,012,607</b>	\$ 56,069,935

The Board of Ngāti Rārua Ātiawa Iwi Trust authorised these Financial Statements for issue on 26 March 2019.

Signed for and on behalf of the Board



Rōpata Taylor  
Chair



Emma Park  
Chair, Audit Committee

**TOTAL ASSETS (Hua Tapeke)** - This is the sum of all the assets that the Trust owns. The assets are either funded by Equity or by Liabilities. Assets are classified as either Current, meaning they are able to be sold or cashed up in a period of 12 months, (e.g Cash, Inventory, Accounts Receivable) or Non-Current, assets held for longer than 12 months and used to generate income (e.g. Property, Plant & Equipment, Land, Commercial Investments, Other Investments).

**LIABILITIES (Tauhana)** - This is the amount the Trust owes to the bank or third party suppliers of goods and services that we are yet to pay for under normal trading terms. Liabilities plus Equity fund the Total Assets of the Trust.

**EQUITY (O Tatao Tutanga)** - This is the Owner's interest in the total assets of the Trust after all liabilities have been paid for. It is an accumulation of the original capital from when the Trust was established, plus the profits accumulated since, including movements in asset values that are shown at market value, less the distributions made by way of grants etc.



## Statement of Cash Flows

For the Year Ended 31 December 2018

### How we have received and used cash

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Rentals Received		<b>1,713,717</b>	1,542,014
Interest Received		<b>130,819</b>	88,759
Dividends Received		<b>318,290</b>	353,313
Other Income Received		<b>310,620</b>	436,487
Net Goods & Services Tax Received		<b>21,212</b>	73,148
		<b>2,494,658</b>	2,493,721
Cash was applied to:			
Payments to Suppliers		<b>1,250,847</b>	820,649
Payments to Employees & Trustees		<b>437,163</b>	466,225
Payment of Interest		<b>58,834</b>	15,833
Net Goods & Services Tax Paid		-	-
		<b>1,746,844</b>	1,302,707
<b>Net Cash (Outflow) / Inflow from Operating Activities</b>	11	<b>747,814</b>	1,191,014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
Receipts from Other Investments		<b>3,132,035</b>	-
		<b>3,132,035</b>	-
Cash was applied to:			
Purchase of Fixed Assets		<b>21,765</b>	1,007,000
Investments Made		<b>5,081,912</b>	398,598
		<b>5,103,677</b>	1,405,598
<b>Net Cash (Outflow) / Inflow from Investing Activities</b>		<b>(1,971,642)</b>	(1,405,598)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Loans Drawn Down		<b>1,462,500</b>	707,826
		<b>1,462,500</b>	707,826
Cash was applied to:			
Loans Repaid		-	-
Distributions made		<b>66,268</b>	127,046
		<b>66,268</b>	127,046
<b>Net Cash Inflow / (Outflow) to Financing Activities</b>		<b>1,396,232</b>	580,780
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>172,404</b>	366,196
Funds held at Start of Year 1st January 2018		<b>483,000</b>	116,805
<b>NET FUNDS HELD (OVERDRAWN) AT END OF YEAR</b>		<b>\$655,404</b>	\$483,000
Comprising:			
Bank of New Zealand Limited		<b>169,991</b>	223,564
Westpac Limited		<b>7,013</b>	7,111
Iwi Investor Ltd		<b>52,275</b>	123,475
Kiwibank		<b>112</b>	112
ASB Private Bank		<b>426,012</b>	128,738
		<b>\$ 655,404</b>	\$ 483,000



## Statement of Accounting Policies

For the Year Ended 31 December 2018

### How did we do our accounting?

#### 1. BASIS FOR PREPARATION

Ngāti Rārua Ātiawa Iwi Trust is a Charitable Trust registered under the Charities Act 2005. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP). The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Ngāti Rārua Ātiawa Iwi Trust, except that certain assets have been revalued.

In line with new Charities Reporting requirements the Ngāti Rārua Ātiawa Iwi Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue in the foreseeable future.

The Board has adopted the following Tier 2 PBE Accounting Standards in the preparation of these accounts.

- PBE IPSAS 17 – Property, Plant and Equipment
- PBE IPSAS 28 – Financial Instruments: Presentation
- PBE IPSAS 29 – Financial Instruments: Recognition & Measurement
- PBE IPSAS 30 – Financial Instruments: Disclosures

#### 2. SPECIFIC ACCOUNTING POLICIES

##### (A) Accounts Receivable

Accounts receivable are stated at estimated realisable value. No provision has been made for doubtful debts but any bad debts are written off in the Statement of Financial Performance.

##### (B) Property, Plant & Equipment

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

Subsequent to initial recognition, land and buildings are measured using the revaluation model. Under the revaluation model, land and buildings are measured at fair value, less accumulated depreciation on buildings and impairment losses recognised since the date of the last revaluation. Revaluations are completed on an annual basis.

Forestry is recorded at fair value using the valuation issued by Murray Inglis, NZIF Registered Forestry Consultant as at 1 June 2018. Fair value of other land and buildings is their market value using the unimproved land valuations as issued by Quotable Value NZ Ltd as at 31 December 2018. Changes in value of land and buildings are recorded in other comprehensive income and credited to the Land and Building revaluation reserve in equity. Depreciation is charged on a straight line basis over the useful life of the asset, except for land and buildings. Land and Buildings are not depreciated. Depreciation is calculated on a straight line basis to allocate the cost of the asset less any estimated residual value over the remaining estimated economic asset lives, as follows:

Buildings	- 40 to 50 years
Computer software	- 3 years
Fencing and yards	- 10 years
Furniture and fittings	- 10 years
Motor vehicles	- 5 to 10 years
Orchard development costs	- 10 to 15 years
Plant and equipment	- 10 years
Marine Farm Water Space	- 50 years
Marine Farm Infrastructure	- 9 years

##### (C) Goods & Services Tax

The Trust is registered for Goods & Services Tax (Registration Number 61-705-546). The financial statements have been prepared on a GST exclusive basis.

##### (D) Operating Leases

Operating leases are those in which all the risks and benefits are substantially retained by the lessor. Lease payments are expenses in the periods the amounts are payable.

##### (E) Repairs & Maintenance

Repairs and maintenance have been written off in the Statement of Financial Performance as they occur.

##### (F) Research & Development

Research expenses are brought to account in the Statement of Financial Performance in the period incurred. Development costs are deferred where future benefits are expected and amortised over such future periods. Unamortised costs are reviewed at balance date to determine the level of costs which are no longer recoverable and such costs are written off.

##### (G) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services, to the extent that it is probable that the economic benefits will flow to the trust and revenue can be reliably measured.

Interest income is recognised on an accruals basis and Dividend income is recognised when the dividend is declared.

All other revenue is accounted for on an accruals basis in accordance with the substance of the transaction.

##### (H) Taxation

No income taxation liability exists in accordance with the Income Tax Act 2007 as the Ngāti Rārua Ātiawa Iwi Trust is a registered Charitable Trust.

##### (I) Associate Companies

These are companies in which the Trust holds substantial shareholdings and in whose commercial and financial policy decisions it participates. Associate companies have been reflected in the Trust's financial statements on an equity accounting basis which shows the Trust's share of surpluses and deficits in the Statement of Financial Performance and its share of post acquisition changes in net assets in the Statement of Financial Position.

##### (J) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of the terms used in the statement of cash flows are as follows:

“Cash” includes deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the group as part of their day-to-day cash management.

“Operating Activities” include all transactions and other events that are not investing or financing activities.

“Investing Activities” are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

“Financing Activities” are those activities relating to changes in the equity and debt capital structure of the Trust and those activities relating to the cost of servicing the Trust's equity capital.

## (K) Other Investments

### Shares & Marketable Securities

The trusts shares and marketable securities are classified as available for sale within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The classification of financial assets are determined at initial recognition.

### Available for Sale Financial Assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and accumulated in the Investment revaluation reserve in equity. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to surplus or deficit.

Share and marketable securities are recorded at cost where Fair Value cannot be reliably measured. .

## (L) Crop on Lines

Crop on Lines has been valued at the lower of cost and net realisable value.

## (M) Consolidation Abel Tasman Seafoods Limited

The Trust is the 100% owner of Abel Tasman Seafoods Limited a non-trading shell company which has no assets as at 31 December 2018. (2017 \$0).

## (N) Comparatives

Where necessary comparative information has been reclassified to achieve consistency in disclosure with the current year.

## (O) Changes in Accounting Policies

There have been no changes to accounting policies during the financial year.



# NGĀTI RĀRUWA ĀTIAUWA IWI TRUST

## Notes to Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>1. TOTAL REVENUE</b>	<b>2,489,667</b>	2,466,920
<i>Included in total revenue are the following:</i>		
<b>Revenue from Providing Goods and Services</b>	<b>1,836,835</b>	1,916,097
Lease & Rental Revenue	1,728,233	1,583,841
Marine Farm Revenue	108,602	332,256
<b>Interest, Dividends and Other Investment Revenue</b>	<b>652,832</b>	550,823
Interest Revenue	130,819	100,996
Dividend Revenue	316,965	341,076
Share of Associate Results	3,030	4,520
Share of Honey Proceeds	185,635	102,808
Other Revenue	16,383	1,423
<b>2. TOTAL EXPENDITURE</b>	<b>1,650,880</b>	1,424,121
<i>Included in total expenditure are the following:</i>		
<b>Costs related to Providing Goods or Services</b>	<b>1,055,100</b>	866,003
Annual General Meeting Costs	70,990	11,077
Audit Fees	11,800	7,685
Bank Fees	7,826	2,527
Depreciation Costs	187,064	108,351
General and Administration	20,779	16,857
Forestry Expenses	9,130	15,909
Insurances	46,882	47,307
Legal Expenses	99,771	69,584
Marine Farm Expenses	159,443	187,444
Meeting Fees	6,650	14,189
Office Rental & Outgoings	34,740	36,952
Property Management Fees	40,422	38,178
Rates	37,645	36,234
Resource Management Costs	15,000	14,516
Repairs & Maintenance Costs	32,082	45,778
Secretarial and Administrative Fees	24,000	24,000
Subscriptions & Courses	32,543	9,879
Telecommunication Costs	7,535	5,089
Travel & Accommodation	49,029	38,924
Trustees Fees	133,237	125,203
Valuation Fees	28,532	10,320



## Notes to Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>2. TOTAL EXPENDITURE (Continued)</b>		
<b>Employee Related Costs</b>	<b>314,994</b>	342,137
Employee Related Costs	314,994	342,137
<b>Other Expenses</b>	<b>280,786</b>	215,981
Consultancy Costs	75,635	55,938
Honey Holding Costs	1,446	-
Interest Costs	58,834	15,833
Owner Engagement & Connectedness	75,357	61,132
Portfolio Management Fees	34,179	31,046
Urupa Maintenance	35,335	52,032
<b>3. ACCOUNTS RECEIVABLE TRADE &amp; SUNDRY</b>	<b>419,808</b>	132,561

### 4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Marine Farm	Machinery	Furniture, Fixtures and Other	Total
<b>2018</b>						
Opening Balance	39,928,500	5,730,877	516,438	3,611	1,781,142	47,960,568
Additions	-	-	-	-	21,764	21,764
Disposals	-	-	-	-	-	-
Depreciation (As per Statement of Financial Performance)	-	8,936	29,489	361	148,278	187,064
Revaluations (net)	3,128,410	208,800	-	-	-	3,337,210
Closing Balance (As per Statement of Financial Position)	43,056,910	5,930,741	486,949	3,250	1,654,628	51,132,479
Gross Carrying Amount	43,056,910	6,315,261	700,000	38,571	2,434,877	52,545,619
Accumulated Depreciation	-	384,520	213,051	35,321	780,249	1,413,140
Net Carrying Amount	43,056,910	5,930,741	486,949	3,250	1,654,628	51,132,479
<b>2017</b>						
Opening Balance	29,591,850	5,349,637	545,927	4,013	843,442	36,334,869
Additions	-	-	-	-	1,007,000	1,007,000
Disposals	-	-	-	-	-	-
Depreciation (As per Statement of Financial Performance)	-	9,160	29,489	402	69,300	108,351
Revaluations (net)	10,336,650	390,400	-	-	-	10,727,050
Closing Balance (As per Statement of Financial Position)	39,928,500	5,730,877	516,438	3,611	1,781,142	47,960,568
Gross Carrying Amount	39,928,500	6,106,461	700,000	38,571	2,420,113	49,193,645
Accumulated Depreciation	-	375,584	183,562	34,960	638,971	1,233,077
Net Carrying Amount	39,928,500	5,730,877	516,438	3,611	1,781,142	47,960,568



## Notes to Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>5. SHARES &amp; MARKETABLE SECURITIES</b>		
Iwi Investor Ltd Managed Portfolio - Main	-	2,614,165
Iwi Investor Ltd Managed Portfolio - Education	<b>269,664</b>	279,020
Craigs Investment Partners	<b>2,006,469</b>	1,263,923
ASB Funds Management	<b>2,017,241</b>	-
Meridian Energy Limited	<b>67,637</b>	58,117
Mercury Energy Limited (formerly Mighty River Power Limited)	<b>177,390</b>	163,782
HoneyLab Limited	<b>699,335</b>	699,335
Spark Place Proportionate Shares	-	250,000
Augusta Value Add No.1 Fund	-	200,000
Miro Limited Partnership	<b>110,000</b>	60,000
Zespri Group Limited	<b>2,216,870</b>	11,165
Te Puia Tapapa Limited Partnership	<b>8,000</b>	2,294
Augusta Industrial Fund Limited	<b>500,000</b>	-
<b>TOTAL</b>	<b>8,072,606</b>	5,601,802

### 6. ASSOCIATE ENTITIES

The associates, their activities and related disclosures are as follows:

NAME	CARRYING VALUE		HOLDING %		BALANCE DATE	PRINCIPAL ACTIVITY
	2018	2017	2018	2017		
Estuary Pack & Cool Ltd	<b>121,550</b>	121,550	<b>33%</b>	33%	31 December	Landlord
Sea Products Ltd	<b>143,642</b>	140,613	<b>50%</b>	50%	30 September	Asset Holding
<b>TOTAL</b>	<b>265,192</b>	262,162				

Where the associated entity balance dates are not aligned with the Trust, results from monthly management accounts have been used to account for the Trust's share of the entities' operating results to 31 December 2018.

Where significant differences in accounting treatments exist between the annual audited accounts and monthly management accounts, these differences have been adjusted for.

	2018	2017
	\$	\$
<b>INTEREST IN ASSOCIATES</b>		
Shares - Ordinary	<b>100,500</b>	100,500
Shares - Redeemable Preference Shares	-	-
Advances	<b>181,438</b>	181,438
<b>TOTAL INVESTMENTS AT COST</b>	<b>281,938</b>	281,938
Share of Retained Earnings - Current Year	<b>3,030</b>	4,520
Share of Retained Earnings - Previous Years	<b>(19,776)</b>	(24,296)
<b>NET INTEREST IN ASSOCIATES - YEAR END</b>	<b>265,192</b>	262,162
<b>RESULTS OF ASSOCIATES</b>		
Sea Products Ltd	<b>3,030</b>	4,520
<b>TOTAL SHARE OF SURPLUSES / (DEFICITS)</b>	<b>3,030</b>	4,520



## Notes to Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>7. BANK IN FUNDS / (OVERDRAFT)</b>		
ASB Bank	<b>426,012</b>	128,738
BNZ	<b>169,992</b>	223,564
Kiwibank	<b>112</b>	112
Westpac	<b>7,013</b>	7,111
Iwi Investor Ltd	<b>52,275</b>	123,475
<b>TOTAL</b>	<b>655,404</b>	483,000

### 8. INVESTMENTS - TERM DEPOSITS

These comprise Term Deposit investments that have a maturity date of greater than three months from balance date and therefore do not fall into the category of cash and cash equivalents.

ASB Bank	<b>1,539,834</b>	1,150,498
BNZ	<b>817,246</b>	901,024
Kiwibank	<b>229,653</b>	224,548
Westpac	<b>28,251</b>	28,223
<b>TOTAL</b>	<b>2,614,984</b>	2,304,293

All Term Deposits held are due to mature within the next 12 months therefore are classified as current assets.

### 9. ACCOUNTS PAYABLE

**128,260**      129,688

*Included in accounts payable are the following:*

Trade Payables & Accruals	<b>52,188</b>	83,929
Employee Entitlements	<b>42,144</b>	33,142
GST Payable/(Refundable)	<b>33,928</b>	12,617

### 10. TRADE FACILITIES

ASB Trade Facility **2,384,327**      921,827

The Trust has a combined trade facility agreement of \$5,000,000 with ASB Bank Limited. As at balance date a net \$2,384,327 (2017 \$921,827) had been drawn upon. The facility is fully secured against specific term deposits held with ASB Bank Limited totaling \$1,500,000 (2017 \$1,000,000) along with registered all obligations Mortgages over the following properties:

- 258 High Street, Motueka (Identifier number(s) 21447)
- 20 Parker Street, Motueka (Identifier number(s) NL7C/1271, NL7C1270, NL4D/1070)
- 19 Old Wharf Road, Motueka (Identifier number(s) NL5C/142, NL7B/146)
- 66 High Street, Motueka (Identifier number(s) NL12B/1271)
- 276 High Street, Motueka (Identifier number(s) NL12C/486)
- Thorp Street Motueka (Identifier number(s) NL93/102)

The current interest rate applicable on funds drawn is 4.385% (2017 4.63%). The Facility is repayable on demand.

### 11. NET CASHFLOW FROM OPERATING ACTIVITIES

Reconciliation of net surplus to net cash flow from operating activities:

Net Surplus / (Deficit)	<b>772,519</b>	915,752
<b>NON CASH ITEMS</b>		
Depreciation	<b>187,064</b>	108,351
Share of Associate Results	<b>(3,030)</b>	(4,520)
<b>MOVEMENTS IN WORKING CAPITAL</b>		
(Increase) / Decrease in Accounts Receivable & Land Rentals	<b>(267,347)</b>	(29,724)
(Increase) / Decrease in Crop on Line	<b>(6,232)</b>	(13,690)
Increase / (Decrease) in Accounts Payable	<b>(1,428)</b>	87,798
<b>ITEMS CLASSIFIED AS INVESTING</b>		
Gain in Sale of Assets	-	-
Distributions	<b>66,268</b>	127,046
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>747,814</b>	1,191,014





## Notes to Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>12. DISTRIBUTIONS</b>		
The following distributions were paid during the year:		
Koha	<b>5,118</b>	16,531
Education Grants	<b>42,710</b>	28,510
Marae	<b>18,440</b>	82,005
	<b>66,268</b>	127,046

### 13. CONTINGENT LIABILITIES

The Trust has entered into a guarantee with ANZ Bank for \$50,000 to cover loans made to Estuary Pack & Cool Ltd.

It is highly unlikely that the Trust will be required to make payment under the guarantee.

There are no other contingent liabilities as at balance date. (2017 \$0).

### 14. CAPITAL COMMITMENTS

The Trust has entered into a direct committed capital investment of \$250,000 into Miro Limited Partnership. This investment is held directly by the Trust. As at balance date \$110,000 (2017 \$60,000) has been called and invested. The balance of the committed capital (if called upon) is expected to be called in equal instalments over a period not exceeding 10 years as and when investment funds are required.

The Trust has entered into an indirect committed capital investment of \$200,000 into Oriens Capital Private Equity Limited. This investment is held and managed within our Craigs Investment Partners Managed Portfolio. As at balance date \$67,000 (2017 \$35,000) has been called and invested. The balance of the committed capital (if called upon) is expected to be called in equal instalments over a period not exceeding 7 years as and when investment funds are required.

The Trust has entered into a direct committed capital investment of \$1,000,000 into Māori Direct Investment Fund. This investment is held directly by the Trust. As at balance date \$8,000 (2017 \$2,294) has been called and invested. The balance of the committed capital (if called upon) is expected to be called in equal instalments over a period not exceeding 10 years as and when investment funds are required.

The Trustees have committed up to a maximum of \$250,000 during the forthcoming financial years ended 31 December 2019 and 2020 in regard the development of a Rongoā Plantation at Te Uma Urupā.

The Trust (Landlord) has entered into a Deed relating to construction and redevelopment at 276 High Street Motueka (KFC site) with Restaurant Brands Limited (Tenant). As part of this Deed the Landlord has agreed to pay a contribution to the Tenant in consideration of the Tenant undertaking the Redevelopment Works. The Trust has agreed to pay a total of \$99,868 plus GST for Landlord Improvement Costs, and \$38,202 plus GST for Landlord Direct Costs [Total commitment ("Contribution Sum") being \$138,070 plus GST] (2017 \$0). The Landlord Improvement costs will be subject to the receipt of a 9.0% coupon for a period of six (6) years post Practical Completion. As at balance date Practical Completion had not occurred therefore the Trust has not been invoiced for the Contribution Sum, however, the Trust expects these to be invoiced in 2019 post Practical Completion and final lease execution.

### 15. RELATED PARTY TRANSACTIONS

There are no related party transactions noted for this financial year.

### 16. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date on 29 January 2019 the Trust paid over to Miro Limited Partnership \$50,000 pursuant to the Notice of Capital Call dated and received 5 December 2018 in relation to the call of capital in the amount of \$0.20 cents per share of committed capital, this was due and payable 29 January 2019.

Subsequent to balance date on 4 February 2019 the Trust paid over to Oriens Capital Private Equity Fund LP \$24,000 pursuant to the Notice of Capital Call dated and received 21 December 2018 in relation to the call of capital in the amount of \$0.12 cents per share of committed capital that was due and payable 4 February 2019.

No events subsequent to balance date are likely to affect the Trust's ability to continue to operate.

## Interests Register

### **Rōpata Taylor**

#### **Director:**

Estuary Pack and Cool Ltd

#### **Employee:**

Wakatū Incorporation

#### **Chair and Trustee:**

Parana Te Hunahuna Whānau Trust

#### **Trustee:**

Te Āwhina Marae Land Trust

Nelson Sculpture Trust

Kaiteriteri Recreation Reserve

Motueka Kai Fest

### **Russell (Barney) Thomas**

#### **Director:**

Wakatū Incorporation

Wahanga Ltd

Abel Tasman Land Co Ltd

Waimea Water Augmentation

Committee

Tasman Mako Māori Rugby

Board

#### **Employee:**

Department of Conservation

#### **Chairperson:**

Tiakina te Taiao

#### **Trustee:**

Te Āwhina Marae

Rukatapata Tamati Whānau Trust

#### **Land Trustee:**

Te Āwhina Marae

Reserve Lands - Wairau Pa

#### **Working Group:**

28th Māori Battalion for Te Tau

Ihu

#### **Interim Chair:**

Manawhenua Ki Moha

### **Paul Morgan**

#### **Director/Shareholder:**

Paul Morgan Assoc. (2006) Ltd

Taupo Moana Iwi Saver (TMIS)

FoMana Capital Ltd

Anagenix Ltd

High Value Nutrition

#### **Chairman:**

Wakatū Incorporation

Kono NZ LP

#### **Trustee:**

P & B Morgan Family Trust

Te Poa Karoro Whānau Trust

Riwai Morgan Whānau Trust

#### **Land Trustee:**

Te Āwhina Marae

### **Emma Park**

#### **Director:**

Koru Investment Group Ltd

### **Jeremy Banks**

#### **Director:**

Wakatū Incorporation

Koru Investment Group Ltd

Plink Ltd

Liss Photography Ltd

Network for Learning

#### **Trustee:**

Basketball Development Nelson

Trust

### **Jarrold Buchanan**

#### **Director:**

Holiday Nelson Ltd

Fresh Seas Ltd

#### **Trustee:**

Buchanan Family Trust

Project Janszoon Trust

### **Mereama Chase**

#### **Employee:**

State Services Commission

### **John Katene**

#### **Trustee:**

Te Āwhina Marae Land Trust

Te Ātiawa o Waka-a-Māui Trust

### **John Murray**

#### **Director:**

Empowered Business Solutions

Heslop Group /

Barnicoat Developments Ltd

Achilles Properties Ltd

#### **Trustee:**

Nelson Hospice Funding Trust

Nelson Hospice Operating Trust

Various Family Trusts

#### **Appointed Member:**

Nelson City Council –

Governance Committee

Audit Risk and Finance

Committee

Forestry Advisory Group

New Zealand Institute of

Chartered Accountants -

Disciplinary Tribunal

Chartered Accountants Australia

& New Zealand –

Education Board

Ngāti Apā ki te Rā Tō -

Audit and Risk Sub Committee

### **John Charleton**

#### **Director:**

Sea Products Ltd (NRAIT)

Abel Tasman Seafoods Ltd

(NRAIT)

Brecon Consulting Ltd

Miro Ltd Partnership

Miro-Tupu Ake Limited

PFR – Miro Plant Breeding

Limited

#### **Director/Shareholder:**

Pukeko Capital Holding Ltd

#### **Trustee/Beneficiary:**

Brecon Trust

Montjoy Trust

#### **Trustee:**

John Morgan Family Trust

## Associate Entities

### **Sea Products Ltd**

#### **NRAIT Director:**

John Charleton

### **Abel Tasman Seafoods Ltd**

#### **NRAIT Director:**

John Charleton

### **Abel Tasman Fruit Ltd**

#### **NRAIT Director:**

Rōpata Taylor

### **Estuary Pack and Cool Ltd**

#### **NRAIT Director:**

Rōpata Taylor

### **Tiakina te Taiao**

#### **NRAIT Director:**

Russell (Barney) Thomas ~ Chair

Aneika Young ~ alternate

### **Birdsong Trust**

#### **NRAIT Representative:**

Joy Shorrock

## Directory

### **Trustees**

Rōpata Taylor ~ Chair

Russell (Barney) Thomas

~ Dep. Chair

Emma Park, John Katene,

Paul Morgan, Jeremy Banks,

Mereama Chase and

Jarrold Buchanan

### **Te Whanake**

Russell (Barney) Thomas,

Paul Morgan, Rōpata Taylor,

John Katene, Mereama Chase

### **Sub Committees**

#### **Investment Committee**

Emma Park ~ Chair

John Murray, Mereama Chase,

Jeremy Banks, Rōpata Taylor

(ex-officio), Jarrold Buchanan

#### **Audit & Risk Committee**

Emma Park ~ Chair

Paul Morgan, Rōpata

Taylor (ex-officio), Jeremy

Banks, John Murray

#### **Education Committee**

Rōpata Taylor, Emma

Park, Mereama Chase,

Barney Thomas

#### **Remuneration Committee:**

Jeremy Banks ~ Chair

Rōpata Taylor, Jarrold Buchanan,

John Murray

### **Staff**

John Charleton ~ Chief Executive

Nichola Vessey ~ Project

Coordinator/Office Manager

Amelia Harvey ~ Accounts

Secretary

John Murray

### **Registered Office**

Level 1, Wakatū House

Montgomery Square

Nelson

### **Physical Address**

Level 1, Wakatū House

Montgomery Square

Nelson

### **Bankers**

**ASB Private Bank**

Bank of New Zealand Limited

**Kiwibank**

Westpac Limited

### **Legal Advisors**

**Pitt & Moore**

12 Selwyn Place, PO

Box 42, Nelson

**Duncan Cotterill**

197 Bridge Street, PO Box 827,

Nelson

### **Business Consultants**

**Crowe Horwath**

72 Trafalgar St, PO

Box 10, Nelson

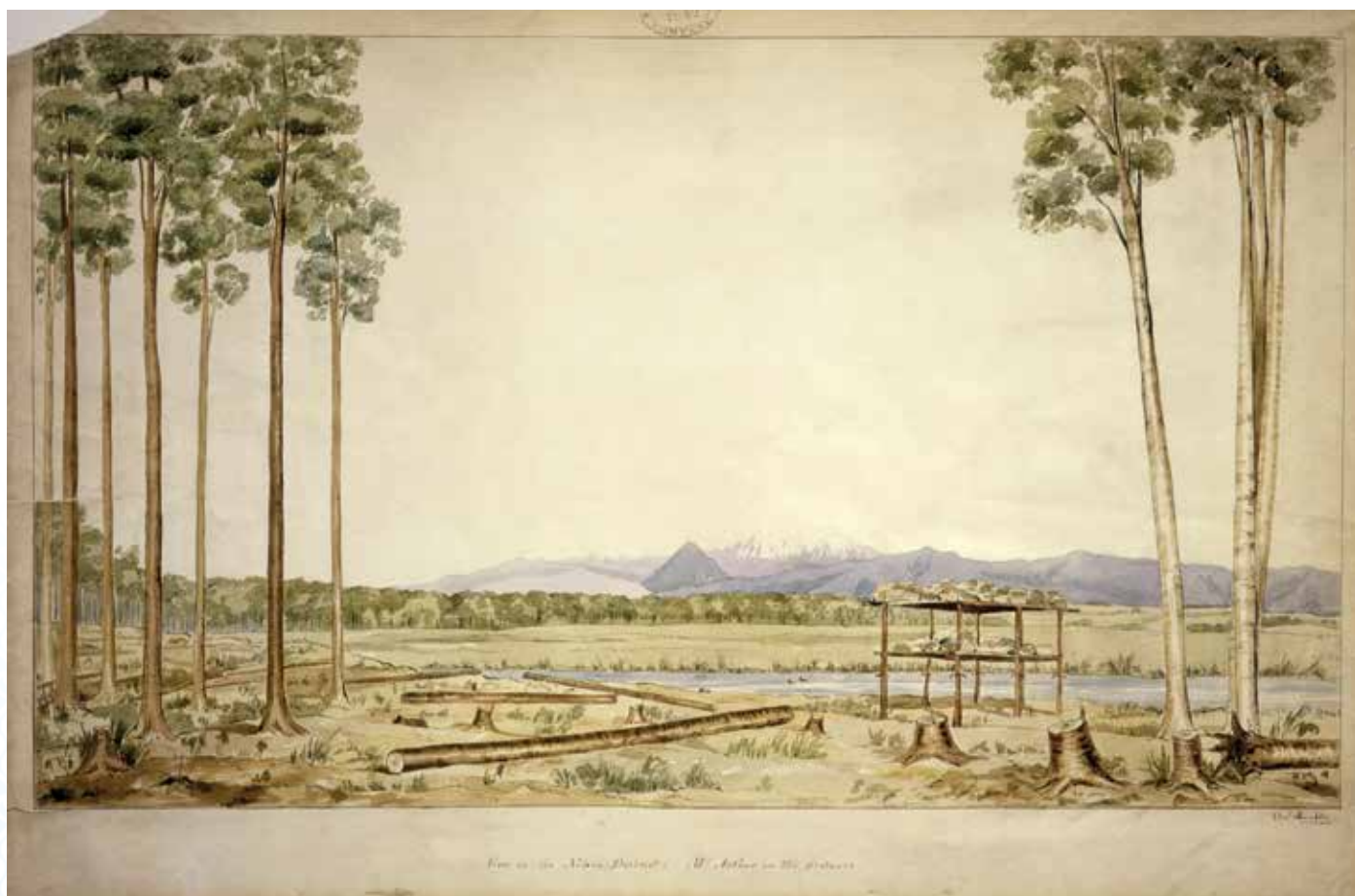
### **Auditors**

**Thompson Daly & Co**

PO Box 102, Nelson

# Te Maatu - Our Place

**Rōpata Taylor, of Ngati Rarua and Te Atiawa descent, reflects on NRAIT's legacy. Te Maatu, 'the big wood', was the heart of our Motueka ancestors' land.**



View of the Nelson district, Mt Arthur in distance Charles Heaphy 1841 ALEXANDER TURNBULL LIBRARY C-025-005

It was both a garden and a forest – a luxuriant podocarp forest dominated by rimu and southern rata, and rich with matai, titoki, rimu, tōtara and abundant bird life. Beneath the canopy were nikau palm, mamaku treefern, fuschia and many other fruit-bearing and edible plants. Our ancestors cultivated gardens around the trees, in a form of companion planting.

This was our traditional way of gardening, where we didn't eradicate all other species and create a monoculture. Instead, we had a strong biodiversity approach, and our crops coexisted with these giant trees. These gardens produced huge volumes of potatoes, including Māori potatoes and both early and recently introduced European varieties, along with kumara, kamokamo and other crops. These were brought into Nelson by our ancestors and traded at Auckland Point and further afield, feeding the waves of incoming European settlers.

Their arrival and the rapid pace of settlement was a great opportunity for us economically and commercially. By the 1850s, a third of the sailing ships registered at the Port of Nelson were owned by our ancestors, working Te Tai o Aotere, Raukawa Moana and as far afield as Australia,

trading the goods we were producing. Aside from a few incidents, relations with the settlers were generally positive, and our families and communities were thriving. In addition to recognising the benefits from trade, our ancestors supported the arrival of the settlers in our territory because they believed in Wakefield's egalitarian promise whereby we would live alongside each other to our mutual benefit. But one thing was sacrosanct: when we met with Wakefield in 1841 we made it very clear that Te Maatu was fundamentally important to us, and that it would be ring-fenced and not included in any negotiations. But the settlers' appetite for land was insatiable and they coveted ours. Their growing infrastructure – coupled with disputes over boundaries and land purchases – saw them start to swallow what we had left. Then in 1853, Governor Grey took 371 hectares of our most productive land, the heart of Te Maatu, and gave it to the Anglican Church's Whakarewa School, without offering compensation.

Following major investigations and many attempts to reclaim the land – ownership was finally returned to the tangata whenua of Motueka 140 years later. We are proud kaitiaki of the heart of our Motueka ancestors' land.



## NGĀTI RĀRUWA ĀTIAWA IWI TRUST

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PO Box 13, Nelson 7040,  
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Tel +64 3 548 0770  
[info@nrait.co.nz](mailto:info@nrait.co.nz)  
[www.nrait.co.nz](http://www.nrait.co.nz)

**Registered office:**

Level 1, Wakatū House,  
Montgomery Sq, Nelson 7010  
PO Box 13, Nelson 7040,  
New Zealand

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