



W A I K A T O  
**TAINUI**

WAIKATO-TAINUI ANNUAL REPORT 2014

# HE MAIMAI AROHA

*E ruhi maa, e koro maa,  
E tai maa, e hine maa.*

*Koutou kua tere i runga i te au o aituaa,  
Koutou kua pari i runga i te ia o ake ake,  
Ka tangi mapu kau,  
Ka tangi iere kau.*

*Kei ngaa pou o ngaa marae,  
Kei ngaa amo o te kaupapa.*

*Naa koutou te kaupapa i ora ai,  
Naa koutou te iwi i puea ai,  
Naa koutou ngaa tikanga i tuu ai,  
Naa koutou ngaa marae i kotahi ai.*

*Waiho mai ki muri nei ngaa whakatupuranga  
e haapai i aa koutou kaupapa kia tutuki noa.*



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Please see pg 100 for an explanation of the design features within this report.

## KIINGI TUHEITIA

FOREWORD FROM KING TUHEITIA

IT GIVES ME PARTICULAR PLEASURE TO PROVIDE INTRODUCTORY COMMENTS TO THIS, THE FIRST WAIKATO-TAINUI ANNUAL REPORT THAT INCLUDES ALL ENTITIES WITHIN THE WAIKATO-TAINUI GROUP. COMBINING COMMENTARY INTO ONE DOCUMENT IS A SIMPLE EXPRESSION OF A VERY POWERFUL BELIEF:

**SUCCESS**  
WILL COME THROUGH  
**UNITY**  
OF PURPOSE  
AND A **SHARED**  
**VISION**





**The tribal vision for our people is: To grow, to prosper, to sustain. Delivering on this vision will ultimately depend on our willingness to work together as a tribe, and with others, to achieve our goals.**

My vision for Waikato-Tainui and the motu is simple: *Ko te mana motuhake*. It flies on my flag and guides my actions. They are more than just words; they are my reason for being. We must not forget the motu, especially at this time, for 150 years ago we did unite to fight the battles we have just commemorated. The Kiingitanga was at war then and we stood side by side, together. We can be proud of that today.

#### MAKING PROGRESS

Looking back over the past twelve months, the results highlighted in the following pages can best be summed up by saying that we are making progress in a challenging environment – one that keeps throwing new pressures and priorities at us.

Māori have consistently shown an ability to adapt, and adopt new technologies and new ways of doing things. Keys to that success were our adaptability and flexibility. We were also blessed with leaders who had vision and determination. What did not survive were the old institutions and structures that could not, or would not, adapt. In that sense while structures come and go, the Kiingitanga endures: It carries not only the memories of the old ways, but the faith of our tuupuna, the hopes and dreams of a people and a korowai under which to gather.

#### CALL FOR CHANGE

With this in mind, I initiated the Governance and Representation Review that is currently underway. My approach was to respond to the people's strong call for change, appoint people with the right skills and experience and then closely monitor progress. We must have structures that are fit for purpose. We must not fail in this task. Our team is working tirelessly on this and I want to thank them for their efforts to date.

In my office over the past year I have welcomed the steady hand and sage advice of Sir John Goulter, who chairs my Ururangi board. We have effected changes that equip management with the tools and resources to do their jobs well and provide the tribe, in their kaitiaki role, with confidence that my office too, is 'fit for purpose'.

#### NEW ENVIRONMENT

Within the Kiingitanga I have also effected changes. The establishment of Te Kaumātua is an ancient institution adapted to a new environment. Again, the approach was to identify the challenge, appoint the best people and have faith in their abilities. The one significant difference this time is that I have drawn this group from the motu.

The changes made are already paying off. If the Crown previously seemed reluctant to acknowledge the power of the Kiingitanga to unite Māori on a number of issues of national significance – rights in freshwater and funding of Kohanga Reo being good examples – then that is now no longer the case.

#### KAUPAPA KIINGITANGA

In closing, I would like to acknowledge the various management teams and their staff for your contributions to the results in these pages. I thank you for your contribution and look forward to even better results in the year ahead. We are not necessarily an easy people to work with and often the reality is that the more we do, the more is expected of us. I must also acknowledge too, the deep and unwavering support shown by Waikato-Tainui in their kaitiaki role for our kaupapa Kiingitanga.

As we respond to future challenges and work our way through the processes of change I will leave you with some words from my late mother:

*"Waikato may have to change its structures several times and it is alright to do so as long as we eventually get it right. It would be very foolish to uphold a structure that is not working."*

PAI MAARIRE



# KO WAI TAATOU

## ABOUT WAIKATO TAINUI

*Ko Mookau ki runga  
Ko Taamaki ki raro  
Ko Mangatoatoa ki waenganui.  
Pare Hauraki, Pare Waikato  
Te Kaokaoroa-o-Paatetere.*

*Mookau is above  
Taamaki is below  
Mangatoatoa is between.  
The boundaries of Hauraki, the boundaries of Waikato  
To the place called 'the long armpit of Paatetere'.*

**We are defined by our land,**  
our river, our history and the Kiingitanga.

**We are proud people,**  
each of us descended from the intrepid voyagers who  
crossed the ocean to land the Tainui waka on the shores  
of Kaawhia in the 13th century. Led by Hoturoa, these  
tupuna left Rangiataea to discover a new land rich in fertile  
soils and abundant wildlife, bordered by a plentiful supply  
of kaimoana.

**We are our river, our river is us.**  
The Waikato River represents the mana and mauri of  
Waikato-Tainui and is a living entity, a mauri that is an  
inseparable part of our whakapapa and identity. The return of  
our tupuna awa in 2008 guaranteed its restoration and the  
protection of its health and wellbeing for future generations.

**We are the Kiingitanga,**  
a responsibility undertaken more than 150 years ago on behalf  
of all iwi to uphold mana motuhake, empower all Maaori and  
promote unity amongst all people.

Today, Waikato-Tainui has a membership of just under 66,000  
descendants. Our iwi is young with almost two-thirds of our  
members aged under 40 years. And we are mobile. While  
the majority of our members live within the tribal boundary,  
many are located throughout Aotearoa and across the world.

## Te Whakakitenga

*Our vision is inspired by Kiingi Taawhiao:*

*Maaku anoo e hanga toku nei whare  
Ko ngaa pou oo roto he mahoe, he patatee  
Ko te taahuuhuu he hiinau  
Me whakatupu ki te hua o te rengarenga  
Me whakapakari ki te hua o te kawariki.*

*I shall build my house from the lesser known trees of the forest.  
The support posts shall be maahoe and patete, and the ridge pole of hiinau.  
My people will be nourished by the rengarenga and strengthened by the kawariki.*

## Te Ahunga

*Our purpose is captured in the words of Princess Te Puea:*

**KIA TUPU, KIA HUA, KIA PUAWAI**

TO GROW, TO PROSPER, TO SUSTAIN.

NGAA TIKANGA » VALUES

WHAKAITI » HUMILITY

MAHITAHU » COLLABORATION

KOTAHITANGA » UNITY

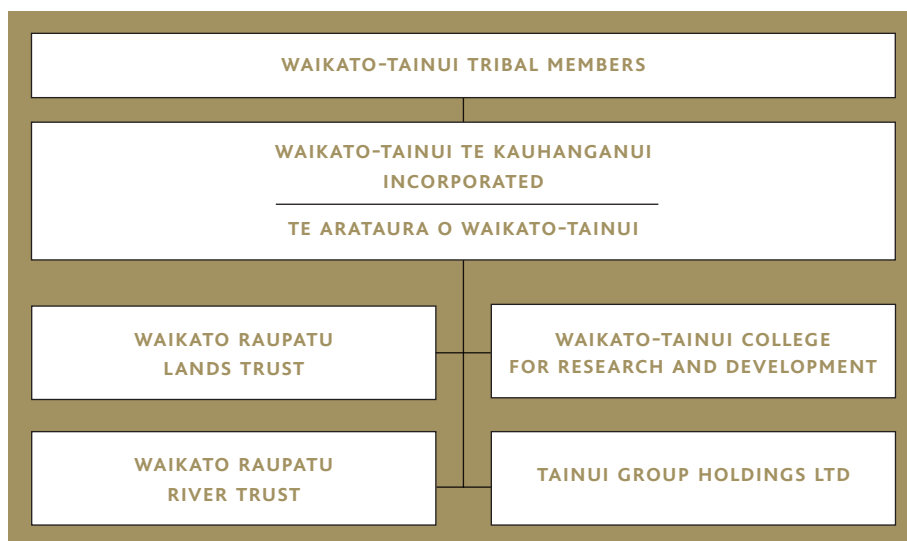
MANAAKITANGA » CARING

RANGIMARIE » PEACE AND CALM

AROHA » LOVE AND RESPECT

WHAKAPONO » TRUST AND FAITH

## Our Structure



**2014** / 2013

## FINANCIAL PERFORMANCE SUMMARY

**net**

**operating profit**

Growth in income and controlled costs have contributed to the operating profit.

**\$22.6m**  
\$17.4m

**\$70.9m** \$110.8m

**net profit**

Excluding relatively settlements the growth in net profit is up 27% from 2013.

**17.7%** 12.4%  
**revenue growth**

The acquisition of Hamilton Riverview Hotel has contributed to revenue growth.

**return on**

**assets**

**6.7%** 11.9%

Relativity settlement received in 2013 has not been repeated at the same level in 2014, resulting in a reduced return on assets.

**return on**

**equity**

**9.0%** 15.7%

Return on equity has not been repeated at 2013 levels due to the \$70 million relativity settlement at that time.

**distributions**

**\$6.1m** \$7.1m

**bank**

**21.3%** 20.2%

**debt to total assets**

Bank debt to total assets incorporates new entity investments.

**equity**

**\$783.7m** \$704.7m

Net profit of \$70.9 million has been added to equity.

**total assets** **\$1.1b** \$925.1m

The acquisition of Hamilton Riverview Hotel and investment in Waikato Milking Systems contributed to the growth in 2014.



# YEAR IN REVIEW

JUNE /13

Hui aa Iwi, hosted by Kiingi Tuheitia, to commence a review of the tribe's governance and representation structure.



AUGUST /13

*Tai Tumū, Tai Pari, Tai Ao – the environment strategy for Waikato-Tainui – launched at Koroneihana.*

NOVEMBER /13

Inaugural cohort of students graduates with Masters of Business Administration at Waikato-Tainui College for Research and Development.



*Karakia held to signal commencement of residential land development at Rotokauri, Hamilton.*

JANUARY-FEBRUARY /14

*Waikato-Tainui Games 2014 held, attracting tribal members of all ages from all*  
**68 marae**



OCTOBER /13

Waikato-Tainui Rangatahi Summit held at Turangawaewae Marae to foster leadership and rangatahi engagement in tribal affairs and activities.



Tainui Group Holdings purchases Hamilton City Council shareholding of 41.4% in Hamilton Riverview Hotel Ltd, increasing its overall shareholding to

**82.8%**

DECEMBER /13

Masters in Maatauranga Māori graduation. This degree is offered at Waikato-Tainui College for Research and Development in partnership with Te Waananga o Raukawa.



MARCH /14

Tainui Group Holdings purchases a 33% shareholding in Waikato Milking Systems, in partnership with Ngāi Tahu Capital and Pioneer Capital.



# STRATEGIC OBJECTIVES

## WHAKATUPURANGA 2050

The framework below outlines the strategic approach that we are taking to achieve the high level goals and aspirations of Whakatupuranga 2050. It also highlights a number of strategic initiatives to be accomplished over the next three years.

KIINGITANGA	TRIBAL IDENTITY	TRIBAL SUCCESS	SOCIAL & ECONOMIC WELLBEING
TE ARATAURA STRATEGIC PRIORITIES 2013-2016			
EMPOWERING OUR PEOPLE		STRENGTHENING RELATIONSHIPS	TRIBAL PRIDE
TE ARATAURA OUTCOMES – ONE TEAM, ONE DIRECTION			
HEALTH AND WELL-BEING		EDUCATION AND TRAINING	EMPLOYMENT
Tribal members are healthy and active. The health and wellbeing of our Tuupuna Awa is restored.		Tribal members are well educated, qualified and prepared to engage at all levels of society.	Tribal members are benefitting from the development of targeted employment opportunities.
CULTURE		TRANSFORMING OUR WHARE	
Tribal reo, tikanga and heritage is preserved for future generations.		Governance structures and constitutional arrangements support tribal development.	
STRATEGIC INITIATIVES FY2015-2017			
Governance and representation review completed.	Outstanding claims progressed in collaboration with Waikato-Tainui marae and hapuu.	Tribal housing initiative in place. Financial education and information workshops available to whaanau, hapuu and marae.	
Rangatahi and Taurahere strategy implemented. Annual rangatahi leadership camps initiated.	Hopuhopu redevelopment stage one completed.	Waikato-Tainui intergenerational investment strategy meeting Shareholder requirements.	
Sustainable employment and training opportunities made available to tribal members.  Relationships with partners result in employment.	Mana Marae development framework operational. Marae insurance package in place. Marae resource and asset management survey completed.	Native Nursery and Koi Carp initiatives fully operational. Lake Waikare restoration project completed. Tai Tumu, Tai Pari, Tai Ao Iwi Environmental Plan being implemented. Waikato River fisheries bylaws enacted.	
Waikato-Tainui Games, Tribal Pride Festival, Matariki, Rangatahi Summit, Waikato River Symposium, and Te Tira Hoe held.  Events to mark the first 20 years since settlement of the Raupatu claim completed.	Education initiatives from early childhood, primary, secondary and tertiary level supported. Whaanau and school engagement plan activated. Waikato-Tainui Te Reo Maaori action plan underway.	'One team, one direction' culture and capability embedded across the Waikato-Tainui group.  Results based accountability framework developed and used to report progress.	

***I am committed to Kiingitanga, fluent in te reo Maaori, strong in my tikanga, healthy, well-educated and financially secure.***

## KIINGITANGA

Whaiaa ko te mana motuhake

*The King Movement is the unifying korowai of Maaori.*

*Kiingitanga was established in 1858 to unite all tribes under the leadership of Pootatau Te Wherowhero. Its primary goals were to cease the sale of land to Paakehaa, stop inter-tribal warfare, and provide a springboard for the preservation of Maaori culture in the face of Paakehaa colonisation. As it has done for the past 150 years, the role of Kiingitanga will still be the unifying thread of all Iwi, under the seventh monarch, Kiingi Tuheitia.*

- *To retain our historical role as Kaitiaki o te Kiingitanga*
- *To ensure Kiingitanga remains an eternal symbol of unity*

## TRIBAL SUCCESS

Ki te moemoeaa ahau ko ahau anakeki te moemoeaa taatou ka taea e taatou

*Priorities in this context are focused on building capacity in all our endeavours at all levels. Coupled with research as a key priority to keep the tribe abreast of all local and global shifts and developments, generations hereafter will be well equipped to enjoy success in all sectors of society. There is recognition however, that success is short term without succession, so growing leaders through succession planning and mentoring programmes are key priorities.*

- *To succeed in all forms of education and training*
- *To be global leaders in research excellence*
- *To grow leaders*

## TRIBAL IDENTITY & INTEGRITY

Ko Tainui te waka, ko Taupiri te maunga, ko Waikato te awa, ko Pootatau te tangata  
Waikato taniwharau, he piko he taniwha, he piko he tanwiwha

*Our strategic direction charts a course of significant developments to protect our tribal identity and integrity.*

*The development of a core strategy designed to provide maximum support for our kaumaatua, the caretakers of our maatauranga, and experts of our reo and tikanga, is a key priority. Our whenua, rivers, lakes and other waterways are living embodiments of our tribal identity. The necessity to forge a partnership with the Crown is vital to the preservation and protection of 'te taiao', our environment.*

- *To preserve our tribal heritage, reo and tikanga*
- *To grow our tribal estate and manage our natural resources*

## TRIBAL SOCIAL & ECONOMIC WELLBEING

Kia niwha te ngaakau ki te whakauu, ki te atawhai i te iwi

*Priorities in this context are focused on building capacity in all our endeavours at all levels. Coupled with research as a key priority to keep the tribe abreast of all local and global shifts and developments, generations hereafter will be well equipped to enjoy success in all sectors of society. There is recognition however, that success is short term without succession, so growing leaders through succession planning and mentoring programmes are key priorities.*

- *To develop self-sufficient marae*
- *To advance the social development of our people*
- *To develop and sustain our economic capacity*

# TRIBAL OVERVIEW

## TAA TE HEAMANA O TE KAUHANGANUI

WAIKATO-TAINUI TE KAUHANGANUI INC CHAIRMAN'S REVIEW

*Taku manu e, kia koorihi i te puuaotanga o te atatuu  
Ko Te Wao-nui-a-Taane kia oho i toou reo koopara  
He remu toroa, he rau huia ngaa whakaraakei o Tuuheitia  
He whakapuru toto, he pupuru i ngaa whenua  
Koowetewete mai, tiiorooro atu ko oo ngutu apakura  
Ki ngaa tootara haemata, ki ngaa parekawakawa ka  
nunumi ki Mirumiru-te-poo  
E tiu e manu ki te ao maarama, ka tau ai ki te  
karamatatanga o ngaa maunga koorero o ngaa iwi  
Ki konna koe whakataretare atu ai ki ngaa tai o Te Ika-a-  
Maui, Te Waipounamu e papaki mai nei  
He tai aroha, he tai mihi tangata ki te ao tuuroa  
Hoki mai e manu, ka tau ki runga o Waikato  
Kia mihia e taaua ngaa kauri whakaruruhou o te motu  
Kia kii ake au i konei, hui te poo, hui te ao  
Te tini o tangata hui, hui, huihuia!*

As Chairman of our iwi authority, Te Kauhanganui, and on behalf of the members of Waikato-Tainui Te Kauhanganui Inc, I welcome you to our 2014 Annual Report.

Mana Taangata epitomises all that we do to support our people and is the theme for this year's Annual Report.

### OUR PEOPLE

Our tribal membership continues to grow with just under 66,000 now registered, up approximately 2,000 on 2013. The majority of our people are New Zealand based with 60% living within the Tainui Waka rohe.

It's important that we acknowledge the contribution of our kaumaatua, and those before them. Their teaching, guidance and wisdom have sustained and continue to support Kiingitanga.

Following their footsteps is the generation that were able to fulfil the aspirations that our kaumaatua had for us.

Sixty one percent of our iwi are 40 years or younger. We are a relatively young iwi ready to embrace endless possibilities.

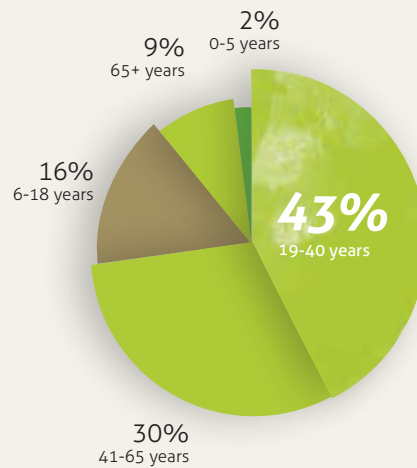
Together we are Waikato Tainui, and together we will have the answers that will unite and strengthen our iwi now and into the future.

### EFFECTIVE GOVERNANCE

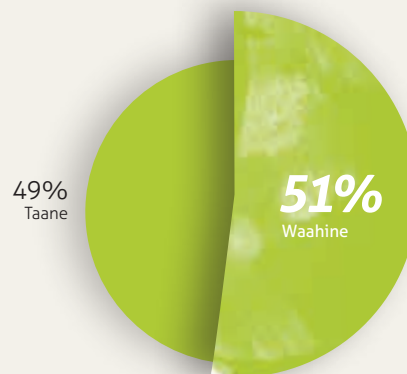
This has been a year of review, reflection and planning for change.

We are leading into the 20th year since the Heads of Agreement was signed in December 1994. It is almost 15

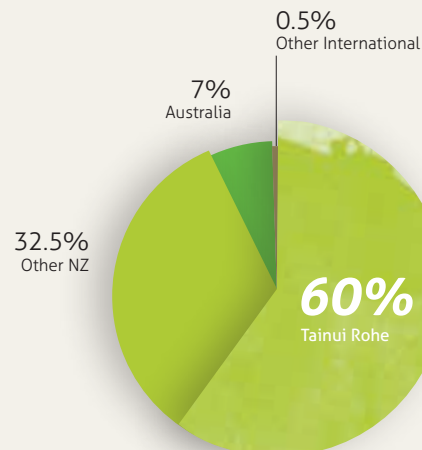
AGE PIE GRAPH



GENDER PIE GRAPH



LOCATIONS PIE GRAPH



years since the inaugural meeting of Te Kauhanganui in September 1999.

It has, therefore, been timely to review the governance structure of Te Kauhanganui – both what works and what doesn't. The Governance and Representation Review has the support of Te Kauhanganui.

The key to the review is not necessarily a structural change alone, but a clarification of roles and responsibilities and endorsement by our iwi via your marae based Te Kauhanganui representatives. The new structure will be an expression and articulation of the people's will and voice.

Te Kauhanganui has also approved the establishment of an Appointments Committee who will identify appropriately skilled individuals to represent Waikato-Tainui on different Boards, Committees and Forum.

We are preparing for the next phase: constantly evolving, becoming resilient, innovative and prepared for the challenges that come with new opportunities.

## RELATIONSHIPS

The Tainui Waka Alliance, traditionally those iwi of Maniapoto, Hauraki, Raukawa and Waikato, were able to collaborate on the successful Tainui Exhibition at Te Papa and together marked its closing in March this year.

The Tainui Waka Alliance and the Iwi Leaders Forum are two of many opportunities to build relationships, promote our objectives, support pan iwi goals, and work collaboratively for collective benefit. We continue to take an active role in these influential leadership groups.

## CLAIMS

Work continues with outstanding claims. Significantly this year saw the first payment under the Relativity Clause that the late Sir Robert Mahuta ingeniously negotiated 20 years ago as a legacy to the future generations.

We acknowledge those hapuu and marae within Te Kauhanganui who have reached settlement of their non-Raupatu Waitangi Claims and congratulate Ngaati Hauaa, Korokii Kahukura and Te Kawerau a Maki.

## THE BUSINESS

A little closer to home we recognise the efforts of those entities which make up Waikato-Tainui. Among the many successes during the year, of particular note are:

- the release of the Waikato-Tainui Environmental Plan,
- the growth of our asset base to \$1 billion; and
- the graduation of our first cohort of graduates from the Waikato-Tainui College of Research and Development

## ACKNOWLEDGEMENTS

The level of commitment required to implement our ambitious strategic goals is not underestimated and I offer my sincere thanks to all those in governance, management and staff roles for their continued commitment and support. I pay special acknowledgement to my Deputy Chairman Te Whakahawea Rapana, Secretary Ani Capper, Te Arataura Chairman Rahui Papa, Tainui Group Holdings Chairman Sir Henry van der Heyden, Waikato-Tainui College of Research and Development Chairman John Heremia and Ururangi Limited Chairman Sir John Goulter, for their support.

*Heoi anoo e te iwi. Ko teenei taku ripoata me te wawata, kia haere whakamua ai taatou i roto i te whakaaro kotahi.*

*Maxine Moana-Tuwhangai*

**Maxine Moana-Tuwhangai**  
Chairman, Waikato-Tainui Te  
Kauhanganui Inc





# TAA TE HEAMANA O TE ARATAURA O WAIKATO-TAINUI

TE ARATAURA O WAIKATO-TAINUI CHAIRMAN'S REPORT

*Kia amo ake taku reo whakamoemiti ki te rangi hei pou okioki moo taatou  
Kia haupuu ngaa manaaki ki a Kiingi Tuheitia hei korowai moona  
Aue e te whiu o mate e kaikini nei, e ngau kino i ahau e  
E te iti, e te rahi, nei noa ake te mihi o te ngaakau  
Teenaa koutou, teenaa taatou katoa.*

**This has been a year characterised by progress, consultation, and opportunity.**

**In 2014 we have seen the continued performance of our commercial strategy, the growth of our asset value to achieve a new national milestone for tribal entities, the advancement of social, economic and capacity-building programmes that benefit tribal members, and the ongoing development of future-focused strategies aimed at driving ever stronger returns.**

**We continue to implement a targeted strategy to grow a prosperous, healthy, vibrant, innovative and culturally strong iwi.**

## HE PAE TATA KUA TATUU MILESTONE ACHIEVED

This year's standout achievement of having surpassed the \$1 billion mark in total asset value is a milestone of which we can be proud. It is the result of two decades of targeted asset growth and value creation, beginning in 1995 with a Treaty of Waitangi settlement of \$170 million. We have had our share of challenges through the years however these we have overcome by remaining focused and committed to building a prosperous, high performing iwi entity.

Me mihi ka tika ki te hunga arahi i roto i ngaa tau. This milestone warrants that we acknowledge those leaders, governors, directors, managers and staff who have contributed in some way over the past 19 years.

## TE AHUNGA O TE RAUTAKI PROGRESS AGAINST STRATEGY

Our strategic plan for the social, cultural, economic and environmental development of Waikato-Tainui is underpinned by the goals of Whakatupuranga 2050. Empowering our marae and people, fostering tribal pride, and strengthening relationships encompass the outcomes that we are seeking.

A strategic framework published in last year's Annual Report provided members with information about our long and immediate term goals and priorities. This included a set of strategic initiatives and it is pleasing to report that all targets have either been achieved or are close to completion. An updated strategic framework and initiatives for 2015 can be found within this report.

## MAHIA KIA KOTAHU ONE TEAM ONE DIRECTION

The implementation of our internal strategy to foster a cohesive, integrated approach throughout our organisation has been a core focus. Aimed at maximising efficiency and effectiveness, One Team One Direction has provided focus for the team on strategic priorities and successful implementation. It is truly a whaanau approach to all of the challenges that we faced over the year. The results we have achieved are in large part an outcome of that united focus in a period which required we move out of the consolidation phase of 2013.

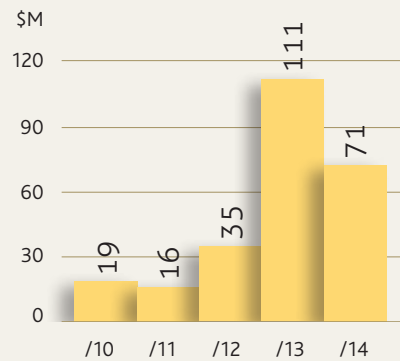
## KO TE MONI HEI UTU MOO TE HARA FINANCIAL

Our financial performance in 2014 has been strong with all areas of our business recording growth.

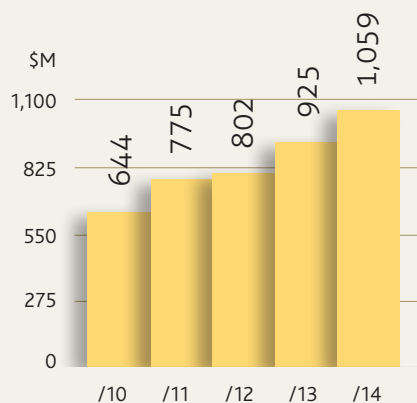
Consolidated revenue is up 18 percent to \$74 million, with operating profit up 27 percent to \$23 million. Consolidated net profit is \$71 million. This compares to \$111 million in 2013 however that result included the relativity payment of \$70 million. Total asset value is \$1.1 billion, up from \$925 million.

These results have been driven by a solid performance from Tainui Group Holdings which has recorded revenue of \$73 million to return a net profit of \$47 million, up 5% percent on 2013.

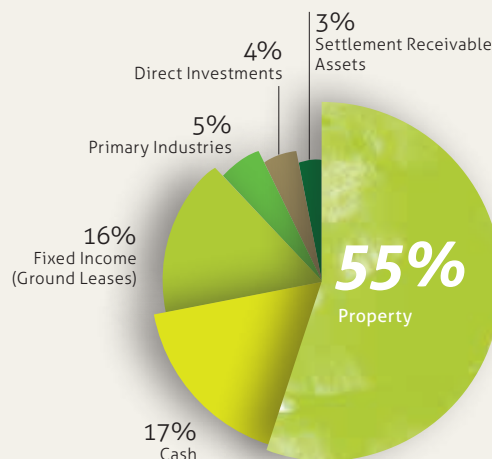
NET PROFIT



TOTAL ASSETS



ASSETS BY SECTOR

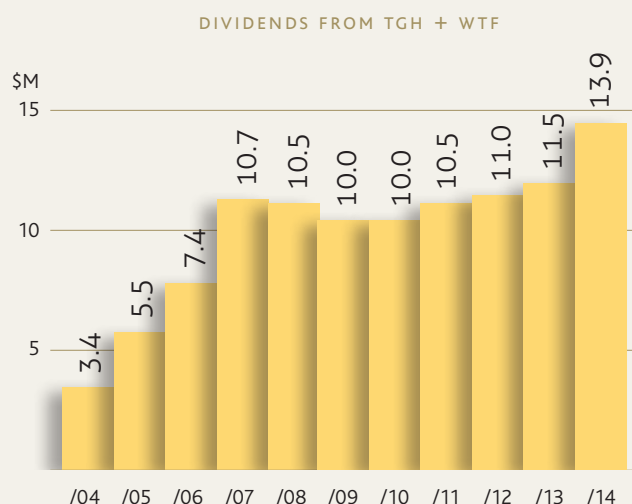
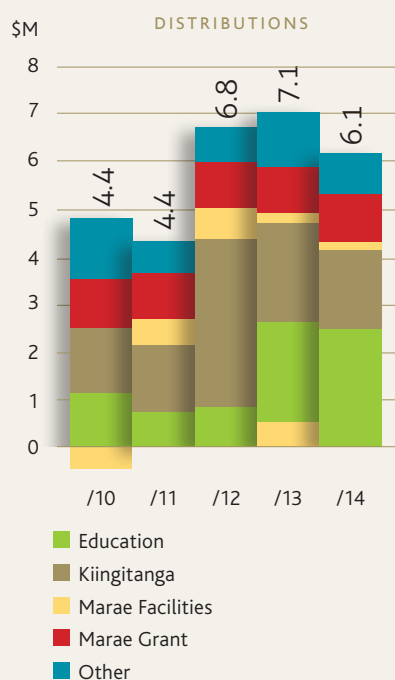


***Our financial performance in 2014 has been strong  
with all areas of our business recording growth.***

## TUKUA KIA ORA, TUKUA KIA WHANAKE GRANT EXPENSE DISTRIBUTIONS

Our ability to return benefits to our people is dependent upon positive, sustainable performance. Since 2004 revenue growth has resulted in dividend returns totaling \$104.5 million. In those 11 years 53 percent of all dividends – the equivalent of \$55 million – has been distributed back to our people to support education, health, sports, marae, kaumaatua, poukai, cultural events and community programmes.

In 2014 \$2.5 million has been distributed for education, \$1.2 million for marae grants and facilities, \$1.7 million for Kiingitanga, and \$0.7 million towards a range of cultural activities.



## KIINGITANGA TE KOROWAI WHAKAARO

Our kaitiakitanga of the Kiingitanga is a proud and intrinsic aspect of who we are as Waikato-Tainui. We continue to hold forth the mana of Kiingitanga in recognition of the responsibility bestowed on us 156 years ago. The Kiingitanga instils our values as a people and as the tribal entity our ongoing and steadfast support to Kiingitanga is enduring.

## KOORERO MAI, KOORERO ATU CONSULTATION

Consultation with our people is a fundamental element of our decision-making process. This year has seen kanohi ki te kanohi consultation on important kaupapa, in particular the governance and representation structure review and options for tribal funds investment. We also hit the road speaking about Paimaarire and education. In addition, members have been updated on tribal development activities via hui, roadshows and poukai.

There has also been a marked increase in communications activity with our proactive use of social media, an increase in the number of editions of Te Hookioi coupled with the magazine's revamp, and the launch of our refreshed website.

Te Arataura is committed to maintaining lines of communication to ensure our decisions reflect the will of the people.

## HE WHAKAKITENGA LOOKING AHEAD

Among the priorities ahead are finalisation of the governance and representation review, diversification of our investment portfolio, settlement of our relativity dispute with the Crown, progress of outstanding claims, launch of a home ownership and savings scheme, extension of the education scholarships policy, and an array of social development initiatives. We will continue to support our people in a range of ways; we will continue to support our kaumaatua and rangatahi alike.

Within the next financial year we will also hold triennial elections for both Te Kauhanganui and Te Arataura. These elections are opportunities for tribal members to participate in governance and to have a say. This is democracy in action and I encourage you to get involved with your marae and to vote.

## NGAA MIHI ACKNOWLEDGEMENTS

A mark of our success is in the quality of our relationships, whether those are at the iwi, local and central government, business, or community levels. This year we have worked to strengthen existing relationships and to create new sustainable partnerships to ensure mutual benefits to both parties. Social development initiatives with Crown entities, internships with business, education programmes with tertiary providers, and environmental projects with funding agencies all contribute to achieving the goals we have for our people. I acknowledge and thank our partners.

I humbly acknowledge Kiingi Tuheitia and the loyalty and commitment of the members of Te Kauhanganui who continue to strive for tribal prosperity.

And finally, I acknowledge the contribution of my fellow executive committee members, directors of Tainui Group Holdings, trustees of the Waikato-Tainui College for Research and Development, the members of Te Ope Koiora, and all management and staff throughout the Group. Each of us is privileged to be directly involved in the development and success of Waikato-Tainui.

*Takahia atu raa te ara ihirangi i para  
e ngaa tuupuna i te waa i a raatou.  
E tuu toou wae ki te huarahi oranga e horapaa  
nei i te aroaro o te Iwi  
Waihotia mai ko te huarahi rauora  
ki ngaa whakatupuranga  
Kaupapatia te kaupapa, haere ake nei, haere ake nei*



Rahui Papa

Chairman, Te Arataura o Waikato-Tainui



# AN OPPORTUNITY TOO GOOD TO PASS UP



TAANE NGAKETE  
Cadet, Aurecon

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Taane Ngakete is keen to make his mark on the field of engineering and with our recent partnership with Aurecon New Zealand Limited we're helping him get there.

In 2013, Waikato-Tainui joined with Aurecon to support the career development of rangatahi in the construction and infrastructure sectors through a paid, two-year cadetship programme. Taane, 18, is one of two rangatahi taking part.

"The opportunity to do a cadetship was an opportunity too good to pass up," says Taane, of Ngaati Hine and Ngaati Pou. "I'm interested in becoming a drafter or mechanical engineer and what I've been learning so far has been really beneficial."

Based in Hamilton, Taane has been learning about 2D and 3D blueprint drawing, an essential skill for budding drafters. "As a drafter your role is to come up with solutions and following or interpreting designs made by the engineer."

He says our cadetship has given him the opportunity to meet with people in the industry that he otherwise wouldn't have met. "I've been sent to Christchurch to meet and work with other drafters as I'm the only one in Hamilton and I also went to Wellington to take part in Aurecon's Emerging Professionals Programme."

Now halfway through his first year, Taane's enthusiasm is still strong.

"I'm really enjoying it. You get a lot of support and I'm learning heaps.

After my cadetship I can definitely see myself continuing to work in the engineering industry."

Bobby Mahara of Ngaati Te Wehi is our other cadet. He is based in Aurecon's Auckland office.



# TAA TE TUMU WHAKARAE O WAIKATO-TAINUI

WAIKATO-TAINUI TE KAUHANGANUI  
INCORPORATED CEO'S REPORT

It is an honour to be working for an organisation with an empowering mission inspired by Te Puea Herangi of "*Kia tupu, kia hua, kia puawai*" – *to grow, to prosper, to sustain*. While simple, these words challenge us to deliver social, cultural, environmental and economic outcomes that will improve the wellbeing of our people.

Whakatupuranga 2050 remains the overarching strategic blueprint for our tribal organisation. It is the task and responsibility of management and staff to make it meaningful and real for the people whom we work for, and on behalf of.

Over the 2013-2014 year, we have continued to steadily build on the strategic framework that has taken a set of high level goals from Whakatupuranga 2050 to specific deliverables. Much of the work requires a dedicated focus on empowering our people to succeed, thought leadership and quality service. It also requires we have strong working relationships with both tribal and external stakeholders so that our drive to build capacity is supported at all levels. In these areas alone, positive progress continues to be made as highlighted in this year's Annual Report through the Chairs of Te Kauhanganui and Te Arataura overviews and through the entity reports.

While pleased with the achievement of a number of key milestones including the completion of our Iwi Environmental Management Plan – Tai Tumu, Tai Pari Tai Ao and the Pai Marire resource, the successful Waikato-Tainui Rangatahi Summit and the Waikato-Tainui Games, the

events associated with Nga Pae Maumahara, the critical work that has been initiated to improve our tribal structure and the development of a tribal investment framework going forward, I am particularly proud of our commitment to better inform and consult our tribal members on a range of kaupapa.

The launch of our Facebook Page – Ko Waikato Te Awa, Ko Waikato Te Iwi, increased editions of Te Hookioi, our revamped website and face-to-face hui are testament to the approach Te Kauhanganui and Te Arataura expect of an engaged and attuned tribal organisation. This concerted effort will continue.

We are also an organisation that is fully committed to the tongikura by Kiingi Taawhiao "*Ki te kotahi te kaakaho ka whati, ki te kaapuia, e kore e whati*" – *when reeds stand alone, they are vulnerable, but bound together they are unbreakable*". Our organisational mantra of 'One team, One direction' is a modern expression which in the simple words of one of my colleagues is about 'united we stand, divided we fall'.

On this note, my sincere appreciation goes to management and staff from the Waikato Raupatu Lands Trust, Waikato Raupatu River Trust, Tainui Group Holdings and the Waikato-Tainui College for Research and Development for their unwavering dedication and commitment. Last but not least, we remain grateful for the ongoing support and guidance of Kiingi Tuheitia, Te Kauhanganui and Te Arataura.

*Pai marire ki a koutou katoa.*

*E te Iwi*

*Kia hora te marino*

*Kia whakapapapounamu te moana*

*Kia tere te kaarohirohi i mua i too huarahi*

*May the calm be widespread*

*May the ocean glisten as greenstone*

*May the shimmer of light*

*Ever dance across your pathway*



**Parekawhia McLean**  
Chief Executive Officer

## WAIKATO RAUPATU LANDS TRUST

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# NURTURING THE POTENTIAL OF WAIKATO-TAINUI IS AT THE HEART OF WHAKATUPURANGA 2050 AND THIS POTENTIAL IS THE DRIVING FORCE BEHIND ALL OUR EFFORTS.

THE WAIKATO RAUPATU LANDS TRUST IS COMMITTED TO BUILDING THE CAPACITY OF THE TRIBE THROUGH INITIATIVES THAT SUPPORT EDUCATIONAL ACHIEVEMENT, EMPLOYMENT OPPORTUNITIES, HEALTH AND WELLBEING, MARAE DEVELOPMENT, AND OVERALL TRIBAL IDENTITY AND CULTURAL INTEGRITY.

### EDUCATION

#### Early Childhood

Waikato-Tainui is involved in a number of initiatives which support tamariki and their whaanau in early childhood education. In October 2013, Waikato-Tainui, alongside the Ministry of Education and Te Puni Kōkiri, launched Poukai Pēpi. The Poukai Pēpi programme promotes the value of early learning and encourages our parents to give their tamariki a strong start through quality early childhood education.

Waikato-Tainui has also started work on establishing a puna reo (early childhood centre) in Manurewa, Auckland. Manurewa has been identified as an area where a high proportion of our tamariki are not participating in early childhood education. Working closely with whaanau from Manurewa Marae, the puna reo aims to boost access to early childhood education for our tamariki and their whaanau.

Construction of the puna reo is expected to be completed in October and be fully operational by January 2015. The puna reo will be a modern, Maaori teaching facility for approximately 65 children aged up to five years.

#### Secondary

Waikato-Tainui, together with Te Puni Kōkiri, launched Steps to Success – a kit of interactive and practical education resources for rangatahi and their whaanau. The resource kit was developed with input from tribal members and complements the tribe's efforts in encouraging and supporting our whaanau to succeed in education and beyond.

#### Tertiary

The distribution of education grants and scholarships aim to boost the qualifications and skill levels of our iwi. In 2013, Waikato-Tainui redefined its education strategy to support the completion of qualifications and development of skills required to meet the needs of in-demand industries and sectors.



This focus resulted in more than \$0.9 million of tertiary education grants and scholarships being awarded, giving 688 tribal members a financial boost towards their tertiary studies. The majority of recipients are studying at undergraduate level while 116 are completing masters degrees or higher.

Priority was given to those studying in the areas of health and medical science, engineering, business management, early childhood education and environmental science. Supporting educational achievement in maatauranga Maaori and Te Reo Maaori education is also a key area of focus for Waikato-Tainui so \$0.1 million was distributed to tribal members studying specifically in this area.

## EMPLOYMENT AND TRAINING

### Apprenticeships

Three placements were offered to Waikato-Tainui rangatahi to take part in the Electricity Supply Apprentice Programme, delivered by Mighty River Power and Contact Energy. The three year programme offers two specialisations, mechanical or electrical engineering, and is designed to prepare rangatahi for a successful career in the electricity supply industry as an electrician, fitter or operator.

### Cadetships

Waikato-Tainui is committed to creating and fostering sustainable employment opportunities. This commitment has resulted in partnerships with engineering specialists, Aurecon New Zealand Limited, and world-leading seafood supplier, Sealord.

From these partnerships two cadet programmes aimed at rangatahi have been established. Both programmes fully equip and prepare them for a career in the relevant industry and upon successful completion of the programme also offer the opportunity of full-time employment.

### Taster Courses

In association with ESITO (Electrical Supply Industry Training Organisation), Waikato-Tainui offers an annual five-day taster course for secondary school students. Held at Hopuhopu, the taster course provides rangatahi with the opportunity to find out about the wide range of exciting and varied careers involved in making, distributing and selling electricity to homes and businesses around the country.

## HEALTH AND WELLBEING

### Tamariki Ora

Waikato-Tainui is working with Child, Youth and Family to help reduce the number of tamariki in state care. Both organisations are developing a plan that will be based on finding local solutions for local tamariki and ensure the best possible care and protection is achieved.

### Waikato-Tainui Games

Held every two years, the Waikato-Tainui Games is by far the tribe's largest and most popular event. This year's event attracted more than 13,000 competitors and spectators who turned out to support their marae and enhance the kaupapa of kotahitanga, whanaungatanga and Tainuitanga. Turangawaewae Marae was crowned the overall winner with Motakotako and Tokanganui-a-noho Marae being placed second equal.



Power pulling at 2014 Waikato-Tainui games.

### Whaanau Ora – Te Ope Koiora o Waikato-Tainui

In its second year of Programme of Action – Te Ope Koiora o Waikato-Tainui has strengthened its support for whaanau through advocacy, preparing whaanau plans and linking services and opportunities. The whaanau centred delivery model continues to ensure there are immediate and responsive services and support. Te Ope Koiora continues to focus in identifying those areas where the whaanau need assistance and wherever possible use the skills and expertise within the provider network to address and overcome barriers and succeed.

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## LEADERSHIP DEVELOPMENT

### Waikato-Tainui Rangatahi Summit

He piko, he rangatahi! He piko, he rangatira! acknowledges the talents and expertise of our rangatahi and was the overarching theme of the 2013 Waikato-Tainui Rangatahi Summit. Held over three days, the Summit was an opportunity for rangatahi to come together to engage, learn and share knowledge and experiences to strengthen their connection to the iwi.

### Rangatahi Leadership Camps

Waikato-Tainui rangatahi were given the opportunity to take part in a pilot leadership programme aboard waka hourua, Haunui. More than 40 rangatahi took part in the programme designed to develop the capacity of Tainui leadership by teaching rangatahi about voyaging and the journey made by the Tainui Waka on its migration from Hawaiki to Aotearoa. Five of the rangatahi also spent seven days out at sea on board Haunui as it sailed from Auckland to Kaawhia.



The waka Haunui about to enter Kawhia harbour.





Koroneihana 2013.

### Reo and Tikanga

Enhancing tribal member knowledge and understanding of Pai Maarie was the motivation behind the completion of a tribal resource kit. Produced for all Waikato raupatu marae, the kit informs tribal members about the history and intricacies of Pai Maarie to ensure its survival well into the future.

### Pai Maarie Waananga

To encourage the dissemination of tribal knowledge a series of Pai Maarie Waananga have been held at various marae. The purpose of these waananga is to promote and inform our tribal members about the significance of Pai Maarie so its history is maintained for current and future generations.

### MANA MARAE

Protecting the future of Waikato-Tainui is a key focus of Whakatupuranga 2050 and this focus is evident in what we offer.

### Marae

Waikato-Tainui marae are the lifeblood of our iwi and so their care and maintenance is essential. In 2014, \$1 million was distributed to marae as part of their annual dividend which further supports marae development and sustainability. Waikato-Tainui also allocated \$0.2 million for marae facilities funds, a fund available to marae for development and improvement projects. Hopuhopu Site Maintenance team also provides support offering marquees and tents to marae for poukai.

### Poukai

Poukai, which was established by Kiingi Tawhiao the second Maaori King, is a significant event for many Waikato-Tainui marae. To assist marae who hold poukai events and activities every year, a poukai grant is now being offered. The aim of the grant is to help relieve pressure some marae may face.

### MANA MAAORI MOTUHAKE

#### Koroneihana

The Koroneihana is a call for people throughout the world to gather and discuss important local, national and international issues. It is an open invitation to join and to celebrate the unique and important customs and traditions of Kiingitanga and Maaori. In the past many world leaders have attended the Koroneihana such as Queen Elizabeth II and the late Nelson Mandela. Thousands of people gather at Turangawaewae Marae to take part in this cultural and sporting festival. The event allows Waikato-Tainui to display tribal unity and pride, and exercise the principles of manaakitanga (caring), mahitahi (collaboration) and aroha (love).



Koroneihana and the launch of the tribal environment plan.

#### Turangawaewae Regatta

Celebrating its 119th year, the Turangawaewae Regatta is a key fixture on the tribal events calendar and we are proud to be regular supporters of the event. The Turangawaewae Regatta, which features traditional waka kopapa and a full ceremonial parade of waka taua, supports the preservation of tribal customs and traditions.





Ngaa Pae Maumahara - Rangiriri.

#### Ngaa Pae Maumahara

A series of events were held to commemorate 150 years since the Waikato Land Wars. The events, which began in July 2013, drew thousands of people and were held at various battle sites including Mangataawhiri, Rangiriri, Waiari, Rangiaowhia and Ooraakau. The Waikato Wars caused mass devastation and the raupatu of millions of acres of tribal land and these commemoration events served as a way to highlight our history and its relevance to all New Zealanders.

#### Pou Tuupuna and Koru Design

In December 2013 the 12.3km Ngaaruawahia section of the Waikato Expressway opened to the public. Waikato-Tainui and New Zealand Transport Authority collaborated on two design aspects of a newly constructed bridge - Te Rehu o Waikato. Input from Waikato-Tainui was led by master carver Inia Te Wiata. Four pou were carved and positioned on the corners of the bridge and refer to tuupuna from hapuu in the surrounding area. The concrete supporting arches under the bridge were cast with a unique koru pattern representing the migration of tuna, which long ago travelled across the land in this area of the Waikato River. It was considered appropriate to symbolise the tuna migration with a unique tuna koru design in a contemporary construction context.



One of the four Pou at Te Rehu o Waikato bridge.

### The closing of the Tainui Waka Exhibition at Te Papa Museum

A ceremony to close the Tai timu, Tai pari, Tainui: Journey of a People exhibition at Te Papa was conducted on 2 March 2014 with Kiingi Tuheitia in attendance. The exhibition developed in conjunction with the five iwi of the Tainui Waka Alliance: Hauraki, Ngaati Maniapoto, Ngaati Raukawa, Te Kawerau-a-Maki and Waikato recounted the journey and people of the Tainui waka from East Polynesia to present day Aotearoa. Visitors to the museum young, old, locally and from around the world were able to hear the stories of Tainui people and see the ancient taonga (cultural treasures). Once the exhibition closed all taonga were returned and now reside with their respective iwi.

### MANA KAUPAPA

Strengthening our bonds as a people and encouraging the growth of Waikato-Tainui is reinforced by Whakatupuranga 2050.

### Governance and Representation Structure Review

Since the raupatu settlement in 1995 Waikato-Tainui has amassed an asset base that offers the potential for tribal members to achieve prosperity and success. Capitalising on that asset base requires a structure that enables greater leadership, stability, decision-making, communication and accountability. Research and consultation during the reporting period has identified two model options, which are expected to be put to tribal vote in the next financial year.

### Hopuhopu Redevelopment

Over the next decade, Waikato-Tainui will be redeveloping facilities at Hopuhopu with the intent of establishing a multipurpose facility that serves the needs of the people. Hopuhopu is a significant site for Waikato-Tainui and work to create a 'tribal hub' is underway. Demolition and removal of buildings started in 2014 and repairs to the Te Kauhanganui Debating Chambers are expected to be completed by August 2014.



Artist's impression of the proposed new Hopuhopu entrance design.

### Communication

Waikato-Tainui has begun implementing its communications strategy which aims to boost engagement with tribal members. In the past year we launched our tribal Facebook page, *Ko Waikato te awa*, *Ko Waikato te iwi*, and also refreshed the organisation's website. To date, the tribal Facebook page has 3,695 'Likes'. Tribal magazine *Te Hookioi* has also undergone a transformation and now features *Te Reo Taiohi o Waikato-Tainui* – a section dedicated to all things rangatahi.

***Strengthening our bonds  
as a people and encouraging  
the growth of Waikato-  
Tainui is reinforced by  
Whakatupuranga 2050.***

# THEY INSPIRED ME TO KEEP MY DREAMS ALIVE



TAMOKO ORMSBY

Beca Consultancy, Hamilton Internship

Tamoko Ormsby was in his first year of studies when he thought about building "some kind" of energy generating device for marae. That was four years ago and it was a dream he came close to realising recently when he was judged along with his classmates, on a project they completed as part of his Bachelor of Engineering course at the University of Auckland.

"We got to build miniature wind turbines which we then had to present to a panel. And you know what, we actually generated real energy. My group placed third overall. Making the real thing and seeing it work on an actual marae... well, that would be something."

Tamoko was one of 15 rangatahi who received a scholarship or internship last year through the Waikato Raupatu River Trust programme. Over the summer he was placed with Hamilton-based consultancy Beca so he could get an insight into his field of study in practice.

"I learnt so much from the guys at Beca and they inspired me to keep my dream alive and do as well as I can with my studies. I made some great networks and maybe one day they'll help me build the real thing."

2014 Waikato Raupatu River Trust scholarships and internships listed on page 28.



## WAIKATO RAUPATU RIVER TRUST

WITH A STRONG FOCUS ON THE TRIBE'S MISSION STATEMENT KIA TUPU, KIA HUA, KIA PUAWAI, THIS AND SUCCESSIVE YEARS IS ABOUT DELIVERING ON THE MECHANISMS NEGOTIATED IN OUR RIVER SETTLEMENT.

We've created an ambition founded upon the tribal philosophy he piko he taniwha which we have applied the meaning – at every bend our people. Through growing and supporting ground initiatives, our whaanau are empowered to care for 'their place'.

Over the last reporting period, we've achieved this through delivering Te Tira Hoe, the tribal nursery, business and funding workshops, Taupiri Maunga restoration, river bylaws, and certification of 18 environmental commissioners. In August we launched the tribe's Environmental Plan Tai Tumu Tai Pari Tai Ao – a river settlement provision that will support our people in their respective communities. We also completed initial phases to progress whitebait restoration, the Report Card – a river cultural health index, and river island restoration.

Through all of these priorities we've been able to provide employment and training opportunities. We acknowledge that without the support of our people, any progress would be short term.

We are heartened by the number of rangatahi now training in key areas that align with the mahi of the tribe. We will continue to promote and encourage pathways and opportunities that nurture and inspire our rangatahi into our roles.

A great quote this year was from Nanny Mere Davis who said, "we have to keep the rewena bug alive". If you associate this with succession planning, if we do it right then one rewena bug will produce limitless gifts for our people.



Julian Williams  
Acting General Manager

Taipu Paki  
Acting General Manager

## TE TIRA HOE O WAIKATO — HONOURING OUR ANCESTRAL RIVER

Hosted every two years, Te Tira Hoe is an opportunity for tribal members to journey on the Waikato River to learn history and participate in a range of hands-on experiences aimed at enhancing the relationship our people have with their ancestral awa.

In April last year, around 60 tribal members young and old, travelled the length of the Waikato River — 125kms by river and 300kms by road.

The journey commenced at the river's source Waikato Iti under the canopy of Mount Ruapehu, and concluded at Port Waikato where the river flows into the Tasman Sea.

The tira hoe included three marae stays with historical koorero at significant stops along the way. The roopu were hosted by:

- Ngaati Rangī at Mount Ruapehu;
- Tuuwharetoa at Motuoapa Bay near Turangi;
- Ngaati Tahu Ngaati Whaoa overnight at Te Ohaaki Marae in Reporoa for Kai hakari at Orakei Koorako;
- Ngaati Korooki Kahukura at the Karaapiro Domain;
- Ngaa Whaanau o Turangawaewae Marae overnight in Ngaaruawaahia;
- Ngaa Whaanau o Waahi Paa;
- Ngaa Whaanau o Rangiriri Paa and battle site;
- Ngaa Whaanau o Ngaa Tai E Rua Marae overnight in Tuakau;
- Ngaa Whaanau o Te Puuaha o Waikato at the Elbow at Aka Aka; and
- Ngaa Whaanau o Te Puuaha o Waikato at Maraetai Bay.



Te Tira Hoe O Waikato 2013.

**Te Tira Hoe is an opportunity for tribal members to journey on the Waikato River to learn history and participate in a range of hands-on experiences.**



Seventeen-year-old **Te Amorangi Flavell-Heremaia** is in her final year at Waikato Diocesan School for Girls, and has been supporting her mum Donna to host tira hoe since she was 13. An avid waka ama enthusiast and regional representative, 'Amo' says Te Tira Hoe o Waikato is "a mean way to get our people onto the awa".

"Paddling is one of my favourite things to do. The tira hoe should be available to Waikato schools as a camp option. I think heaps of kids would like to do something like this and learn about why our awa is so important."



*"I think heaps of kids would like to learn about why our awa is so important."*

Te Amorangi Flavell-Heremaia.



## WAIKATO RIVER FISHERIES – NEW BYLAWS BY MAAORI, FIRST OF THEIR KIND

Fisheries in the lower Waikato River catchment are now co-managed by Waikato-Tainui and the Crown under regulations introduced in 2011.

As part of a new era of co-management, the groundbreaking approach includes six recently established bylaws that focus on sustainable fishing practices, support for native eel migration, and recognition of traditional management practices.

A collaborative effort between Waikato-Tainui, the commercial eel sector, and the wider community, the bylaws came into effect in early April and apply only to the Waikato-Tainui Fisheries Area. This area covers the Waikato River, its lakes and its tributaries from Port Waikato to Karaapiro, and part of the Waipaa River from its junction with the Waikato River at Ngaaruawaahia, to Puuniu Stream.

Appointed in 2012 as a Waikato-Tainui Fisheries Kaitiaki, Matthew Brown is one of 18 tribal members who can issue authorisations for customary food gathering purposes within the Waikato River Fisheries Area. He says if we want to see sustainable fisheries return to our waters, regulations and bylaws are necessary.

"The bylaws released this year place restrictions mostly on commercial fishers. It goes some way to help replenish numbers but I'd also like to see restrictions placed on recreational fishers particularly to protect our elvers and glass eels. This type of mahi is done for the benefit of everyone."

***As river communities,  
we need to take responsibility  
and support efforts to sustain and  
restore our fisheries, not look to the  
tribe to do it all for us.***

## WAIKATO-TAINUI FISHERIES KAITIAKI

Clifford Moana, Horahora Marae  
Edward Kingi, Horahora Marae  
Taipu Paki, Kaitumutumu Marae  
Carlson Wirihana, Maungatautari Marae  
David Taka, Maungatautari Marae  
Matthew Timi Brown, Maurea Marae  
Te Ewe Herangi, Ngaa Tai E Rua Marae  
Sharon Thompson, Ooraeroa Marae  
Jack Te Aho Minhinick, Rereteewhio Marae  
William Tipene, Taniwha Marae  
Wayne Harris, Tauhei Marae  
Tukukino George, Taupiri Marae  
Thomas Taua, Tauranganui Marae  
George Katipa, Te Awamaarahi Marae  
Paki Peters, Te Kotahitanga Marae  
Robert Clarke, Te Kotahitanga Marae  
Te Ariki John Pihama, Te Papaorotu Marae  
Charles Haggie, Turangawaewae Marae

## TAI TUMU TAI PARI TAI AO – OUR PLAN, OUR ENVIRONMENT, OUR FUTURE

In 1863 the Crown confiscated over 1.2 million acres of Waikato-Tainui land and resources spanning from Taamaki Makaurau, through the Waikato Valley to north of the Mokau River.

This confiscation resulted in the Waikato Land Wars and led to significant loss of life and property, crippling the welfare, economy, and development of Waikato-Tainui.

Launched at Koroneihana last year, *Tai Tumu Tai Pari Tai Ao* is the tribe's environmental planning document.

The vision of the plan is taken from a maimai aroha of the second Maaori King, Taawhiao, where he laments with a heavy heart his longing for and adoration of the natural resources of his homeland. An extract from the lament is included on the inside cover of this year's Annual Report.

The maimai aroha of Kiingi Taawhiao is the key driver and indicator of environmental health and wellbeing of the *Tai Tumu Tai Pari Tai Ao* plan.



## 2014 WAIKATO RAUPATU RIVER TRUST SCHOLARSHIP RECIPIENTS AND INTERNS

Waikato Raupatu River Trust scholarships and internships are intended to support participants in their chosen areas of study, or to give them an insight into study and development pathways, that lead to careers that contribute to the work of the tribe.

- Beca Consultancy, Hamilton Internship – Tamoko Ormsby, Maungatapu, Turangawaewae, and Te Tokanganui-a-Noho Marae
- Beca Consultancy, Christchurch Internship – Christine Morehu, Turangawaewae Marae
- Mighty River Power Internship – Sjaak Verstappen, Turangawaewae Marae
- Ministry for Culture & Heritage Internship – Rhea Waretini, Te Tokanganui a noho Marae
- Waikato DHB Population Health Internship – Kendal Evitts, Poihaakena Marae
- Waikato Regional Council Internship – Macky Horotini, Te Tihi o Moerangi Marae
- Waikato-Tainui College Research Internship – Sada Charlie, Taupiri Marae
- WRRRT Claims Team Internship – Te Tuanui Paki, Kaitumutumu Marae
- WRRRT Conservation & Strategy Internship – Jaedyn Falwasser, Taniwha Marae
- WRRRT Engineering Scholarship – Janei Leota, Horahora Marae
- WRRRT Environment Team Internship – Te Puia Wirihana, Maungatautari Marae
- WRRRT/Niwa Whitebait Restoration internship – Rimutere Wharakura, Turangawaewae Marae
- WRRRT Rangatahi Internship – Hinerangi Mahara, Ookapu Marae
- WRRRT Wetland Cultural Indicator Internship – Yvonne Taura, Kai-a-te-Mata and Rukumoana Marae
- WRRRT Wetland Research Scholarship – Parani Hopa, Tauhei Marae

***Waikato-Tainui aspires to the restoration of the environment to the state that Kiingi Taawhiao observed when he composed his 'maimai aroha.'***

## TRIBAL NURSERY — SUPPORTING WIDER TRIBAL INITIATIVES

For Nursery Manager Miriama Turner or 'Tilly' as she is affectionately known, the last six months have been a busy time for the facility which only commenced activities in April last year.

"This last reporting period was supposed to be an opportunity for us to set ourselves up. We weren't expected to be fully operational until year two. But, the stars aligned and we found ourselves fulfilling a whole host of unanticipated demands."

The closure of a native nursery in Miranda saw more than 80,000 plants transported to the Hopuhopu facility with the help of Tilly's whaanau, tribal staff and volunteers from marae and surrounding communities.

Whilst it was totally unexpected, Tilly says management has been given a real insight into just how valuable the nursery is to the tribe in terms of its capacity to support wider initiatives.

"Even before we received the plants from Miranda, we were already supplying plants to tribal projects including Matariki celebrations and restoration activities along the Waikato River. More recently we've been able to meet demands for marae-based programmes and Taupiri Maunga priorities. My real passion is providing a facility that encourages training and development opportunities for our rangatahi and also marae people who are keen to pursue a career in this industry – somewhat like an outdoor classroom. The kids love it here and with a bit more infrastructure in place, we'll be able to receive more participants and on a more frequent basis."

River Trust Business Analyst Ashleigh Turner says the priority is to make sure that the nursery is able to sustain its own operational costs so it can focus on supporting wider tribal initiatives rather than concern itself entirely with "spinning a profit so it can exist".

"The nursery concept came about as a result of the river settlement and it was intended to support river initiatives," said Ashleigh. "So we are working hard to make sure that we are taking opportunities that support the nursery to contribute to other projects. It has been a busy time and the potential is exciting. I congratulate Tilly, her husband Barm and their whaanau for what they have been able to achieve in just a short timeframe. It's been amazing to watch this operation progress from the concept phase."



Miriam 'Tilly' Turner oversees volunteers at work.

## TAUPIRI MAUNGA RESTORATION PROJECT — WORKS IN PROGRESS

Works to support the stabilisation of 'at risk' subsidence areas on Taupiri Maunga commenced over this reporting period including the erection of retaining walls east and west of the kuao, and near the main entrance of the urupaa. Other initiatives undertaken are grave digging waananga, rubbish clearance and planting projects to manage topsoil erosion in areas where ponding of water occurs, and also where burials are not appropriate.

Engineering and infrastructure experts, Beca, have undertaken three stages of geotechnical research to provide proposals to fully stabilise soils. The total cost is estimated at \$7 million and \$12 million.

In this reporting period hui also commenced with landowners of properties adjacent to the maunga, to consider proposals to extend urupaa boundaries as alternative areas for burial.

## MORE WAIKATO-TAINUI ENVIRONMENTAL COMMISSIONERS

A further group of tribal members have become commissioners over this reporting period. Including new and recertified commissioners, the tribe now has 29 registered Environmental Commissioners.

Environmental Commissioners are suitably qualified to advise local authorities, applicants, and other resource users, and to sit on Local Authority Hearings Panels. In the past the necessity of having access to tangata whenua expertise compared to specialists of other disciplines, has not been considered a priority. This is the second year the tribe has resourced and supported the training of tribal members to ensure there is a team of qualified commissioners available to provide technical advice and make good decisions on environmental and resource management matters within the region.

Maree Pene, Hukanui Marae  
 Lorraine Dixon, Kaitumutumu Marae  
 Maxine Moana-Tuwahangi, Mookai Kainga Marae  
 Tahi Rangiawha, Mootakotako Marae  
 Makere Rika-Heke, Ngaa Hau E Whaa Marae  
 Malibu (Michael) Hamilton, Ookapu Marae  
 Angeline Greensill, Poihaakena Marae  
 Linda Te Aho, Poohara Marae  
 Tipene (Stephen) Wilson, Poohara Marae  
 Ashleigh Turner, Puurekireki Marae  
 Haupai Puke, Puurekireki Marae  
 Lee Tane, Rakaunui Marae  
 Marshall Tuhakaraina, Raungaiti Marae  
 Hinemoa Dixon, Rukumoana Marae  
 John Te Maru, Rukumoana Marae  
 Jackie Colliar, Taniwha Marae  
 Wayne Harris, Tauhei Marae  
 Donald Turner, Taupiri Marae  
 Erina Watene, Te Papaorotu Marae  
 James Whetu, Te Papaorotu Marae  
 Terina Rakena, Te Kaharoa Marae  
 Michelle Ormsby, Tokanganui a Noho Marae  
 Mamae Takerei, Tikirahi Marae  
 Jodi Bell-Wymer, Turangawaewae Marae  
 Marae Tukere, Turangawaewae Marae  
 Marama Muru-Lanning, Turangawaewae Marae  
 Nicholas Manukau, Waahi Paa  
 Timothy Manukau, Waahi Paa  
 Julian Williams, Waiti Marae

# TO BE SUCCESSFUL WE SHOULD ALWAYS SEEK CONTINUOUS IMPROVEMENT

## TRACEY HOOK

Group Accountant, Tainui Group Holdings.

Tracey Hook is the Group Accountant of TGH.

Like many Maaori women Tracey's preference has been to stand in the background and just get on with the job. "I have always felt whakamaa (shy) about showcasing myself or my achievements."

However, Tracey is one of just a few Maaori women who are fully qualified chartered accountants, with Maaori representing less than 2% of the membership at the New Zealand Institute of Chartered Accountants (NZICA) and Maaori women less than 1%. She has been an accountant for 16 years and worked for the tribe since 2002. She is a member of the Audit and Risk Committee for her iwi Ngaati Apa, and previously was an executive member of Ngaa Kaitatau Maaori o Aotearoa – the National Maori Accountants Network.

"During my career there have been many changes of direction, roles and responsibilities." She believes to be successful we should always seek continuous improvement of not only ourselves but also the work we do, "become part of the solution and not the problem." Her advice to young Maaori is: "Consider accounting as a profession. We do need more Maaori in our industry."

A career highlight has been overseeing the production of the Tainui Group Holdings annual report, which for the past three years has been a finalist for best corporate annual report at the NZICA Awards.

"I am very proud that TGH had produced an annual report that rated alongside the country's best for the way we reported back to our people and other key stakeholders."

Another highlight was being selected for the year-long Breakthrough Leaders programme run by the Global Women's network. The course is designed for women who are on the verge of breaking into senior management, executive or governance roles. "I have certainly become aware of my leadership capabilities and this course provides me with the confidence to develop further."

"I was raised in a very humble environment which has encouraged me to strive to succeed. These are values that I hope to emulate with my three children." Tracey also enjoys keeping fit, which maintains focus and energy levels.





***The Kawenata framework will define the obligations and roles of both organisations and describe how they will work together and support each other.***

## TAINUI GROUP HOLDINGS



Mike Pohio – Chief Executive Officer

Sir Henry van der Heyden – Chairman

OVER THE PAST YEAR TE ARATAURA AND TAINUI GROUP HOLDINGS (TGH) HAVE ENGAGED TO ACHIEVE GREATER ALIGNMENT BETWEEN THE VISION, MISSION, VALUES AND OBJECTIVES OF WAIKATO-TAINUI AND THOSE OF THE COMPANY.

This has seen joint strategy sessions and regular, scheduled attendance at each other's governance meetings. In addition, a Group Investment Committee has been established which had its inaugural meeting toward the end of the financial year.

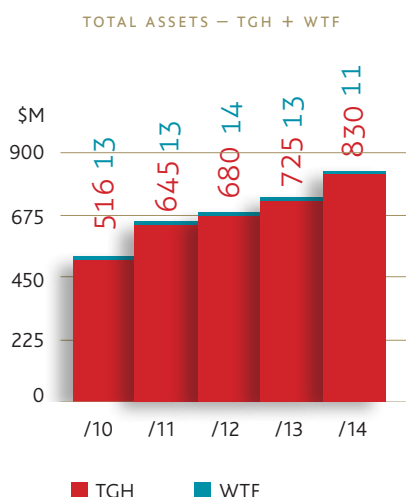
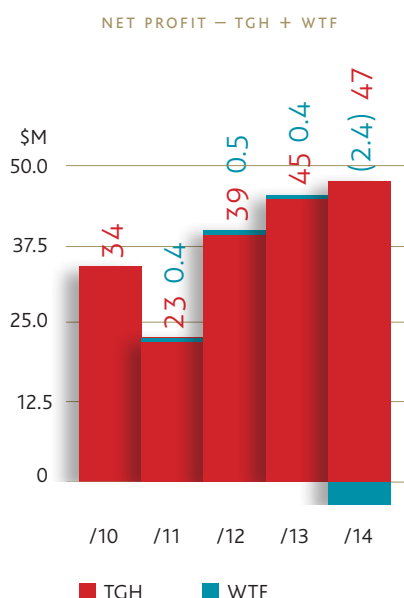
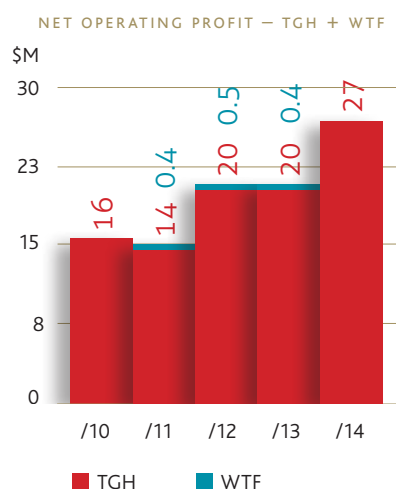
The increased interaction has led to the signing of an overarching Kawenata (Covenant) between Te Arataura and TGH to fully embrace the 'One Team, One Direction' philosophy. It is a framework, defining the obligations and roles of both organisations and describing how they will work together and support each other. There are some shared obligations under the Kawenata

that relate specifically to TGH, such as provisions requiring the company to help meet the wider social needs of tribal members, provided the costs of doing so are explicit.

The next step will be for Te Arataura and TGH to agree the content of a more specific 'Statement of Expectations.' This will set out a joint approach to investment policies and objectives as well as matters deemed to be of tribal significance. It will be reviewed every five years, with the first review coming five years after the adoption of the Kawenata.

These steps are significant. The company has spent the last several years consolidating its commercial position, and the more recent engagement has enabled the Waikato-Tainui group, including TGH to reinvigorate relationships in a very open and transparent way. While work is still required to fully embed the new approach, there is a real determination to do so.





## 2014 FINANCIAL RESULTS

Tainui Group Holdings (TGH) and Waikato-Tainui Fisheries (WTF) made good financial progress over the past year.

The combined net operating profit for the two companies was \$27.0 million, a rise of 30%. This reflected strong growth in income, which increased 27% to \$79.7 million, due to good trading conditions at the Novotel Auckland Airport hotel and recognising additional income from TGH's investment in Hamilton Riverview Hotel (HRH), being the Novotel Tainui and Ibis Tainui, a result of the purchase of shares in this business from Hamilton City Council (HCC).

The net profit for TGH and WTF was \$44.3 million, down 2% from 2013. Net profit is a combination of net operating profit plus unrealised gains or losses, including asset revaluations. Unrealised gains in investment properties this year were not repeated at 2013 levels.

TGH and WTF paid a combined dividend of \$13.9 million this year, a 21% increase. This is a big step up from 2013 (\$11.5 million), and is designed to enable Te Arataura to facilitate tribal objectives for Waikato-Tainui.

The value of total assets at 31 March was \$841 million, up \$103 million from the same time last year. This reflects new assets purchased during the year and unrealised growth in investment property.

The return on shareholder funds was 8%, down from 9% in 2013. Investments made right on balance date diluted this return as did the purchase of HCC shares in HRH for which only five and a half months results have been reported.

Total bank debt (excluding the hotels and Waikato Milking Systems) sits at \$182 million, with approved but unused facilities of \$68 million. Total debt currently represents 27% of total assets. The company's policy is that debt cannot exceed more than 30%.

TAINUI GROUP HOLDINGS  
AND WAIKATO-TAINUI FISHERIES  
FINANCIAL PERFORMANCE SUMMARY

AT A GLANCE

2013 / **2014**

**Net operating profit**  
\$20.8m **\$27.0m**

**Net profit**  
\$45.1m **\$44.3m**

**Revenue growth**  
14% **15%**

**Total Assets**  
\$738m **\$841m**

**Dividend**  
\$11.5m **\$13.9m**

**Return on Shareholders Funds**  
9% **8%**

**Bank debt to total assets**  
25% **27%**

INVESTMENT STRATEGY

In 2014, TGH began to implement the diversified investment strategy it announced last year.

The strategy builds on and gives life to the 'grow, prosper and sustain' mission laid down in the Waikato-Tainui Strategic Plan, Whakatupuranga 2050, and is now encapsulated in the Kawenata. TGH must not only deliver higher dividends in the short term, but as an intergenerational investor it also needs to provide substantial, sustainable returns over the long run.

One key facet of the new strategy is to invest directly in medium to large private businesses that have strong growth potential and good management. A filtering process has been established to evaluate potential investments in suitable sectors and sub-sectors.

A number of potential targets were identified during the year. The first to come to fruition was Waikato Milking Systems (WMS), a specialist dairy systems and technology manufacturer. TGH purchased the company in March 2014 in partnership with Ngāi Tahu Capital and Pioneer Capital. The three institutional investors each hold a third of the equity with senior management holding a minority stake. TGH has a long-standing co-investment agreement with Ngāi Tahu, and the latter has significant dairy investments. With Pioneer, TGH is already an investor in their two funds along with others such as the Guardians of New Zealand Superannuation.

Based in Hamilton, with 120 staff, WMS has developed a range of innovative products, including composite rotary platforms and a range of sensing technologies, and it now exports to more than 30 countries.

The investment is a significant one for TGH. It has relevant primary sector expertise through its management of Waikato-Tainui farms and in the skills of its Board and management team. It also brings its experience in governance to complement the make-up of the WMS Board.

WMS HAS DEVELOPED A RANGE OF INNOVATIVE PRODUCTS...

# THE INVESTMENT IS A SIGNIFICANT ONE FOR TGH.

Rotary plant produced by Waikato Milking Systems.



In April 2014, TGH purchased 5.4 million shares in Genesis Energy when the Government sold down 49% of its stake in the company. The holding satisfied TGH's requirement for liquidity, and in-depth analysis suggested it was a sound commercial investment. Waikato-Tainui has a long history with Genesis as several of the latter's assets are located within the rohe, or tribal area. TGH manages the ground lease on the Huntly power station and the old Meremere power station site.

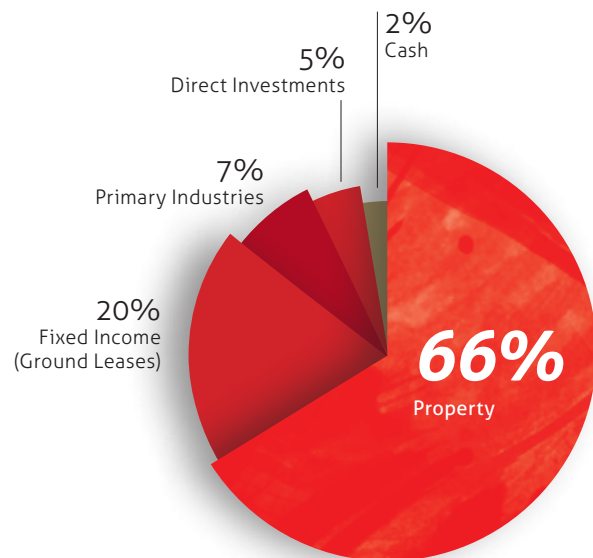


TGH has commenced a review of its existing assets to reflect its revolving strategy. Independent experts were brought in during the year to review the performance of the portfolio. Over the 10 years from 2003 to 2013, they found it had out-performed the NZX 50, the ASX 200, the New Zealand Property Index and the New Zealand Super Fund. However, they did identify the need to further improve returns, reduce concentration risk through diversification, to review the company's capital structure and to optimise its debt strategy.

The next steps, in 2015, will be to finalise a target portfolio, identify the actions needed to achieve it and determine timeframes. The new portfolio will include both active and passive participation in equities as well as fixed income holdings. TGH's \$150 million ground lease portfolio has already been reclassified in the fixed income category.

Consistent with its skill set and experience in the successful Huntington subdivision, a new residential development is underway in Rotokauri. The consenting and development phase has commenced, and 49 sections will come on stream in the new financial year.

#### TGH AND WTF – PORTFOLIO VALUE BY SECTOR



For the remainder of the property portfolio the company will allocate sufficient resources to ensure it performs to the required standards. What will change is that the level of additional spend in this segment will remain subdued in the near term.





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## RUAKURA

The proposed Ruakura development remains the single most important long-term project for TGH in terms of its ability to deliver intergenerational shareholder returns.

Good progress was made in 2013 on the Regional Policy Statement and Hamilton City's Proposed District Plan. However, there was still a significant amount of uncertainty around the timing of the district plan change, especially in the context of the 2019 completion of the Waikato Expressway.

TGH therefore made a decision to lodge an application with the Environmental Protection Agency, along with partners Chedworth Properties, for a Private Plan Change for the proposed Ruakura development. The decision was not taken lightly as the applicants must bear the costs of the process.

The Private Plan Change was accepted for review by the Agency after both it and HCC agreed that it was a project of national significance. The EPA referred the plan change to the Minister for the Environment who in September 2013 appointed a Board of Inquiry to hear the application. At the time of writing the hearing was set down for May 2014, with a decision by the Board expected in September 2014.

TGH and Chedworth Properties have made major investments of time and resources for the hearing, commissioning expert reports on all economic, environmental, social and cultural aspects of the project.

TGH is committed to seeing that the benefits of the Ruakura development are shared by the widest possible cross-section of the community. If the Board of Inquiry approves the plan, and resource consents can be readily obtained for the initial stages, Ruakura will be able to create up to 740 new, permanent jobs within the first five years. Longer term it is expected that Ruakura could provide between 6,000 and 12,000 jobs which would establish Ruakura as a significant employment area for Hamilton and the Waikato region. Importantly, about 75 percent of these jobs would be new to the area.

***It is expected that  
Ruakura could provide  
between 6,000 and 12,000 jobs.***



Ruakura, Hamilton.



## OTHER INVESTMENTS

The focus at The Base and Te AWA during the year was on consolidation of the retail centre's leading position in the wider Waikato region. Particular attention was paid to meeting target customer requirements, improving operational efficiencies and undertaking business continuity planning. Foot traffic and retail spend were higher than the national average. There were successive store openings in the homewares' precinct during the year, and 2015 will see the completion of this development.

In October 2013, TGH acquired HCC's 41% share in HRH, the owner of the Novotel Tainui and Ibis Tainui. As the economy has gradually improved, so has the performance of the hotels. The Novotel Auckland Airport has had a very good year. Accor's team has worked hard to secure additional business in the conferencing sector, and occupancy rates have continued to exceed expectations.

In regard to fishing, the new joint venture with Sealord to manage the tribe's deep-sea quota has seen improved returns, and the relationship with that company continues to strengthen.

TGH has also commenced a review of its agricultural strategy. The company will have a more direct involvement in this area from the 2015 financial year onwards.

## STAFF

To enable the diversification of its portfolio, TGH has recruited additional staff in the investment area. The company also continues to operate a graduate recruitment programme for Waikato-Tainui tertiary students. It has proven to be a very successful and mutually beneficial scheme.

The Board and senior management of the company would like to thank all staff for their contribution in 2014, and their commitment to and passion for the company's mission.

## OUTLOOK

TGH expects trading conditions to remain stable in the coming financial year. The company's focus will remain very much on deepening its relationship with the tribe, accelerating its new investment strategy and progressing with the Ruakura Board of Inquiry.



# A THREAD IN THE TAPESTRY OF WAIKATO- TAINUI



TAHĪ-O-HURĀE TE AO MARAMA RANGIAWHĀ  
Taahuhu Maatauranga Māori graduate

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*Haruru kau ana te Hau-a-uru  
Ngaawha kau ana a Taane Maahuta  
Waahi rua ana ngaa ngaru pukepuke a Tangaroa  
Ko Tangaroa a mua  
Ko Tangaroa a roto  
Ko Tangaroa keokeo he tapuwae tapu  
Tukua mai kia piri  
Tukua mai kia tata  
Tukua mai ki runga i te Kareti o Waikato-Tainui  
Eke panuku  
Eke Tangaroa  
Hara mai te toki  
Haumi e, hui e  
Taiki e*

Tahī-o-Hurāe Te Ao Marama Rangiawha graduated with a Taahuhu Maatauranga Māori (Master in Maatauranga Māori) in 2013 and was pleased to complete his studies having learned more than he had expected to. Three areas of the masters degree stood out in particular.

"I enjoyed learning in the waananga-environment of the College – living and learning with my fellow masters cohort in the beautiful surrounds of the College, appreciating and sharing our different iwi perspectives and experiences of te ao Māori - helped to enrich my studies."

He also found great value in Maatauranga Māori as a tool for learning. "We didn't analyse Maatauranga Māori, we learnt from it which I found refreshing." Tikanga is a key element in the learning – karakia, waerea, mihimihi are all performed before and after class.

"Growing up with the values of the Kiingitanga that were embedded in me by my father and his views of the many tongi of Taawhiao and Te Puea helped me to write up my master's thesis." Tahī states. He is eternally grateful for the teachings that he had and for the sense of belonging that he hold, feeling strongly that he is "but a thread in the tapestry of Waikato-Tainui".

"Whilst my masters was a significant part of my recent appointment to the Pou Tairangahau position (Strategic Iwi Relations and Partnerships Manager) for the Department of Conservation, I know that I have a lot more learning to do so that I can one day return to work for the tribe – mahi ngaa mahi hei painga moo te iwi."

## WAIKATO-TAINUI COLLEGE FOR RESEARCH AND DEVELOPMENT



**John Heremia** – Chairperson

**Dr. Sarah-Jane Tiakiwai** – Academic Director

THIS PAST YEAR HAS ALSO BEEN A BUSY ONE FOR THE COLLEGE, ENDING WITH TWO GRADUATION CELEBRATIONS, THE RELEASE OF AN ONLINE RESOURCE ON THE WAIKATO RIVER AND THE DEVELOPMENT OF A NEW ENVIRONMENTAL LEADERSHIP PROGRAMME FOR RANGATAHI IN COLLABORATION WITH THE WAIKATO RAUPATU RIVER TRUST: TAI TUMU, TAI PARI, TAI AO.

The past 12 months has seen significant progress for the College, most notably with the graduation of our first cohorts of students from the MBA programme (in partnership with the University of Waikato) and the Taahuhu Maatauranga Maaori programme (in partnership with Te Waananga o Raukawa) in November and December

last year. These two occasions were celebrated in front of distinguished guests, tribal members and importantly whaanau, who have played such a huge role in our graduates' success. These graduates now form part of the College's alumni and have already contributed back to the growth of the College – in supporting our new intake of MBA graduates to facilitating on our new environmental leadership programme.

The College was excited to launch the online Waikato River resource: Tooku Awa Koiora. The web-based resource was created in partnership with the Science Learning Hub and with support from the Waikato River Clean Up Trust, the University of Waikato and the Waikato Raupatu River Trust. This is a small but significant piece of work, ensuring alignment with the intent of the Sir Robert Mahuta Endowment Fund and contributing to the College's growing focus in undertaking work pertaining to the Waikato River.

This focus has been further enhanced in the new environmental leadership programme, Tai Tumu Tai Pari Tai Ao.



Working together with the Waikato Raupatu River Trust, the programme began in the first school holidays, drawing together primary and then secondary school students from across the rohe to engage them in the tribe's environmental plan as well as provide opportunities for them to consider further learning around environmental and resource management. A pilot programme this year, it is intended to build a cohort of young leaders who can take this important kaupapa forward into the future.

As we move forward into the next phase of the College's development, we are always mindful of and grateful for the support we receive from our Patron, Kiingi Tuheitia, our trustees Te Kauhanganui and Te Arataura and our relationships across the wider tribal organisation. We are constantly striving to achieve the aspirations outlined in Whakatupuranga 2050 and we remain humbled to serve.

#### A SPECIAL DAY OF CELEBRATION

Whaanau across the motu gathered together with the College and the University of Waikato to celebrate the graduation of the College's inaugural cohort of MBA graduates in November 2013.

In a special day witnessed by College Patron, Kiingi Tuheitia, 19 students who began the programme when it first started at the College in 2011 graduated with their MBA programme, three with distinction.

Graduation marked a milestone in the College's history, bringing it closer to the realisation of Sir Robert's original vision that the College would help develop our future cadre of Maaori leaders, and contribute to establishing a network of scholars not just for Waikato-Tainui but for the motu.

Special guest speaker, Professor Sir Mason Durie emphasised this point and acknowledged that our graduates were well prepared for their futures and encouraged them to consider the ways in which they might give back to their communities. The graduates chose two of their cohort – Brad Totorewa and Yvonne O'Brien – to speak on their behalf about their experiences through the programme.

Since finishing, the College has been fortunate to continue drawing on the cohort, providing support for the 2014 MBA intake as well as promotional and academic activities offered through the College. They have been great exemplars for Maaori educational success and the College has been privileged to have been a part of their journey.

MBA Graduates Tere Gilbert and Titia Graham during the poowhiri.



Te Arawa whaanau provide a haka.



Professor Sir Mason Durie speaking to the graduates and audience.





The screenshot shows the Science Learning Hub website interface. At the top, there's a header with the Science Learning Hub logo and navigation links (Login, Register, Glossary, Help). Below this is a search bar and a navigation menu with tabs for HOME, CONTEXTS, SCIENCE STORIES, NATURE OF SCIENCE, INNOVATION, THINKING TOOLS, NEWS & EVENTS, and MY SCI. The main content area is titled 'Tōku Awa Koiora' and includes a quote from King Tāwhiao: "Tōku awa koiora me ōna pikonga he kura tangihia o te mātāmuri - the river of life, each curve more beautiful than the last." It also features a photo of the Waikato River and text about the Waikato River Deed of Settlement. A sidebar on the left lists various resources like NZ Research, Science Ideas and Concepts, and a Question Bank. At the bottom left, there's a 'Select a Context' dropdown menu.

## DIGITAL RESOURCE DRAWS ON WAIKATO-TAINUI TRADITIONS, HISTORIES AND KNOWLEDGE

The College has created a digital resource which enhances school students' access to tribal knowledge.

The web-based resource ([www.sciencelearn.org](http://www.sciencelearn.org)) was created in partnership with the University of Waikato, which manages the Science Learning Hub (and is funded by the Ministry of Business, Innovation and Employment).

The resource, titled Tooku Awa Koiora, reflects the tribe's connection to the Waikato River and its surrounding environments and features information about the history of raupatu and the Waikato-Tainui settlements, information on tikanga and kaitiakitanga as well as video interviews with tribal members and iwi scientists.

Intended to be a repository of Waikato-Tainui traditions, histories and practices pertaining to the Waikato River, the resource was created primarily to enable and further school

students and their teachers' knowledge and understanding of the river through a multimedia platform. As it is available online, it is seen as a valuable resource for all tribal whaanau who would like access to information about the Waikato River, its history and the tribe's relationship and connection to the river.

The production of Tooku Awa Koiora would not have been possible without funding support from the Waikato River Authority and technical advice and support from the Waikato Raupatu River Trust.



Jaedyn and tamariki.

## COLLEGE DELIVERING PILOT TAI TUMU, TAI PARI, TAI AO LEADERSHIP PROGRAMME

A pilot leadership programme for primary and secondary school students during the 2014 school holidays has been developed and is being delivered by the College and the Waikato Raupatu River Trust.

Tai Tumu, Tai Pari, Tai Ao is the name of the Waikato-Tainui Environmental Plan which was launched by Kiingi Tuheitia to the iwi in August 2013. The vision of the plan is taken from a maimai aroha of the second Maaori King Taawhiao, where he laments with a heavy heart his longing for and adoration of the taonga and natural resources of his homeland.

The maimai aroha of Kiingi Taawhiao is the key driver and indicator of environmental health and wellbeing. Waikato-Tainui aspires to the restoration of the environment to the state that Kiingi Taawhiao observed when he composed his maimai aroha.

The College and the Waikato Raupatu River Trust have developed an environmental leadership programme for rangatahi (between 8 years – 18 years) drawing directly from Tai Tumu, Tai Pari, Tai Ao.

The programme aims to build awareness among our rangatahi of the importance of protecting and restoring the

environment and to stimulate their interest into learning more about resource and environmental management.

The programme is designed to complement the science curriculum already offered in schools and aims to ensure students progress through the programme to build leadership skills to restore and protect their local environment. The programme will be delivered over two days (for primary school students between Year 5 to Year 8) and three days (for secondary school students between Year 9 to Year 13) during the April, July and October school holidays.

### The aims of the programme are:

- To gain a basic understanding of the Waikato-Tainui Environmental Plan;
- To gain a basic understanding of Waikato-Tainui history;
- To inspire students to pursue resource and environmental management as a pathway of learning; and
- To develop leadership potential amongst participants as champions of the Waikato-Tainui Environmental Plan.



Chantelle and Manaia.



Tuhoro and Hinerangi.



## ENDINE DIXON-HARRIS, MBA GRADUATE

Endine made the decision to undertake the MBA programme to achieve a higher level of education for her personal and professional growth. She has worked fulltime within a social service organisation for the past six years and dealing with whaanau who have issues of low or poor education, employment, housing and health also provided the impetus for her to lead by example. Furthermore, the programme delivered at the Waikato-Tainui College of Research and Development also provided a historical connection because her first real job was at Hopuhopu in the early 1990s pre and post Treaty Settlement. "The College facility was also like a home away from home as I was able to seek guidance and support on a daily basis from the Late Sir Robert Mahuta, when challenges were tough. The ability to live on site during our weekends with our cohort enabled a sharing learning environment."

"On reflection, the MBA programme was very intense and at times a pressure cooker to ensure the endless assignments and presentations were completed in a timely manner which, like life, is relentless. However our cohort, lecturers and the College administration support was flawless and much appreciated."

"My advice to aspiring MBA students is that this tohu is worth every cent of personal and professional investment and it is up to you to make sure you go from an ordinary person to an extraordinary person. The MBA is what you make of it!"

Endine is currently working as a Senior Adviser at the Ministry of Education.



# WAIKATO-TAINUI GOVERNANCE



**MAXINE MOANA-TUWHANGAI**  
Chairman – Waikato-Tainui Te Kauhanganui Inc

Confirmed as Chairman of Te Kauhanganui in August 2013, Maxine is a Chartered Accountant, an accredited Environmental Commissioner and a recently confirmed Life Member of the Maori Women's Welfare League. She is a member of both the New Zealand Institute of Chartered Accountants and the Institute of Directors.



**RAHUI PAPA**  
Chairman – Te Arataura o Waikato-Tainui

Rahui was appointed Chairman of Te Arataura in September 2013 and has been a member of Te Kauhanganui since its inception. He has a background in education and is a former Director of Tainui Group Holdings Limited. Rahui is a Kiingitanga spokesperson, linguist and historian.

**Chairman**  
Waikato-Tainui Te Kauhanganui Inc

**Councillor**  
Waikato Institute of Technology  
(Wintec)

**Authority Member**  
Maritime New Zealand

**Trustee**  
Te Aho o Te Kura Pounamu  
(The Correspondence School)

**Director**  
Taharoa Tourism Limited

**Co-Chairman**  
Upper Central Zone of NZRL Inc

**Chairman**  
Te Arataura o Waikato-Tainui

**Co-Chairman**  
Ngaati Koroki Kahukura Trust

**Chairman**  
Kanae Kakariki Trust

**Trustee**  
Tainui Waka Cultural Trust





**SIR JOHN GOULTER**  
KNZM, JP  
Chairman – Ururangi Limited

Appointed Chairman of Ururangi in April 2013, Sir John was NZ Herald Business Leader of the Year (1999), Deloitte/Management Executive of the Year (2002), NBR New Zealander of the Year (2003) and inducted as a laureate into the New Zealand Business Hall of Fame (2003). In 2003 he was appointed a Distinguished Companion of the New Zealand Order of Merit, then redesignated a Knight Companion of the New Zealand Order of Merit in 2009.



**SIR HENRY VAN DER HEYDEN**  
Chairman – Tainui Group Holdings Limited

A founding Director of Fonterra Cooperative Group in September 2002, Sir Henry contributed to dairy industry governance for nearly 20 years both as Director and Chairman.

In 2009, he was honoured with a Distinguished Companion of the New Zealand Order of Merit for his extensive services to agriculture.



**JOHN HEREMIA**  
Chairman – Waikato Endowed Colleges Trust

John is the Tumuaki of Te Wharekura o Raakaumangamanga, the largest kura kaupapa Maaori in New Zealand.

Chairman  
Ururangi Limited

Chairman  
New Zealand Business  
& Parliament Trust

Chairman  
Northland Deepwater GP Ltd

Chairman  
Northland Port Corporation (NZ) Ltd

Chairman  
Northport Ltd

Director  
Opua Commercial Estate Ltd

Director  
Packard House Ltd

Chairman  
Tainui Group Holdings Limited

Chairman  
Auckland International Airport Ltd

Chairman  
Manuka SA Ltd

Director  
Pascaro Investments Limited

Director  
Rabobank New Zealand Limited

Director  
Rabobank Australia Limited

Director  
Foodstuffs North Island

Chairperson  
Waikato-Tainui College for Research  
and Development

# SENIOR MANAGEMENT

*The day-to-day operations of Waikato-Tainui are guided by a team of senior managers who work to bring tribal aspirations to fruition.*

---

POKAIA NEPIA

Waikato Raupatu Lands Trust  
Kaumaatua

MICHELLE NATHAN

Waikato Raupatu Lands Trust  
Group Manager  
- Tribal Development

TAIPU PAKI

Waikato Raupatu River Trust  
Acting General Manager

JULIAN WILLIAMS

Waikato Raupatu River Trust  
Acting General Manager

PAREKAWHIA MCLEAN

Waikato-Tainui  
Te Kauhanganui Inc  
Chief Executive Officer

RITIHA HAMIORA-KAHU

Waikato Raupatu Lands Trust  
Manager – Governance  
and Executive Support

RICK MURU

Waikato Raupatu Lands Trust  
Maintenance Manager  
- Hopuhopu Site



---

SARAH-JANE TIAKIWAI  
Waikato-Tainui College  
for Research and Development  
Academic Director

CHRIS JOBLIN  
Tainui Group Holdings  
Chief Financial Officer

NATHAN YORK  
Tainui Group Holdings  
General Manager  
Property

CRAIG STEPHEN  
Tainui Group Holdings  
Chief Investment Officer

TAMA POTAKA  
Tainui Group Holdings  
General Manager  
Corporate Services

MIKE POHIO  
Tainui Group Holdings  
Chief Executive Officer



# MEETING ATTENDANCE

TE ARARAURA O WAIKATO-TAINUI	MEMBER	BOARD		GROUP AUDIT & RISK		OUTSTANDING CLAIMS		HUMAN RESOURCE		DISTRIBUTIONS	
		ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE
	RAHUI PAPA	11	12	-	-	6	7	3	3	-	-
	TIPA MAHUTA	12	12	4	4	5	7	3	3	-	-
	TOM ROA	9	12	-	-	7	7	2	3	-	-
	HEMI RAU	12	12	-	-	7	7	2	3	12	12
	KINGI PORIMA	10	12	-	-	-	-	4	6	-	-
	RUKUMOANA SCHAAFHAUSEN	12	12	4	4	-	-	1	1	-	-
	SONNY WILSON	10	12	-	-	-	-	-	-	12	12
	MARAE TUKERE	11	12	-	-	-	-	6	6	12	12
	PAKI RAWIRI	8	12	1	4	-	-	-	-	-	-
	HOKI-MAI CHONG	7	8	2	2	-	-	-	-	-	-
	TUKOROIRANGI MORGAN	11	12	-	-	-	-	-	-	-	-
	JOANNA PERRY (BOARD ADVISOR)	-	-	3	4	-	-	-	-	-	-

TAINUI GROUP HOLDINGS	MEMBER	BOARD		AUDIT		REMUNERATION & NOMINATION		INVESTMENT	
		ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE
	SIR HENRY VAN DER HEYDEN	10	11	1	1	2	2	5	5
	MIKE ALLEN	8	11	1	1	2	2	5	5
	MATTHEW COCKRAM	10	11	1	1	2	2	5	5
	HEMI RAU	10	11	1	1	-	-	3	5
	PAKI RAWIRI	6	11	-	1	-	-	-	5
	JOANNA PERRY (BOARD ADVISOR)	10	11	1	1	-	-	4	5

## WAIKATO-TAINUI TE KAUHANGANUI INCORPORATED

AARUKA MARAE	ATTENDED	POSSIBLE
JACKIE TUAUPIKI	0	5
MORRIS TUAUPIKI	2	5
TOM MOKE	1	5
AOTEAROA MARAE	ATTENDED	POSSIBLE
JOHN NAMANA KOPA	2	5
KURAIARANGI KATENE KOPA	3	5
MOTUNAU JOHN KATENE KOPA	3	5
HIIONA MARAE	ATTENDED	POSSIBLE
DONNA LEE KATIPA	3	5
RODNEY WHANGA-KATIPA	3	5
VACANT	0	0
HORAHORA MARAE	ATTENDED	POSSIBLE
CHARLES TUMAI	5	5
DAVE TUMAI	2	2
KAREN MCRAE	5	5
TAIPU ERIC MOANA	1	1
HUKANUI MARAE	ATTENDED	POSSIBLE
KAHU SORENSON	2	5
NGAPARE HOPA	0	1
SONNY WILSON	4	5

KAHOTEA MARAE	ATTENDED	POSSIBLE
DANNY MOANA-WHARENUI	0	5
PETER KAA	5	5
PETULA TE AURIMA	5	5
KAI A TE MATA MARAE	ATTENDED	POSSIBLE
MICHAEL ROSS	4	5
TE AO MARAMA MAAKA	3	5
TE HERENGA WIRIHANA	2	5
KAITIMUTIMU MARAE	ATTENDED	POSSIBLE
HORI AWA	4	5
NORMAN HILL	4	5
RORE PAKI	2	5
MAKAURAU MARAE	ATTENDED	POSSIBLE
ANYA TAHERE	1	4
CHRISTOPHER WHAANGA	1	2
MARYANNE RAPATA TUWHA	0	1
MAKETUU MARAE	ATTENDED	POSSIBLE
KIMBERLEY KING	0	1
MAEA MARSHALL	4	5
SHIRLEY TUTEAO	3	5
WILLIAM KERR	2	2



MANGATANGI MARAE	ATTENDED	POSSIBLE
GINA HOHAIA	1	1
JANET COOPER	3	5
TAMARA TAKA	4	4
WARAHI PAKI	5	5
MANGATOATO MARAE	ATTENDED	POSSIBLE
HARRIET CHASE	5	5
KATHRYN MCCLINTOCK	4	5
GERALDINE MARAKU	4	5
MATAHURU MARAE	ATTENDED	POSSIBLE
LEEANNE WAIRUAITI NIKAU	3	5
TAWERA NIKAU	4	5
TIAMANGU RAKENA	4	5
MAUNGATAUTARI MARAE	ATTENDED	POSSIBLE
KARLENA WIRIHANA	1	1
MARY KARA	5	5
TIM KARA	4	5
MAUREA MARAE	ATTENDED	POSSIBLE
BRAD TOTOREWA	3	5
MAJOR HEREWINI-TAHAPEEHI	5	5
RAYMOND KUMAR	4	5
MOOKAI KAINGA	ATTENDED	POSSIBLE
CLINTON RICKARDS	4	5
GLEN TOOTILL	5	5
MAXINE MOANA-TUWHANGAI	5	5
MOOTAKOTAKO MARAE	ATTENDED	POSSIBLE
CLAUDINE WAITERE	5	5
JACKIE RANGIAWHA	2	5
RANGIWEU ADAM	2	5
NGAA TAI E RUA MARAE	ATTENDED	POSSIBLE
MARANGAI TUPAEA	1	5
ROY THOMPSON	1	5
TE RANGIMARIE KUKUTAI	3	5
NGAATIRA MARAE	ATTENDED	POSSIBLE
DAVE THOMPSON	1	1
JENNY HOOK	3	5
JOHN TAWHI-AMOPIU	0	2
RACHAEL O'CONNOR	5	5
NGA HAU E WHAA MARAE	ATTENDED	POSSIBLE
KIRI WAITAI WILSON	4	5
ROSEMARY WALKER	0	5
SONNY PARATA	3	5
OOKAPU MARAE	ATTENDED	POSSIBLE
JAMES MAHARA	5	5
MARGARET HUNAPO	5	5
PEARL COMERFORD	2	5
OOKAREA MARAE	ATTENDED	POSSIBLE
DAWN HOROMONA	5	5
ELSIE DAVIS	5	5
RICHARD RATU	0	5
OOMAERO MARAE	ATTENDED	POSSIBLE
LAD KIHĪ	5	5
MAADI KING	0	5
MORRIS RUA	3	5
OORAEROA MARAE	ATTENDED	POSSIBLE
ROSALIE ELLIS	4	5
SALLY KOIA	5	5
TE WAHAPU PAORA RAPANA	3	5
OOWAIRAKA MARAE	ATTENDED	POSSIBLE
NYRA MARSHALL	4	5
RAEHA TAINGAHUE	3	5
REREMOANA TAINGAHUE	4	5

PAARAAWERA MARAE	ATTENDED	POSSIBLE
PUHI MAURIOHOHO	4	5
RIPEKA SPRINGER	2	5
WARREN MCGRATH	4	5
POIHAKENA MARAE	ATTENDED	POSSIBLE
MARLEINA TE KANAWA	4	4
PAPAKURA KAA	3	4
RANGIMONEHU KEREOPA	0	1
VICKI MOKE-GHARBAL	4	5
POOHARA MARAE	ATTENDED	POSSIBLE
AROHA WOODS	1	1
NORMA TAUTE	4	5
RAHUI PAPA	5	5
PUKEREWA MARAE	ATTENDED	POSSIBLE
ERUERA WHARE	2	5
MARY THOMPSON	5	5
NGAPAKI WHARE	2	5
PUUKAKI MARAE	ATTENDED	POSSIBLE
DAVID WILSON	3	5
KAREN TAKAANINI WILSON	3	5
PARE RAUWHERO	0	5
PUUREKIREKI MARAE	ATTENDED	POSSIBLE
GEORGINA PAIKEA	4	5
RUA TANIWHA	2	5
THOMAS ROA	5	5
RAAKAUNUI MARAE	ATTENDED	POSSIBLE
FRED HERBERT	4	5
LEWIN TAKIARI	3	5
PAULA MCQUEEN	3	5
RAUNGAITI MARAE	ATTENDED	POSSIBLE
AMANDA EMERY	3	5
RANGITIONGA KAUKAU	3	5
RAYMOND TUHAKARAINA	0	1
RERETEWHIOI MARAE	ATTENDED	POSSIBLE
HOKI-MAI CHONG	3	5
NGAIRE SCHMIDT	3	5
RANGIMARIA EDWARDS	4	5
UKUMOANA MARAE	ATTENDED	POSSIBLE
AMIRIA WIKAIRA	2	5
JOHN TE MARU	5	5
RUAKUMOANA SCHAAFHAUSEN	4	5
TANIWHA MARAE	ATTENDED	POSSIBLE
JACKIE COLLIER	4	5
KURAMAIRANGI TOKA	5	5
SAMUEL TOKA	5	5
TAUHEI MARAE	ATTENDED	POSSIBLE
RATAUHINGA TURNER	5	5
RAEWYN HOPA	4	5
TE KARAHAU TE AMO	3	4
TAUPIRI MARAE	ATTENDED	POSSIBLE
CHRISTOPHER GEORGE	5	5
DONALD TURNER	4	5
JACINDA TE NGOU NGOU GEORGE	4	5
TAURANGANUI MARAE	ATTENDED	POSSIBLE
BRADEN TE AO	2	5
PATIENCE TE AO	2	5
WIREMU KIHĪ	5	5
TE AAKAU MARAE	ATTENDED	POSSIBLE
JULIANA MATENGA	5	5
QUINTIN HAPUKU	1	5
RUHE MATENGA	5	5

TE AWAMAARAH MARAE	ATTENDED	POSSIBLE
ELAINE PRESTON	5	5
RAYMOND COOPER	1	2
PAKI RAWIRI	2	5
TE HOE O TAINUI MARAE	ATTENDED	POSSIBLE
MICK WILSON	5	5
VACANT	0	0
MICHAEL WILSON	4	5
TE ITI O HAUAA MARAE	ATTENDED	POSSIBLE
DAVID REWI RAPANA	1	5
DELANEY TERIAKI	0	5
LANCE RAPANA	2	5
TE KAHAROA MARAE	ATTENDED	POSSIBLE
ANDREW WANIHI	0	5
MAKARETA TURINUI	4	5
VACANT	0	0
TE KAURI MARAE	ATTENDED	POSSIBLE
BILL TAKEREI	4	5
LEON WHAREKURA	3	5
PATARA BERRYMAN	3	5
TE KOORAH MARAE	ATTENDED	POSSIBLE
JUNE COOPER	0	5
ROY WILLISON	0	5
SANDRA GRANT	5	5
TE KOTAHITANGA MARAE	ATTENDED	POSSIBLE
DENIS HOLLAND	5	5
HEMI RAU	4	5
ROBERT CLARK	3	5
TE OHAAKI MARAE	ATTENDED	POSSIBLE
JOYCE MAIPI	3	5
TAITIMU MAIPI	3	5
TOKOROA WAIKATO	4	5
TE PAPA O ROTU MARAE	ATTENDED	POSSIBLE
ERINA WATENE-RAWIRI	4	5
ROBERT HAMIORA	5	5
VACANT	0	0
TE PAPATAPU MARAE	ATTENDED	POSSIBLE
DAVID HUTI WAITERE	3	5
VACANT	0	0
VACANT	0	0
TE POHO O TANIKENA MARAE	ATTENDED	POSSIBLE
ALLAN MARSHALL	5	5
HUHAANA MARSHALL	1	5
LIANNE MARSHALL-BOVILL	3	5
TE PUEA MARAE	ATTENDED	POSSIBLE
ALBERT RIVERS	3	5
TE KORE KAUMOANA	1	5
VIOLETE RAKETE	0	5
TE TIHI O MOERANGI MARAE	ATTENDED	POSSIBLE
MACKY HOROTINI	4	5
MICKEY HOROTINI	4	5
NGAWAITANGIRUA HOROTINI	3	5
TE TOKANGANUI A NOHO MARAE	ATTENDED	POSSIBLE
EDWIN ORMSBY	1	5
KORO WETERE	5	5
MICHELLE ORMSBY	5	5
TIKIRAH MARAE	ATTENDED	POSSIBLE
AROHA WARA	2	5
NELSON MINHINNICK	0	5
TIMI TAHAPEHI	2	5
TURANGAWAEWAE MARAE	ATTENDED	POSSIBLE
ANI CAPPER	5	5
MARAE TUKERE	5	5
PIRITATA KIRKWOOD	4	5

UMUPUIA MARAE	ATTENDED	POSSIBLE
CARMEN KIRKWOOD	1	5
LUCY STEEL	0	5
NORA KINGI	1	5
WAAHI MARAE	ATTENDED	POSSIBLE
TE WHAKAHAWEA RAPANA	5	5
TIPA MAHUTA	5	5
TUKAROTO MAHUTA	5	5
WAIKARE MARAE	ATTENDED	POSSIBLE
JACK DE THIERRY	0	5
ROBERT TUKIRI	5	5
VIVIENNE DE THIERRY-PINNY	5	5
WAIKERI MARAE	ATTENDED	POSSIBLE
JAMES MOKE	5	5
MERE RAIHA ROBERTS	2	3
TAHI ROBERTS	5	5
WAIMAKARIRI MARAE	ATTENDED	POSSIBLE
CHARLIE RAUPITA	0	5
JENNIFER HETA	5	5
LINDA RAUPITA	4	5
WAIKARE MARAE	ATTENDED	POSSIBLE
HONE TAHANA	5	5
JEFFREY GREEN	4	5
RANGIMARIE TAHANA	4	5
WAIKARE MARAE	ATTENDED	POSSIBLE
HINGA WHIU	2	5
KINGI PORIMA	2	5
METO HOPA	4	5
WAITII MARAE	ATTENDED	POSSIBLE
ARLIN DEAN RANDELL	2	5
CORA NAHU	0	2
THOMAS THOMPSON	3	5
WERAROA MARAE	ATTENDED	POSSIBLE
SALLY MARSHALL	4	5
TINA HAWKINS	2	5
WITUKOREHE MARSHALL	2	5
WHATAAPAKA	ATTENDED	POSSIBLE
TE AWAMARAHI KINGI	5	5
TED NGATAKI	5	5
VINNY KINGI	5	5

# WAIKATO RAUPATU LANDS TRUST

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# WAIKATO RAUPATU LANDS TRUST DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2014

Date of establishment	<b>10 November 1995</b>
Trustee	<b>Waikato-Tainui Te Kauhanganui Incorporated</b>
Auditor	<b>PricewaterhouseCoopers</b> <b>Private Bag 92162, Auckland 1142</b>
Banks	<b>Bank of New Zealand</b> <b>Westpac Banking Corporation</b>
Postal address	<b>P O Box 648, Hamilton 3240</b>
Telephone	<b>+64 7 858 0430</b>
Facsimile	<b>+64 7 858 0431</b>
Website	<b><a href="http://www.waikatotainui.com">www.waikatotainui.com</a></b>



# WAIKATO RAUPATU LANDS TRUST STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue	4	74,531	63,432	2,127	2,533
Other income	4	3,627	558	11,500	11,000
<b>Total income</b>	4	<b>78,158</b>	<b>63,990</b>	<b>13,627</b>	<b>13,533</b>
Expenses	5	(48,996)	(37,319)	(7,279)	(6,665)
Finance costs - bank loans		(13,594)	(13,628)	(40)	(52)
Finance income - short term deposits		6,581	4,089	3,196	1,013
Share of net profit of associates	6	474	316	-	-
<b>Net operating profit for the year</b>		<b>22,623</b>	<b>17,448</b>	<b>9,504</b>	<b>7,829</b>
Other gains – net	8	31,862	30,383	10,372	3,563
Settlement		20,943	70,039	19,000	70,039
Grant expense	9	(6,136)	(7,109)	(5,145)	(5,968)
<b>Net profit before tax</b>		<b>69,292</b>	<b>110,761</b>	<b>33,731</b>	<b>75,463</b>
Tax credit	7	1,582	-	1,924	-
<b>Net profit for the year</b>		<b>70,874</b>	<b>110,761</b>	<b>35,655</b>	<b>75,463</b>
<b>Other comprehensive income for the year</b>					
Gain/(loss) on revaluation of farm and other properties	10	3,070	(698)	-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>73,944</b>	<b>110,063</b>	<b>35,655</b>	<b>75,463</b>
<b>Profit is attributable to:</b>					
Equity holders of Waikato Raupatu Lands Trust		69,453	110,047		
Non-controlling interest		1,421	714		
		<b>70,874</b>	<b>110,761</b>		
<b>Total comprehensive income for the year is attributable to:</b>					
Equity holders of Waikato Raupatu Lands Trust		72,523	109,349		
Non-controlling interest		1,421	714		
		<b>73,944</b>	<b>110,063</b>		

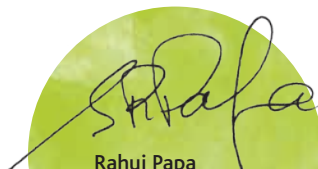
These financial statements should be read in conjunction with the accompanying notes.

# WAIKATO RAUPATU LANDS TRUST

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

		Consolidated		Parent	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>EQUITY</b>					
Retained earnings	10	755,012	678,337	296,623	260,968
Revaluation reserves	10	13,523	17,675	-	-
		768,535	696,012	296,623	260,968
Non-controlling interest		15,189	8,675	-	-
<b>Total equity</b>		<b>783,724</b>	<b>704,687</b>	<b>296,623</b>	<b>260,968</b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		172,099	156,858	83,146	76,512
Trade and other receivables	11	12,684	7,591	768	466
Inventories	12	13,769	3,949	9	8
Biological assets - livestock	13	824	835	-	-
<b>Total current assets</b>		<b>199,376</b>	<b>169,233</b>	<b>83,923</b>	<b>76,986</b>
<b>Non-current assets</b>					
Other receivables	15	29,871	18,283	19,018	19
Other financial assets	16	24,008	22,940	-	-
Investments in associates	6	-	13,594	-	-
Investments in subsidiaries		-	-	140,253	140,253
Intangible assets	17	45,339	20,690	407	251
Biological assets - trees	13	4,733	4,467	-	-
Property, plant and equipment	18	140,187	90,361	8,428	8,614
Investment properties	19	564,914	545,288	9,108	4,177
Te Wherowhero title properties	20	50,083	40,262	50,083	40,262
<b>Total non-current assets</b>		<b>859,135</b>	<b>755,885</b>	<b>227,297</b>	<b>193,576</b>
<b>Total assets</b>		<b>1,058,511</b>	<b>925,118</b>	<b>311,220</b>	<b>270,562</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	21	40,850	19,715	8,314	3,589
Interest bearing liabilities	23	124	30,342	-	6
Advances - subsidiaries	14	-	-	6,283	5,993
Other financial liabilities	24	1,355	162	-	-
<b>Total current liabilities</b>		<b>42,329</b>	<b>50,219</b>	<b>14,597</b>	<b>9,588</b>
<b>Non-current liabilities</b>					
Other payables	22	452	1,131	-	-
Interest bearing liabilities	23	225,130	156,341	-	6
Deferred tax liabilities	7	3,183	-	-	-
Other financial liabilities	24	3,693	12,740	-	-
<b>Total non-current liabilities</b>		<b>232,458</b>	<b>170,212</b>	<b>-</b>	<b>6</b>
<b>Total liabilities</b>		<b>274,787</b>	<b>220,431</b>	<b>14,597</b>	<b>9,594</b>
<b>Total net assets</b>		<b>783,724</b>	<b>704,687</b>	<b>296,623</b>	<b>260,968</b>



Rahui Papa  
Chairman  
Date: 20 June 2014



Tipa Mahuta  
Deputy Chairman  
Date: 20 June 2014

# WAIKATO RAUPATU LANDS TRUST

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

		Attributable to equity holders of the parent				
		Revaluation reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interest \$'000	Total Equity \$'000
	Notes					
CONSOLIDATION						
Balance as at 1 April 2012		18,373	568,290	586,663	8,921	595,584
Comprehensive income						
Net profit for the year		-	110,047	110,047	714	110,761
Other comprehensive income						
Loss on revaluation of farm and other properties	10	(698)	-	(698)	-	(698)
Total other comprehensive income		(698)	-	(698)	-	(698)
Total comprehensive income		(698)	110,047	109,349	714	110,063
Partnership return of capital		-	-	-	(960)	(960)
Balance as at 31 March 2013		17,675	678,337	696,012	8,675	704,687
Balance as at 1 April 2013		17,675	678,337	696,012	8,675	704,687
Comprehensive income						
Net profit for the year		-	69,453	69,453	1,421	70,874
Other comprehensive income						
Gain on revaluation of farm and other properties	10	3,070	-	3,070	-	3,070
Total other comprehensive income		3,070	-	3,070	-	3,070
Total comprehensive income		3,070	69,453	72,523	1,421	73,944
Partnership return of capital		-	-	-	(821)	(821)
Acquisition of subsidiary	27	-	-	-	5,914	5,914
Transfer from associate to subsidiary		(7,222)	7,222	-	-	-
Balance as at 31 March 2014		13,523	755,012	768,535	15,189	783,724
PARENT						
Balance as at 1 April 2012		-	185,505	185,505	-	185,505
Comprehensive income						
Net profit for the year		-	75,463	75,463	-	75,463
Total comprehensive income		-	75,463	75,463	-	75,463
Balance as at 31 March 2013		-	260,968	260,968	-	260,968
Balance as at 1 April 2013		-	260,968	260,968	-	260,968
Comprehensive income						
Net profit for the year		-	35,655	35,655	-	35,655
Total comprehensive income		-	35,655	35,655	-	35,655
Balance as at 31 March 2014		-	296,623	296,623	-	296,623

# WAIKATO RAUPATU LANDS TRUST

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

		Consolidated		Parent	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers		75,235	61,806	3,750	2,909
Proceeds from settlement		11,000	71,039	-	70,039
Payments to suppliers and employees		(48,079)	(27,783)	(2,436)	(5,976)
Payments to grant recipients		(5,806)	(7,335)	(4,815)	(6,194)
Interest received		6,579	4,089	3,196	1,013
Dividends received		240	646	11,500	11,000
Interest paid		(13,594)	(13,628)	(40)	(52)
<b>Net cash generated from operating activities</b>	25	25,575	88,834	11,155	72,739
<b>Cash flows from investing activities</b>					
Payments for investments in unlisted companies		(3,917)	(2,372)	-	-
Receipts for investments in unlisted companies		108	8	-	-
Amounts (paid to)/received from related parties		(821)	(960)	(4,096)	(687)
Payments for property, plant and equipment		(2,414)	(4,495)	(320)	(108)
Net payment for investment in joint venture partnership		(13,059)	-	-	-
Acquisition of subsidiary net cash acquired	27	2,293	-	-	-
Payments for intangible assets		(278)	(268)	(99)	(157)
Payments for investment properties		(10,769)	(16,785)	-	-
Proceeds from sale of investment properties		2,984	2,755	-	-
<b>Net cash used in investing activities</b>		(25,873)	(22,117)	(4515)	(952)
<b>Net cash used in investing activities</b>					
Proceeds from borrowings		21,281	8,800	-	-
Repayment of borrowings		(5,742)	(1,805)	(6)	(5)
<b>Net cash generated from/(used in) financing activities</b>		15,539	6,995	(6)	(5)
<b>Net increase in cash and cash equivalents</b>		15,241	73,712	6,634	71,782
Cash and cash equivalents at the beginning of the year		156,858	83,146	76,512	4,730
<b>Cash and cash equivalents at end of the year</b>		<b>172,099</b>	<b>156,858</b>	<b>83,146</b>	<b>76,512</b>

These financial statements should be read in conjunction with the accompanying notes.



# WAIKATO RAUPATU LANDS TRUST NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

## 1. GENERAL INFORMATION

The Waikato Raupatu Lands Trust ('Trust' or 'Parent') and its subsidiaries (together referred to as the 'Group') have the following principal activities in New Zealand:

- grant distribution;
- property investment;
- property development;
- agriculture;
- hotels;
- fishing; and
- investments.

The Parent is a trust incorporated and domiciled in New Zealand.

These consolidated financial statements have been approved for issue by the Board of Trustees (the 'Board') on 20 June 2014.

The Group's Trustees do not have the power to amend the financial statements once they have been issued.

### **Waikato Raupatu Land Settlement**

On 22 May 1995, Waikato-Tainui signed the Deed of Settlement with the Crown's representatives for a full and final settlement of its Raupatu claim to be made to the Waikato Raupatu Lands Trust. This agreement formed the basis for the Waikato Raupatu Claims Settlement Act 1995.

The settlement, being the redress value, is specified as \$170 million. The settlement was realised as follows:

- (a) Te Rapa Airforce Base transferred to Waikato-Tainui in 1993 as an advance on the Settlement (at agreed 1993 market value);
- (b) Crown reimbursement of negotiation and research costs incurred by Tainui Maaori Trust Board being amounts paid from 21 September 1992 totalling \$2.6 million;
- (c) Lands situated in the Waikato-Tainui claim area which were owned by the Crown and selected by Waikato-Tainui (the process is outlined in the Deed of Settlement) at values agreed between the parties using the valuation methodology stated in the Deed of Settlement; and
- (d) Any balance remaining was paid in cash to the Waikato Land Acquisition Trust which transferred the cash to the Waikato Raupatu Lands Trust as and when required to fund the purchase of other lands.

The Lands referred to in (c) above were identified, transfer dates agreed upon and transfer values determined by both parties by 30 November 1996. These Lands were to be returned over a five year period from 22 May 1995. In addition, interest was paid by the Crown on the outstanding balance of the redress value.

As part of the Deed of Settlement, a relativity clause is provided, which allows for further settlement redress. The payment of further settlement from the Crown was triggered in the financial year ended 31 March 2013, once all Treaty settlements since 1994 exceeded \$1 billion. No settlement is payable after 2044. The next claim will be received in 2017 and the five yearly thereafter (see also notes 15 and 29).

### **Waikato Raupatu River Settlement**

On 17 December 2009, a Deed of Settlement (the "Settlement") was made between the Crown and Waikato-Tainui to settle the claim by Waikato-Tainui for the Waikato River.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 1. General Information (continued)

The Settlement, being the redress value, is specified as \$70m plus \$30m over a period of 28 years. The Settlement is to be realised as follows:

- (a) The Sir Robert Mahuta Endowment (\$20m) is to be applied to support the vision of Sir Robert Mahuta for the Waikato Endowed College at Hopuhopu as an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices and support research management practices on improving the health and well-being of the Waikato River and Waikato-Tainui's tribal histories associated with the Waikato River;
- (b) The River Initiatives fund (\$50m) is to be applied for the purposes of cultural and environment development projects related to the Waikato River, enhancing the restoration and protection of the relationship of Waikato-Tainui with the Waikato River and protecting and enhancing sites of significance, fisheries, flora and fauna; and
- (c) Co-Management Fund shall be received for the purpose of assisting Waikato-Tainui engage in new co-management arrangements under the Settlement. The Co-Management funding of \$3m shall be received on settlement date with an annuity of \$1m per year for 27 years. In 2014, \$10m was advanced, reducing the annuity receipt from 27 years to 17 years (see also note 15).

Included in the Waikato Raupatu River Settlement, but excluded from these financial statements is the settlement funding for the Waikato River clean up. The Waikato River Clean Up Trust was established with the Waikato River Authority being the Trustee. The Waikato River Clean Up Trust's objective is the restoration and protection of the health and wellbeing of the Waikato River. \$21m was paid with an annuity payable to the Waikato River Authority of \$7m per year for 27 years.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable financial reporting standards as appropriate for public benefit entities (PBE). A new Accounting Standards Framework (incorporating a Tier structure and a separate suite of accounting standards for PBEs) has been issued by the External Reporting Board (XRB).

Under the new Accounting Standards Framework, the Waikato Raupatu Lands Trust and its subsidiaries (the Group) will have to transition to the new Not-for-Profit Public Benefit Entities (NFP PBE) Standards that will be based mainly on International Public Sector Accounting Standards (IPSAS). The effective date for the new NFP PBE Standards is for reporting periods beginning on or after 1 April 2015. Therefore the Group will have to prepare its financial statements in accordance with the new NFP PBE Standards for the first time for the annual period ending 31 March 2016. The Group has not been able to determine the impact of this transition as the new NFP PBE Standards are currently being developed by the XRB. Due to the change in the Accounting Standards Framework for PBEs, all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to PBEs as the XRB has effectively frozen the financial reporting requirements for PBEs until PBEs transition to the PBE Standards. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude PBEs from their scope.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements include separate financial statements for the Waikato Raupatu Lands Trust as an individual entity and the consolidated Group consisting of the Waikato Raupatu Lands Trust and its subsidiaries. The Waikato-Tainui Te Kauhanganui Incorporated is the ultimate controlling party of the Group.

#### Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of farm and other properties, investment properties, Te Wherowhero investment properties, biological assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss which are carried at fair value.

## 2.2 Changes in accounting policy and disclosures

### (a) Accounting standards framework

The Minister of Commerce has approved a new Accounting Standards Framework developed by the XRB. The Group is in the process of working through the impact of this to the Group financial statements, along with a number of new standards, amendments to standards and interpretations that become effective for annual periods beginning on or after 1 April 2014.

### (b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2013 and not early adopted

The following standard was published and is for accounting periods beginning on or after 1 January 2017. The Group has not early adopted this standard:

- **NZ IFRS 9 'Financial Instruments':** NZ IFRS 9 'Financial Instruments' (effective from 1 January 2017) replaces part of NZ IAS 39 and establishes two primary measurement categories for financial assets: amortised cost and fair value, with classification depending on an entity's business model and the contractual cash flow characteristics of the financial asset. The Group is currently in the process of evaluating the potential effect of this standard on its financial assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated as at fair value through profit or loss and the Group does not have any such liabilities.
- **Comparatives:** Where necessary, certain comparative information has been reclassified in order to conform to changes in presentation in the current year

### (c) New standards first applied in the period

The Group has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities Update) (XRB A1). XRB A1 outlines which suite of accounting standards public benefit entities must follow. The Group is required to report in accordance with NZ IFRS PBE. There is no impact on the current or prior year financial statements of transitioning to the new Accounting Standards Framework.

## 2.3 Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and judgements are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following are the critical estimates and judgements management has made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in the financial statements.

### (a) Fair value of assets and liabilities

The Group records certain assets and liabilities at fair value in the statement of financial position as follows:

Other receivables (note 15) are valued using discounted cash flow techniques to determine fair value.

Farm and other properties (note 18), investment properties (note 19) and Te Wherowhero title properties (note 20) have been valued by independent valuers as at 31 March 2014 and 31 March 2013 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Biological assets (note 13) comprise livestock and forests. Both are valued by independent valuers using current market prices less point of sale costs (livestock) and expectation value method less point of sale costs (forests).

Other financial assets at fair value through profit or loss (note 16) include shares in unlisted companies held at fair value and call option agreements for property. The fair value of these shares and call option agreements, in the absence of quoted prices, has been determined using valuation techniques.

Interest rate swaps (note 24) are valued using discounted cash flow techniques.

The determination of fair value for each of the assets and liabilities above requires significant estimation and judgement which have a material impact on the statement of comprehensive income and statement of financial position.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 2. Summary of significant accounting policies (continued)

#### (b) Impairment testing

Intangible assets with indefinite useful lives being goodwill and quota (note 17) are required to be tested for impairment at least annually. This requires an estimation of the recoverable amount of the quota based on the higher of value in use or fair value less costs to sell. The determination of the recoverable amount of the quota requires significant estimation and judgement.

#### (c) Investments in joint ventures and associates

The consolidated financial statements include the Group's accounts and all other entities in which the Group has a controlling financial interest, except where the control over the operations is limited by significant participating interests held by another investor in such operations. Where the Group does not have control, either because of significant participating interests by other parties or the presence of only significant influence or where there is joint control over an entity, the entity is accounted for using the equity method for associates, or proportionate consolidation for joint ventures. Controlling financial interest in an entity is evaluated first by considering whether the entity is a special purpose entity (SPE), a joint venture or an associate under IFRS.

#### Judgements and uncertainties

There are a number of areas where significant judgement is exercised to establish whether an entity needs to be consolidated or reported under the equity method of accounting or proportionate consolidation. In order to establish whether an entity is a consolidated subsidiary, a joint venture or an associate, key areas of judgement include:

- Qualitative analysis of an entity including review of, among other factors, its capital structure, contractual terms, which interests create or absorb variability, related party relationships and design of the entity;
- Rights of partners regarding significant business decisions, including disposals and acquisitions of assets;
- Board and management representation;
- Ability to make financing decisions; and
- Operating and capital budget approvals and contractual rights of other parties.

The exercise of judgement on these areas determines whether a particular entity is consolidated or accounted for under the equity method.

### 2.4 Principles of consolidation

#### (a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.



Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(b) Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(c) Associates**

Associates are all entities over which the Group has significant influence but not control, generally evidenced by holding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 6).

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and the Group's share of post-acquisition revaluation in property, plant and equipment is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(d) Joint ventures**

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of joint ventures' individual income and expenses, assets and liabilities on a line by line basis with similar items in the Group's financial statements.

The proportionate interests in income of a jointly controlled operation have been incorporated in the financial statements under the appropriate headings.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of the profits or losses in the joint venture that result from the Group's purchase of assets from the joint venture until it sells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 2. Summary of significant accounting policies (continued)

Joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.5 Functional and presentation currency

Items included in the financial statements of each of the subsidiaries' operations are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars, which is the Parent's functional currency and the Group's presentation currency.

#### 2.6 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of Goods and Services Tax (GST), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

##### (a) Hotel income

Revenue from hotels comprises amounts earned in respect to services, facilities and goods supplied. Any revenue not recognised, but received by the reporting date, is treated as deposits in advance and shown as a liability in the statement of financial position.

##### (b) Rental income

Rental income is recognised on a straight line basis over the lease term. Lease incentives which are offered to tenants as an inducement to enter into non-cancellable operating leases are recognised as current prepayment and non-current lease fitout contribution and are subsequently amortised over the term of the lease as a reduction of rental income.

##### (c) Sales of goods

Sales of goods are recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold. For sections, recognition is on the sale contract becoming unconditional and the title passing. The recorded revenue is the gross amount of the sale.

##### (d) Quota lease income

Quota lease income is recognised on a straight line basis over the lease term.

##### (e) Dairy income

Dairy income is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold.

##### (f) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

##### (g) Dividend income

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

##### (h) Emission Trading Scheme Allocation

Emission Trading Scheme allocation is the assistance provided by the Government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to operating activities of the Group. The Group was eligible for and has received units under the New Zealand Emission Trading Scheme as part of the fisheries allocation for quota owned. The fair value of units received is recognised in the statement of comprehensive income on allocation by the Government to the Group.

## 2.7 Employee benefits

Liabilities are recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave where it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the achievements of agreed key performance indicators, including the achievement of financial budget targets. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Property interests held by a lessee under an operating lease are recognised as part of the carrying amount of the investment property with a corresponding liability at fair value through profit or loss being recorded.

## 2.9 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the rate associated with project related borrowings or the weighted average interest rate applicable to the Group's outstanding borrowings during the year.

## 2.10 Relativity settlement

Initial receipts derived from the relativity settlement had been recognised on a cash-basis. Subsequent relativity income is recognised at the amount receivable under the relativity mechanism based on total treaty settlements as notified by the Government. These amounts are recognised on an accruals basis when the amounts receivable are able to be reliably measured, as this will be the lowest amount receivable from the Government to the Trust (see note 29).

## 2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## 2.12 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income within expenses.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 2. Summary of significant accounting policies (continued)

#### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventory is comprised of section costs and other direct costs using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.14 Biological assets - livestock and trees

Biological assets are measured at fair value less estimated point of sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. The fair value of trees is determined annually by independent valuers by calculating the crop expectation and future value discounted back to the present value, based on the rotation age of the crop and the current market prices of the logs. The valuation of Redwood trees is based on the current replacement cost method used for young trees.

#### 2.15 Financial assets and liabilities

##### Recognition and measurement

A financial asset or liability is recognised if the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets and liabilities are recognised on the trade date, the date on which the Group commits to purchase or sell the asset or liability. A financial asset or liability is recognised initially at its fair value and in the case of a financial asset or liability measured at amortised cost includes transaction costs that are directly attributable to the acquisition or issue of the instrument.

Financial assets and liabilities recorded at fair value through the profit and loss are designated at initial recognition.

##### Financial assets and liabilities measured at amortised cost

Financial assets and liabilities measured at amortised cost are non-derivative financial assets and liabilities which meet the following criteria:

- a) held within a business model whose objective is to hold an instrument in order to collect contractual cash flows; and
- b) the contractual terms of the instrument gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset and liability that is measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the instrument is de-recognised, impaired or reclassified and through the amortisation process.

Trade and other receivables are classified as financial assets measured at amortised cost. Trade and other payables and debt instruments are classified as financial liabilities measured at amortised cost.

##### Financial assets and liabilities measured at fair value through profit or loss

Financial assets and liabilities are measured at fair value unless measured at amortised cost. At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of NZ IFRS 9 'Financial Instruments' that is not held for trading. If the Group makes this election, it shall recognise in profit or loss dividends from that investment when the Group's right to receive payment of the dividend is established in accordance with NZ IAS 18 'Revenue'. The Group may also at initial recognition, designate an instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the instruments or recognising gains and losses on them on different bases.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transaction pricing models refined to reflect the Group's specific circumstances.

A gain or loss on a financial asset or liability that is measured at fair value and is not part of a hedging relationship shall be recognised in profit and loss unless the financial asset is an investment in an equity instrument and the Group has made an



irrevocable election to present gains and losses on that investment in other comprehensive income.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Investment property liabilities are classified as financial liabilities measured at fair value through profit or loss. Derivative financial instruments are classified as either financial assets or financial liabilities measured at fair value through profit or loss.

## 2.16 Investments in subsidiaries

Investments in subsidiaries are valued at cost less impairment in the Parent.

## 2.17 Intangible assets

### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, which are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### (b) Computer software

Separately acquired computer software and licenses at a cost greater than \$10,000 are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight line basis over their estimated useful lives of two years.

Costs under \$10,000 associated with maintaining computer software programmes are recognised as an expense as incurred.

### (c) Quota

Separately acquired fishing quota has an indefinite useful life and will generate economic benefits beyond one year. Fishing quota is tested annually for impairment and is carried at cost less accumulated impairment. The useful life is assessed annually to determine whether the indefinite useful life assessment continues to be supportable.

### (d) Carbon credits

Intangible assets include carbon credits acquired by way of a Government grant and are initially recognised at fair value at the date of acquisition. Following initial recognition, these intangible assets are carried at cost less any accumulated impairment losses.

The carbon Group is able to either hold the New Zealand Units (NZU) within the carbon register or alternatively trade the NZU's in domestic and international carbon markets.

Carbon credits are not consumed in the production and are therefore not amortised. The NZU are not amortised but are tested for impairment on an annual basis or when indicators of impairment exist.

## 2.18 Property, plant and equipment

Farm and other properties are comprised of land, buildings and plant held on the farms as well as buildings occupied by the Waikato Raupatu Lands Trust and Tainui Group Holdings Limited, a Group subsidiary, and are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 2. Summary of significant accounting policies (continued)

Land, hotels, development properties, trust and other properties, vehicles, equipment, fixtures and fittings are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Trust and other properties comprise of buildings located at Hopuhopu and reserve lands.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of farm and other properties are credited to the revaluation reserve in equity. To the extent that the increase reverses a revaluation decrease previously recognised in the statement of comprehensive income, the increase is first recognised in statements of comprehensive income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of comprehensive income.

Development property and land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Estimated useful lives are as follows:

• Computers	2-6 years
• Farm buildings	50 years
• Hotels (buildings)	50-100 years
• Hotels (other assets)	3-33 years
• Office equipment, furniture and fittings	1-17 years
• Other buildings	100 years
• Plant and equipment	1-14 years
• Vehicles	2-11 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in revaluation reserves in respect of those assets to retained earnings.

#### 2.19 Investment properties

Investment properties include properties held to earn rental income, and/or for capital appreciation as well as investment properties under construction. A property is also classified as an investment property if it does not have an operating lease in place, but is held with the intention of attaining an operating lease.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value determined annually by external valuers. Changes in fair value are recorded in the statement of comprehensive income.

#### 2.20 Te Wherowhero properties

Te Wherowhero title is the mechanism set up to protect the title of lands in the tribal estate. The benefits and the land in Te Wherowhero title are for all Waikato-Tainui and the land cannot be succeeded to, sold, alienated, mortgaged or gifted without adherence to a process to obtain the mandate of the voting beneficiaries or their representatives and unanimous consent of the Custodial Trustees.

Custodians of Te Wherowhero title are the Head of the Kaahui Ariki and two successors who are yet to be elected.

As at 31 March 2014 (and 31 March 2013), the title is protected by the Custodial Trustee - Kiingi Tuheitia. Lands under this title are separately disclosed in note 20.

Te Wherowhero investment property is carried at fair value, representing open-market value determined by external valuers. Changes in fair value are recorded in the statements of comprehensive income.

Te Wherowhero property that is not investment land is not leased and is recorded at historical cost.

## 2.21 Impairment of non-financial assets

Assets that have an indefinite useful life - for example goodwill or intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment losses are recognised first against the revaluation reserves in respect of the impaired asset, and second as an expense in the statements of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment, with the exception of fishing quota, are reviewed for possible reversal of the impairment at each reporting date.

## 2.22 Trade and other payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Non-current other payables are usually paid between one and two years. Trade and other accounts payable are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

## 2.23 Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

## 2.24 Current and deferred income tax

The Inland Revenue Department approved the Trust as charitable for the purposes of the Income Tax Act 1994. Accordingly, no income tax is payable.

However some subsidiary and associate entities are taxable. In the instances where an entity is taxable, current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 2. Summary of significant accounting policies (continued)

The Group is not liable for tax on profits or losses from joint ventures as all entities within the Group that are partners of a joint venture through a joint venture agreement have charitable tax status. See note 3 for details of entities that have charitable status.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax in respect of property, plant and equipment has been assessed on the basis of the asset value being realised through sale.

#### 2.25 Statement of cash flows

The statement of cash flows are prepared exclusive of GST. For the purposes of the statement of cash flows, cash and cash equivalents include cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

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 Group and those activities relating to the cost of servicing the Trust's and Group's equity capital.

#### 2.26 Goods and services tax (GST)

The profit and loss component of the statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.



### 3. CONSOLIDATION

	Charitable status	Operating division	Ownership and voting interest		Balance date
			2014	2013	
Boat Harbour Ventures Limited	No	Investment	-	100%	31-Mar
Hamilton Riverview Hotel Limited	No	Investment	82%	-	31-Dec
Raukura Moana Seafoods Limited	Yes	Fisheries	100%	100%	31-Mar
Raukura Whare Limited	Yes	Investment	100%	100%	31-Mar
Ruakura Fee Simple Limited	No	Property	100%	100%	31-Mar
Ruakura Limited	No	Property	100%	100%	31-Mar
Tainui Auckland Airport Hotel LP	No	Investment	70%	70%	31-Mar
Tainui Auckland Airport Hotel GP Limited	No	Investment	70%	70%	31-Mar
Tainui Corporation Limited	Yes	Property	100%	100%	31-Mar
Tainui Development Limited	Yes	Property	100%	100%	31-Mar
Tainui Group Holdings Limited	Yes	Investment	100%	100%	31-Mar
TDL No. 1 Limited	Yes	Investment	100%	100%	31-Mar
TDL No. 2 Limited	Yes	Investment	100%	-	31-Mar
Te Rapa 2002 Limited	Yes	Property	-	100%	31-Mar
TGH No. 1 Limited	No	Investment	100%	100%	31-Mar
The Base Limited	Yes	Property	100%	100%	31-Mar
Waikato-Tainui Distributions Limited	No	Investment	100%	100%	31-Mar
Waikato-Tainui Fisheries Limited	No	Fisheries	100%	100%	31-Mar
Waikato-Tainui Koiora Collective LP	No	Investment	100%	100%	31-Mar
Waikato-Tainui Koiora Limited	No	Investment	100%	100%	31-Mar
Waikato-Tainui Te Kauhanganui Incorporated	Yes	Investment	100%	100%	31-Mar
Waikato-Tainui Tribal Authority LP	No	Investment	100%	100%	31-Mar
Waikato Raupatu River Trust	No	Investment	100%	100%	31-Mar

	Charitable status	Operating division	Ownership and voting interest		Balance date
			2014	2013	
<b>Associates:</b>					
Hamilton Riverview Hotel Limited	No	Investment	-	41%	31-Dec

	Charitable status	Operating division	Ownership and voting interest		Balance date
			2014	2013	
<b>Unincorporated Joint Ventures:</b>					
Callum Brae Tainui	No	Property	50%	50%	31-Mar
Raukura Moana Sealord Limited Partnership	No	Investment	50%	-	31-Mar
Rotokauri Development Limited	No	Property	70%	70%	31-Mar
TAG Forestry Joint Venture	No	Property	50%	50%	31-Mar
Waikato Milking Systems Limited Partnership	No	Investment	33%	-	31-Mar

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 3. Consolidation (continued)

The subsidiaries, interest in associates and joint ventures with reporting dates other than 31 March have been included based on their actual results and balances as at 31 March and not the results and balances at their respective reporting dates. Hamilton Riverview Hotel Limited has a balance date of 31 December to align with its other shareholders operations.

The country of incorporation for all subsidiaries, associates and joint ventures is New Zealand.

Forty hectares of land at Rotokauri, Hamilton, was sold from Tainui Development Limited to Rotokauri Development Limited joint venture in 2013 for the purposes of residential sub-division. The sale transaction resulted in a gain on sale of \$7m of which \$2m or 30% was recognised in 2013, representing the external joint ventures partners proportion of the gain. The balance of \$5m of the gain on sale will be recognised in future financial years when the land is sub-divided and sold to external parties and will be based on the proportional share of the land (see notes 11 and 14). No such gains were recognised and no sales to external parties were made in 2014.

The Group's interest in the joint ventures had the following effect on the financial statements:

	Consolidated	
	2014 \$'000	2013 \$'000
<b>Statement of financial position</b>		
Current assets	8,762	1,638
Non-current assets	30,833	5,908
<b>Total assets</b>	<b>39,595</b>	<b>7,546</b>
Current liabilities	3,584	1,885
Non-current liabilities	13,832	-
Total liabilities	17,416	1,885
<b>Net assets</b>	<b>22,179</b>	<b>5,661</b>
<b>Statement of comprehensive income</b>		
Revenues	4,719	1,407
Expenses	(4,189)	(1,111)
<b>Profit before income tax</b>	<b>530</b>	<b>296</b>

### Acquisition of Waikato Milking Systems Limited Partnership

On 31 March 2014, Tainui Development Limited invested \$13.38m for a 33% equity share of WMS GP Limited. WMS GP Limited acquired 100% of the shares in Waikato Milking Systems Limited. The acquisition has been classified as a joint venture and has been proportionally consolidated. The following assets and liabilities were recognised at balance date based on the Groups proportional share. Acquisition costs of \$0.2m were incurred. Included in non-current assets is goodwill of \$24.4m (see note 17).

The following amounts have been recognised on a provisional basis subject to determination of the fair value of the assets and liabilities of WMS GP Limited:

	Consolidated	
	2014 \$'000	2013 \$'000
<b>Statement of financial position</b>		
Current assets	6,100	-
Non-current assets	25,095	-
<b>Total assets</b>	<b>31,195</b>	<b>-</b>
Current liabilities	4,297	-
Non-current liabilities	13,708	-
Total liabilities	18,005	-
<b>Net assets</b>	<b>13,190</b>	<b>-</b>

#### 4. TOTAL INCOME

4. TOTAL INCOME		Consolidated		Parent	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Revenue</b>					
Rental income		35,483	33,845	5	5
Amortisation of capitalised lease incentives		(297)	(167)	-	-
Hotel income		27,946	19,237	-	-
Sale of sections		1,392	3,781	-	-
Quota leasing income		4,530	1,708	-	-
Dairy income		1,408	840	-	-
Other revenue		3,945	3,970	1,896	2,159
Revenue from the rendering of services		124	218	226	369
		<b>74,531</b>	<b>63,432</b>	<b>2,127</b>	<b>2,533</b>
<b>Other income</b>					
Dividends from listed investments		32	-	-	-
Dividends from unlisted investments		1	439	-	-
Dividends from subsidiary		-	-	11,500	11,000
Other operating gains - livestock	13	545	119	-	-
Other gains	27	3,049	-	-	-
		<b>3,627</b>	<b>558</b>	<b>11,500</b>	<b>11,000</b>
<b>Total income</b>		<b>78,158</b>	<b>63,990</b>	<b>13,627</b>	<b>13,533</b>

#### 5. EXPENSES

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Audit fees paid to Parent and Group auditors		115	117	37	34
Other fees paid to auditor		162	72	20	4
Audit fees paid to other auditors		22	9	-	-
Bad debt written off		32	85	-	2
Consultancy fees		4,700	1,989	742	302
Cost of sales		4,825	2,237	39	65
Depreciation, amortisation and impairment		4,025	3,727	404	856
Direct costs from hotel operation		10,194	6,968	-	-
Direct costs from rental income		3,279	2,917	-	-
Direct costs from investment properties (non-income generating)		51	180	-	-
Director and trustee fees	14	1,051	1,159	768	854
Doubtful debts and movement in provision		43	159	26	-
Employee benefits		15,107	11,978	2,468	1,997
Other operating lease expenses		132	119	37	33
Other expenses		5,258	5,603	2,738	2,518
		<b>48,996</b>	<b>37,319</b>	<b>7,279</b>	<b>6,665</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 5. Expenses (continued)

Other fees paid to the auditor consists of treasury and taxation services for the Group, and due diligence associated with acquisitions.

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Depreciation</b>					
Amortisation and impairment of intangibles	17	85	410	-	277
Impairment reversal	17	(62)	-	(57)	-
Depreciation and impairment of:					
Computer, office equipment, furniture and fittings	18	504	424	94	77
Farm and other properties	18	174	107	-	-
Hotel	18	2,900	2,241	-	-
Motor vehicles	18	68	120	24	89
Plant and equipment	18	44	82	40	79
Trust and other properties	18	312	343	303	334
<b>Total depreciation</b>		<b>4,025</b>	<b>3,727</b>	<b>404</b>	<b>856</b>

### 6. INVESTMENTS IN ASSOCIATES

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Shares in associates	-	13,594	-	-
<b>Carrying value of associates</b>				
Carrying value at beginning of year	13,594	13,485	-	-
Share of net profit of associates	474	316	-	-
Dividend received	(207)	(207)	-	-
Transfer associate balance to subsidiary	(13,861)	-	-	-
<b>Carrying value at end of year</b>	<b>-</b>	<b>13,594</b>	<b>-</b>	<b>-</b>

On 16 October 2013, Tainui Development Limited purchased a further 41% shares in Hamilton Riverview Hotel Limited, taking its total shareholding to 82% resulting in this company being reclassified from an associate to a subsidiary (see note 27).

The Group's share of the results of its principal associates, all of which are unlisted and its aggregated assets (including goodwill) and liabilities, are as follow:

	Assets \$'000	Liabilities \$'000	Revenues \$'000	Profit \$'000	Interest held %
<b>2014</b>					
Hamilton Riverview Hotel Limited	-	-	8,488	1,178	-
<b>2013</b>					
Hamilton Riverview Hotel Limited	43,908	11,056	14,342	760	41



## 7. INCOME TAX

### (a) Income tax expense

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Profit subject to income tax	1,221	-	-	-
Income tax at 28%	342	-	-	-
Tax refund on bonus issue	(1,924)	-	(1,924)	-
<b>Income tax credit</b>	<b>(1,582)</b>	<b>-</b>	<b>(1,924)</b>	<b>-</b>

### (b) Tax credits available for use in subsequent reporting periods

Maori authority tax credits	32	1,956	-	-
	<b>32</b>	<b>1,956</b>	-	-
<b>Movements</b>				
Balance at 1 April	1,956	221	-	-
Tax payments net of refunds	-	1,735	-	-
Bonus issue distribution	(1,924)	-	-	-
Balance at 31 March	<b>32</b>	<b>1,956</b>	-	-

The tax credit account represents the Waikato Raupatu Lands Trust consolidated income tax group. The Maori authority tax credits were surrendered and cash was paid in 2014.

### (c) Unrecognised deferred tax balances

Unused tax losses	2,043	2,076	-	-
Unrecognised deferred tax balances	<b>2,043</b>	<b>2,076</b>	-	-

The taxable members of the Group have sufficient losses to carry forward to meet any potential income tax liability. The taxable losses are not recorded in the financial statements due to the lack of probability that the losses will be recovered.

### (d) Deferred tax liabilities

The balance comprises temporary difference attributable to:

Property, plant and equipment	3,183	-	-	-
Net deferred tax liability	<b>3,183</b>	<b>-</b>	<b>-</b>	<b>-</b>

Deferred tax in respect of property, plant and equipment has been assessed on the basis of the asset value being realised through sale.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 8. OTHER GAINS — NET

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Biological assets fair value gains unrealised	13	218	1,276	-	-
Other debtors gain on fair value measurement	15	3,808	2,452	-	-
Investment properties fair value gains/(losses) unrealised	19	12,706	21,828	551	(128)
Gain on revaluation of Te Wherowhero title properties	20	9,821	3,690	9,821	3,690
Interest rate swaps fair value gain/(losses) unrealised		8,214	(1,140)	-	-
Investment properties realised gain/(loss) on sale		(130)	28	-	-
Shares in listed companies fair value gains/(losses) unrealised		(469)	964	-	-
Shares in unlisted companies - fair value gains		(2,306)	1,284	-	-
Property, plant and equipment gain on disposal		-	1	-	1
		<b>31,862</b>	<b>30,383</b>	<b>10,372</b>	<b>3,563</b>

### 9. GRANT EXPENSE

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Grant expenses during the year comprise of the following:</b>				
Kiingitanga				
- Ururangi Trust	1,558	1,321	1,558	1,321
- Mahinarangi and Turongo House	-	680	-	680
- Koroneihana	100	100	100	100
Education	1,267	1,212	1,198	1,207
Waikato Endowed Colleges Trust	1,209	1,399	402	567
Marae	1,000	1,000	1,000	1,000
Marae facilities	164	233	164	233
Other	838	1,164	723	860
	<b>6,136</b>	<b>7,109</b>	<b>5,145</b>	<b>5,968</b>

### 10. RESERVES AND RETAINED EARNINGS

#### (a) Reserves

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revaluation reserves (farm and other properties)	13,523	10,453	-	-
Revaluation reserves (associates)	-	7,222	-	-
	<b>13,523</b>	<b>17,675</b>	<b>-</b>	<b>-</b>

**Revaluation reserve (farm and other properties)**

Notes	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of year	10,453	11,151	-	-
Revaluation gain/(loss) during the year	18 3,070	(698)	-	-
<b>Balance at end of year</b>	<b>13,523</b>	<b>10,453</b>	<b>-</b>	<b>-</b>

**Revaluation reserve (associates)**

Notes	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of year	7,222	7,222	-	-
Derecognition of associate reserve	27 (7,222)	-	-	-
<b>Balance at end of year</b>	<b>-</b>	<b>7,222</b>	<b>-</b>	<b>-</b>

**Nature and purpose of reserves**

Farm and other properties recognises the change in fair value of properties held in this category. Associates reserves comprises of the Group's share of revaluation of property, plant and equipment in associate entity, Hamilton Riverview Hotel. On October 2013, Tainui Development Limited purchased an additional 41% shares in Hamilton Riverview Hotel Limited, taking its total shareholding to 82%, and as a result, this company has been reclassified from an associate to a subsidiary. Accordingly, the associate reserve balance has been derecognised and transferred to retained earnings.

**b) Retained earnings**

Movements in retained earnings were as follows:

Notes	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of year	678,337	568,290	260,968	185,505
Net profit for the year	69,453	110,047	35,655	75,463
Derecognition of associate reserve	27 7,222	-	-	-
<b>Balance at end of year</b>	<b>755,012</b>	<b>678,337</b>	<b>296,623</b>	<b>260,968</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 11. TRADE AND OTHER RECEIVABLES

Notes	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Trade receivables	9,196	2,475	625	191
Property settlements	14 217	2,219	-	-
Less provision for impairment	(289)	(211)	(31)	(5)
Trade receivables from related parties	14 -	-	8	158
Prepayments	1,386	944	23	16
GST	10	-	10	-
Other receivables	2,164	2,164	133	106
	<b>12,684</b>	<b>7,591</b>	<b>768</b>	<b>466</b>

Property settlements in 2013 included \$1.2m owing by the joint venture partners of Rotokauri Development Limited, which was received during 2014 (see note 14).

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of the year	211	75	5	7
Additional provisions	203	183	28	-
Provision reversals	(125)	(47)	(2)	(2)
	<b>289</b>	<b>211</b>	<b>31</b>	<b>5</b>

### 12. INVENTORIES

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Production supplies at cost	2,793	-	-	-
Land - sections for sale	10,757	3,905	-	-
Inventories at cost - raw materials	127	-	-	-
Inventories at cost - food and beverage	92	44	9	8
	<b>13,769</b>	<b>3,949</b>	<b>9</b>	<b>8</b>

### 13. BIOLOGICAL ASSETS

		Consolidated		Parent	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Livestock</b>					
Balance at beginning of year		835	1,082	-	-
Additions		144	200	-	-
Decreases due to sales		(700)	(566)	-	-
Changes in fair value	4	545	119	-	-
<b>Balance at end of year</b>		<b>824</b>	<b>835</b>	<b>-</b>	<b>-</b>
<b>Trees</b>					
Balance at beginning of year		4,467	3,191	-	-
Additions		48	-	-	-
Changes in fair value	8	218	1,276	-	-
<b>Balance at end of year</b>		<b>4,733</b>	<b>4,467</b>	<b>-</b>	<b>-</b>

The livestock consists of mixed age sheep, cattle and cows, which are held for dairy and dry stock farming. M Gaustad from PGG Wrightson determined the fair value of sheep, cattle and cows at 31 March 2014 and 31 March 2013. The valuation is based on reference to market evidence of current market prices less point-of-sale costs. At balance date there were 2,971 sheep, 105 cattle, 282 cows and 234 calves (2013: 2,486 sheep, 471 cattle and 197 cows).

The trees are comprised of a 374 hectare Pinus Radiata (2013: 374 hectares) forest planted from 1996 to 1997, 150 hectares Pinus Radiata (2013: 150 hectares) forest planted from 2001 to 2002 and 270 hectares of Californian Coast Redwoods (2013: 270 hectares) planted from 2005 to 2007. It is expected that the rotation age for the Pinus Radiata crop will be 26 years and 35 years for the Californian Coast Redwoods, at which time the crop will be harvested. The 374 hectares and 150 hectares of Pinus Radiata was valued using the Crop Expectation Value method at a 7.0% post-tax discount rate to determine fair value, less point-of-sale costs. The 270 hectares of Californian Coast Redwoods was valued using the Crop Expectation Value method at a 6.5% post-tax discount rate to determine fair value, less point-of-sale costs. The non-current biological assets are held for investment. All non-current biological assets were valued by P Silcock from NZ Forestry Limited at 31 March 2014 and 31 March 2013.

All valuers are independent registered valuers not related to the Trust or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the categories of biological assets they have valued.



# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 14. RELATED PARTY TRANSACTIONS

#### (a) Parent entity

The Waikato Raupatu Lands Trust is the Parent entity of the Group. Waikato-Tainui Te Kauhanganui Incorporated is the ultimate controlling party. All members of the Group are considered to be related parties of the Trust.

Amounts outstanding between the Parent and the Group are:

Notes	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Advances owing (to)/from related parties:</b>				
Tainui Group Holdings Limited and subsidiaries	-	-	5,044	4,377
Waikato Raupatu River Trust	-	-	(218)	1
Waikato-Tainui Distributions Limited	-	-	1,200	1,200
Waikato-Tainui Koiora Limited Collective LP	-	-	257	415
	-	-	<b>6,283</b>	<b>5,993</b>
<b>Trade and other receivable owing from related parties:</b>				
Tainui Group Holdings Limited	11	-	8	158
Rotokauri Development Limited	11	1,185	-	-
	-	<b>1,185</b>	<b>8</b>	<b>158</b>
<b>Trade and other payables owing to related parties:</b>				
Tainui Group Holdings Limited and subsidiaries	21	-	4,380	125
Waikato-Tainui Distributions Limited	21	16	34	16
Waikato Raupatu Lands Trust	21	26	-	26
	-	<b>42</b>	<b>4,414</b>	<b>167</b>

Transactions between related entities include loans and advances to and from the Parent, certain subsidiaries and associates.

All amounts owing by and to the Trust and Group are repayable on demand and are interest free, other than the advance owing by the Trust to Waikato-Tainui Distributions Limited for which interest is charged daily based on the 90 day bank bill rate. There is no impairment of any related party balances. The amount owing by Tainui Group Holdings Limited and subsidiaries to the Parent is subordinated to the Westpac and BNZ bank loans (see note 23).

Tainui Group Holdings Limited charged the Trust and Waikato Raupatu River Trust \$0.6m and \$0.3m respectively (2013: the Trust and Waikato Raupatu River Trust \$0.5m and \$0.3m respectively) for administration services and financial charges, which is classified as other income (see note 4). There were no purchases of goods or services from the Group's subsidiaries.

Tainui Group Holdings Limited and Waikato-Tainui Fisheries Limited declared a dividend of \$11.1m (8.5c per share) and \$0.4m (\$3,700 per share) respectively during the year for the year ended 31 March 2014 to Waikato-Tainui Te Kauhanganui Incorporated (2013: Tainui Group Holdings Limited \$10.0m (7.7c per share) and Waikato-Tainui Fisheries Limited \$0.9m (\$9,000 per share)). A dividend of \$12m (9.2c per share) from Tainui Group Holdings Limited was declared on 20 June 2014 in relation to the year ended 31 March 2014, of which \$8.4m was prepaid at balance date (see note 31).

On 21 February 2013, Tainui Group Holdings Limited issued 70,000,000 shares at \$1 per share to the Trust. No cash was paid for the shares, however payment of the shares were offset by the advance that Tainui Group Holdings Limited owed the Trust.

There are operating leases in place between the Trust and Tainui Group Holdings Limited for land owned by the Trust where the Tainui Group Holdings Limited has developed and leased properties at The Base and the University of Waikato respectively.

In 2014 the Parent moved into the premises located at 4 Bryce Street, Hamilton. This property is classified as property plant and equipment (see note 18). No rent is charged. The Waikato Raupatu River Trust occupy the premises at 20 Alma Street, Hamilton. The property is classified as investment property. Rental of \$0.1m was charged during the year (2013: \$0.1m).

During the course of the year, Rotokauri Development Limited sold a property in Rotokauri, Hamilton to an employee of Tainui Group Holdings Limited. The property was sold at auction for \$0.5m and was on an arms length basis.

In 2013, Tainui Development Limited sold 42 hectares of land at Rotokauri to the joint venture partnership, Rotokauri Development Limited for residential sub-division. As at 31 March 2013, \$1.2m was outstanding and has since been paid (see note 11).

During the year, Raukura Moana Seafoods Limited transferred quota valued at \$0.6m to Raukura Moana Sealord Limited Partnership which was priced at market rates.

**(b) Key management and personnel compensation**

Key management personnel compensation for the years ended 31 March 2014 and 31 March 2013 is as follows:

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Short term employee benefits	2,227	1,894	263	256
	<b>2,227</b>	<b>1,894</b>	<b>263</b>	<b>256</b>

There are no post employment, other long term employment, termination or share based payment benefits (2013: nil).

**(c) Directors and trustees fees**

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Tainui Group Holdings Limited:</b>				
M Allen	43	55	-	-
M Cockram	40	40	-	-
R Papa*	-	3	-	-
J Perry (Board advisor)	40	40	-	-
H W Rau*	40	37	-	-
P Rawiri*	40	37	-	-
R Schaafhausen*	-	3	-	-
J Spencer	-	20	-	-
H van der Heyden	80	60	-	-
K Wetere	-	10	-	-
<b>Waikato-Tainui Te Kauhangau Inc.:</b>				
A Capper	30	30	30	30
H Chong	25	-	25	-
T T A S Mahuta	48	40	48	40
T Martin	-	60	-	60
G Miller	-	31	-	31
M Moana-Tuwhangai	29	-	29	-
T B Morgan	45	14	45	14
R Papa*	53	40	53	40
K M Porima	40	40	40	40
W Rapana	24	-	24	-
H W Rau*	48	55	48	55
P Rawiri*	40	40	40	40
T Roa	69	107	69	107
R Schaafhausen*	40	40	40	40
B Takerei	1	20	1	20
T P T M Tukere	40	40	40	40
J Wilson	40	40	40	40
<b>Waikato-Tainui Te Kauhangau Inc Representatives</b>	<b>196</b>	<b>257</b>	<b>196</b>	<b>257</b>
	<b>1,051</b>	<b>1,159</b>	<b>768</b>	<b>854</b>

\*Directors and Trustees who are represented with both Tainui Group Holdings Limited and Waikato-Tainui Te Kauhangau Inc.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 15. TRADE AND OTHER RECEIVABLES (NON CURRENT)

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Co-Management Settlement receivable	9,455	16,647	-	-
Relativity settlement receivable	19,000	-	19,000	-
Other receivables	708	927	468	469
Provision for doubtful receivable	(450)	(450)	(450)	(450)
Lease fitout contribution	1,158	1,159	-	-
	<b>29,871</b>	<b>18,283</b>	<b>19,018</b>	<b>19</b>

Other receivables is comprised of the Waikato Raupatu River Trust Co-management settlement receivable. The Co-Management funding has been valued based on a discounted cash flow method using the annual swap rates for the relative term. The swap rates applied range from 3.63% to 5.08% (2013: 3.16%). The Co-Management funding settlement provided that an annuity of \$1m be provided for 27 years. During the 2014 year, \$11m was received for the Co-management debtor, which included the annuity of \$1m plus an advance of \$10m, reducing the settlement period by 10 years.

The Crown treaty settlement allows for a special mechanism - a 'relativity settlement' as set out in note 1 and note 29. A relativity settlement receivable of \$19m has been recognised at 31 March 2014 based on the value of Treaty settlements confirmed by the Government on 30 June 2013. The Relativity settlement receivable calculates an amount receivable from the Government in 1995 dollars of \$12.7m, based on the Government confirmed settlements, adjusted for inflation to present value in accordance with the Deed of Settlement mechanism.

### 16. OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>At fair value through profit or loss:</b>				
Call option agreement - property	647	-	-	-
Listed companies	1,957	2,426	-	-
Unlisted companies	10,883	7,579	-	-
Unlisted company - AFL income shares	10,521	12,935	-	-
	<b>24,008</b>	<b>22,940</b>	<b>-</b>	<b>-</b>

#### (a) Listed companies

The fair value of shares in listed companies is the investment in Fonterra Co-operative Group Limited.

#### (b) Unlisted companies

The fair value of shares in unlisted companies is represented by the investment in Pioneer Capital Partners LP.

#### (c) Unlisted companies - Aotearoa Fisheries Limited (AFL) income shares

The fair value of the AFL income shares is based a valuation undertaken by Toroa Strategy Limited. The valuation methodology uses a mixture of historical performance, multiple earnings over a three year period, dividend streams and liquidity. Toroa Strategy Limited is not related to the Trust or Group and holds recognised and relevant professional qualifications having had recent experience and knowledge in the assets they have valued.

## 17. INTANGIBLE ASSETS

	Software \$'000	Quota \$'000	NZ Units ETS \$'000	Total \$'000
<b>CONSOLIDATED</b>				
<b>Year ended 31 March 2013</b>				
<b>Opening net book amount</b>	117	20,340	402	20,859
Additions	268	-	-	268
Disposals	(27)	-	-	(27)
Amortisation and Impairment	(110)	-	(300)	(410)
<b>Closing balance</b>	<b>248</b>	<b>20,340</b>	<b>102</b>	<b>20,690</b>
<b>At 31 March 2013</b>				
Cost	615	20,340	476	21,431
Accumulated amortisation and impairment	(367)	-	(374)	(741)
<b>Net book value</b>	<b>248</b>	<b>20,340</b>	<b>102</b>	<b>20,690</b>

	Goodwill \$'000	Software \$'000	Quota \$'000	NZ Units ETS \$'000	Total \$'000
<b>CONSOLIDATED</b>					
<b>Year ended 31 March 2014</b>					
<b>Opening net book amount</b>	-	248	20,340	102	20,690
Additions	-	278	-	-	278
Acquisition of joint venture	24,410	-	-	-	24,410
Disposals	-	(16)	-	-	(16)
Amortisation and impairment	-	(85)	-	62	(23)
<b>Closing balance</b>	<b>24,410</b>	<b>425</b>	<b>20,340</b>	<b>164</b>	<b>45,339</b>
<b>At 31 March 2014</b>					
Cost	24,410	875	20,340	256	45,881
Accumulated amortisation and impairment	-	(450)	-	(92)	(542)
<b>Net book value</b>	<b>24,410</b>	<b>425</b>	<b>20,340</b>	<b>164</b>	<b>45,339</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 17. Intangible assets (continued)

	Software \$'000	NZ Units ETS \$'000	Total \$'000
<b>PARENT</b>			
<b>Year ended 31 March 2013</b>			
<b>Opening net book amount</b>	-	371	371
Additions	157	-	157
Amortisation and impairment	-	(277)	(277)
<b>Closing balance</b>	<b>157</b>	<b>94</b>	<b>251</b>
<b>At 31 March 2013</b>			
Cost	157	371	528
Accumulated amortisation and impairment	-	(277)	(277)
<b>Net book value</b>	<b>157</b>	<b>94</b>	<b>251</b>
<b>Year ended 31 March 2014</b>			
<b>Opening net book amount</b>	157	94	251
Additions	99	-	99
Amortisation and impairment	-	57	57
<b>Closing value</b>	<b>256</b>	<b>151</b>	<b>407</b>
Cost	256	151	407
<b>Net book value</b>	<b>256</b>	<b>151</b>	<b>407</b>

Tainui Group Holdings Limited is deemed a participant in the New Zealand Emission Trading Scheme (ETS) as it is an owner of fishing quota. NZUs for 2014 and 2013 relate to 4,191 units that were allocated to Tainui Group Holdings Limited by the Ministry for the Environment as part of the fisheries allocation for quota owned. The units were valued at \$3.05 per unit (2013: \$1.90) resulting in an impairment reversal of \$4,820 (2013: impairment of \$23,470).

The Parent is deemed a participant in the ETS as it is an owner of forestry land. NZUs relate to 49,511 units that were allocated to the Parent by the Ministry for the Environment as part of the forestry allocation for land owned. The units were valued at \$3.05 per unit (2013: \$1.90) resulting in an impairment reversal of \$56,938 (2013: impairment of \$277,262).

Quota Management Systems Limited were contracted as an independent valuer to perform an impairment assessment of the quota assets. Fair value has been assessed with reference to individual fish stock, the valuers knowledge of the market and the Ministry of Fisheries Quota Monitoring System reports.

Quota benefits are expected to be received in perpetuity, therefore the useful life has been assessed as indefinite.

The Group recognises goodwill on acquisition of Waikato Milking Systems Limited Partnership (see note 3). Management have assessed goodwill and determined that no impairment should be recognised based on an assessment of the fair value less cost to sell of Waikato Milking Systems Limited by reference to its acquisition by the partnership on 31 March 2014.



## 18. PROPERTY, PLANT AND EQUIPMENT

	Notes	Farm & other properties \$'000	Develop- ment properties \$'000	Land at cost \$'000	Trust & other properties \$'000	Plant & equipment \$'000	Motor Vehicles \$'000	Computer, office equipment, furniture & fittings \$'000	Hotels \$'000	Total \$'000
<b>CONSOLIDATED</b>										
<b>Year ended 31 March 2013</b>										
Opening net book value		21,787	1,622	3,240	9,122	447	223	1,137	57,323	94,901
Additions		3,000	-	-	-	34	123	923	415	4,495
Disposals		(43)	-	-	(36)	(3)	(5)	(71)	-	(158)
Net revaluation	10	(698)	-	-	-	-	-	-	-	(698)
Reclassification		1,536	(1,622)	-	-	4	44	38	-	-
Transfer to investment properties	19	(1,622)	-	(3,240)	-	-	-	-	-	(4,862)
Depreciation	5	(107)	-	-	(343)	(82)	(120)	(424)	(2,241)	(3,317)
<b>Closing net book value</b>		<b>23,853</b>	<b>-</b>	<b>-</b>	<b>8,743</b>	<b>400</b>	<b>265</b>	<b>1,603</b>	<b>55,497</b>	<b>90,361</b>
<b>At 31 March 2013</b>										
Cost		27	-	-	15,986	956	1,117	3,121	59,585	80,792
Valuation		23,849	-	-	-	-	-	-	-	23,849
Accumulated depreciation		(23)	-	-	(7,243)	(556)	(852)	(1,518)	(4,088)	(14,280)
<b>Closing net book value</b>		<b>23,853</b>	<b>-</b>	<b>-</b>	<b>8,743</b>	<b>400</b>	<b>265</b>	<b>1,603</b>	<b>55,497</b>	<b>90,361</b>

	Notes	Farm & other properties \$'000	Trust & other properties \$'000	Plant & equipment \$'000	Motor Vehicles \$'000	Computer, office equipment, furniture & fittings \$'000	Hotels \$'000	Total \$'000
<b>Year ended 31 March 2014</b>								
Opening net book value		23,853	8,743	400	265	1,603	55,497	90,361
Additions		370	204	64	45	807	951	2,441
Disposals		(4)	-	-	-	(23)	-	(27)
Acquisition of subsidiary/ joint ventures		35	-	405	163	83	44,040	44,726
Net revaluation	10	3,070	-	-	-	-	-	3,070
Settlement		-	1,943	-	-	-	-	1,943
Transfer from investment properties	19	1,675	-	-	-	-	-	1,675
Depreciation	5	(174)	(312)	(44)	(68)	(504)	(2,900)	(4,002)
<b>Closing net book value</b>		<b>28,825</b>	<b>10,578</b>	<b>825</b>	<b>405</b>	<b>1,966</b>	<b>97,588</b>	<b>140,187</b>
<b>At 31 March 2014</b>								
Cost		62	18,088	1,425	1,325	3,895	104,576	129,371
Valuation		28,786	-	-	-	-	-	28,786
Accumulated depreciation		(23)	(7,510)	(600)	(920)	(1,929)	(6,988)	(17,970)
<b>Closing net book value</b>		<b>28,825</b>	<b>10,578</b>	<b>825</b>	<b>405</b>	<b>1,966</b>	<b>97,588</b>	<b>140,187</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 18. Property, plant and equipment (continued)

	Notes	Trust & other properties \$'000	Plant & equipment \$'000	Motor Vehicles \$'000	Computer, office equipment, furniture & fittings \$'000	Total \$'000
<b>PARENT</b>						
<b>Year ended 31 March 2013</b>						
Opening net book value		8,366	447	139	210	9,162
Additions		-	34	-	74	108
Disposals		(35)	(6)	-	(36)	(77)
Depreciation charge	5	(334)	(79)	(89)	(77)	(579)
<b>Closing net book value</b>		<b>7,997</b>	<b>396</b>	<b>50</b>	<b>171</b>	<b>8,614</b>
<b>At 31 March 2013</b>						
Cost		15,121	939	684	753	17,497
Accumulated depreciation		(7,124)	(543)	(634)	(582)	(8,883)
<b>Closing net book value</b>		<b>7,997</b>	<b>396</b>	<b>50</b>	<b>171</b>	<b>8,614</b>
<b>Year ended 31 March 2014</b>						
Opening net book value		7,997	396	50	171	8,614
Additions		203	32	-	85	320
Disposals		-	-	-	(45)	(45)
Depreciation charge	5	(303)	(40)	(24)	(94)	(461)
<b>Closing net book value</b>		<b>7,897</b>	<b>388</b>	<b>26</b>	<b>117</b>	<b>8,428</b>
<b>At 31 March 2014</b>						
Cost		15,280	971	683	779	17,713
Accumulated depreciation		(7,383)	(583)	(657)	(662)	(9,285)
<b>Closing net book value</b>		<b>7,897</b>	<b>388</b>	<b>26</b>	<b>117</b>	<b>8,428</b>

### Development properties and land at cost

In 2013, Tainui Group Holdings Limited developed new offices which had been reclassified from development to farm and other properties. The prior office property occupied by Tainui Group Holdings Limited is now occupied by the Waikato Rauapatu Lands Trust and has been transferred from investment properties to farm and other properties.

### Valuation of farm and other properties

Telfer Young (Waikato) Limited and Curnow Tizard were contracted as independent valuers to value farm and other properties. Fair value has been assessed as the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transaction.

The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable income and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates); and
- comparing market evidence of transaction prices for similar properties.

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2014 is \$22.4m (2013: \$19.3m).

The carrying amount that would have been reported for farm properties under the historical cost method is \$9.3m (2013:

\$9.3m). The total value of other properties valued by Curnow Tizard Limited at 31 March 2014 is \$4.7m (2013: \$4.6m). The carrying amount that would have been reported for other properties under the historical cost method is \$4.5m (2013: \$4.5m).

All valuers are independent registered valuers not related to the Parent or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of farm and other properties they have valued.

#### Hotel assets pledged as security

The ASB Bank and the Bank of New Zealand have security agreements over the assets owned by the Novotel Auckland Airport hotel and the Hamilton Riverview Hotel Limited respectively, refer to note 23.

## 19. INVESTMENT PROPERTIES

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of year		545,288	504,437	4,177	4,305
Development		11,709	16,785	-	-
Net gain/(loss) from fair value adjustment	8	12,706	21,828	551	(128)
Acquisition from subsidiary		-	-	4,380	-
Transfer (to)/from property, plant and equipment	18	(1,675)	4,862	-	-
Disposals		(3,114)	(2,624)	-	-
<b>Balance at end of year</b>		<b>564,914</b>	<b>545,288</b>	<b>9,108</b>	<b>4,177</b>

#### Valuation basis of investment properties

Investment property valuations were completed as follows:

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$72m and Parent \$5.8m on 31 March 2014 (31 March 2013: \$69m and Parent: \$0.9m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$298m on 31 March 2014 (31 March 2013: \$286m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

K. Sweetman from Colliers International NZ Limited valued properties at fair value of \$80m on 31 March 2014 (31 March 2013: \$75m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

P.A. Curnow from Curnow Tizard Limited valued properties at fair value of \$112m and Parent \$3.3m on 31 March 2014 (31 March 2013: \$112m and Parent: \$3.3m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

All valuers are independent registered valuers not related to the Parent or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Tainui Group Holdings Limited also incurred work in progress, which is held at cost, as at 31 March 2014 of \$3m (2013: \$3m) in relation to the property located at The Base.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 20. TE WHEROWHERO TITLE PROPERTIES

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Investment Property</b>					
Balance at beginning of the year		38,546	34,856	38,546	34,856
Net gain from fair value adjustments	8	9,821	3,690	9,821	3,690
		<b>48,367</b>	<b>38,546</b>	<b>48,367</b>	<b>38,546</b>
<b>Other land</b>					
At cost		1,716	1,716	1,716	1,716
<b>Closing balance</b>		<b>50,083</b>	<b>40,262</b>	<b>50,083</b>	<b>40,262</b>

For Te Wherowhero title properties held at fair value amounting to \$48m (2013: \$39m), valuations were completed as follows:

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$32m (Parent: \$32m) as at 31 March 2014 (31 March 2013: \$24m and Parent \$24m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$11m (Parent: \$11m) as at 31 March 2014 (31 March 2013: \$9m and Parent \$9m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

P. A. Curnow from Curnow Tizard Limited valued properties at fair value of \$6m (Parent: \$6m) as at 31 March 2014 (31 March 2013: \$6m and Parent \$6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

All valuers are independent registered valuers not related to the Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Te Wherowhero land title is subject to an operating lease with Tainui Group Holdings Limited. The sub-lessor interest is held within investment properties (see note 19).

### 21. TRADE AND OTHER PAYABLES

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Inventory acquisition - land		3,582	-	-	-
Trade payables		4,773	1,559	71	87
Grants payable		2,850	2,520	2,840	2,520
Subsidiary acquisition	27	10,505	-	-	-
Trade payables to related parties	14	-	42	4,414	167
Income received in advance		3,241	1,590	-	-
Accrued expenses		14,406	12,155	876	550
Employee entitlements		865	799	113	257
Other payables		468	404	-	-
GST		160	646	-	8
		<b>40,850</b>	<b>19,715</b>	<b>8,314</b>	<b>3,589</b>

## 22. TRADE AND OTHER PAYABLES (NON-CURRENT)

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income received in advance	452	1,131	-	-
	<b>452</b>	<b>1,131</b>	<b>-</b>	<b>-</b>

## 23. INTEREST BEARING LIABILITIES

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Secured</b>				
Bank loans	124	30,336	-	-
Housing Corporation of New Zealand	-	6	-	6
<b>Total current interest bearing borrowings</b>	<b>124</b>	<b>30,342</b>	<b>-</b>	<b>6</b>
Bank loans	225,130	156,335	-	-
Housing Corporation of New Zealand	-	6	-	6
<b>Total non-current interest bearing liabilities</b>	<b>225,130</b>	<b>156,341</b>	<b>-</b>	<b>6</b>
<b>Total interest bearing liabilities</b>	<b>225,254</b>	<b>186,683</b>	<b>-</b>	<b>12</b>

Total interest bearing liabilities for the Group is net of prepaid borrowing costs of \$0.3m (2013: \$0.5m).

Tainui Group Holdings Limited holds a multi-option credit line facility agreement with Westpac New Zealand Limited for \$50.0m (2013: \$50.0m) which matures on 31 March 2019. Borrowings of \$40.9m of the available facility had been drawn at balance date (2013: \$30.4m).

Tainui Group Holdings Limited holds a multi-option credit line facility agreement with Westpac New Zealand Limited for \$25.0m (2013: \$25.0m) which matures on 16 June 2015. No borrowings had been drawn at balance date (2013: nil).

Tainui Group Holdings Limited holds a Wholesale Term Loan Facility with Westpac New Zealand Limited for \$50.0m (2013: \$50.0m) which matures on 27 July 2015. Borrowings of \$50.0m had been drawn at balance date (2013: \$50.0m).

Tainui Group Holdings Limited holds a Committed Cash Advances Facility Tranche A Agreement with the Bank of New Zealand for \$75.0m (2013: \$75.0m) which matures on 31 July 2016. Borrowings of \$58.9m of this facility had been drawn at balance date (2013: \$48.3m).

Tainui Group Holdings Limited holds a Committed Cash Advances Facility Tranche B Agreement with the Bank of New Zealand for \$50.0m (2013: \$50.0m) which matures on 30 November 2017. Borrowings of \$32.1m of the available facility had been drawn at balance date (2013: \$32.1m).

Tainui Auckland Airport Hotel holds a Committed Cash Advance Facility with ASB Bank Limited for \$32.5m (2013: \$32.5m) which matures 31 March 2019. Borrowings of \$22.9m of the available facility had been drawn at balance date (2013: \$26.4m).

The ASB Bank has a first and exclusive security agreement over the assets and undertakings of Tainui Auckland Airport Hotel LP and Tainui Auckland Airport Hotel GP Limited.

Hamilton Riverview Hotel Limited holds a term loan with the Bank of New Zealand for \$10.0m which matures on 31 March 2018. Borrowings of \$7.0m of the available facility had been drawn at balance date. The Bank of New Zealand holds a first and preferential security interest over all property owned by Hamilton Riverview Hotel Limited. In 2013 Hamilton Riverview Hotel Limited was an associate investment, and as a result the term loans were not reported within the Group.



# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 23. Interest bearing liabilities (continued)

Waikato Milkings Systems Limited Partnership holds a multi-currency term loan with the ANZ Bank of New Zealand for \$41.1m (2013: nil) which matures on 24 February 2017 and a revolving cash advance facility of \$7.0m for a term of 90 days for which the Groups share of the available facilities are \$13.6m and \$2.3m respectively, of which \$13.6m and \$0.1m had been drawn at balance date (2013: nil). The ANZ Bank of New Zealand holds a first and preferential security interest over all property owned by Waikato Milking Systems Limited.

Tainui Group Holdings Limited and guaranteeing subsidiaries (Tainui Corporation Limited, Tainui Development Limited, TGH No.1 Limited, Raukura Moana Seafoods Limited and The Base Limited) have granted to Westpac New Zealand Limited and Bank of New Zealand a charge in and over all present and future assets and present and future rights and interest in any asset as security for the finance facilities.

The following borrowing costs were capitalised as components of investment properties:

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Investment properties	927	722	-	-
Weighted average capitalisation rate on funds borrowed generally	7.64%	8.20%	-	-

### 24. OTHER FINANCIAL LIABILITIES

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>At fair value through profit or loss</b>				
Interest rate swaps	1,355	162	-	-
Total current other financial liabilities	<b>1,355</b>	<b>162</b>	-	-
Interest rate swaps	3,693	12,740	-	-
Total non-current other financial liabilities	<b>3,693</b>	<b>12,740</b>	-	-
	<b>5,048</b>	<b>12,902</b>	-	-

The notional amount of interest rate swaps is \$144m with maturity dates that range from 1-8 years (2013: \$150m, maturing between 1-9 years).

## 25. RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Notes	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net profit for the year		70,874	110,761	35,655	75,463
<b>Non-cash items:</b>					
Depreciation, amortisation and impairment	5	4,025	3,727	404	856
Bad debts written off	5	32	85	-	2
Movement in doubtful debt provision	5	43	159	26	-
Amortisation of capitalised lease incentives		297	167	-	-
Share of total profits of associates	6	(474)	(316)	-	-
Other gains - net		(31,884)	(30,438)	(10,372)	(3,563)
Relativity Settlements	15	(20,943)	-	(19,000)	-
Other non-cash items in relation to investing and financing activities		(621)	(352)	19	76
Other gains on acquisition of subsidiary		(3,049)	-	-	-
<b>(Increase)/decrease in current assets (excluding subsidiary and joint venture acquisition):</b>					
Trade and other receivables		6,321	(3,876)	(302)	376
Trade and other receivables - non-cash fair value gain		3,808	2,452	-	-
Inventories		(6,860)	261	-	-
Biological assets		(255)	247	-	-
Biological assets - non-cash fair value gain		545	119	-	-
<b>Increase/(decrease) in current liabilities (excluding subsidiary and joint venture acquisition):</b>					
Trade and other payables		3,509	5,631	4,725	(471)
<b>Other</b>					
Dividend received from associate	6	207	207	-	-
<b>Net cash inflow from operating activities</b>		<b>25,575</b>	<b>88,834</b>	<b>11,155</b>	<b>72,739</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 26. FINANCIAL RISK MANAGEMENT

#### 26.1 Financial risk factors

Exposure to credit, liquidity and market (currency, interest and price) risks arise in the normal course of the Group's business. The Group has various financial instruments with off-balance sheet risk.

Senior management are required to identify and report major risks affecting the business and develop strategies to mitigate these risks. The board reviews and approves overall risk management strategies covering specific areas.

##### (a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Trust or Group, causing the Trust or Group to incur a loss. The Trust and Group do not have any significant concentrations of credit risk, other than the Co-Management debtor expected from the Crown (see also note 15). The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as shown in the statement of financial position. The Trust and Group do not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions with high credit ratings except for funds lent to a related party and an external entity for which the Trust and Group have appropriate security and guarantees. The Trust and Group further minimise credit exposure by limiting the amount of surplus funds placed with any one financial institution. The cash and cash equivalents of \$172m are held with bank and financial institution counterparties, which are rated AA- to A+, based on Standards and Poors ratings. The Trust and Group do not expect non-performance of any obligations at balance date. There are no material financial assets held by the Trust and Group at balance date which are past due but not impaired.

##### (b) Market risk

###### (i) Currency

The Group has no exposure to currency risk at balance date.

There are no notional principal or forward foreign exchange contracts at 31 March 2014 (2013: nil).

###### (ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk.

The Group adopts a policy of ensuring that between 25 and 90 per cent of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed contract and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at reporting date and the credit risk inherent in the contract, and are disclosed below. The average interest rate is based on the outstanding balances at the start of the financial year.

##### Sensitivity analysis

As at 31 March 2014, if the 90 day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the Group's profit/(loss) for the year and the equity would have been \$506,974 (2013: \$594,149) higher or lower (parent nil for 2014 and 2013). This movement is attributable to an increase or decrease in the interest expense on floating rate loans and in the interest income from deposits. The sensitivity is lower in 2014 due to reduced interest rates.

### (iii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group that are classified at fair value through profit or loss. Neither the Group nor the Parent are exposed to commodity price risk.

#### Sensitivity analysis

The table below summarises the impact of increases/(decreases) of the New Zealand equity index on the Group (Parent for 2014 and 2013: nil) and the Group's profit and equity for the year. The analysis is based on the assumption that should the equity indexes increase/(decrease) by 10% (2013: 10%) with all other variables held constant and all the Group's equity instruments move according to the historical correlation with the index.

	Impact on profit		Impact on equity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>CONSOLIDATED</b>				
Financial assets at fair value through profit or loss	196	243	196	243
Financial assets at fair value through profit or loss	(196)	(243)	(196)	(243)

Profit for the year would increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss. Equity would further increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss.

#### Price risk in relation to Aotearoa Fisheries Limited (AFL) income shares

A movement in the enterprise value of 1% would result in a gain/(loss) in the Groups equity interest in AFL income shares of \$0.1m (2013: \$0.1m) and a movement in the multiple of 1.0 would result in a gain/(loss) in the Groups equity interest in AFL income shares of \$1.4m (2013: \$1.7m).

The price risk for other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

#### (c) Financial risk management strategies relating to agricultural activities

The Group undertakes agricultural activities through its farm operations and forestry land. These operations are exposed to business risks, including the volatility of revenue and valuation of its assets.

The Group utilises the skills of appropriately qualified and experienced farm consultants, farm managers and sharemilkers to mitigate the financial risk relating to farming activities.

The Group utilises the skills of appropriately qualified and experienced forestry consultants and forestry contractors to mitigate the financial risk relating to forestry activities.

#### (d) Liquidity risk

Liquidity risk is the risk that the Trust and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Trust and Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 26. Financial risk management (continued)

The table below analyses the Trust and Group's financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

#### Maturities of financial liabilities

The tables below analyse the Group and Parent financial liabilities, net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Notes	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
<b>CONSOLIDATED - At 31 March 2014</b>							
<b>Non-derivatives</b>							
Trade and other payables	21	36,585	-	-	-	36,585	36,585
Borrowings	23	9,373	59,249	187,337	-	255,959	225,588
<b>Total non-derivatives</b>		<b>45,958</b>	<b>59,249</b>	<b>187,337</b>	<b>-</b>	<b>292,544</b>	<b>262,173</b>
<b>Derivatives</b>							
Derivative financial instrument (outflows)		2,012	2,052	2,474	390	6,928	5,048
<b>Total derivatives</b>	24	<b>2,012</b>	<b>2,052</b>	<b>2,474</b>	<b>390</b>	<b>6,928</b>	<b>5,048</b>
<b>CONSOLIDATED - At 31 March 2013</b>							
<b>Non-derivatives</b>							
Trade and other payables	21	16,680	-	-	-	16,680	16,680
Borrowings	23	37,823	31,519	137,984	-	207,326	187,163
<b>Total non-derivatives</b>		<b>54,503</b>	<b>31,519</b>	<b>137,984</b>	<b>-</b>	<b>224,006</b>	<b>203,843</b>
<b>Derivatives</b>							
Derivative financial instrument (outflows)		3,106	2,712	5,340	1,744	12,902	12,902
<b>Total derivatives</b>	24	<b>3,106</b>	<b>2,712</b>	<b>5,340</b>	<b>1,744</b>	<b>12,902</b>	<b>12,902</b>
<b>PARENT - At 31 March 2014</b>							
<b>Non-derivatives</b>							
Trade and other payables	21	3,821	-	-	-	3,821	3,821
Advances from subsidiaries		6,283	-	-	-	6,283	6,283
<b>Total non-derivatives</b>		<b>10,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,104</b>	<b>10,104</b>
<b>PARENT - At 31 March 2013</b>							
<b>Non-derivatives</b>							
Trade and other payables	21	3,324	-	-	-	3,324	3,324
Borrowings	23	6	7	-	-	13	12
Advances from subsidiaries		5,993	-	-	-	5,993	5,993
<b>Total non-derivatives</b>		<b>9,323</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>9,330</b>	<b>9,329</b>



### (e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date. The quoted market price used for financial assets held by the Group is the current bid price, with the exception of investment in subsidiaries, joint ventures and associates.

Investment in subsidiaries, joint ventures and associates do not have a quoted market price in an active market and the fair value cannot be reliably measured.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There are no financial liabilities with a carrying value different to their fair value.

Disclosure of fair value measurements is made by the level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
<b>CONSOLIDATED - as at 31 March 2014</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Investments in listed companies	1,957	-	-	1,957
– Investments in unlisted companies	-	10,883	-	10,883
– Investments in unlisted company (AFL income shares)	-	-	10,521	10,521
Derivatives - call option agreement for property	-	647	-	647
<b>Total assets</b>	<b>1,957</b>	<b>11,530</b>	<b>10,521</b>	<b>24,008</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	5,048	-	5,048
<b>Total liabilities</b>	<b>-</b>	<b>5,048</b>	<b>-</b>	<b>5,048</b>
<b>CONSOLIDATED - as at 31 March 2013</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Investments in listed companies	2,426	-	-	2,426
– Investments in unlisted companies	-	7,579	-	7,579
– Investments in unlisted company (AFL income shares)	-	-	12,935	12,935
<b>Total assets</b>	<b>2,426</b>	<b>7,579</b>	<b>12,935</b>	<b>22,940</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	12,902	-	12,902
<b>Total liabilities</b>	<b>-</b>	<b>12,902</b>	<b>-</b>	<b>12,902</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 26. Financial risk management (continued)

#### (f) Financial instruments by category

##### FINANCIAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION

##### CONSOLIDATED

##### At 31 March 2014

	Assets at fair value through profit or loss \$'000	Assets at amortised cost \$'000	Total \$'000
Available for sale financial assets	23,361	-	23,361
Derivative – call option agreement for property	647	-	647
Trade and other receivables	-	40,001	40,001
Cash and cash equivalents	-	172,098	172,098
	<b>24,008</b>	<b>212,099</b>	<b>236,107</b>

##### At 31 March 2013

Available for sale financial assets	22,940	-	22,940
Trade and other receivables	-	23,771	23,771
Cash and cash equivalents	-	156,858	156,858
	<b>22,940</b>	<b>180,629</b>	<b>203,569</b>

##### PARENT

##### At 31 March 2014

	Assets at fair value through profit or loss \$'000	Assets at amortised cost \$'000	Total \$'000
Trade and other receivables	-	19,753	19,753
Cash and cash equivalents	-	83,146	83,146
	-	<b>102,899</b>	<b>102,899</b>

##### At 31 March 2013

Trade and other receivables	-	469	469
Cash and cash equivalents	-	76,512	76,512
	-	<b>76,981</b>	<b>76,981</b>

	Liabilities at fair value through profit or loss \$'000	Liabilities amortised cost \$'000	Total \$'000
<b>FINANCIAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION</b>			
<b>CONSOLIDATED</b>			
<b>At 31 March 2014</b>			
Borrowings	-	225,587	225,587
Derivative financial instruments	5,048	-	5,048
Trade and other payables	-	36,584	36,584
	<b>5,048</b>	<b>262,171</b>	<b>267,219</b>
<b>At 31 March 2013</b>			
Borrowings	-	187,163	187,163
Derivative financial instruments	12,902	-	12,902
Trade and other payables	-	16,680	16,680
	<b>12,902</b>	<b>203,843</b>	<b>216,745</b>
<b>PARENT</b>			
<b>At 31 March 2014</b>			
Trade and other payables	-	3,821	3,821
Advances from subsidiaries	-	10,663	10,663
	<b>-</b>	<b>14,484</b>	<b>14,484</b>
<b>At 31 March 2013</b>			
Borrowings	-	12	12
Trade and other payables	-	3,324	3,324
Advances from subsidiaries	-	5,993	5,993
	<b>-</b>	<b>9,329</b>	<b>9,329</b>

## 26.2 Capital risk management

The Group's capital is its equity plus debt, which is comprised of retained earnings and other reserves. Equity is represented by net assets. The Trust is subject to the financial management and accountability provisions of the Charities Act 2005, Waikato Raupatu Claims Settlement Act 1995 and the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing the Group's equity is to ensure the Group effectively achieves its objectives and purpose, whilst remaining a going concern in order to provide returns for the Parent and to maintain an optimal capital structure to reduce the cost of capital. The Group has not breached any bank covenants as required by the Bank of New Zealand and Westpac New Zealand Limited during the reporting period (see note 23) (2013: no breach). There are no externally imposed capital requirements at balance date (2013: nil).

		<b>Consolidated</b>	
	Notes	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Total borrowings	23	225,254	186,683
Less: cash and cash equivalents		(172,099)	(156,858)
Net debt		53,155	29,825
Total equity		783,724	704,687
Total capital		<b>836,879</b>	<b>734,512</b>
Gearing ratio		<b>6%</b>	<b>4%</b>

# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 27. BUSINESS COMBINATIONS

#### Summary of acquisition

On 16 October 2013, Tainui Development Limited acquired 41% of the share capital of Hamilton Riverview Hotel Limited taking its total shareholding to 82%. Hamilton Riverview Hotel Limited owns and operates the Novotel Tainui and Ibis Tainui in Hamilton.

Details of the fair value of the assets and liabilities acquired determined on a provisional basis are as follows:

	Provisional accounting 2014 \$'000
<b>Total acquisition comprises:</b>	
Cash paid	1,000
Trade and other payables (discounted at 7.5%)	10,505
<b>Total net acquisition</b>	<b>11,505</b>
Fair value of equity interest in Hamilton Riverview Hotel Limited held before the business combination	14,191
<b>Total consideration</b>	<b>25,696</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed at fair value:</b>	
Cash and cash equivalents	3,293
Property, plant and equipment	44,040
Inventories	40
Trade and other receivables	881
Trade and other payables	(1,219)
Other financial liabilities	(358)
Borrowings	(9,200)
Deferred tax liability	(3,183)
<b>Total identifiable net assets</b>	<b>34,294</b>
Non-controlling interest based on the proportionate interests of the recognised amounts of the net assets and liabilities	(5,912)
Gain on purchase	(2,686)
	<b>25,696</b>

Property, plant and equipment was valued by an independent valuer based on discounted cash flow models.

The Group recognised a gain of \$0.3m as a result of measuring at fair value its 41% equity instrument in Hamilton Riverview Hotel Limited held before the business combination. The gain is included in other income in the Group's statement of comprehensive income for the year ended 31 March 2014 (2013: nil).

The revenue included in the consolidated statement of comprehensive income since 16 October 2013 contributed by Hamilton Riverview Hotel Limited was \$6.5m. Hamilton Riverview Hotel Limited also contributed profit of \$0.5m over the same period.

Had Hamilton Riverview Hotel Limited been consolidated from 1 April 2013, the consolidated statement of income would show pro-forma revenue \$15m and profit of \$1.6m, excluding the impact of gains arising from measurement on acquisition. The gain on purchase is classified within other income (see note 4).

The gain on purchase of \$2.7m has been reported and is the result of the restatement of control due to both the majority shareholding being assumed as well as significant influence. In addition to this, a premium adjustment has been received on the non-controlling interest on purchase.

## 28. LEASES

Commitments for minimum lease payments/receipts in relation to non-cancellable operating leases are payable/receivable as follows:

### (a) Group and Parent as lessee

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Within one year	456	179	37	37
Later than one year but not later than five years	1,061	365	55	55
Later than five years	1,839	210	-	-
Commitments not recognised in the financial statements	3,356	754	92	92

There are no options to purchase attached to any lease agreements.

The operating leases that exist between the Parent and Tainui Group Holdings Limited for land owned by the Parent that are rent free until the first rent review date which is in 2019 and 2022.

### (b) Group and Parent as lessor

The lease payments receivable from leasees are as follows:

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Within one year	32,915	32,820	-	-
Later than one year and not later than five years	86,729	96,984	-	-
Later than five years	101,607	117,269	42,420	32,010
	221,251	247,073	42,420	32,010

Operating leases (with Parent and Group as lessor) relate to the investment properties owned by the Parent and Group with a range of lease terms from less than one year through to ninety-nine years. Some of the longer term leases have perpetual rights of renewal. All operating lease contracts contain market review clauses and the lessee will usually have an option to renew. The lessees do not have any options to purchase the properties at the expiry of their lease period.

## 29. CONTINGENCIES

### (a) Contingent assets

The Trust and Group had contingent assets at 31 March 2014 in respect of:

There is a contingent asset at balance date in respect of the Crown Treaty settlement which allows for a special mechanism if the value of all Treaty settlements between 1996 and 2044 is more than \$1 billion. During the financial year ended 31 March 2013, the Crown confirmed that all Treaty settlements had exceeded \$1 billion and as a result, the Trust received a \$70m settlement (see also note 15).

No further claim shall be paid until 2017 and five yearly thereafter. Whilst the claims are paid on a five yearly basis, all future relativity settlement amounts will be recognised based on total Treaty settlements as confirmed annually by the Government (see note 15). No claim shall be made after 2044.

There are no other contingent assets at 31 March 2014 (2013: nil).



# WAIKATO RAUPATU LANDS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 29. Contingencies (continued)

#### (b) Contingent liabilities

##### Guarantees

The Trust and Group had contingent liabilities at 31 March 2014 in respect of:

Raukura Whare Limited has agreed to underwrite certain Housing Corporation of New Zealand mortgages. Raukura Whare Limited is liable for any mortgages which default if total claims exceed \$23.3m. The life of the loan is 20 years. The Trustees believe that the expectation of defaulting mortgages exceeding \$23.3m is remote.

Tainui Group Holdings Limited and guaranteeing subsidiaries (Tainui Corporation Limited, Tainui Development Limited, TGH No.1 Limited, Raukura Moana Seafoods Limited, and The Base Limited) have granted to Westpac New Zealand Limited and the Bank of New Zealand a charge in and over all present and future assets and present and future rights and interest in any asset as security for the finance facilities (see note 23).

The Trust has first priority security of \$15m over the present and future undertakings, property, assets, revenues and capital of Raukura Moana Seafoods Limited, Tainui Corporation Limited, Tainui Development Limited and Tainui Group Holdings Limited. Each company jointly and severally, unconditionally and irrevocably guarantees to the Trust all secured monies.

The Trustees believe that the expectation of a liability arising due to the guarantees and mortgages in place is remote.

### 30. COMMITMENTS

Expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Inventories - sections for sale	894	-	-	-
Investment properties	1,742	-	-	-
	<b>2,636</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>	17,854	583	-	-
	<b>17,854</b>	<b>583</b>	<b>-</b>	<b>-</b>

Other commitments are for Tainui Group Holdings Limited and include the capital call commitment for investment in Pioneer Capital for \$8.2m (2013: \$0.6m), Genesis Energy shares purchased in April 2014 for \$8.3m and livestock purchased for \$1.4m.

### 31. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

In May 2014, Tainui Development Limited purchased the remaining 17% non-controlling interest share in Hamilton Riverview Hotel Limited for \$5m.

In May 2014, Waikato-Tainui Te Kauhanganui Inc. resolved to distribute \$15m in Marae grants.

On 20 June 2014 Tainui Group Holdings Limited declared a dividend of \$12m (9.2c per share) in relation to the year ended 31 March 2014 (2013: Tainui Group Holdings Limited \$11.1m (8.5c per share) and Waikato-Tainui Fisheries Limited \$0.4m (\$3,700 per share)), of which \$8.4m has been advanced by Tainui Group Holdings at balance date.



## Independent Auditors' Report

to the Trustees of Waikato Raupatu Lands Trust

### Report on the Financial Statements

We have audited the financial statements of Waikato Raupatu Lands Trust on pages 53 to 98, which comprise the statements of financial position as at 31 March 2014, the statements of comprehensive income and statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

### Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Trust and the Group's preparation of financial statements that give a true and fair view of the matters to which they relate, 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 Trust and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors and advisors we have no relationship with, or interests in, Waikato Raupatu Lands Trust and Waikato-Tainui Te-Kauhanganui Incorporated and their wholly-owned subsidiaries in New Zealand. These services have not impaired our independence as auditors of the Group.

### Opinion

In our opinion, the financial statements on pages 53 to 98:

- (i) comply with generally accepted accounting practice in New Zealand; and
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Trust and the Group as at 31 March 2014, and their financial performance and cash flows for the year then ended.

### Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2014:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Trust and the Group as far as appears from an examination of those records.

### Restriction on Distribution or Use

This report is made solely to the Trustees, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Trustee those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustee, as a body, for our audit work, for this report or for the opinions we have formed.

Chartered Accountants

Auckland  
20 June 2014

#### Annual report design and concept

Māori design direction for the annual report was provided by Wikuki Kingi, Renata Te Wiata and overseen by Waikato-Tainui master carver Inia Te Wiata. The puuhoro design which surrounds the images on the front and rear cover represents kotahitanga (unity) and is symbolic of moving as one team, in one direction. Puuhoro is often seen on the hull of a waka.

The takarangi (spiral pattern) design which features throughout the document is a variation on the commonly seen version. Takarangi characterises the doorway to the universe or star constellations. This pattern represents our constant endeavour to achieve the goals we have set, for example, the strategic objectives in Whakatupuranga 2050.

Commencing from the image on the left of the front cover:

Kendall and Lauryn at the Tai Tumu, Tai Pari, Tai Ao leadership programme and our constant affinity with the environment.

Maketu Marae with Haunui waka anchored in Kaawhia harbour representing Mana Marae.

Koroua and mokopuna paddling on the Waikato River at the 2014 Waikato-Tainui Games.

Kaumaatua at the launch of Tai Tumu, Tai Tai Pari, Tai Ao the tribal environmental plan – Koroneihana 2013.





