

## Consolidated Statement of Comprehensive Revenue and Expenses

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

	Notes	Group 31-Mar-16 \$	Group 31-Mar-15 Restated* \$	Parent 31-Mar-16 \$	Parent 31-Mar-15 Restated* \$
<b>Revenue from non-exchange transactions</b>					
Capital Grant		339,022	-	339,022	-
Koha Received		665	-	665	-
<b>Total Revenue from non-exchange transactions</b>		<b>339,687</b>	<b>-</b>	<b>339,687</b>	<b>-</b>
<b>Revenue from exchange transactions</b>					
Commercial property rent		381,085	308,220	-	190,827
Residential property rent		-	2,787	-	-
Lease revenue		66,667	66,667	-	-
Electricity and water recharge revenue		-	3,305	-	98
Other revenue	9	461,472	322,752	498,519	345,322
Interest revenue	8	68,456	234,448	66,606	234,378
Loss on Sale of Fixed Assets		-	(1,192)	-	(661)
Sale of Property		1,825,000	-	-	-
<b>Total revenue</b>		<b>3,142,367</b>	<b>936,987</b>	<b>904,812</b>	<b>769,964</b>
<b>Expenses</b>					
Administration & Operating Costs	10	1,112,562	1,225,088	969,762	909,875
Increase in provision for Impairment		-	-	171,575	329,497
Deferred Selection Properties		20,707	-	-	-
Depreciation		30,919	21,248	-	4,854
Rental Costs	7	182,235	225,657	-	126,587
Interest Expense		29,788	28,757	168	-
Property Purchases		1,680,004	-	-	-
Other expenses		31,657	-	31,657	-
<b>Total expenses</b>		<b>3,087,872</b>	<b>1,500,750</b>	<b>1,173,162</b>	<b>1,370,813</b>
<b>Total surplus/(deficit) for the year before taxation</b>		<b>54,495</b>	<b>(563,763)</b>	<b>(268,350)</b>	<b>(600,849)</b>
<b>Taxation expense</b>					
<b>Total surplus/(deficit) after taxation</b>		<b>54,495</b>	<b>(563,763)</b>	<b>(268,350)</b>	<b>(600,849)</b>
Other comprehensive revenue and expenses		-	-	-	-
<b>Total comprehensive revenue and expenses</b>		<b>54,495</b>	<b>(563,763)</b>	<b>(268,350)</b>	<b>(600,849)</b>
<b>Total comprehensive revenue and expenses for the year</b>		<b>54,495</b>	<b>(563,763)</b>	<b>(268,350)</b>	<b>(600,849)</b>

\* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer to Note 3.



**Consolidated Statement of Changes in Net Assets**  
**Port Nicholson Block Settlement Trust**  
**For the Year ended 31 March 2016**

Group	Note	Accumulated	Total equity
		comprehensive revenue and expense	
		\$	\$
Opening balance 1 April 2015		16,181,841	16,181,841
Surplus for the year		54,495	54,495
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2016</b>		<b>16,236,336</b>	<b>16,236,336</b>
Opening balance 1 April 2014 - (Restated*)	3	16,745,604	16,745,604
Deficit for the year		(563,763)	(563,763)
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2015</b>		<b>16,181,841</b>	<b>16,181,841</b>

Parent	Note	Accumulated	Total equity
		comprehensive revenue and expense	
		\$	\$
Opening balance 1 April 2015		15,829,204	15,829,204
Deficit for the year		(268,350)	(268,350)
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2016</b>		<b>15,560,854</b>	<b>15,560,854</b>
Opening balance 1 April 2014 - (Restated*)	3	16,430,053	16,430,053
Deficit for the year		(600,849)	(600,849)
Other comprehensive revenue		-	-
<b>Closing equity 31 March 2015</b>		<b>15,829,204</b>	<b>15,829,204</b>

\* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer to Note 3.



## Consolidated Statement of Financial Position

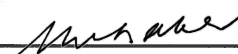
Port Nicholson Block Settlement Trust

As at 31 March 2016

	Notes	Group 31 March 2016	Group 31 March 2015 Restated*	Group 1 April 2014 Restated*	Parent 31 March 2016	Parent 31 March 2015 Restated*	Parent 1 April 2014 Restated*
		\$	\$	\$	\$	\$	\$
<b>Current assets</b>							
Cash and cash equivalents	12	1,737,361	2,021,579	2,649,179	1,690,411	2,011,696	3,118,899
Receivables from exchange transactions	19	600,313	318,620	314,578	403,519	763,727	92,284
Inter-entity Advances		-	-	-	12,411,063	12,025,172	12,145,311
Prepayments		15,493	30,677	104,084	9,007	24,440	36,707
Wharewaka loan	19	-	-	87,285	-	-	87,285
Goods and services tax receivable		10,488	-	32,184	6,068	-	31,938
Income tax refund due	11	32,795	31,816	19,563	31,247	30,515	18,148
		<b>2,396,450</b>	<b>2,402,692</b>	<b>3,206,873</b>	<b>14,551,315</b>	<b>14,855,550</b>	<b>15,530,572</b>
<b>Non-current assets</b>							
Investment properties	14	14,665,000	14,665,000	14,665,000	2,005,000	2,005,000	2,005,000
Property plant and equipment	13	223,402	215,208	212,057	-	11,369	13,734
		<b>14,888,402</b>	<b>14,880,208</b>	<b>14,877,057</b>	<b>2,005,000</b>	<b>2,016,369</b>	<b>2,018,734</b>
<b>Total assets</b>		<b>17,284,852</b>	<b>17,282,900</b>	<b>18,083,930</b>	<b>16,556,315</b>	<b>16,871,919</b>	<b>17,549,306</b>
<b>Current liabilities</b>							
Trade and other creditors	19	184,905	186,004	327,679	146,109	143,855	194,135
GST Payable		-	11,789	-	-	11,311	-
PNBC Limited		-	-	-	365,717	365,717	365,718
PNBST Investments Limited Partnership		-	-	-	483,635	521,832	559,402
Advance to Ryman	19	863,611	900,657	938,574	-	-	-
Revenue in advance		-	2,609	72,078	-	-	-
		<b>1,048,516</b>	<b>1,101,059</b>	<b>1,338,331</b>	<b>995,461</b>	<b>1,042,715</b>	<b>1,119,255</b>
<b>Total liabilities</b>		<b>1,048,516</b>	<b>1,101,059</b>	<b>1,338,331</b>	<b>995,461</b>	<b>1,042,715</b>	<b>1,119,255</b>
<b>Net assets</b>		<b>16,236,336</b>	<b>16,181,841</b>	<b>16,745,599</b>	<b>15,560,854</b>	<b>15,829,204</b>	<b>16,430,051</b>
<b>Equity</b>							
Accumulated comprehensive revenue and expense		16,236,336	16,181,841	16,745,599	15,560,854	15,829,204	16,430,051
<b>Total equity</b>		<b>16,236,336</b>	<b>16,181,841</b>	<b>16,745,599</b>	<b>15,560,854</b>	<b>15,829,204</b>	<b>16,430,051</b>

\* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer to Note 3.

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 8 September 2016:

  
Trustee

  
Trustee



## Consolidated Statement of Cash Flows

Port Nicholson Block Settlement Trust

For the year ended 31 March 2016

	Notes	Group 31 March 2016 \$	Group 31 March 2015 Restated* \$	Parent 31-Mar-16 \$	Parent 31 March 2015 Restated* \$
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Receipts from non-exchange transactions		665	-	665	-
Receipts from exchange transactions		2,729,621	722,374	1,206,363	563,855
Interest received		68,456	234,448	66,606	234,378
		<u>2,798,742</u>	<u>956,822</u>	<u>1,273,634</u>	<u>798,233</u>
<i>Payments</i>					
Payments to suppliers		3,014,059	1,531,266	1,452,285	1,897,308
Interest paid		29,788	28,757	168	-
		<u>3,043,847</u>	<u>1,560,023</u>	<u>1,452,453</u>	<u>1,897,308</u>
<b>Net cash flows from operating activities</b>		<b>(245,105)</b>	<b>(603,201)</b>	<b>(178,819)</b>	<b>(1,099,075)</b>
<b>Cash flows from investing activities</b>					
<i>Payments</i>					
Purchases of Property, Plant and Equipment		39,113	24,399	-	-
		<u>39,113</u>	<u>24,399</u>	<u>-</u>	<u>-</u>
<b>Net cash flows from investing activities</b>		<b>(39,113)</b>	<b>(24,399)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
<i>Payments</i>					
Repayment of borrowings		-	-	142,466	8,128
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>	<b>(142,466)</b>	<b>(8,128)</b>
Net decrease in cash and cash equivalents		(284,218)	(627,600)	(321,285)	(1,107,203)
Cash and cash equivalents at 1 April		2,021,579	2,649,179	2,011,696	3,118,899
<b>Cash and cash equivalents at 31 March</b>	<b>12</b>	<b>1,737,361</b>	<b>2,021,579</b>	<b>1,690,411</b>	<b>2,011,696</b>

\* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made due to first time adoption of PBE standards. Refer to Note 3.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

#### For the Year ended 31 March 2016

#### 1) Reporting entity

The reporting entity is Port Nicholson Block Settlement Trust (the "Trust"). The Trust is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements comprising of the Trust and its controlled entities (together the "Group"):

Shelly Bay Limited

The Lodge at Shelly Bay Limited

Taranaki Whanui Limited (previously Port Nicholson Block Management Limited)

PNBC Limited

Lowry Bay Section One Limited

Port Nicholson Block Properties Limited

Education PNBST Limited

Tramways Limited

Whites Line East Limited

All subsidiaries have a reporting date of 31 March 2016.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group represents the descendants of Taranaki, Te Atiawa, Ngati Ruanui and Ngati Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whanui ki Te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, is the Trust to receive the settlement package relating to historical Treaty of Waitangi Claims. The Crown and Port Nicholson Block Settlement Trust signed a Deed of Settlement in Wellington on 19th August 2008. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

During the year, the Group has undergone a rationalisation of its trading activities, most operations are now performed under the banner of Taranaki Whanui Limited, which collects the income and pays the expenses on behalf of the other entities within the Group.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on

8 September 2016:

#### 2) Statement of compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

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

#### 3) Changes in accounting policy

For the year ended 31 March 2015, the Group prepared its financial statements using NZ IFRS (PBE). These have now been restated to Not-for-Profit PBE IPSAS. An explanation of how the transition to Tier 2 Not-for-Profit PBE IPSAS has affected the reporting of the Statement of Financial Position and Statement of Comprehensive Revenue and Expenses is provided below:

##### 3.1 Heritage Assets

Under NZ IFRS PBE there was no guidance on accounting for heritage assets. They were classified as investment properties within the financial statements based on valuations performed by Colliers International (Wellington Valuation) Limited with some being carried at \$1 due to inability to value.

Under the new financial reporting framework PBE IPSAS is specific on heritage assets treatment and under PBE IPSAS 17 Property Plant and Equipment states that where it is difficult to value heritage assets they should not be included in the financial statements at a value. Management have determined that their cultural significance the value is unlikely to be fully reflected in a financial value based purely on a market price. Therefore the heritage assets have been derecognised in the financial statements.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust For the Year ended 31 March 2016

#### 3.1 Heritage Assets (cont)

	Group	Group	Parent	Parent
	31-Mar-2015	1-Apr-2014	31-Mar-2015	1-Apr-2014
	\$	\$	\$	\$
Balance of Net Assets under previous NZ IFRS	17,469,344	18,033,107	17,116,707	17,717,556
Less: Decrease in Cost Price of Heritage Assets	(1,287,503)	(1,287,503)	(1,287,503)	(1,287,503)
<b>Net assets under PBE IPSAS</b>	<b>16,181,841</b>	<b>16,745,604</b>	<b>15,829,204</b>	<b>16,430,053</b>

#### 4) Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

##### 4.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost.

##### 4.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

##### 4.3 Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 March 2016 reporting date.

##### 4.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

##### Revenue from exchange transactions

###### Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

###### Interest

Interest revenue is recognised as the interest accrues (using the effective interest method).

###### Rental income

Income from the rental of property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

###### Lease Premium

Lease Premium from the leased property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when received.

###### Sale of Property

Revenue from the sale of property is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when the sale takes place.

###### Other Revenue

Other revenue is recognised on an accruals basis.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

#### For the Year ended 31 March 2016

##### Revenue from non-exchange transactions

###### *Grant Revenue*

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

###### *Koha*

Koha is recognised within profit and loss in the Statement of Comprehensive Revenue and Expense when received.

##### 4.5 Financial instruments

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

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

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

##### Financial Assets

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

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

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

##### Loans and receivables

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

##### Impairment of financial assets

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

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



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

#### For the Year ended 31 March 2016

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

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

#### Financial liabilities

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

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

#### 4.6 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 4.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

· Land	0% SL
· Office equipment:	8% - 67% SL
· Furniture and fittings	7% - 10.5% SL
· The Officers Mess: leasehold improvements	7% SL
· The Officers Mess level 1: fit out costs	8.5% - 17.5% SL
· Corporals Club: leasehold improvements	3% SL
· Base Commander residence	7% - 8.5% SL
· Seminar facility	7% SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Heritage assets with no future economic benefit or service potential other than heritage value are not recognized in the Statement of Financial Position.

#### 4.8 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses. Depreciation is not charged on land. Building depreciation rate is 2%SL however no depreciation has been provided on investment buildings as the residual value and cost is considered to be the same.





## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

#### For the Year ended 31 March 2016

##### **4.9 Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

##### **4.10 Employee benefits**

###### **Wages, salaries and annual leave**

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

##### **4.11 Income Tax**

###### **Current Income Tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### **Deferred Income Tax**

Deferred tax is provided for using the liability method on temporary tax differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable surplus will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

#### For the Year ended 31 March 2016

##### **4.12 Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

##### **4.13 Equity**

Equity is the net assets of the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

##### **Accumulated comprehensive revenue and expense**

Accumulated comprehensive revenue and expense is the Group's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

## **5) Significant accounting judgements, estimates and assumptions**

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

### **Judgements**

In the process of applying the Group's accounting policies, management has not made any significant judgements.

### **Estimates and Assumptions**

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

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

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

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Group are listed in Note 4.7.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

#### 6) Group information Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Name of subsidiary	Principal activities	Country of incorporation	Percentage equity interest		The Trust – carrying value of investment (at cost)	
			2016	2015	2016	2015
Shelly Bay Limited	Commercial Rental	NZ	100%	100%	100%	100%
The Lodge at Shelly Bay Limited	Commercial Rental	NZ	100%	100%	100%	100%
Taranaki Whanui Limited	Operations Management	NZ	100%	100%	100%	100%
PNBC Limited	Treaty Negotiations	NZ	100%	100%	100%	100%
Lowry Bay Section One Limited	Commercial Rental	NZ	100%	100%	100%	100%
Port Nicholson Block Properties Limited	Commercial Rental	NZ	100%	100%	100%	100%
Education PNBST Limited	Project Management	NZ	100%	100%	100%	100%
Tramways Limited	Shelf Company	NZ	100%		100%	
Whites Line East Limited	Shelf Company	NZ	100%		100%	

The reporting date of the Trust and all subsidiaries is 31 March.

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Parent Trust in the form of cash distributions or to repay loans or advances.

Two new subsidiaries were incorporated during the current period, with the expectation that they will begin operations in a future period. As at balance date, 31 March 2016, they are non-trading shelf companies.



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

	Group 2016 \$	Group 2015 \$	Parent 2016 \$	Parent 2015 \$
<b>7) Rental Costs</b>				
Building WOF	5,523	3,131	-	1,670
Cleaning and Pest Control	10,392	8,805	-	8,805
Consultancy Fees	-	300	-	-
Electricity	9,086	13,541	-	3,251
Fire Monitoring	4,716	4,891	-	2,596
General	3,784	-	-	-
Grounds Maintenance	4,810	8,395	-	5,155
Health & Safety	569	593	-	593
Heating Ventilation/Air Conditioning	1,856	1,909	-	1,909
Insurance	34,719	65,731	-	46,054
Lift Maintenance	6,380	6,766	-	6,766
Professional Fees	5,000	3,530	-	3,530
Property Management Fees	7,473	10,981	-	6,125
Rates	37,824	75,340	-	28,783
Repairs & Maintenance	19,413	12,140	-	7,886
Security	2,810	7,770	-	1,630
Water Rates	8,130	1,834	-	1,834
Valuation Fees	19,750	-	-	-
<b>Total Rental Costs</b>	<b>182,235</b>	<b>225,657</b>	<b>-</b>	<b>126,587</b>
<b>8) Interest Income</b>				
KiwiBank - Online Call Account	2,573	-	2,573	-
Other Interest	2,592	162	742	161
Interest on Loans - Redwood Group Limited	-	145,578	-	145,578
KiwiBank Interest	-	69	-	-
Interest on Term Deposits	63,291	88,639	63,291	88,639
<b>Total Interest Income</b>	<b>68,456</b>	<b>234,448</b>	<b>66,606</b>	<b>234,378</b>
<b>9) Other Income</b>				
Other Income (Incl. Project Management Fees)	49,972	177,252	49,972	165,507
Memorandum of Understanding	156,500	145,500	156,500	145,500
Nomination Fees	255,000	-	255,000	-
Income Allocated from Limited Partnership	-	-	37,047	34,315
<b>Total Sundry Income</b>	<b>461,472</b>	<b>322,752</b>	<b>498,519</b>	<b>345,322</b>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

	Group 2016 \$	Group 2015 \$	Parent 2016 \$	Parent 2015 \$
<b>10) Administration and Other Expenses</b>				
Accountancy Fees - Annual & Periodic Work	47,589	67,848	46,705	50,552
ACC Levies	478	-	478	-
Annual General Meeting / Election Costs	61,146	76,367	61,146	76,367
Hui & SGM Costs	66,913	-	66,913	-
Audit Fees	33,228	43,446	33,228	43,446
Bank Charges	283	1,430	232	180
Bad Debts	2,215	135,145	2,215	131,357
Catering	4,754	3,078	4,169	3,078
Change Manager	-	211,000	-	211,000
Cleaning	1,011	1,485	1,011	-
Computer Expenses	12,147	12,686	12,147	-
Consultancy Fees	39,031	33,135	39,031	21,622
Consultancy Fees - Accounting & Tax	-	38,920	-	27,289
Directors Fees	33,458	-	-	-
Employment Costs	300	22,387	300	20,405
Entertainment	6,653	778	4,283	778
General Expenses	17,365	5,450	16,602	2,207
HR Consultancy	2,970	-	2,970	-
Insurance	12,785	12,750	12,785	12,750
KiwiSaver Contributions	12,138	-	12,138	-
Koha	128	500	128	500
Legal Fees	43,334	45,419	32,104	43,699
Management Fees	-	-	-	-
Office Expenses	6,046	2,216	6,033	-
Penalties - IRD	284	163	284	-
PR Consultant	300	2,280	300	-
Parking & Motor Vehicle expenses	24	-	24	-
Postage	3,309	6,851	3,309	3,303
Photocopying, Printing & Stationery	15,214	19,938	15,214	8,386
Repairs & Maintenance	1,913	-	1,913	-
Rent, Rates and Power	3,323	3,165	3,323	-
Right of First Refusal	-	4,058	-	4,058
Security	-	-	-	-
Telephone & Tolls	12,931	7,503	12,931	2,264
Travel & Accommodation	39,098	19,892	38,271	15,076
Trustees' Fees	113,507	91,500	113,507	91,500
Trustee Expenses	-	-	-	-
Valuation Fees	-	10,188	-	10,188
Waitangi Day Events	14,177	2,395	14,177	2,395
Wainuiomata Social Housing Project	-	1,569	-	1,569
Wages, Salaries & Project Management	504,510	341,546	411,891	125,906
<b>Total Administration and Other Income</b>	<b>1,112,562</b>	<b>1,225,088</b>	<b>969,762</b>	<b>909,875</b>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

	Group 2016 \$	Group 2015 \$	Parent 2016 \$	Parent 2015 \$
<b>11) Taxation</b>				
Net surplus (deficit) as per Financial Statements	54,495	(563,763)	(268,350)	(600,849)
Plus: Timing Adjustments				
Add Back - Closing Balance Audit Accrual as at 31 March	36,500	40,950	36,500	41,000
Less: Opening balance Audit Accrual as at 1 April	(41,000)	(40,300)	(41,000)	(28,000)
Total Timing Differences	(4,500)	650	(4,500)	13,000
Plus: Permanent Differences				
Addback - Increase in Impairment Provision	-	-	171,575	329,497
Deduct - Accounting profit from PNBST Investmt Pship	-	-	(37,046)	(34,315)
Less - Tax Loss from PNBST Investment Pship	-	-	-	(3,601)
Non Deductible Entertainment	3,760	413	2,421	413
Non Deductible Penalties	-	133	-	-
Total Permanent Differences	3,760	546	136,950	291,994
<b>Net Surplus (Deficit) as per Tax Return</b>	<b>53,755</b>	<b>(562,567)</b>	<b>(135,900)</b>	<b>(295,855)</b>
Tax Losses Brought Forward	(8,226,207)	(8,760,156)	(3,796,007)	(4,596,668)
Less: Tax Losses Disallowed following Audit	-	1,096,516	-	1,096,516
<b>Net Tax Losses to carry forward</b>	<b>(8,172,452)</b>	<b>(8,226,207)</b>	<b>(3,931,907)</b>	<b>(3,796,007)</b>
<b>Taxation Expense</b>	-	-	-	-
Opening Tax Balance	31,816	19,563	30,515	18,148
Tax Refunds Received	(14,499)	(3,145)	(14,230)	(3,096)
RWT Paid	518	16,307	-	16,307
20) Capital commitments	14,963	(909)	14,963	(844)
<b>Taxation Refund Due</b>	<b>32,798</b>	<b>31,816</b>	<b>31,248</b>	<b>30,515</b>

Tax losses amounting to \$3,931,907 (2015: \$3,796,007) are to be carried forward to be offset against future taxable income by the Parent. The Group has \$8,172,452 (2015: \$8,226,207) of tax losses to be carried forward.

A deferred tax asset is recognised by the Group and Parent for the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses will be utilised. Due to net losses incurred during the preceding periods and uncertainty of future results the Group and Parent have not recognised a deferred tax asset in relation to unused tax losses.

## 12) Cash and cash equivalents

Cash and cash equivalents include the following components:

	Group 31-Mar-16 \$	Group 31-Mar-15 \$	Group 01-Apr-14 \$	Parent 31-Mar-16 \$	Parent 31-Mar-15 \$	Parent 01-Apr-14 \$
Kiwibank Bank Accounts	115,383	221,579	2,131,385	68,433	211,696	3,118,899
Kiwibank Investment Accounts	1,621,978	1,800,000	517,794	1,621,978	1,800,000	-
<b>Total cash and cash equivalents</b>	<b>1,737,361</b>	<b>2,021,579</b>	<b>2,649,179</b>	<b>1,690,411</b>	<b>2,011,696</b>	<b>3,118,899</b>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

#### 13) Property plant and equipment

Group	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Conference Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>31-Mar-16</b>									
Cost/Valuation	101,922	55,086	169,300	19,085	26,281	10,225	21,483	-	403,382
Accum. Depn	(81,717)	(29,274)	(33,780)	(17,573)	(4,179)	(7,766)	(5,691)	-	(179,980)
Net book value	<b>20,205</b>	<b>25,812</b>	<b>135,520</b>	<b>1,512</b>	<b>22,102</b>	<b>2,459</b>	<b>15,792</b>	-	<b>223,402</b>

#### 31-Mar-15

Cost	94,448	47,924	144,824	19,085	26,281	10,225	21,483	-	364,270
Accum. Depn	(69,819)	(28,378)	(19,076)	(17,841)	(3,473)	(7,774)	(2,701)	-	(149,062)
Net book value	<b>24,629</b>	<b>19,546</b>	<b>125,748</b>	<b>1,244</b>	<b>22,808</b>	<b>2,451</b>	<b>18,782</b>	-	<b>215,208</b>

#### 01-Apr-14

Cost	117,025	75,285	132,454	19,085	26,281	10,225	21,484	9,842	411,681
Accum. Depn	(94,015)	(52,361)	(14,115)	(17,043)	(2,768)	(7,359)	(2,121)	(9,842)	(199,624)
Net book value	<b>23,010</b>	<b>22,924</b>	<b>118,339</b>	<b>2,042</b>	<b>23,513</b>	<b>2,866</b>	<b>19,363</b>	-	<b>212,057</b>

Reconciliation of the carrying amount at the beginning and end of the period:

31-Mar-16	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Conference Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	24,629	19,547	125,748	1,244	22,808	2,451	18,782	-	215,208
Additions	7,474	7,162	24,476	-	-	-	-	-	39,112
Disposals	-	-	-	-	-	-	-	-	-
Depreciation	(11,898)	(897)	(14,704)	268	(706)	8	(2,990)	-	(30,918)
Closing	<b>20,205</b>	<b>25,812</b>	<b>135,520</b>	<b>1,512</b>	<b>22,102</b>	<b>2,459</b>	<b>15,792</b>	-	<b>223,402</b>

31-Mar-15	Office Equipment	Furniture and Fittings	Leasehold Imp.	Fit Out costs	Corporals Club	Commander Residence	Seminar Facility	Conference Equipment	Total
Opening balance	13,434	124,252	124,252	2,042	23,513	2,866	19,363	-	309,722
Additions	20,513	-	6,339	-	-	-	-	-	26,852
Disposals	-	-	-	-	-	-	-	-	-
Depreciation	(9,318)	(3,378)	(4,843)	(798)	(705)	(415)	(581)	-	(20,038)
Closing	<b>24,629</b>	<b>120,875</b>	<b>125,748</b>	<b>1,244</b>	<b>22,808</b>	<b>2,451</b>	<b>18,782</b>	-	<b>316,536</b>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

Parent - Office Equipment			
	Parent 31-Mar-16	Parent 31-Mar-15	Parent 01-Apr-14
	\$	\$	\$
Cost	-	26,506	31,114
Accumulated depreciation	-	(15,137)	(17,380)
Net Book Value	-	11,369	13,734

Reconciliation of the carrying amount at the beginning and end of the period:			
	Parent 31-Mar-16	Parent 31-Mar-15	Parent 01-Apr-14
	\$	\$	\$
Opening balance	11,369	13,734	13,202
Additions	-	2,489	7,632
Disposals	(11,369)	-	-
Depreciation	-	(4,854)	(7,100)
Closing	-	11,369	13,734

#### 14) Investment properties

	Group 2016	Group 2015	Parent 2016	Parent 2015
	\$	\$	\$	\$
1 - 3 Thorndon Quay, Wellington	1,570,000	1,570,000	1,570,000	1,570,000
Whites Line East, Waiwhetu	435,000	435,000	435,000	435,000
Shelly Bay Road	9,850,000	9,850,000	-	-
Wainuiomata College	1,160,000	1,160,000	-	-
Wainuiomata Intermediate	1,270,000	1,270,000	-	-
Petone College	380,000	380,000	-	-
<b>Total</b>	<b>14,665,000</b>	<b>14,665,000</b>	<b>2,005,000</b>	<b>2,005,000</b>

Group							
	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay Road	Wainui. College	Wainui. Intermediate	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
<b>31-Mar-16</b>							
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
<b>31-Mar-15</b>							
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
<b>01-Apr-14</b>							
Cost/Valuation	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Accum. Depn	-	-	-	-	-	-	-
Net book value	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000





## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

Reconciliation of the carrying amount at the beginning and end of the period:

31-Mar-16	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay Road	Wainui. College	Wainui. Intermediate	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Closing	<b>1,570,000</b>	<b>435,000</b>	<b>9,850,000</b>	<b>1,160,000</b>	<b>1,270,000</b>	<b>380,000</b>	<b>14,665,000</b>

31-Mar-15	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Shelly Bay Road	Wainui. College	Wainui. Intermediate	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	1,570,000	435,000	9,850,000	1,160,000	1,270,000	380,000	14,665,000
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Closing	<b>1,570,000</b>	<b>435,000</b>	<b>9,850,000</b>	<b>1,160,000</b>	<b>1,270,000</b>	<b>380,000</b>	<b>14,665,000</b>

Parent			
31-Mar-16	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>
31-Mar-15	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>
01-Apr-14	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Cost/Valuation	1,570,000	435,000	2,005,000
Accum. Depn	-	-	-
Net book value	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

Reconciliation of the carrying amount at the beginning and end of the period:

31-Mar-16	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Opening balance	1,570,000	435,000	2,005,000
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Closing	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>



**Consolidated Notes to the financial statements**  
**Port Nicholson Block Settlement Trust**  
**For the Year ended 31 March 2016**

31-Mar-15	1 - 3 Thorndon Quay	Whites Line East Waiwhetu	Total
	\$	\$	\$
Opening balance	1,570,000	435,000	2,005,000
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Closing	<b>1,570,000</b>	<b>435,000</b>	<b>2,005,000</b>

Investment Property comprises a number of commercial properties that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee. No contingent rents are charged.

**15) Future Minimum Lease Payments Receivable**

As at 31 March 2016, the future minimum lease payments receivable are as follows: -

	Group 2016	Group 2015	Parent 2016	Parent 2015
	\$	\$	\$	\$
Lease payments receivable, not later than one year	458,431	381,085	-	-
Lease payments receivable, later than one year and no later than five years	840,198	1,298,629	-	-
	<b>1,298,629</b>	<b>1,679,713</b>	-	-

**16) Heritage assets**

The Group holds the following heritage assets:

Honiana Te Puni Reserve	Korokoro Gateway, local pupose reserve
Te Oruaiti	Recreational Reserve, formerly known as Point Dorset Recreation Reserve
Wi Tako Ngatata Scenic Reserve	Scenic Reserve located in Upper Hutt
Dendroglyph Site	Sit of tree carvings located near freshwater lake Pencarrow
Bed of Lake Kohangapiripiri	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangapiripiri	Area of land around freshwater lake near Pencarrow
Bed of Lake Kohangatera	Freshwater lake bed near Pencarrow
Esplanade Land of Kohanagatera	Area of land around freshwater lake Penacrow
Makaro Scientific Reserve	Scientific Island Reserve (formerly Ward Island)
Matiu Island	Scientific Island Reserve (formerly Somes Island)
Mokopuna Scientific Reserve	Scientific Island Reserve (formerly Leper Island)



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

#### 17) Related party transactions

a) Parent and Ultimate controlling party of the Group is Port Nicholson Block Settlement Trust

Principal Activities		Interest Held by Group	
		2015	2014
The Parent is related to the following Subsidiary entities:			
Shelly Bay Limited	Commercial Rental	100%	100%
The Lodge at Shelly Bay Limited	Commercial Rental	100%	100%
PNBC Limited	Treaty Negotiations	100%	100%
Lowry Bay Section One Limited	Commercial Rental	100%	100%
Port Nicholson Block Properties Limited	Commercial Rental	100%	100%
Education PNBST Limited	Project Management	100%	100%
PNBST Investments Limited Partnership	Commercial Rental	100%	100%
Taranaki Whanui Limited (previously Port Nicholson Block Management Limited)	Management of Operations	100%	100%

#### b) Other related parties

In addition to the above, certain administrative transactions were performed between the Parent and its subsidiaries, and the following related parties:

Pipitea Marae Charitable Trust

The following related party debts were outstanding at the reporting date:

	Group 2016	Group 2015
	\$	\$
Pipitea Marae Charitable Trust	1,590	4,980

#### c) Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees of The Parent, Directors of the Commercial Board of Taranaki Whanui Limited, and General Manager of operations and the Chief Financial Controller, which constitutes the governing body of the Group.

Remuneration of key management personnel is as follows:

Remuneration of Key Management Personnel	2016	2015
	\$	\$
Total Remuneration	212,500	230,931
Total Number of persons	1.5 FTE	1.0 FTE
<b>Trustee Remuneration</b>	<b>2016</b>	<b>2015</b>
	\$	\$
Neville McClutchie Baker (Chairman)	32,000	24,000
Toarangatira Pomare (Deputy Chairman)	12,000	9,000
Sam Kahui	9,000	6,750
Sir Ralph Heberley Ngatata Love	-	6,750
Rebecca Elizabeth Mellish	-	6,750
Kura Moeahu	9,000	6,750
Mark Te One	9,000	6,750
Te Rira Puketapu	9,000	6,750
Hokipera Jean Ruakere	9,000	6,750
Howard Kevin Tamati	9,000	6,750
Morris TeWhiti Love	9,000	4,500
Holden Hohaia	3,750	-
Peter Jackson	3,750	-
	<b>114,500</b>	<b>91,500</b>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

Directors Remuneration (for Taranaki Whanui Limited)	<u>2016</u>	<u>2015</u>
	\$	\$
Toarangatira Pomare (Chairman)	12,500	-
Peter Allport	8,333	-
Jamie Tuuta	4,167	-
Bryan Jackson	8,458	-
	<u>33,458</u>	<u>-</u>

#### Other remuneration and compensation provided to key management personnel and/or close family members: -

During the reporting period, total remuneration and compensation was provided by the Group to the following key management personnel or employees who are close family members of key management personnel.

	<u>2016</u>	<u>2015</u>
	\$	\$
Liz Mellish - Consultancy Fees	-	18,750
June Jackson - Salary & Wages, Whakapapa Services	12,378	24,536
Peter Jackson - Cultural Services	360	-
	<u>12,738</u>	<u>43,286</u>

#### d) Fees received for participation on committees while representing the Parent

During the reporting period, a number of Trustees and Staff were appointed by the Trust to various positions on Council committees and other parties to represent the Trust, and in doing so received the following fees: -

		<u>2016</u>	<u>2015</u>
		\$	\$
Liz Mellish	Councillor Fees from Greater Wellington Regional Council	-	1,675
Neville Baker	Fees from Pipitea Marae Charitable Trust	-	3,600
Aroha Thorpe	Fees from Pipitea Marae Charitable Trust	-	2,600
		<u>-</u>	<u>7,875</u>

## 18) Leases

As at the reporting date, the Board of Trustees has entered into the following non-cancellable operating lease:

	Group 2016	Group 2015	Parent 2016	Parent 2015
	\$	\$	\$	\$
Not later than one year	2,751	4,717	-	-
Later than one year and no later than five years	-	2,751	-	-
	<u>2,751</u>	<u>7,468</u>	<u>-</u>	<u>-</u>

## 19) Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	Group 31-Mar-16	Group 31-Mar-15	Group 01-Apr-14	Parent 31-Mar-16	Parent 31-Mar-15	Parent 01-Apr-14
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
<i>Loans and receivables</i>						
Cash and cash equivalents	1,737,361	2,021,579	2,649,179	1,690,411	2,011,696	3,118,899
Receivables from exchange transactions	600,313	318,620	314,578	403,519	763,727	92,284
Wharewaka loan	-	-	87,285	-	-	87,285
	<u>2,337,674</u>	<u>2,340,199</u>	<u>3,051,042</u>	<u>2,093,930</u>	<u>2,775,423</u>	<u>3,298,468</u>
<b>Financial liabilities</b>						
<i>At amortised cost</i>						
Trade and other creditors	184,905	186,004	327,679	146,109	143,855	194,135
Advances to related entities	-	-	-	849,352	887,549	925,120
Advance to Rymans	863,611	900,657	938,574	-	-	-
	<u>1,048,516</u>	<u>1,086,661</u>	<u>1,266,253</u>	<u>995,461</u>	<u>1,031,404</u>	<u>1,119,255</u>



## Consolidated Notes to the financial statements

### Port Nicholson Block Settlement Trust

For the Year ended 31 March 2016

#### 20) Capital commitments

There were no capital commitments at the reporting date (2015: \$Nil).

#### 21) Contingent assets and liabilities

##### Shelly Bay Limited (SBL) - Potential Lessor Liability

SBL is only liable for expenditures incurred and approved in accordance with the terms of the Lease where early termination of the Lease occurs, and the amount has been approved as above an amount will be payable to recompense the Lessee for new improvements that have been approved by the Lessor at the reporting date.

Management estimate that the maximum liability at the reporting date is \$94,056 (2015 = \$104,507). This estimate has yet to be approved in accordance with the terms of the lease.

There are no other contingent liabilities or commitments as at 31 March 2016 (2015: \$Nil).

#### 22) Events after the reporting date

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2015: \$Nil).





Grant Thornton

# Independent Auditor's Report

## Audit

### Grant Thornton New Zealand Audit Partnership

L15, Grant Thornton House  
215 Lambton Quay  
PO Box 10712  
Wellington 6143

T +64 (0)4 474 8500

F +64 (0)4 474 8509

[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

## To the Members of Port Nicholson Block Settlement Trust and Group

We have audited the accompanying consolidated financial statements on pages 1 to 21 of Port Nicholson Block Settlement Trust and Group which comprise the statement of financial position as at 31 March 2016, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### The responsibility of Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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). Those standards require that we comply with 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 consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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 consolidated financial statements.

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

Our firm carries out other assignments for Port Nicholson Block Settlement Trust and Group in the area of other assurance engagements. The firm has no other interest in the Port Nicholson Block Settlement Trust and Group.

#### Opinion

In our opinion, the financial statements on pages 1 to 21 present fairly, in all material respects, the consolidated financial position of Port Nicholson Block Settlement Trust & Group as at 31 March 2016, and its consolidated financial performance, and consolidated cash flows, for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) Reduced Disclosure Regime.

#### Restriction on use of our report

This report is made solely to the Members, as a collective body. Our audit work has been undertaken so that we might state to the Members, as a collective body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a collective body, for our audit work, for this report or for the opinion we have formed.



**Grant Thornton New Zealand Audit Partnership**  
Wellington, New Zealand  
8 September 2016