Port Nicholson Block Settlement Trust

Consolidated general purpose financial report 2024

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Approval of general purpose financial report

The Board of Trustees are pleased to present the consolidated general purpose financial report including the financial statements of Port Nicholson Block Settlement Trust for the year ended 31 March 2024.

Trustee	Trustee
Date: 18/09/2024	Date: 18/09/2024

Consolidated statement of comprehensive revenue and expenses

For the year ended 31 March 2024
in New Zealand dollars

	Note	2024 $	2023 $
Revenue	3	2,239,667	1,929,790
Total revenue		2,239,667	1,929,790
Costs of running the office	4	(2,042,612)	(1,786,833)
Maintenance cost for the properties owned	5	(413,422)	(1,623,681)
Depreciation	11	(9,397)	(11,032)
Operating surplus before financing costs		(225,764)	(1,491,756)
Finance income		19,184	6,546
Finance expenses		(143,109)	(128,692)
Net financing income/(expense)	6	(123,925)	(122,146)
Share of surplus/(loss) in investment in associate	14	2,230,632	(447,750)
Surplus/(loss) before income tax		1,880,943	(2,061,652)
Income tax benefit/(expense)	7	(5,686)	(48,370)
Surplus/(loss) for the year		1,875,257	(2,110,022)
Other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expenses for the year		1,875,257	(2,110,022)

Consolidated statement of financial position

As at 31 March 2024
in New Zealand dollars

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	8	5,723,672	1,520,600
Trade and other receivables	9	509,587	452,657
Development property	13	416,424	416,424
Total current assets		6,649,683	2,389,681
Non-current assets			
Property, plant and equipment	11	45,835	41,383
Investments	14	30,467,307	29,441,115
Non-trade receivables	10	-	3,700,000
Investment properties	12	23,815,000	24,511,000
Development property	13	3,717,939	3,717,939
Total non-current assets		58,046,081	61,411,437
Total assets		**64,695,764**	**63,801,118**
Liabilities			
Current liabilities			
Trade and other payables	15	187,525	279,608
Interest bearing loans and borrowings	16	-	1,580,549
Income tax payable	7	162,922	54,786
Deferred income	17	1,090,593	1,316,441
Provisions	18	750,000	1,000,000
Total current liabilities		2,191,040	4,231,384
Non-current liabilities			
Interest bearing loans and borrowings	16	1,500,000	269,520
Deferred tax liability	7	204,610	375,358
Total non-current liabilities		1,704,610	644,878
Total liabilities		**3,895,650**	**4,876,262**
Equity			
Retained earnings		60,800,114	58,924,857
Equity attributable to the owners of the Group		60,800,114	58,924,857
Total equity		60,800,114	58,924,857
Total liabilities and equity		**64,695,764**	**63,801,118**

Consolidated statement of changes in equity

For the year ended 31 March 2024
in New Zealand dollars

	Note	Accumulated comprehensive revenue and expense $	Total equity $
Balance at 1 April 2023		58,924,857	58,924,857
Total comprehensive revenue for the year			
Surplus for the year		1,875,257	1,875,257
Other comprehensive revenue		-	-
Total comprehensive revenue for the year		1,875,257	1,875,257
Balance at 31 March 2024		60,800,114	60,800,114
Balance at 1 April 2022		61,034,879	61,034,879
Total comprehensive expense for the year			
Loss for the year		(2,110,022)	(2,110,022)
Other comprehensive revenue		-	-
Total comprehensive expense for the year		(2,110,022)	(2,110,022)
Balance at 31 March 2023		58,924,857	58,924,857

Consolidated statement of cash flows

For the year ended 31 March 2024
in New Zealand dollars

	Note	2024 $	2023 $
Cash flows from operating activities			
Cash received from non-exchange transactions		124,770	100,000
Cash received from exchange transactions		5,809,727	1,632,928
Cash paid to suppliers		(2,737,098)	(2,590,612)
Income tax paid		(67,654)	(1,655)
Interest received		19,152	6,534
Interest paid		(123,658)	(105,001)
PIE income		27	12
Net cash (to)/from operating activities		3,025,266	(957,794)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(13,990)	(11,780)
Distributions from associates		1,191,796	1,245,849
Net cash from/(to) investing activities		1,177,806	1,234,069
Net increase/(decrease)		4,203,072	276,275
Opening cash and cash equivalents 1 April		1,520,600	1,244,325
Closing cash and cash equivalents 31 March	8	5,723,672	1,520,600

Notes to the consolidated financial statements

1 Reporting entity

Port Nicholson Block Settlement Trust (the "Trust") is a Trust domiciled in New Zealand and was established as the Post Settlement Governance Entity (PSGE) to receive the settlement redress from the Crown as part of the historical claim made under the Treaty of Waitangi. The financial statements comprising of the Trust and its controlled entities (together the "Group") are outlined in note 22.

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 Ātiawa, Ngāti Ruanui and Ngāti Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whānui ki te Upoko o te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, receives 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. The Trust and several entities within the Group have elected to be Māori authorities under the Income Tax Act 2007 on the basis they received and manage the settlement package received from the Crown.

2 Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") with Reduced Disclosure Regime ("RDR") and other applicable financial reporting standards that have been authorised for use by the External Reporting Board for Not-For-Profit entities.

The Group is eligible to report under Tier 2 Not-For-Profit PBE IPSAS Accounting Standards on the basis that it does not have public accountability and it is not defined as large.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on the date included on page 1.

Change in accounting policies

All accounting policies set out below have been consistently applied to all periods presented in these financial statements.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following which are measured at fair value:

- Investment properties

Determination of fair values

Fair values have been determined for measurement purposes based on the methods outlined in the notes specific to that asset or liability.

Where applicable, further information about the assumptions made in determining fair value is also disclosed in the notes specific to that asset or liability.

These financial statements are presented in New Zealand dollars ($) which is the Group's functional currency, rounded to the nearest dollar. They have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

Use of estimates and judgements

The preparation of the financial statements in conformity with Tier 2 Not-For-Profit PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 Investment properties, classification based on current use and intention in relation to future use of property which could be subject to change depending on market conditions or other changes that may or may not be within the Group's control. The Group records a number of property assets at their fair values. The assessment of fair value requires significant judgement.
- Note 13 Development properties, net realisable value for future developments at Te Puna Wai is greater than the carrying value and not adversely impacted by delays in development timelines.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements (continued)

3 Revenue

	Note	2024 $	2023 $
Revenue from exchange transactions			
Rent received from properties owned		434,264	436,188
Lease revenue Rymans agreement		495,520	100,000
Fair value adjustment - investment properties	12	(696,000)	(707,100)
Advertising income		4,000	8,225
Cost recovery		-	7,260
Memorandum of Understanding		456,430	407,229
TONO cultural services		111,545	47,735
Council - project income		548,881	192,500
Partnership and representative income	4	760,257	337,753
Revenue from non-exchange transactions			
Capital grant		124,770	1,100,000
		2,239,667	1,929,790

Revenue policy

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. The Group considers revenue from project management, grants for services, memorandum of understanding and other similar revenue streams as rendering of services as they are considered exchange transactions by the Group and represent services provided by the Group to external parties.

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

Sale of Property
The Group assess when the sale is recorded based on satisfying certain conditions. These include when the significant risks and rewards of ownership is transferred to the purchaser, when the Group no longer retains any control related to ownership of the property and it is probable that the sale proceeds will be receivable by the Group. This is typically when sale and purchase agreements are unconditional.

Other revenue
Other revenue is recognised on an accruals basis.

Partnership and representative income
During the financial year, the group engaged in several projects with local and central government agencies including Wellington City Council, Hutt City Council, Kiwirail, Waka Kotahi & the Ministry for the Environment.

Revenue from non-exchange transactions
Non-exchange revenue is recognised on receipt, or when the entitlement to receipt has been established. Where the contract or agreement includes a condition to return the funds for non-performance, a liability is recognised and released to revenue as those conditions are satisfied.

Let's Get Wellington Moving
The Group receives grant funding from the the Let's Get Wellington Moving (LGWM) project to assist with developing a series of business cases for individual LGWM projects. Grant funding is recognised within surplus and deficit in the statement of Comprehensive Revenue and Expenses when outputs in the funding agreement are satisfied.

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Notes to the consolidated financial statements (continued)

4 Costs of running the office

	2024 $	2023 $
Compliance		
Accounting	94,964	95,386
Annual general meeting	10,355	22,067
Annual report	1,334	4,725
Audit	43,695	41,690
	150,348	163,868
Consultancy		
Commercial advisor	156,000	156,000
Consultancy	69,837	332,261
Legal fees	120,741	89,822
Partnership and representation fees	768,701	-
	1,115,279	578,083
Cultural services		
Cultural services	115,110	61,010
Koha given	2,174	-
Sub-committee fees	-	139,510
Sub-committee expenses	-	2,700
Hui costs	-	422
	117,284	203,642
Governance		
Chair fees	16,000	16,000
Director expenses	-	2,549
Director fees	66,500	66,500
FAAR committee fees	6,000	6,000
Trustee elections	16,864	92,377
Trustee fees	30,666	35,083
Trustee travel expenses	6,478	17,505
	142,508	236,014
Member engagement		
Database	6,196	29,131
Events	-	1,796
	6,196	30,927

Notes to the consolidated financial statements (continued)

4 Costs of running the office (continued)

	2024 $	2023 $
Office expenses		
ACC levies	1,955	2,113
Bad debts	17,718	19,129
Bank fees	605	717
Catering	469	1,877
Cleaning	17	-
Computer expenses	19,911	16,860
Copying & printing	4,337	4,460
Entertainment	-	2,055
File storage and destruction	1,931	223
Loss on disposal of fixed assets	142	-
Movement in provision for doubtful debts	-	(500)
Office supplies	3,158	3,364
Penalties	41	-
Postage	269	213
Subscriptions	9,550	13,726
Telephone	4,168	4,371
Travel expenses	35,146	28,602
Website	510	489
	99,927	97,699
Personnel		
KiwiSaver	9,192	12,246
Sub-contractor	95,493	56,154
Wages & salaries	306,385	408,200
	411,070	476,600
	2,042,612	1,786,833

Notes to the consolidated financial statements (continued)

5 Maintenance cost for the properties owned

	2024 $	2023 $
Building WOF	2,366	1,447
Cleaning	14,891	12,475
Commission fees	-	25,440
Electricity	18,193	14,113
Fire monitoring	5,254	3,249
Insurance	122,183	100,124
Loan fees	38	-
Rates	142,764	131,892
Repairs and maintenance	47,768	1,294,304
Security	5,253	5,573
Telephone	751	810
Water rates	3,177	3,981
Valuation fees	50,784	30,273
	413,422	1,623,681

6 Net financing costs

	2024 $	2023 $
Interest income	19,157	6,534
PIE income	27	12
Finance income	19,184	6,546
Interest expense	(143,109)	(128,692)
Finance expense	(143,109)	(128,692)
Net financing expense	(123,925)	(122,146)

Finance income and expenses policy

Finance income comprises interest income on funds invested and PIE income received using the effective interest method.

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the consolidated financial statements (continued)

7 Income tax

	2024 $	2023 $
Tax recognised in profit or loss		
Current tax expense		
Current period	176,435	25,315
Adjustment for prior periods	-	1,143
Total current tax expense	176,435	26,458
Deferred tax expense		
Origination and reversal of temporary differences	(170,749)	21,912
Total deferred tax expense/(benefit)	(170,749)	21,912
Total income tax expense/(benefit)	5,686	48,370
Reconciliation of effective tax rate		
Profit before tax	1,880,943	(2,061,652)
Income tax using the Group's domestic tax rate of 17.50%	329,165	(360,789)
Permanent differences	(323,479)	408,016
Prior period adjustment	-	1,143
Income tax expense	5,686	48,370
Deferred tax		
Provisions and accruals	12,355	8,598
Investment property	(360,259)	(568,373)
Tax losses	143,294	184,417
Net deferred tax asset/liability	(204,610)	(375,358)

The current tax liability of $162,922 (2023: $54,786) represents the amount of income taxes payable in respect of current and prior periods for the Group.

Income tax policy

Tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is recognised as an adjustment against the item to which it relates.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of goodwill. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the consolidated financial statements (continued)

8 Cash and cash equivalents

	2024 $	2023 $
Current assets		
Bank accounts	5,723,672	1,520,600
Total cash and cash equivalents in the statement of cash flows	5,723,672	1,520,600

Cash and cash equivalents policy

Cash and cash equivalents comprise cash balances and call deposits used by the Group in the management of its short-term commitments.

9 Trade and other receivables

	2024 $	2023 $
Exchange receivables	441,988	364,699
Prepayments	67,599	59,344
GST receivable	-	28,614
	509,587	452,657

Bad debt expenses of $17,718 (2023: $19,129) have been recorded within costs of running the office in the statement of comprehensive revenue and expenses for the Group.

Exchange receivables policy

Exchange receivables are recognised as financial assets classified as trade receivables. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised costs using the effective interest method.

Individually impaired accounts receivables relate to customers for whom there is objective evidence of inability to pay. The carrying amount of exchange receivables is assumed to be a reasonable approximation for their fair value. A provision for impairment of exchange 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. Impairment is calculated based on an expected credit loss (ECL) model under PBE IPSAS 41 Financial Instruments. Refer to note 20 for information about calculation and recognition of expected credit losses.

The amount of the provision is recognised in profit and loss. No provision was recognised for the 2024 year (2023: $nil)

10 Non-trade receivables

	2024 $	2023 $
Non-current	-	3,700,000
	-	3,700,000

On 30 August 2022, the Group entered into a variation of the 2019 sale and purchase agreement for Shelly Bay with The Wellington Company. This varied the payment of remaining consideration of $3,700,000 to be received through:

- $2,900,000 as a half share interest in a future limited partnership with The Wellington Company to own certain commercial properties within the Shelly Bay development.
- $100,000 for the option in favour of the Group to purchase the remaining half share of the limited partnership for $3,000,000.
- $700,000 to be applied against the purchase price of certain other properties within the Shelly Bay development.

The original agreement did not eventuate and the $3,700,000 was paid in cash during the period ended 31 March 2024.

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Notes to the consolidated financial statements (continued)

11 Property, plant and equipment

	Office equipment $	Furniture and fittings $	Leasehold improvements $	Total $
Cost				
Balance at 1 April 2023	98,903	31,387	59,769	190,059
Additions	-	13,990	-	13,990
Disposals	(59,791)	(200)	-	(59,991)
Balance at 31 March 2024	39,112	45,177	59,769	144,058
Depreciation and impairment losses				
Balance at 1 April 2023	(94,782)	(23,717)	(30,177)	(148,676)
Depreciation for the year	(2,840)	(2,314)	(4,243)	(9,397)
Disposals	59,791	59	-	59,850
Balance at 31 March 2024	(37,831)	(25,972)	(34,420)	(98,223)
Carrying amount				
As at 31 March 2024	1,281	19,205	25,349	45,835
As at 31 March 2023	4,121	7,670	29,592	41,383

Property, plant and equipment policy

Recognition and measurement

All property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss within Revenue or Costs of running the office expenses.

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

Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for significant items of property, plant and equipment are as follows:

Office equipment	8%	to	50% straight line
Furniture and fittings	6%	to	10.5% straight line
Leasehold improvements	6%	to	21% straight line

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

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

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit and loss.

Notes to the consolidated financial statements (continued)

12 Investment properties

	Kāumatua Units	1-3 Thorndon Quay	Whites Line East Waiwhetu	Wainui. College	Wainui. Intermediate (Kōhanga Reo Building)	Petone College	Total
	$	$	$	$	$	$	$
Cost							
Balance at 1 April 2023	3,936,000	3,700,000	1,750,000	6,200,000	675,000	8,250,000	24,511,000
Fair value adjustment	29,000	(250,000)	(175,000)	(1,100,000)	(100,000)	900,000	(696,000)
Balance at 31 March 2024	3,965,000	3,450,000	1,575,000	5,100,000	575,000	9,150,000	23,815,000
Depreciation and impairment losses							
Balance at 1 April 2023	-	-	-	-	-	-	-
Balance at 31 March 2024	-	-	-	-	-	-	-
Carrying amount							
As at 31 March 2024	3,965,000	3,450,000	1,575,000	5,100,000	575,000	9,150,000	23,815,000
As at 31 March 2023	3,936,000	3,700,000	1,750,000	6,200,000	675,000	8,250,000	24,511,000

Notes to the consolidated financial statements (continued)

Investment properties policy

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 fair value with any change recognised in the reported surplus or deficit in accordance with PBE IPSAS 16.

Investment Property comprises a number of commercial properties some of which that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee.

The methods applied in determining fair values include reviewing relevant lease documentation, rates information, recent market evidence and valuations prepared by registered valuers.

1 - 3 Thorndon Quay

A desktop review has been undertaken on 1 - 3 Thorndon Quay as at 31 March 2024 by Reuben Blackwell of Colliers International. The value adopted has been based on an overall base land value rate of $6,117psm plus xx% for corner influence with allowance for demolition (2023: A desktop review has been undertaken on 1 - 3 Thorndon Quay as at 31 March 2024 by Gwendoline Callaghan. The value adopted has been based on the capitalisation of rental income and discounted cash flows. The significant assumptions in the valuation are (1) a capitalisation rate of 4.68%; (2) a discount rate in the discounted cash flow approach of 8%; and (3) a terminal yield in the discounted cash flow approach of 6.25%).

Wainuiomata Intermediate (Kōhanga Reo building) and College

Wainuiomata College has been valued using hypothetical subdivision as at 31 March 2024 by Reuben Blackwell of Colliers International.

The Kohanga Reo component of Wainuiomata Intermediate has been valued using capitalisation of rental income at a rate of 9.75% (2023: 9.25%) as at 31 March 2024 by Reuben Blackwell of Colliers International. The significant assumptions in the valuation is that the seismic strength in relation to the NBS is not less than 67.00% (2023: 67.00%).

Kāumatua units

A valuation review has been undertaken on The Kāumatua units as at 31 March 2024 by Reuben Blackwell of Colliers Valuation and Advisory Services - Wellington. The value adopted has been based on the Investment Approach Methods; Capitalisation Method and Discounted Cashflow Method, using a capitalisation rate of net rental income of 5.15% and a discount rate of 8.00%. (2023: 5.00% capitalisation rate and 7.00% discount rate). The Capitalisation Method is based on the units being rented at market rates less operating costs and capitalised at a market return. Under the Discounted Cash flow Method, the forecasted cashflow (positive and negative) is discounted back to the valuation dates, resulting in the present value of the asset.

Whites Line East

A valuation review has been undertaken on Whites Line East as at 31 March 2024 by Reuben Blackwell of Colliers Valuation and Advisory Services - Wellington. The value adopted has been based on a land value direct comparison rate of $1,200 psm derived from comparable land sales (2023: The value adopted was based on a land value direct comparison rate of $1,330 psm, derived from comparable land sales).

Petone College

The valuation of the former Petone College land was performed by Melville Jessup Weaver utilising an actuarial model to measure the fair value of pre-tax cash flows generated from the lease agreement with Ryman Healthcare. The following significant judgements were made for the key inputs of the valuation:

- Average growth rate in the resale value of units of 5.00% (2023: 5.00%) per annum.
- Average turnover of units being 13 years (2023: 13 years) for Independent Living Apartments and 3 years (2023: 3 years) for Serviced Apartments.
- Pre-tax discount rate of 10.00% (2023: 10.00%).

Notes to the consolidated financial statements (continued)

13 Development properties

	Mt Crawford $	Wainuiomata Intermediate $	Total $
Cost			
Balance at 1 April 2023	385,216	3,749,147	4,134,363
Balance at 31 March 2024	385,216	3,749,147	4,134,363
Carrying amount			
Closing balance at 31 March 2024	385,216	3,749,147	4,134,363
Closing balance at 31 March 2023	385,216	3,749,147	4,134,363

Development properties are classified as follows:

		2024	
Current portion			
Wainuiomata Intermediate - Shared Equity held for sale	-	416,424	416,424
	-	416,424	416,424
Non current portion			
Mt Crawford	385,216	-	385,216
Wainuiomata Intermediate - Stage B	-	2,336,718	2,336,718
Wainuiomata Intermediate - Undeveloped land	-	996,005	996,005
	385,216	3,332,723	3,717,939
Total	385,216	3,749,147	4,134,363

		2023	
Current portion			
Wainuiomata Intermediate - Shared Equity held for sale	-	416,424	416,424
	-	416,424	416,424
Non current portion			
Mt Crawford	385,216	-	385,216
Wainuiomata Intermediate - Stage B	-	2,336,718	2,336,718
Wainuiomata Intermediate - Undeveloped land	-	996,005	996,005
	385,216	3,332,723	3,717,939
Total	385,216	3,749,147	4,134,363

The shared equity properties with equity held by the Group are still considered held for sale. This is due to the shared ownership agreement between the Group and the owners allowing the owners to purchase the remaining share held by the Group on request at the current market value.

The development of a further 18 units as part of 'Stage B' of the development has been halted as the Group works through the concerns of the Uri Working Group. There is uncertainty on when the development will be able to be resumed. The Trustees have determined that the halting of the development does not impact the recoverability of costs incurred to date. The Trustees continue to carry the remaining development at cost as the fair value of the remaining development is greater than the carrying value.

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Notes to the consolidated financial statements (continued)

14 Investments

	2024	2023
	$	$
Investments in joint ventures	950,000	950,000
Investments in associates	29,517,307	28,491,115
	30,467,307	29,441,115

Investments policy

An investment in a joint venture is recorded where two or more parties have entered into a binding arrangement to undertake an activity that is subject to joint control. The investment in a joint venture is initially recorded at cost and adjusted thereafter for the share of the venturer's share of the net assets of the jointly controlled entity. The surplus or deficit of the venturer includes the venturer's share of the surplus or deficit of the jointly controlled entity.

Associates are those entities within which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of equity-accounted investees, until the date on which significant influence ceases.

Joint venture (Aro development)

In March 2019, Taranaki Whānui Limited entered into a partnership for ongoing property development. Taranaki Whānui Limited has joint control of the partnership and accordingly the partnership is classified as a joint venture for accounting purposes and accounted for using the equity method.
Taranaki Whānui Limited entered into a development agreement in the 2022 year in respect of the Victoria Quarter. The $950,000 was split with $850,000 being recognised as contributed capital for the Group's 50% share of the Victoria Quarter Development Limited Partnership. The remaining $100,000 continues to be invested in the partnership. As at 31 March 2024, neither joint venture had any trading activity.

Investments in associates (Tai Hekenga)

In June 2019, Taranaki Whānui Limited entered into partnership agreement with several other organisations to form the Tai Hekenga Limited Partnership. Taranaki Whānui Limited has significant influence over the financial and operating policies of the partnership and accordingly the investment in the partnership is classified as an investment in an associate for accounting purposes and accounted for under the equity method.

In 2020 TWL committed $8.5m for 10.87% of the partnership, and as a result of making the Sale and Leaseback properties available for the other organisations to invest into, it received a 9% free carry portion bringing its total share of the investment to 19.87%.

As at 31 March 2024 the value of the interest was $29,517,307 (2023: $28,491,115) which is reflected in the Group balance sheet. The revenue in the Consolidated Statement of Comprehensive Revenue and Expenses reflects the Group's share of the partnership rental income and the uplift/(reduction) on the revaluation of the properties and derivatives held in the partnership as shown below.

	2024	2023
	$	$
Share of partnership rental	1,206,862	1,257,170
Uplift/(reduction) on revaluation	1,023,770	(1,704,920)
Total	2,230,632	(447,750)

Notes to the consolidated financial statements (continued)

15 Trade and other payables

	2024 $	2023 $
Trade payables	177,058	279,608
GST payable	10,467	-
	187,525	279,608

Trade and other payables policy

Trade and other payables are measured at cost, being their fair value. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

16 Interest bearing loans and borrowings

	2024 $	2023 $
Current		
Advance from Ryman Healthcare	-	80,549
Advance from Raukawa ki te Tonga AHC Limited	-	1,500,000
	-	1,580,549
Non-current		
Advance from Ryman Healthcare	-	269,520
Advance from Te Manawaroa o Ngati Tama Charitable Trust	1,500,000	-
	1,500,000	269,520

Interest bearing loans and liabilities policy

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowing 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 balance date.

Te Manawaroa o Ngati Tama Charitable Trust

The total amount available from this facility is $1,500,000. This loan was refinanced during the 2024 year. The loan is due for payment prior to 26 July 2026. The Group has provided security for the loan being:

- A registered first mortgage over the land and buildings at 1-3 Thorndon Quay, Wellington;
- A registered first mortgage over the land at 86 Whites Line East, Lower Hutt;
- A first ranking general security agreement over all present and after acquired property of Tramways Limited (which is the controlled entity within the Group that owns 1-3 Thorndon Quay, Wellington).A guarantee and indemnity is also provided by Tramways Limited and Port Nicholson Block Settlement Trust.

Ryman Healthcare

The Group has an agreement with Ryman Healthcare for the lease of the land formerly known as Petone College. As part of the lease agreement, Ryman Healthcare has advanced $1,000,000 in respect of the lease payments for a 15 year term. Payments of $100,000 are made each year with the advance expected to be fully repaid in 2027. The variable advance repayments are calculated as 5% of apartment resales during the period, during the 31 March 2024 year the level of resales has fully repaid the advance and the loan obligation has been discharged.

Notes to the consolidated financial statements (continued)

17 Deferred income

Deferred income policy

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

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

	2024 $	2023 $
Conditional grant funding	996,000	996,000
Income in advance - MoU income	86,093	320,083
Income in advance - other	8,500	358
	1,090,593	1,316,441

Conditional grant funding

Lowry Bay Limited Partnership has received $4.14m in grant funding from TPK. This funding is to assist the entity in developing infrastructure for 23 house sites, as well as construction of 8 rental units and 15 shared equity properties on the Wainuiomata Intermediate site. Funding of $996,000 has been held as a liability until satisfaction of the repayment terms being completion of the work, where the funding will be recognised as revenue. As referred to in Note 13, the Group has retained this liability as the development has had to be ceased with 9 house sites and 9 shared equity properties yet to be constructed due to the threat of occupation of the land by the Uri Working Group. As at 31 March 2024 Lowry bay site is being occupied by protesters.

MoU income

Taranaki Whānui Limited received payments from Hutt City Council during the period in relation to the Takai here agreement. $11,843 has been recorded as income in advance.

Taranaki Whānui Limited received payments from Wellington City Council during the period in relation to the Takai here agreement. $24,250 has been recorded as income in advance.

Taranaki Whānui Limited received $200,000 from Greater Wellington Regional Council during the year. The annual payment of $200,000 relates to the period 1 July 2023 - 31 June 2024, therefore 3 months have been recorded as income in advance.

Refer to note 3 for details regarding the recognition of MoU income.

Partnership and representation income

Taranaki Whānui Limited received payments of $34,000 from Hutt City Council during the period in relation to the Kāhui mana whenua agreement, these payments relate to the period 1 July 2023 - 31 June 2024, therefore 3 months have been recorded as income in advance.

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Notes to the consolidated financial statements (continued)

18 Provisions

	2024	2023
	$	$
Shelly Bay wharves demolition provision	750,000	1,000,000
	750,000	1,000,000

Provisions policy

Provisions are recognised when

- An entity has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Shelly Bay wharves demolition

Investigations by the Shelly Bay developer in conjunction with discussions with the Harbour Master had determined that the Shelly Bay Wharves, acquired by the Port Nicholson Block Settlement Trust, as part of the acquisition of the Shelly Bay site, were likely to constitute a hazardous structure. In December 2022, the Wellington City Council issued a formal notice for the removal of the deteriorating wharves.

During the year 2024, $250,000 was incurred in relation to wharf structure removal and associated ancillary. For the 2025 year, the removal is budgeted to cost $750,000. On 27 March 2024, Underwater Solutions Limited has estimated a total spend of $960,000 for the demolition of the Shelly Bay Wharf which involves the demolition of all marine structures offshore of the seawall.

19 Heritage assets

The Group holds the following heritage assets:

Honiana Te Puni Reserve	Korokoro Gateway, local purpose 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	Site 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 Kohangatera	Area of land around freshwater lake Pencarrow
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)
Opau Urupā	Cemetary

Heritage assets have not been included with the Statement of Financial Position as they are difficult to value. Management have determined that due to their cultural significance the value is unlikely to be fully reflected in a valuation.

Notes to the consolidated financial statements (continued)

20 Financial instruments classification

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to a financial contract.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through surplus or deficit transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in surplus or deficit.

Classification and subsequent measurement

Financial asset held at amortised cost

The classifications of the financial assets are determined at initial recognition as measured at amortised cost, fair value through other comprehensive revenue and expense (FVOCRE) - debt investment, fair value through other comprehensive revenue and expense (FVOCRE) or fair value through surplus and deficit (FVTSD). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets. Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Financial assets held at amortised cost comprise: cash and cash equivalents, trade and other receivables, and related party receivables.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through to surplus or deficit. Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Financial liabilities held at amortised cost comprise: trade and other payables, related party payables, and lease liabilities.

Impairment of non-derivative financial assets

The Group shall recognise loss allowances for expected credit losses on financial assets measured at amortised cost. The group measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the consolidated financial statements (continued)

20 Financial instruments classification (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The simplified model for trade creditors is adopted where ECL is based on lifetime expected losses. For other financial assets, ECL is based on default events expected to occur in the next 12 months unless there is evidence of a significant increase in credit risk. Where this is the case, ECL is based on lifetime expected credit losses.

21 Related parties

Key management personnel

Transactions involving related entities

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 and Directors of the Commercial Board of Taranaki Whānui Limited. Remuneration of key management personnel is as follows:

Related entity	2024	2023
Remuneration of key management personnel (excluding trustees)	507,877	564,200
Trustee remuneration	30,666	51,083
FAAR committee remuneration	6,000	6,000
Directors remuneration (for Taranaki Whānui Limited)	54,500	54,500
Other remuneration and compensation provided to key management personnel and/or close family	12,000	12,000

The Parent and Ultimate controlling party of the Group is Port Nicholson Block Settlement Trust.

All members of the Port Nicholson Block Settlement Trust group are related parties of the Trust. During each reporting period, the Trust has advanced loans to support its subsidiaries as required, and received loan repayments from its subsidiaries. The terms of these advances are current, unsecured, and interest free.

Jamie Tuuta is a Director of Taranaki Whānui Limited, he also serves as a Trustee of Ngati Tama Charitable Trust. Taranaki Whānui Limited has interest bearing borrowing and loans from Ngati Tama Charitable Trust as indicated at note 16. Due to this relationship, Ngati Tama Charitable Trust is therefore considered a related party under PBE IPSAS 20.

Mahina Puketapu is a Director of Taranaki Whānui Limited and a Trustee of Port Nicholson Settlement Trust, she also serves as a Director of Wellington Water Limited. Taranaki Whānui Limited receives MOU income from Wellington Water Limited. Due to this relationship, Wellington Water Limited is therefore considered a related party under PBE IPSAS 20.

Notes to the consolidated financial statements (continued)

22 List of subsidiaries

Set out below is a list of material subsidiaries of the Group:

	Country of incorporation
Shelly Bay Limited	New Zealand
The Lodge at Shelly Bay Limited	New Zealand
Taranaki Whānui Limited	New Zealand
TWL Holdings Limited	New Zealand
TWL Management Limited	New Zealand
TWL Trust Limited	New Zealand
Muritai Project Limited Partnership	New Zealand
RFR Projects Limited Partnership	New Zealand
RFR General Partner Limited	New Zealand
LBS General Partner Limited	New Zealand
Lowry Bay Limited Partnership	New Zealand
Lowry Bay Number Two Limited Partnership	New Zealand
Lowry Bay Section One Limited	New Zealand
Tramways Limited	New Zealand
PNBST Investments Limited Partnership	New Zealand
SBL Management Limited	New Zealand
Tai-Kuru Limited Partnership	New Zealand
Tai-Kuru Trust Limited	New Zealand

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 bans or advances.

23 Capital commitments

There are no capital commitment at balance date (2023: nil).

24 Contingencies

There are no contingent liabilities at balance date (2023: nil).

25 Subsequent events

There have been no events subsequent to balance date which would materially affect the financial statements.

Statement of service performance

1. About Us

Today, Taranaki Whānui represents those people who descend from one or more of the recognised tūpuna of Te Āti Awa, Ngāti Tama, Ngāti Mutunga, Taranaki iwi, and Ngāti Ruanui. The collective name given to these people is Taranaki Whānui ki Te Upoko o Te Ika (Taranaki Whānui). Taranaki Whānui ki Te Upoko o Te Ika are ahi kā of Te Whanganui a Tara (Port Nicholson Block area).

Originating from the Taranaki region, Taranaki Whānui migrated to the Wellington area between 1820 and 1830, establishing themselves around the Te Whanganui a Tara and Te Awa Kairangi regions.

The occupation and continued residence of Taranaki Whānui in this region attributes them the rights and duties of mana whenua – traditional guardians of the Wellington Harbour and associated lands.

As ahi kā with primacy and presence in the Capital City of Aotearoa, our vision is to ensure that our members maintain their place within the takiwā their tūpuna have occupied since the early 1820s to the present day.

2040 represents 200 years since the signing of Te Tiriti o Waitangi. We have a challenge to restore the rightful place of our people within the Port Nicholson Block takiwā.

2. Our Vision, Purpose and Principles

OUR VISION

We are guided by our tūpuna towards a mokopuna-focused future.

OUR PURPOSE

Guided by Tūpuna wisdom, Taranaki Whānui is focused on nurturing all aspects of well-being for our people and taiao, ensuring a prosperous future for all generations.

This purpose statement embodies our commitment to strength, growth, and well-being, reflecting what matters most to the uri of Taranaki Whānui ki te Upoko o te Ika. We stand dedicated to safeguarding and nurturing our ancestral lands and waterways, ensuring they remain a source of life and pride for our future generations.

Our path is illuminated by the legacy of our tūpuna, whose achievements and deeds form the bedrock of our identity. We honour their past by forging ahead with new and revitalised vigour and wisdom, ensuring that our children and grandchildren inherit a world where they can not only live but flourish. Our focus is steadfast on building a future where every aspect of Taranaki Whānui can thrive — culture, health, environment, economic — making the vision of a prosperous life on our ancestral whenua a living reality for our uri, whānau, and mokopuna.

OUR PRINCIPLES

- **Te mouri o te taiao:** We protect and enhance our whenua, moana, and awa for generations to come.
- **E kore e piri te uku ki te rino, ka whitingia e te rā ka ngahoro:** We are steadfast and unwavering in upholding and expressing our tikanga, kawa, and mana motuhake.
- **Poua ki runga, poua ki raro:** Our whakapapa, culture, language, and identity connect us all and are celebrated and demonstrated in all that we do.
- **Te Kahu o te Raukura:** We are guided by the philosophies of the raukura, aroha, and rongomou.

In affecting these principles, the Trust wants to foster an environment where uri are:

- Actively preserving & sustaining our lands & waters
- Strong & confident in their identity & knowledge
- Connected & thriving in their culture & language
- Leaders for whānau health & wellbeing

3. Strategic Priorities

Toitū te Taiao

As kaitiaki, whenua, moana, and awa are reclaimed, obtained, and protected.

Te Oranga o te Whānau

The health and wellbeing of our people are prioritised, nurtured, and resourced.

Te Matauraura me te Reo

Reclamation and intergenerational transmission of our knowledge, our reo, and our tikanga.

Ngā Rawa o te Āpōpō

Investment decisions are tupuna-guided, mokopuna-focused, and sustainable.

Te Kaha me te Āheinga

Taranaki Whānui is capable and collaborative, supporting whānau, and mokopuna success.

Our Approach

Taranaki Whānui is committed to an inclusive and proactive approach, integrating traditional knowledge with contemporary contexts and tools. Our strategy focuses on balancing respect for our history with innovative, collaborative approaches to address the evolving needs of our uri, whānau, hapū, and iwi. By fostering leadership, capacity, and engagement within our community, we aim to create a prosperous and sustainable future for all our uri, whānau, and mokopuna.

Judgements applied in reporting service performance during the year:

The Trust has applied judgement in deciding to report against the Taranaki Whanui Ki Te Upoko O Te Ika Strategic Plan to 2040. This judgement has been made because the Strategic Plan guides the operating and service delivery goals of the Trust.

2023/24 represents the first year that the Trust has produced a statement of service performance. Additionally, as at 31 March 2024, the Trust was still finalising the new strategy to 2040 and hence the activities are currently focused around ensuring the right structures are in place to deliver the individual initiatives.

Activities during 2023-24

Below are the activities during the 2023-24 financial year that have contributed to the identified long-term outcomes:

Toitū te Taiao

As kaitiaki, whenua, moana, and awa are reclaimed, obtained, and protected.

- **Acquisition of Thorndon School Land:** In June 2023, the whenua beneath Thorndon School was acquired through Tai Hekenga, increasing the total whenua holdings in the consortium from 13.13 hectares in 2023 to 13.84 hectares in 2024.
- **Remaining Sale and Leaseback properties:** no further action was taken regarding the acquisition of the Police properties from the Sale and Leaseback schedule. The Trust is considering options to acquire these properties in the 2024-25 financial year.
- **Right of First Refusal properties**: In December 2023, a series of properties was offered to the Trust by Victoria University. The Trust was not satisfied with the offer at the time, but negotiations have continued regarding a partner approach.
- **Shelly Bay:** In March 2023, the Trust was made aware of a significant hazard relating to the wharves at Shelly Bay. The Trust decided to mitigate this risk by approving the demolition of these wharves, so to protect the surrounding whenua and moana. It must be noted that this process has come at significant cost to the Trust and hindered the Trust's ability to undertake other activities.
- **Cultural and Environmental Advisory Roles:**
    - **Let's Get Wellington Moving Project:** The four iwi positions remained on the board, providing cultural and environmental advice to NZTA on the project.
    - **Te Ara Tupua Project:** The three iwi appointees remained, forming the mana whenua steering group and uri are directly involved as kaitiaki, cultural advisors, carvers, designers, planners, communications, procurement, and other functions within the project.
    - **Te Wai Takamori o Te Awa Kairangi (formerly RiverLink):** Two iwi appointees are part of the Mana Whenua Steering Group, with four uri directly involved in the project as kaitiaki, cultural advisors, designers, planners, project managers, and other functions.
    - **Kiwirail's 'iRex' Project:** Four iwi positions remained on the board, providing cultural and environmental advice to Kiwirail on the project.
    - **Council:** Taranaki Whānui maintains active involvement with Councils regarding resource consenting, resource management, district planning, and spatial planning activities.
    - **Wellington Water:** Taranaki Whānui provides cultural and environmental oversight of all key projects within our takiwā.
- **Governance and Whenua Management:**

- **Harbour Islands Kaitiaki Board:** The Harbour Islands Board was recently refreshed, and a new strategic plan is currently being finalised.
- **Te Rōpū Tiaki:** Provides continued oversight of Kōhanga Te Rā and Kōhanga Piripiri (Lakes), leading planting days, undertaking research on the lakes, and leading various education kaupapa.

Te Oranga o te Whānau

The health and wellbeing of our people are prioritised, nurtured, and resourced.

- **Kaumātua Housing:** The 11 kaumātua units at Te Puna Wai were fully tenanted for the entire financial year up to 31 March 2024, compared with 9 units that were fully tenanted in 2023.
- **Te Puna Wai:** During the 2023-24 financial year, no further progress was made at the Te Puna Wai development as no resolution was found with the local hapū.

Te Matauraura me te Reo

Reclamation and intergenerational transmission of our knowledge, our reo, and our tikanga.

- **Tono Kaupapa:** 127 cultural service deliveries were conducted for various clients in 2024 which was an increase from 75 in 2023, including powhiri for organizations such as Kaicycle, Te Toi Mahana, Hutt Valley High, HCC, WCC, GWRC, Wellington Airport International, Manatū Hauora, Creative HQ, Massey University, and many more.

Ngā Rawa o te Āpōpō

All investment decisions are tupuna-guided, mokopuna-focused, and sustainable.

- **Whenua Acquisition and Expansion of Consortium:** More whenua was acquired through Tai Hekenga, with the addition of Ngāti Tama as the 11th iwi partner of the consortium. This addition reinforces the connection back to Taranaki Mounga and increases annuity income for future generations.

Te Kaha me te Āheinga

Taranaki Whānui is capable and collaborative, supporting whānau, mokopuna success.

- **Whakapapa Kōmiti:** Our Whakapapa Kōmiti was revitalised with new members, revised terms of reference, and a new database policy.
- **Membership database:** The Trust invested in a new membership database system and successfully transferred the existing membership data into the new system.
- **Policy Review:** A total of four policies were reviewed in the financial year.
- **Stocktake:** A full stocktake of all the projects and opportunities available to Taranaki Whānui was initiated to identify future opportunities for the Trust.
- **Re-alignment:** A realignment committee was formed to lead the realignment activities of the Trust, focusing on finalising the Strategic Plan, re-branding, policy review, process and procedure review, and ensuring organisational alignment to the strategic direction of the Trust.

CROWE NEW ZEALAND

These activities demonstrate our commitment to achieving our strategic priorities and laying a strong foundation for the future well-being and prosperity of Taranaki Whānui. By focusing on land reclamation, cultural advisory roles, housing for kaumātua, and strategic investments, we ensure that our actions today support the long-term goals of our community.

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INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Port Nicholson Block Settlement Trust

Opinion

We have audited the consolidated general purpose financial report of Port Nicholson Block Settlement Trust (the Trust) and its controlled entities (the Group) which comprise the consolidated financial statements on pages 2 to 24, and the consolidated service performance information on pages 25 to 29. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 March 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended; and

- the consolidated service performance of the Group for the year ended 31 March 2024 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Trustees are responsible for the other information. Our opinion on the consolidated general purpose financial report does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the consolidated general purpose financial report, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated general purpose financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.

Trustees' Responsibilities for the Consolidated General purpose Financial Report

The Trustees are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and

(c) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated General purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and the consolidated service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtain an understanding of the process applied by the entity to select what and how to report its consolidated service performance.

- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated general purpose financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

Restriction on Use

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

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Hastings this 19th day of September 2024