

2017

ANNUAL REPORT

FOR THE YEAR ENDING 31ST MARCH 2017







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TRUSTEES

CHAIRMAN



Ngahere Wall
Ngāti Tutemohuta

DEPUTY CHAIRMAN



Dominic Bowdon
Ngāti Te Urunga



William Wall
Ngāti Hinerau



Matiu Heperi Northcroft
Ngāti Tutetawha



Gregory Stebbing
Ngāti Rauhoto



Arapiu Pohokura Seymour
Ngāti Hineure



Nukuhau Marae received a Capital Grant for their kitchen upgrade, and received the Te Pae o Waimihia Operational Grant of \$150,000.



CHAIRMAN'S REPORT

Tena koutou katoa,
Mai te awa o te atua ki Tauhara
maunga
Ko Tauhara te maunga
Ko Taupō te moana
Kei raro ra te mana o nga hapu o
Waimihia I Te Maru o ō tatou maunga
Tapu e tū mai rara
Tihei mauri ora

On behalf of the trustees of Te Pae o Waimihia, it is my pleasure to present the Chairman's Report on the activities of the trust for the twelve-month period ended 31st March 2017. My report will focus on the progress made towards the three strategic goals that were prioritised at the beginning of the year:

1. To develop and implement the Te Pae o Waimihia distribution framework.
2. To develop and begin implementation of the Te Pae o Waimihia Investment Strategy.

3. To upgrade Pakira Marae and Tutetawha Marae.

DISTRIBUTION FRAMEWORK

This year we were extremely pleased to launch the first stage of our Grants and Distributions Plan. This included the roll-out of our health, sporting, education, tangihanga and kaumatua grants (total distribution of \$220,000 over the twelve months ending September 2017).

The remaining distribution activity focused on our marae, where over \$2million in capital grants were provided to support the redevelopment of Pakira Marae, Tutetawha Marae, and the kitchen upgrade of Nukuhau Marae. A one-off capital development fund of \$5million has been set aside to fund these types of projects.

The trust also distributed a \$150,000 operational grant to each of our four

marae, and has provided accounting and administration services through our service provider He Akina Limited.

Whilst considerable effort has gone into developing the trust's distributions framework, the trustees commit to continuously research and understand what distributions are required to meet the needs of the hapū.

A complete list of the trust's distribution activity over the period June 2016 to September 2017 will follow in the distributions section of this Annual Report.

MARAE UPGRADES

Pakira Marae

It is my pleasure to report that the Pakira Marae redevelopment is now complete. The project has been a huge success and I would like to personally thank the project team (Wades Construction, Tom Sando, Wi Tawhai, and marae trustees) for their expertise, effort and commitment.

I would also like to thank all the whānau who gave freely of their time for this kaupapa. I am sure you are as proud as we are, to have played a part in the revitalisation of our marae complex.

Tutetawha Marae

Tutetawha Marae trustees have finalised the conceptual design and are currently applying for building consent through the district council. Once building consent is granted the plans will be issued to three commercial construction companies for (price) tendering.

This project is a priority for the trust, and we endeavour to complete the mahi over the next financial year.

Nukuhau Marae

The trust has also provided a grant of \$170,000 to Nukuhau Marae towards the kitchen refurbishment and the marae now has a fully functioning commercial kitchen that can cater to larger numbers of manuhiri.

INVESTMENTS

To ensure distributions will be available on a sustainable basis for future generations, the Trust Fund must grow each year by between 2% and 3% (this is required to counter the impact of inflation and population / membership growth). Guided by this requirement, and with the support of Iwi Investor Limited, we have developed our 'Statement of Investment Policy and Objectives' (SIPO), which will set a framework for the trust's future investment activity. This will involve a transition from our current investments in Term Deposits (generating returns of around 3%), to a diversified investment portfolio with a portion of funds invested in the bonds and equity markets (whilst more volatile have proven over time to generate higher average returns).

A significant proportion of our trust funds are still being held on trust by Tūwharetoa Settlement Trust (TST) awaiting completion of the CNI Mana Whenua process. The trustees requested that TST consider transferral of additional funds and I am pleased to report that an additional \$6.7million was received in June 2016. Since then, the trustees have had discussions with TST to facilitate the transfer of all remaining funds held on trust. We have been informed that in order to action the transfer, TST will need to amend its Trust Deed, which will require the support of its membership.

The trust has taken the opportunity to be party to the Iwi / Māori Investment Fund (Fund). The Fund is a collective investment vehicle co-investing alongside the New Zealand Superfund focussed on large-scale direct investments in New Zealand businesses. The Fund should generate long-term returns that comfortably exceed New Zealand's listed public market, and most private equity funds, given this low cost and the relatively uncontested areas the Fund will invest into. Guided by our SIPO and financial forecasts, the trustees have resolved to invest up to 5% total assets through the Fund.

In July of this year the property '11 Tūwharetoa Street' was offered for sale by the Crown to TST under the 'Right of First Refusal' process. TST then approached Te Pae o Waimihia to enter into a 50/50 joint partnership arrangement to purchase the property. After considerable due diligence the trustees agreed to the proposed terms and the purchase was completed on the 20th October 2017. We are very excited about the commercial opportunities the property provides, and along with TST will look to present the options over the coming months.

We are also considering a number of direct investment opportunities, including options for the other three Kaimanawa / Scannell Street sections vested by DoC to Te Pae o Waimihia, and potential commercial development options involving Tauhara hapū cultural redress lands (Parakiri, Huka, Wharewaka).

As Te Pae o Waimihia is already established to represent six hapū

of the Taupō area, the trust could become the entity to hold some of the cultural redress lands (out of the Tūwharetoa Comprehensive Claim Settlement) and will have the financial capacity to realise the commercial opportunities for the hapū.

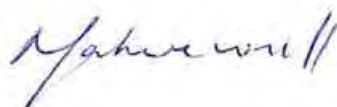
LOOKING FORWARD

While there is a lot of work to do in the next year, we are optimistic about the direction the trust is headed. Our key areas mahi will focus on the following strategic goals;

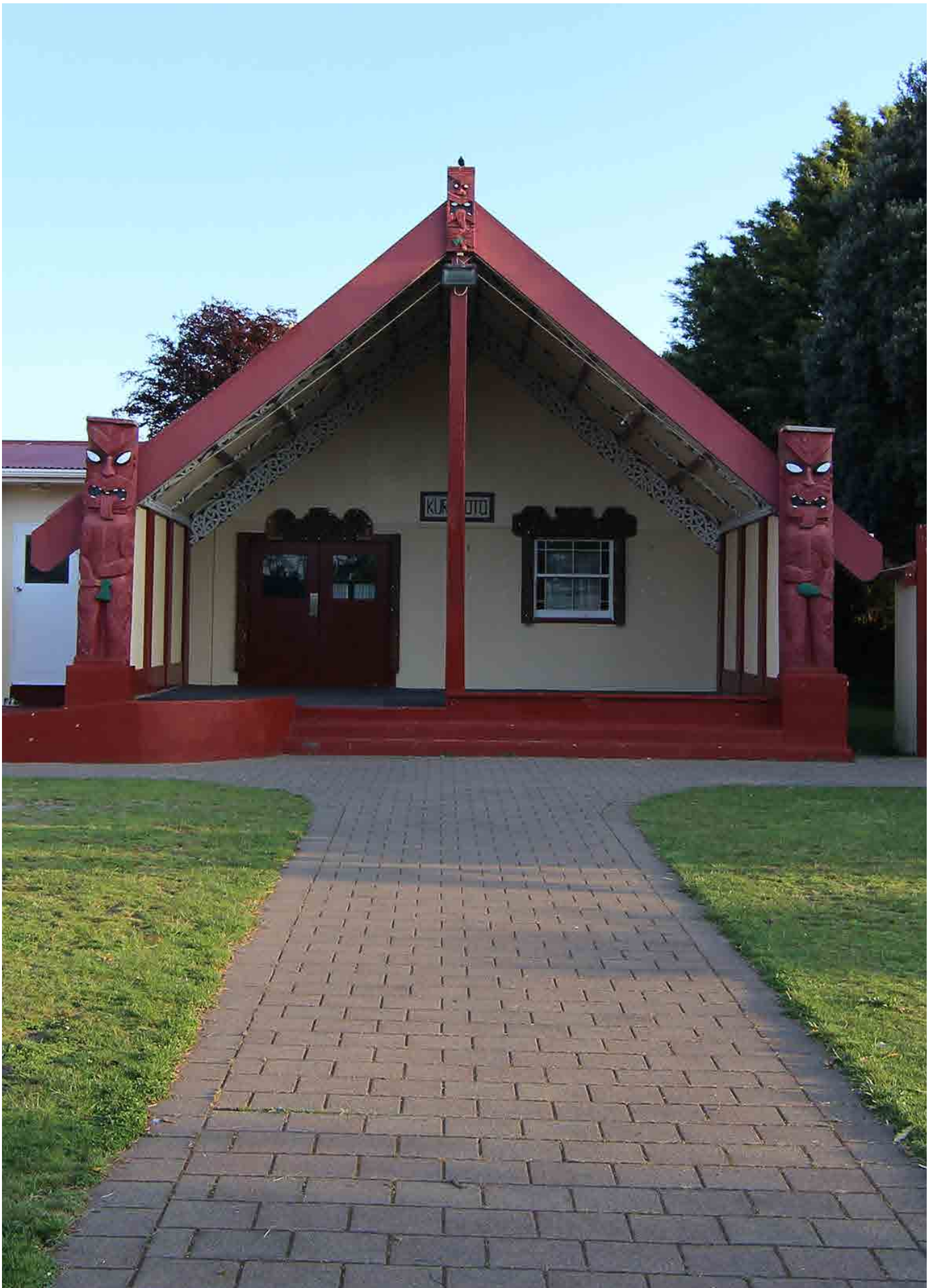
- To improve marae/hapū financial capacity
- To improve te reo me ona tikanga within our membership and rohe
- To upgrade Tutetawha Marae
- To support the finalisation of the mana whenua process
- To establish a commercial building on the DoC site
- To roll out the trust's investment strategy.

Finally, on behalf of the trustees, I wish to acknowledge the professional support provided by our key services providers: He Akina Ltd (Financial/Administration), Cargill Stent (Legal), Iwi Investor (Funds Management), TST (Members Register) and BNZ (Banking).

Nakū iti nei, nā



Ngahere Wall
Chairman
Te Pae o Waimihia



Waipahihi Marae received the Te Pae o Waimihia Operational Grant of \$150,000.



Te Puawaitanga Kohanga Reo received \$5,000 through the Te Pae o Waimihia Kohanga / Kura Grant.





*Photographs from Pakira Marae Opening Ceremony held on 21st October 2017.
Pakira Marae received a Capital Grant to fund the redevelopment of the marae complex,
and received the Te Pae o Waimihia Operational Grant of \$150,000.*



2016 ANNUAL GENERAL MEETING MINUTES

Sunday 18th September 2016
Waipahihi Marae
Waitahanui, Taupō

Trustee's Present:

Greg Stebbing (Chairman)
Ngahere Wall (Deputy Chairman)
Abe Seymour
Matiu Northcroft
William Wall
Dominic Bowden

Members Present:

There were 76 members present per the Attendance Register.

In Attendance:

Vernon Rameka (He Akina - General Manager), Kathryn Moffat (He Akina - Minute Taker)

Meeting Opened: 10.05am

Karakia: William Wall

MEETING ADMINISTRATION

Meeting opened at 10.05am with Greg Stebbing welcoming the owners to the Te Pae o Waimihia Annual General Meeting. Arapiu Seymour also gave a mihi welcoming everyone to the meeting.

Apologies

Apologies were captured in the Apologies Register.

Minutes of Previous Meeting / Matters Arising:

- Harvey Karaitiana noted an amendment to the minutes; that the trustees are to give consideration to reimbursement of costs related to historical claims lodged with the Waitangi Tribunal on behalf of all claimants with Te Pae o Waimihia.

- Greg Stebbing confirmed that the trustees have been requested to give this some consideration, they haven't done this yet but will look do so.

Resolution:

That the minutes of the previous meeting of 7th November 2015 be confirmed as a true and accurate record, subject to the amendment above.

Moved: Harvey Karaitiana
 Second: Harry Satchell
CARRIED

CHAIRMAN'S REPORT

Greg Stebbing presented the Chairman's Report.

- Te Pae o Waimihia will be undertaking all the accounting requirements in relation to the marae developments projects.
- For Pakira, Te Pae o Waimihia have engaged Tom Sando as the Quality Surveyor and Wi Tawahi as the Project Manager.
- Ngatoru Wall acknowledged the support to Pakira Marae in terms of its redevelopment. On the 8th October, Pakira Marae will be having a closing down ceremony to celebrate the last 99 years and extended the invite for people to come and celebrate this with Tutemohuta.
- The trust have been engaging with Temuera Hall regarding future investment strategies. The trustees are aware that the owners are already heavily invested in farming and forestry with other trusts. One area that the trustees are looking at is property.

- Once the mana whenua process over Waimihia Forest is finalised, all the funds and ultimately the land titles will be transferred back to Te Pae o Waimihia.
- Tūwharetoa Property Investment Limited Partnership was formed to purchase a number of crown owned properties around Taupō. The partners include Tūwharetoa Settlement Trust (TST), Tūwharetoa Māori Trust Board and Lake Rotaira Forest Trust. TST has invested \$6.3million of Te Pae o Waimihia funds which equates to a 70% share of the partnership. In 2018, Te Pae o Waimihia will have the right to buy out the other shareholders.

Resolution:

That the Chairman's Report be accepted.

Moved: Topia Rameka
 Second: Danny Loughlin
CARRIED

FINANCIAL REPORT

Year Ending 31 March 2016 presented by Greg Stebbing.

- \$12,000 was spent on consultants for the GST tax advice and distribution policy work.
- Trustees attended a course on investment, as part of the strategic plan was to upskill governance.
- As part of the Tutetawha Marae upgrade, the College Old Boys building was purchased and relocated to Tutetawha Marae.
- Net surplus for 2016 was \$251,119 which is down from 2015 - the main driver for this is the drop in interest rates.

- Te Pae o Waimihia current assets are \$15.5 million, the majority is invested in term deposits earnings approximately 3% to 4%. At balance date TST were still holding \$27 million however \$6.7 million of this was transferred to Te Pae o Waimihia in June 2016. The balance will be transferred on completion of the mana whenua process.
- Te Pae o Waimihia has formally written to TST to consider further transfers. This will be put forward to the TST trustees for consideration at their next meeting.
- The title for the Kaingaroa Forest which includes Waimihia North and South is held under CNI Iwi Holdings. The trusts understanding is that the land titles will eventually be transferred back to the owners.
- Each year, Te Pae o Waimihia will receive approx \$1.1 million of forest rental income.
- Topia Rameka supports Te Pae o Waimihia to pursue TST to secure the balance of funds held.
- Te Pae o Waimihia have been advised that best legal structure for the trust is to establish at least two subsidiary's. A company that will take care of the day-to-day business, and a charitable trust that will look after the distributions. Under this structure there is likelihood that the trust will ultimately pay no tax at all.

Resolution:

That the Financial Report for the Year Ended 31 March 2016 be received.

Moved: Topia Rameka
Second: Danny Loughlin
CARRIED

APPOINTMENT OF AUDITORS

Greg Stebbing updated the owners regarding the reappointment of Crowe Horwath.

- Crowe Horwath have undertaken the trust audit for the last three years.

Resolution:

The trust resolved to reappoint Crowe Horwath Chartered Accountants as auditor for 2017.

Moved: Greg Stebbing
Second: Danny Loughlin
CARRIED

DISTRIBUTION POLICY

Ngahere Wall and Dominic Bowden presented the Distribution Policy to the owners as per AGM handout.

- Ngahere Wall outlined Te Pae o Waimihia's Strategic Plan and priorities 2016 - 2018. The trustees are keen to get feedback from the owners that they are moving in the right direction.
- Key distribution areas:

Marae

- Marae upgrades are already underway with Pakira, Tutetawha and Nukuhau.
- \$2million has been set aside for Pakira Marae however we will not know the exact costs until the quotation come in from the builders. Irrespective of the final quotes, the trustees are committed to the marae upgrades.
- Proposal to give a one off payment of \$150,000 to each marae to assist with projects and running costs.

- Money has also been budgeted for marae committee support, marae kai training and meat for tangihanga.

Whānau

- Putea has been set aside to develop te reo initiatives. This distribution is still being worked through and finalised. The aim is for this is support kaikorero and kaikaranga on the marae.
- Summer whānau day.

Sports Health & Wellbeing

- \$100 per person for sporting participation expenses.
- \$300 per person for those that are selected to represent their sport at regional or national level.

Education

- \$200 for school fees and/or uniforms – year 1 - 10. (The trust did some research on where other trusts within the rohe are providing support and saw a gap in this specific school year group.)
- \$5,000 operational support for the kura and kohanga reo within the rohe.

Kaumatua

- Firewood deliveries have been completed for 2016. Ten kaumatua from each marae were given a load of firewood that was delivered and stacked. Next year, trustees are re-thinking this process and may look at purchasing the wood and processing themselves.
- Annual event / show like Laughing Samoans.
- Provide grants for heating, insulation and accessibility for

kaumatua.

- Health grants for 50 - 59 year olds. (Another gap that the trustees saw was not provided for from other entities.)
- Te Pae o Waimihia are aiming to begin distributions in the next six months.

Resolution:

That the Te Pae o Waimihia Distribution Policy Report is received.

Approve the provision of a \$150,000 grant to each of the four Te Pae o Waimihia Marae.

Moved: Peter Eden
Second: Harry Satchell

CARRIED

WHANAUNGA KOHA

A recommendation was put to the members to provide an annual koha to the following whanaunga marae.

- Te Kapa o Te Rangīta ki Oruanui
- Te Rangīta ki Nukuhau
- Te Rangīta ki Waitetoko
- Korohe
- Te Pae o Waimihia are acknowledging these four marae as they supported Waimihia in their mana whenua process. They don't claim mana whenua but do have whakapapa links. The proposed grant is up to \$10,000.
- Some of the owners were not in support to commit to an annual grant.
- Trustees agreed to amend the recommendation, to remove 'annual' from the wording, so Te Pae o

Waimihia are not tied to providing this grant yearly. Amount can be decided on a year by year basis.

Resolution:

To provide a koha manaaki to the above four marae as appropriate which can be decided by the trustees on a year to year basis.

Moved: Toby Rameka
Second: Christine Kidwell
CARRIED

TRUST DEED AMENDMENTS

Matiu Northcroft presented the proposed Trust Deed Amendment to the owners.

- The trust propose that the election process be whakapapa based and enable those that are not registered members to vote. If cannot be resolved by whakapapa, then it will go to ballot.
- Ngatoru Wall supports to leave it the way it is and encourage whanau to register as this is the tikanga of a settlement process. Both Topia Rameka and Ann Clarke support this.
- The trustees would like to change the trustee term from three years to five years for better continuity.
- Next election will be April 2018.

GENERAL BUSINESS

Cultural Redress

Greg Stebbing gave an update on the CNI mana whenua process and outlined the areas that are being looked at as part of the Tūwharetoa Comprehensive Settlement.

- CNI mana whenua team is Dylan Tahau and Temuera Hall.
- The Tūwharetoa Hapū Forum are negotiating a comprehensive claim with the crown and are looking at number of cultural redress sites. They have agreed that the cultural redress sites will be returned to hapū within six months of settlement.
- Topia Rameka supports entrusting the relevant cultural redress sites to Te Pae o Waimihia, to be held collectively by the six hapū.
- Ngatoru Wall clarified that Tutemohuta, Hinerau and Hineure have withdrawn from the Tūwharetoa Hapū Forum process and there are several pockets of land that are of interest to these hapū. The hapū intend to maintain their position going forward. Peter Eden and Christine Kidwell support this.

Meeting Closed: 12.50pm

Karakia: Arapiu Seymour



Top: Hoani Simon, kaumatua of Tutetawha Marae. Tutetawha Marae received the Capital Grant to support the redevelopment, and received the Te Pae o Waimihia Operational Grant of \$150,000.



FINANCIAL REPORT

ENTITY INFORMATION

For the Year Ending 31 March 2017

Legal Name of Entity:

Te Pae o Waimihia

Entity Type and Legal Basis:

Trust

Entity's Purpose or Mission:

To receive settlement assets on behalf of the hapū. To manage and invest the Trust funds.

Entity Structure:

Trustees:

Gregory Stebbing
Dominic Bowden
Matiu Heperi Northcroft
Ngahere Wall
William Wall
Arapiu Pohokura Seymour

Beneficiaries:

The beneficiaries of the Trust are all individuals who are members of the iwi for the purposes of the Tūwharetoa Settlement Trust Deed and must also be a members of the following hapū:

Ngāti Hinerau
Ngāti Hineure
Ngāti Rauhoto
Ngāti Te Urunga
Ngāti Tutemohuta
Ngāti Tutetawha

Main Sources of Entity's Cash and Resources:

The entity's activities are funded by interest income derived from investment funds.

Physical Address:

63 - 65 Waikato Street
Taupō 3330
New Zealand

Postal Address:

P.O. Box 723
Taupō 3330
New Zealand

STATEMENT OF SERVICE PERFORMANCE

Te Pae o Waimihia | For the Year Ended 31 March 2017

Description of Entity's Outcomes

The Purposes of the Trust as set out in the Trust deed are to receive, hold, manage and administer the Trust Fund on trust for any other object or purpose that is beneficial to the Hapū community and all the Beneficiaries irrespective of where those Beneficiaries reside, and shall, without limitation, include:

- The promotion amongst the Forest Hapū Cluster of the educational, spiritual, economic, social and cultural advancement and well-being of the Forest Hapū Cluster;
- The promotion amongst the Forest Hapū Cluster of the health and well-being of the Forest Hapū Cluster including the aged or those suffering from mental or physical sickness or disability;
- The promotion and advancement of the social and economic development of the Forest Hapū Cluster including, without limiting the generality of this purpose, by the promotion of business, commercial or vocational training or the enhancement of community facilities in a manner appropriate to the particular needs of the Forest Hapū Cluster;
- The maintenance and establishment of places of cultural or spiritual significance to the Forest Hapū Cluster;
- The promotion of a tribal forum to hear and determine matters affecting the Forest Hapū Cluster and to advocate on their behalf;
- Any other purpose that is considered by the Trust from time to time to be beneficial to the Forest Hapū Cluster and the Beneficiaries.

Account	2017	2016
	Quantity	Quantity
Number of registered members	3,340	3,244
Branding Koha - the Trust purchased the following items branded with the Trust's logo:		
Umbrellas for AGM	160	
Polo Shirts	53	
Jackets	24	
Education Grants - number of grants paid	2	
Kaumatua Firewood - number of loads delivered	44	
Kaumatua Show - number of tickets purchased for the Laughing Samoan's show	120	
Koha - General - number of t-shirts purchased for Tuwharetoa fishing competition	50	
Kura Kaupapa - number of grants paid	2	
Marae Health - ear checks carried out at Pakira and Tutetawha marae:	66	
Marae Operational Support - number of distributions paid	8	
Marae Projects - number of grants paid for marae upgrades	3	1
Marae Support - Number of marae receiving support for financial services	1	
Sporting Participation Grants - number of grants paid	1	4
Summer Whanau Day - the Trust purchased the following merchandise:		
Water bottles	1,008	
T-Shirts	75	
Bags	70	
Straw hats	100	
Sunglasses	60	

STATEMENT OF FINANCIAL PERFORMANCE

Te Pae o Waimihia | For the Year Ended 31 March 2017

Account	Notes	2017	2016
Revenue			
Interest, dividends and other investment revenue	1	625,011	586,910
Tauhara Properties Limited Partnership - 50% Share	1	32,522	-
Total Revenue		657,533	586,910
Expenses			
Volunteer and employee related costs	2	86,657	90,084
Costs related to providing goods or services			
Project expenses	2	712,311	17,590
Administration and overheads	2	176,039	119,282
Investor advisor fees	2	18,214	16,128
		906,564	153,000
Grants and donations made	2	725,390	33,325
Total Expenses		1,718,611	276,409
Surplus/(Deficit) for the Year before tax		(1,061,078)	310,501
Less: Provision for taxation	4	-	59,382
Net Surplus/(Deficit) after tax		(1,061,078)	251,119

These financial statements should be read in conjunction with the notes to the financial statements and independent audit report.



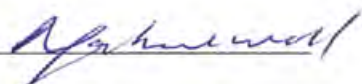
STATEMENT OF FINANCIAL POSITION

Te Pae o Waimihia | As at 31 March 2017

Account	Notes	2017	2016
Assets			
Current Assets			
Bank Accounts and Cash		319,118	110,222
Debtors		1,354	-
IWI Investor - Managed Funds		19,594,384	15,324,395
Waimihia Limited		129	90
Taxation		101,916	73,864
Total Current Assets		20,016,901	15,508,571
Non-Current Assets			
Tauhara Properties Limited Partnership		797,584	-
TST Funds held on account	7	22,944,516	27,416,555
Property Plant & Equipment	3	4,255	2,404
Total Non-Current Assets		23,746,355	27,418,959
Total Assets		43,763,256	42,927,530
Liabilities			
Current Liabilities			
Creditors and accrued expenses		72,144	10,619
Total Current Liabilities		72,144	10,619
Total Liabilities		72,144	10,619
Total Assets less Total Liabilities (Net Assets)		43,691,112	42,916,911
Accumulated Funds			
Funds Yet to be Settled by TST	7	22,944,516	27,416,555
Retained Earnings	6	(52,838)	1,008,239
Funds Settled		20,799,434	14,492,117
Total Accumulated Funds		43,691,112	42,916,911

For and on behalf of the Trustees:

Trustee 

Trustee 

Date 18/10/17



These financial statements should be read in conjunction with the notes to the financial statements and independent audit report.

STATEMENT OF CASH FLOWS

Te Pae o Waimihia | For the Year Ended 31 March 2017

Account	2017	2016
Cash Flows from Operating Activities		
Interest, dividends and other investment receipts	1,548	81
IRD Tax Refunded	74,525	20,064
Payments to suppliers and employees	(932,167)	(201,238)
Donations or grants paid	(725,390)	(50,915)
Total Cash Flows from Operating Activities	(1,581,484)	(232,008)
Cash Flows from Investing and Financing Activities		
Cash Transferred from IWI Investor Managed Funds	(3,747,636)	335,000
Acquisition of Joint Ventures	(765,062)	-
Settlement Funds Received	6,307,317	-
Payments to acquire property, plant and equipment	(4,239)	(4,890)
Total Cash Flows from Investing and Financing Activities	1,790,380	330,110
Net Increase/ (Decrease) in Cash	208,896	98,102
Cash Balances		
Opening Cash	110,222	12,120
Closing Cash	319,118	110,222
Net change in cash for period	208,896	98,102

These financial statements should be read in conjunction with the notes to the financial statements and independent audit report.



STATEMENT OF ACCOUNTING POLICIES

Te Pae o Waimihia | For the Year Ended 31 March 2017

Reporting Entity

These are the financial statement of Te Pae o Waimihia ("the Trust"), formally known as Waimihia Forest Hapu Cluster Trust. The Trust is established and domiciled in New Zealand by trust deed dated 19 december 2012 and 15 September 2014

Basis of Preparation

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

Tier 2 Standards Adopted

The Trust has adopted PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The impact on accounting policies are disclosed below.

The Trust has adopted PBE IPSAS 8 Interests in Joint Ventures which is accounted for using the equity method.

Goods and Services Tax (GST)

The entity was registered for GST from 1 october 2015. All transactions prior to that date are inclusive of GST (if any) and all transactions after that date are exclusive of GST (if any) except Receivables and Payables which are stated inclusive of GST.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expenses charged to the Statement of Financial Performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

The Trust has elected to be a Maori Authority under section HF 11 of the Income Tax Act 2007.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) excluding those held within managed funds, with original maturities of 90 days or less. Bank Accounts and Cash are recorded when the cash is received, and are measured at the amount held.

Revenue

Interest income is recognised as earned.

Receivables

Trade receivables are stated at their amortised cost less any provision for impairment.

Payables

Creditors and other payables are measured at fair value.

Managed Funds/Investments

Managed Funds are measured when purchased at the amount paid, and revalued each year to market valuation.

Joint Venture

A joint venture is a binding arrangement whereby two or more parties commit to undertake an activity and agree to share control over the activity (joint control). The Trust has an interest in a joint venture which is a jointly controlled entity.

The Trust's investment in its joint ventures is accounted for using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost. The carrying amount of the investment is adjusted to recognise post-acquisition changes in the Trust's share of net assets of the joint ventures.

The Trust's share of a joint venture's surplus or deficit is recognised in the statement of financial performance. The Trust's share of any movements in the joint venture's other comprehensive revenue and an expense is recognised in other comprehensive revenue and expenses. The cumulative movements are adjusted against the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Trust and the joint ventures are eliminated to the extent of the Trust's interest in the joint venture.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



NOTES TO THE PERFORMANCE REPORT

Te Pae o Waimihia | For the Year Ended 31 March 2017

1. Analysis of Revenue	2017	2016
Interest, dividends and other investment revenue		
Interest Received	625,011	586,910
Tauhara Properties Limited Partnership - 50% Share	32,522	-
Total	657,533	586,910
2. Analysis of Expenses	2017	2016
Volunteer and employee related costs		
Trustees Fees	78,000	78,200
Trustees Professional Development	750	4,890
Trustees Travel & Accommodation	7,907	6,995
	86,657	90,085
Costs related to providing goods or services:		
<u>Project Expenses</u>		
Nukuhau Marae	173,913	-
Pakira Marae	479,188	-
Tutetawha Marae	59,209	17,590
	712,310	17,590
<u>Administration and Overheads</u>		
Administration	97,000	77,575
AGM	13,200	7,815
Auditing	6,930	2,600
Bank Charges	202	244
Consultants	33,888	11,791
Depreciation	2,388	2,486
Entertainment	613	-
Insurance	8,175	9,476
Legal Expenses	5,740	1,491
Meeting Expenses	2,849	2,134
Non-Deductible Entertainment	705	-
Repairs & Maintenance - Property	887	-
Special Hui	-	1,167
Telephone, Tolls & Internet	3,463	2,503
	176,040	119,282
<u>Investor Advisor Fees</u>		
Investor Advisor Fees	18,214	16,128
	18,214	16,128
	906,564	153,000
Grants and donations made		
Branding Koha	14,316	-
Discretionary Koha	4,113	-
Marae Health	2,755	-
Education Grants	5,200	-
Kaumatua - Firewood	16,540	-
Kaumatua - Show	6,185	-
Koha - General	1,700	10,948
Kura Kaupapa	10,000	-
Marae Support - Finance	5,101	-
Marae Operational Support	640,000	-
Sponsorship	10,000	22,377
Summer Whanau Day	9,480	-
	725,390	33,325
Total Expenses	1,718,611	276,409



NOTES TO THE PERFORMANCE REPORT

Te Pae o Waimihia | For the Year Ended 31 March 2017

3. Analysis of Non Current Assets	2017	2016
Property Plant & Equipment		
Office Equipment - Opening Carrying Value	2,404	-
Additions	4,239	4,890
Current year depreciation	(2,388)	(2,486)
Office Equipment - Closing Carrying Value	4,255	2,404

4. Taxation	2017	2016
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Taxation is calculated as follows:

Profit before Taxation:	(1,061,078)	310,501
Taxation Thereon at 17.5%	-	54,338
Tax effect of Timing Differences	(674)	523
Tax effect of Permanent Differences	126,174	4,521
Income Tax on Net Profit	-	59,382

The Taxation Charge is Represented by

Current Year Tax	-	59,382
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Tax Payable

Prior Year Tax to Pay (Refund)	(73,864)	(48,924)
Tax Refunded (Paid)	74,606	20,064
Less RWT Credits	(102,659)	(104,386)
Total Tax to Pay (Refund Due)	(101,917)	(73,864)

Timing Differences

The following timing differences have been included in the calculation of the current year tax charge above:

Opening Audit & Accounting Fees Accrued	2,990	-
Accrued Expenses for Pakira Marae Development	2,340	
Closing Audit & Accounting Fees Accrued	4,500	2,990
Total Timing Differences	(3,850)	2,990

Permanent Differences

The following permanent differences have been included in the calculation of the current year tax charge above:

Non-Deductible Exntertainment	705	
Branding Koha	14,316	
Discretionary Koha	4,113	
Marae Health	2,755	
Education Grants	5,200	
Kaumatua - Firewood	16,540	
Kaumatua - Show	6,185	
Koha - General	1,700	
Kura Kaupapa	10,000	
Marae Operational Support	640,000	-
Sponsorship	10,000	
Summer Whanau Day	9,480	
Total Permanent Differences	720,994	-



NOTES TO THE PERFORMANCE REPORT

Te Pae o Waimihia | For the Year Ended 31 March 2017

5. Maori Authority Tax Credit Account	2017	2016
At balance date the Maori Authority Tax Credits available to be attached to distributions to the beneficiaries were:		
Opening Balance	227,570	143,248
RWT Credits Attached to Interest Income Received	102,659	104,386
Less Tax Refunds Expected at Balance Date	74,606	(20,064)
Closing Balance	255,623	227,570

6. Accumulated Funds	2017	2016
Opening Balance	1,008,239	757,121
Accumulated surpluses or (deficits)	(1,061,077)	251,118
Total Accumulated Funds	(52,838)	1,008,239

7. Trustee Funds	2017	2016
Settlements on to Trust:		
Funds Settled	20,799,434	14,492,117
Funds yet to be Settled under Deed of Trust	22,944,516	27,416,555
Total Settled on to the Trust	43,743,950	41,908,672

The \$14,492,117 funds settled in December 2012, and \$6,307,317 in June 2016, under the Deed of Trust represents a purchase of the accumulated forestry rentals for Waimihia Forest originally held in trust by the Crown Forest Trust that were distributed to the Tuwharetoa Settlement Trust (TST) in the 2010 financial year.

The remaining funds and assets yet to be settled by TST of \$22,944,516 (2016:\$27,416,555) is based on TST achieving 100% Mana Whenua allocation for Waimihia North and South Forests. The remaining funds consist of accumulated rentals, interest and other gains on those rentals, and in property assets.

The final settlement is not expected to be received within 12 months from balance date and is recorded as a non-current receivable.

8. Commitments

Construction Contract with Wade Construction. Total \$1,511,412. Remaining \$988,315.

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2017 Last year - nil).

10. Related Parties

He Akina Limited

The Trust paid a number of expenses to He Akina Limited. He Akina Limited is associated with the Trust due to Gregory Stebbing being the Chairman of the Trust and a director of He Akina Limited. Total payments made during the 2017 year: \$97,000 (2016: \$77,400) There are no outstanding amounts owing at balance date (2016: nil).

Tuwharetoa Settlement Trust (TST)

The Trust has settlement funds receivable from Tuwharetoa Settlement Trust (TST), which is detailed in note 11. TST is associated with the Trust as Gregory Stebbing is the Commercial Advisor of TST and is also the Chairman of this Trust. During the financial year the Trust received a transfer of capital from TST of \$6,307,317.

Opepe Farm Trust

Te Pae o Waimihia Trust and Opepe Farm Trust each have a 50% ownership interest in Tauhara Properties Limited Partnership. During the year, the Trust acquired its 50% interest from Opepe Farm Trust for \$765,062. Arapiu Seymour was a trustee of both Opepe Farm Trust and Te Pae o Waimihia until 7 March 2017. At this time Ngahere Wall and William Wall were appointed as trustees of Opepe Farm Trust. Gregory Stebbing is an advisor to Opepe Farm Trust.

Tauhara Properties Limited Partnership

The Trust has a 50% ownership interest in Tauhara Properties Limited Partnership.



NOTES TO THE PERFORMANCE REPORT

Te Pae o Waimihia | For the Year Ended 31 March 2017

11. Interests in Joint Ventures

The Trust acquired a 50% interest in Tauhara Properties Limited Partnership on 16 June 2016, a jointly controlled entity that owns a building on Motutaiko Street, Taupo which is leased by the Department of Conservation. The Trust's interest in Tauhara Properties Limited Partnership is accounted for using the equity method in the Trust's financial statements.

The joint venture had no contingent liabilities or capital commitments as at 31 March 2017.

12. Trustees Remuneration

	2017	2016
The Trustees have received the following remuneration from the Trust:		
Nigel Baker	-	800
Peter Clarke	-	500
Gregory Stebbing	18,000	18,400
Dominic Bowden	12,000	12,500
Matiu Heperi Northcroft	12,000	12,500
Ngahere Wall	12,000	12,500
William Wall	12,000	10,900
Arapiu Pohokura Seymour	12,000	10,100

13. Events After the Balance Date

There were no other known material events subsequent to balance date which would have an effect on these financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Beneficiaries of Te Pae O Waimihia

Opinion

We have audited the performance report of Te Pae o Waimihia on pages 17 to 26, which comprises the entity information, the statement of financial performance and statement of cash flows for the year ended 31 March 2017, the statement of financial position as at 31 March 2017, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the performance report on pages 17 to 26 presents fairly, in all material respects,:
- the entity information for the year then ended; and
 - the financial position of Te Pae O Waimihia as at 31 March 2017, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and of the entity information in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000.

Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

Trustees are responsible for the other information. The other information comprises the information included in the Statement of Service Performance on page 3, but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Performance Report

Trustees are responsible on behalf of Trust for:

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

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

Auditor's Responsibilities for the Audit of the Performance Report

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

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tuwharetoa Settlement Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



Crowe Horwath New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

18 October 2017



*Te Pae o Waimihia Property Investments.
37 Motutaiko Street (Department of Conservation Regional Office) and 11 Tuwharetoa Street.*



GRANTS AND DISTRIBUTIONS

As per the Te Pae o Waimihia Trust Deed, the grants and distributions policies have now been completed.

In 2016, the first stage of the Grants and Distributions Plan was implemented with initiatives such as firewood for local kaumatua, marae grants (to the four Te Pae o Waimihia marae) and the first of the whanaungatanga annual events series began with the Laughing Samoans (kaumatua evening).

Following these initial distributions, considerable effort has gone into identifying the gaps in current grants and distributions provided through other Tūwharetoa entities. In 2017 with whānau feedback and support, the trustees were pleased to roll out the trust's first health, sporting, education, and tangihanga grants.

To be eligible to apply for the Te Pae o Waimihia grants, members will need to be registered with Tūwharetoa Settlement Trust and whakapapa to one of the six Te Pae o Waimihia hapū.

For more information see the terms and conditions as outlined on the application forms or contact He Akina (Trust Office).

Application forms can be downloaded from the Te Pae o Waimihia website www.tepaeowaimihia.com or alternatively you can collect a form from He Akina, 63-65 Waikato Street, Taupō.



MARAE DISTRIBUTIONS

JUNE 2016 TO SEPTEMBER 2017

Distribution Type	Description	Unit	Total
Capital Grants	Initial capital development fund of \$5million	3	\$2,173,000
Development & Operational Grant	TPoW marae	4	\$600,000
Development & Operational Grant	Whanaunga marae	4	\$40,000
Administration / Treasury Support	Provision of administration and treasury services	na	\$6,523
Tangihanga Grant	Available for the tangi of members (or immediate family) who lay at a TPoW marae	15	\$6,935
Food Safety Course	Food Safety Course for marae ringawera	1	\$3,500
Total Other Distributions			\$2,830,000

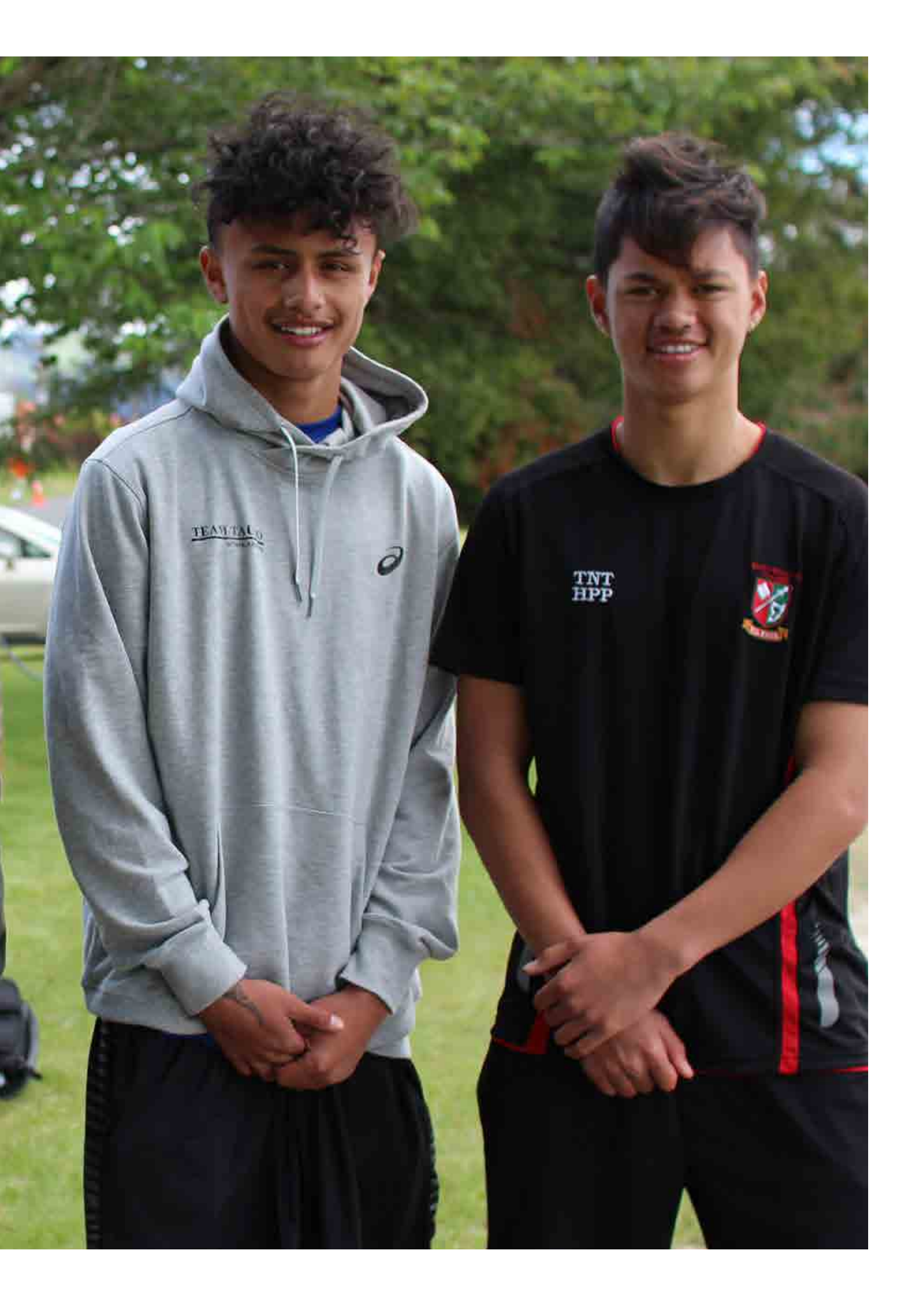




SPORTS, HEALTH AND WELLBEING

JUNE 2016 TO SEPTEMBER 2017

Distribution Type	Description	Unit	Total
Sporting Participation	Grant to support sporting participation expenses (sporting fees & equipment)	112	\$10,698
Sporting Representative	Grant to support sporting participation expenses (sporting fees, equipment, travel)	34	\$7,736
Health & Wellbeing Programmes	Timatanga hou		\$5,440
Health Checks	Ear clinics	97	\$4,047
Total Sports Health & Wellbeing Distributions			\$28,000



EDUCATION DISTRIBUTIONS

JUNE 2016 TO SEPTEMBER 2017

Distribution Type	Description	Unit	Total
Education Grant - Tamariki	Education Grants for school fees, and uniforms. Available to children of registered members who are studying at years 1 to 10.	141	\$24,500
Education Support - Tamariki	Provide supplementary educational support - Poipoia O Pumanawatanga.	Scoping Exercise	\$10,000
Kura Kaupapa / Kohanga Reo - Operational Support	Kura Kaupapa and Kohanga Reo operational expenses. Available to all Kura Kaupapa & Kohanga Reo in the Tauhara rohe.	7	\$34,295
Total Education Distributions			\$69,000









KAUMATUA DISTRIBUTIONS

JUNE 2016 TO SEPTEMBER 2017

Distribution Type	Description	Unit	Total
Firewood	Provide firewood to kaumatua (delivered and stacked).	142	\$42,180
Events	Organise an annual event for kaumatua.		\$6,185
Healthy Homes & Accessibility	Efficient heating, insulation, accessibility, safety.		\$2,324
Health Grants	Dental or vision. Available to registered members aged between 50 and 59 years old.	66	\$35,590
Total Kaumatua Distributions			\$86,300



WHĀNAU DISTRIBUTIONS

JUNE 2016 TO SEPTEMBER 2017

Distribution Type	Description	Total
Mook A Luck	Rangatahi show	\$1,500
Ngati Te Rangiita	Tūwharetoa Deed of Settlement signing	\$5,000
Te Kapa Waiata Wananga o Tūwharetoa	Catering	\$2,967
Waka Tangata	Life jackets	\$1,684
TKKM o Whakarewa I te Reo ki Tūwharetoa	Taiopenga Kapa Haka Festival	\$2,000
International Sports Grant	Faine Kahia	\$10,000
Pohara Trust	Tūwharetoa Fishing Competition	\$1,700
Branding	Jackets, shirts, umbrellas	\$13,412
Total Other Distributions		\$38,000





2016-2018

STRATEGIC PLAN

VISION

“Te puawaitanga o nga moemoea a kuia ma a koro ma”

“The blossoming dreams of our elders”

MISSION:

“Ka tiaki te roopu whirinaki i nga rawa kia tipu ai, hei awahi i nga wawata o ia reanga, me nga reanga kei te heke mai. Kia hiki ake nga tikanga mo te oranga o nga hapū o Te Pae o Waimihia”

“To protect and grow the assets of the trust to support the intergenerational aspirations, wellbeing and cultural tikanga”

OUR CORE STRATEGIES:

1

Whakamana i
nga hapū

2

Organisation
development

3

Asset
growth

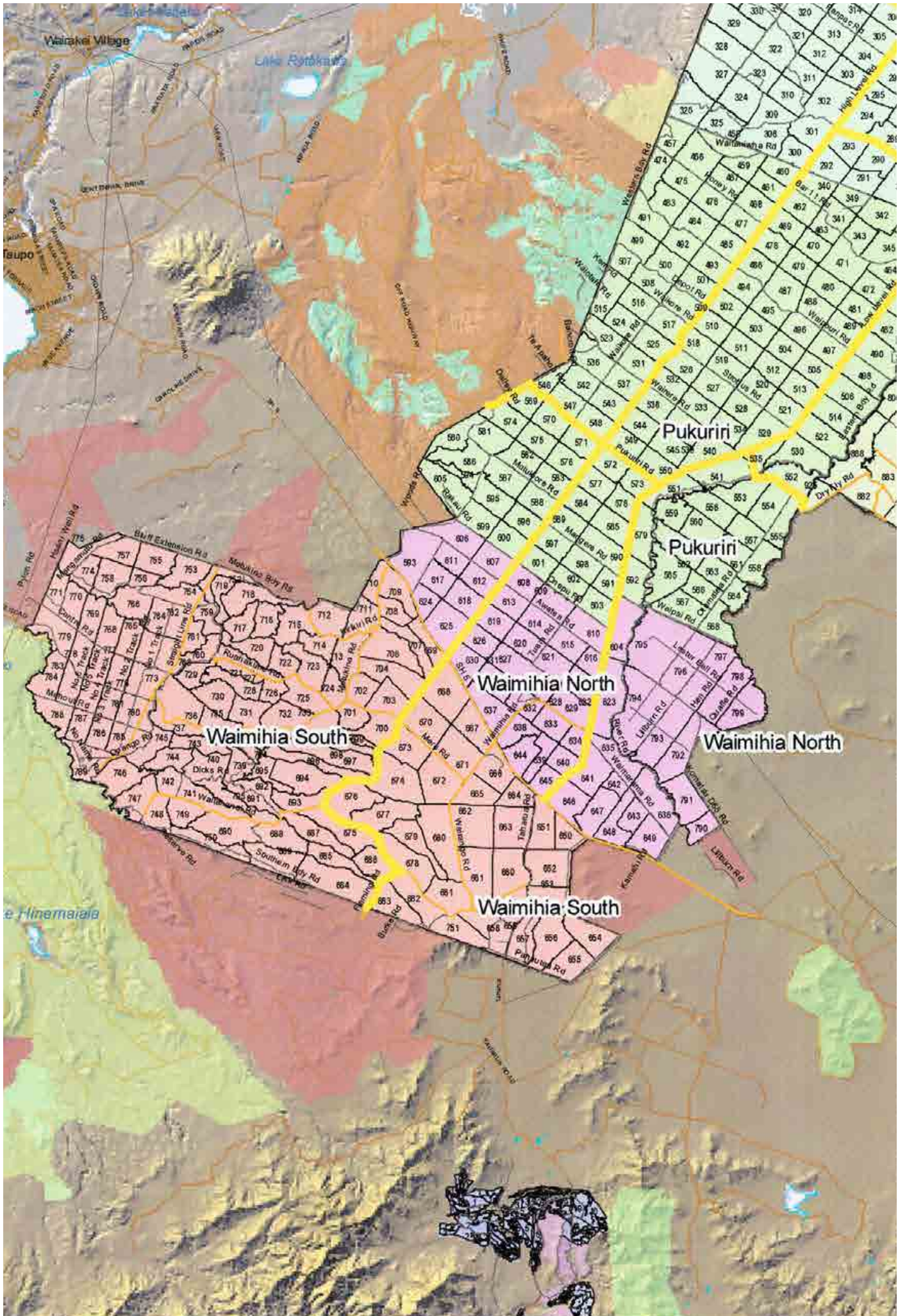
STRATEGIC GOALS:

- | | | |
|---|--|---|
| a) To improve marae / hapū financial capacity | e) To implement a comprehensive Waimihia hapū members register | i) To develop and implement a robust investment strategy |
| b) To improve te reo me ona tikanga | f) To ensure a lift in governance upskilling | j) To exercise the trust's call option with Opepe for the DoC regional office |
| c) To upgrade Tutetawha and Pakira Marae | g) To develop and implement a distribution framework | k) To establish a commercial building on the DoC site |
| d) To support resolution of the mana whenua process | h) To develop and implement robust organisation policies | |

VALUES - KOTAHI TE KII:

- Rangimarie
- Whakakotahitanga
- Manaakitanga
- Rangatiratanga
- Whakawhanaungatanga







PAKIRA MARAE, TAUPŌ

9.30am Registrations

10am Meeting Commences

12.30pm Lunch