

Ngāti Koata GROUP

2017 Annual Report



Te Whakakitenga *Vision*

Te hokinga mai o te manu hākapakapa
Ngāti Koata are flourishing

Te Ahunga *Mission*

Hei hāpai i ngā whai hua o te iwi
To support the cultural, social, spiritual, political and
economic wellbeing of our people and places

Ngā Whāinga Matua *Purpose*

Tiaki Tangata, Tiaki Taiao, Tiaki Taonga
Caring for our People, Places and Treasures



Frank Hippolite
Chairman



John Dobson
Deputy Chairman



Tahua Solomon



Rāhui Kātene



Anthony Pātete



George Elkington



Joanie Wilson

Annual General Meeting Agenda

Friday 22 September, Whakatū Marae

5:30pm

Kawe Mate / Pōwhiri

6:30pm

Kai

Saturday 23 September, Whakatū Marae

(Ballot voting will close at 12pm)

Annual General Meeting

9am

Karakia

Mihimihi

Chair Report – *Frank Hippolite*

Annual Plan & Financial Report – *Adrienne Kenney*

Commercial Report – *Rob Pooley*

Trust Report – *Office Kaimahi*

General Business

10:30am

Morning Tea

Hui ā Iwi

11am

Kaumātua Report

He Kupu Reanga Report

Te Haeata Report

General Business

1pm

Election Results

Farewell to Departing Trustee(s)

Welcome to New Trustee(s)

Karakia

Lunch

Content

Chairman's Report
page 4

CEO/GM Report
page 5

Strategic Plan
page 6-7

Ngāti Koatatanga
page 8-9

Tiakai Tangata
page 10-11

Tiaki Taiao
page 12-13

Tiaki Taonga
page 14-15

Mana Matuhake
page 16-17

Te Hāpai Ō
page 18-19

Ngā Tikanga
page 20-21

Ngāti Koata Group
Asset Summary
page 22

Our New
Commercial Assets
page 23

Commercial Director's
Report
page 24

Financial Report
and Statements
page 25-43

Chairman's Report



*Ka tangi te tītī,
Ka tangi te kākā,
Ka tangi hoki ahau.
Tīhei Mauri Ora*

Tēnā Koutou Katoa

First, special acknowledgement is given to those Iwi Members and kaumātua and their whānau who have suffered loss, hardship and illness this year. Mā te Atua kōutou e manaaki.

The Trustees of Ngāti Koata Trust are pleased to report on a very busy and productive year in the new post-settlement era for the Trust. The Ngāti Koata Trust Strategic Plan is now firmly in place. Put in place by the Iwi, the goals, objectives and values of the Plan are helping to guide the Trust in the planning and implementation of programmes. In order to help the Trust better measure the progress and success of these goals and objectives – and to provide for even more greater accountability and transparency – the Board has developed a Statement of Cultural Investment Policy (SCIPO) and accompanying 5-year plan for the delivery of social and cultural outcomes.

Kia Whakatū te Reo has been implemented with great success. The Iwi has embraced the opportunities made available with our wānanga reo, and the enthusiasm shown by the Iwi is a testament to the hard work and dedication of all those involved, particularly those who volunteer their time and energy. The initiatives and projects developed or supported by the Trust, such as the Rangatahi Pākeke Wānanga Reo, Takahia te Whenua, Matariki celebrations, Te Haeata development, and Environmental restoration work, provide an avenue for the transmission and expansion of knowledge, skills, and relationships to enhance our Ngāti Koatātanga.

The Board has finished the first section of consultation with Iwi on changes to the respective Deeds of Ngāti Koata Trust and Te Pātaka a Ngāti Koata Trust. These changes, along with the Strategic Plan, SCIPO, the refinement of the Statement of (Commercial) Investment Policy and Objectives (SIPO), and other governance and operational policies, will ensure greater transparency for more informed decision-making, better alignment of the Deeds, and clear direction for Trustees, employees, and Iwi Members. Further consultation will take place in 2018 to complete this process.

The Board has progressed our Marine and Coastal Act (MACA; i.e. foreshore and seabed) claim, continued negotiations for the Taonga Tūturu, developed a Code of Conduct, and introduced annual reviews of Trustees and the Board.

The Trust continues to build on its transparency, governance, and future programmes by instituting a Risk Management framework, developing an Associate Directors' Programme, Cultural Mapping Project, and Whakamana te Paepae. The Board is working with kaumātua and other stakeholders to further our succession planning in cultural and operational imperatives.

To improve understanding and communication within our Iwi committees, the Kaunihera Kaumātua now has a standing agenda item for the monthly Board hui to raise anything they wish with us. It is hoped to be able to extend this agenda item to include He Kupu Reanga to help the Board better engage rangatahi. While we have monthly and other special e-pānui and Facebook, including putting out monthly key messages from our Board hui, we need to continually improve on our communications with Iwi Members.

The Trust Vision "Te hokinga mai o te manu hākapakapa" (Ngāti Koata are flourishing) is a worthy goal that we aim to continue to achieve. We are continually learning from what has previously occurred in the Trust to help inform us in the present for where we need to be in the future. Where opportunities arise, we are being innovative in our thinking (e.g. the SCIPO), learning from other Iwi entities (e.g. the Associate Director programme similar to that of Ngāi Tahu and Wakatū Inc.), and taking the lead in other areas (e.g. negotiating a Directorship on the Waimea Dam to gain political leverage and attaining equal partnership at a local body level as affirmed under the Treaty).

Our Financial Report shows modest growth in our investments portfolio. We have had growth in the value of our assets; however, this growth is offset through many of these assets being locked in leases that affect our ability to increase our earnings at the same rate. This is a challenge that the Board will need to work through with the Iwi and Commercial teams.

We welcome Hemi Toia to the team as the new Chief Executive of Koata Ltd. Hemi hails from the Far North. Nau mai, Piki mai.

In conclusion, I acknowledge the hard work and dedication of my fellow Board Members, Directors, Kaumātua, independent Committee members, Iwi Representatives, Trust Staff, Volunteers, and Iwi Members and whānau who, through their efforts, continue to enhance the mana and vibrancy of Ngāti Koata.

I also acknowledge the hard work and dedication of my fellow Board Members who have also been contributing in specific areas; for instance, Anthony on HR matters, governance policies and

procedures, as well as providing free advice on the MACA application; George is providing financial insight to our accounts, and has been instrumental in expert advice on pertinent environmental issues in the Marlborough Sounds, such as the proposed King Salmon farming relocation and potential abrogation of riparian rights in the Sounds, as well as on the Iwi's MACA application; Joanie has been providing advice on educational and ARcom matters; John on the development of the SCIPO and Risk Management framework; Rāhui in her role as Trustee-Director, developing the Code of Conduct, and helping in the strategic planning for Te Haeata; and Tahua – in spite of personal hardship as a result of the Kaikōura earthquake – has diligently and ably represented the Trust and Iwi on several fishery and aquaculture forums.

On behalf of the Board, I especially thank John Dobson for his enormous contribution to the Board – he has assisted greatly to the transparency and integrity of the Trust's policies, processes, and strategic thinking and planning. John's wife and tamariki will be happy to have him back and he will be missed, although we are happy that he has agreed to help mentor any new Trustees on governance and the decision-making process.

Nō reira ngā mihi ki ā kōutou katoa. Mā te Runga Rawa e manaaki e tiaki i ngā wā katoa.

Frank Hippolite
Chairman, Ngāti Koata Trust

GM/CEO Report

Tēnā koutou katoa

I am very pleased to present the 2016/2017 Annual Report for Ngāti Koata Trust, Te Pātaka a Ngāti Koata Trust, Koata Ltd and Te Kete Aronui o Ngāti Koata Ltd.

This year's Annual Report follows a very different format from previous years. The Trust Strategic Plan is now fully operational, this report reflecting the key outcomes of each hoe (paddle) over the April 2016 – March 2017 financial year. The six hoe are Ngāti Koatatanga, Tiaki Tangata, Tiaki Taiao, Tiaki Taonga, Mana Motuhake, and Te Hāpai Ō. The development and successful implementation of the Strategic Plan has allowed for improved planning, management, implementation and monitoring of outcomes for Ngāti Koata iwi.

I am humbled by the amount of grace, commitment and enthusiasm our team and whānau have displayed. This support is a direct result of what has been accomplished on the Te Reo Māori, papakāinga, and Cultural Centre projects. This past year has been one of great collaboration, focusing on strengthening relationships within the iwi and our community. The Te Reo Māori strategy plan saw a particularly positive amount of growth with new and deeper engagement through new initiatives. The Trust continues to support the iwi in the growth and strengthening of Ngāti Koatatanga.

The Trust has been fortunate with the appointment of several new staff over the past 12 months to support the growth and developmental needs of our new strategic plan. We welcomed Jarom Hippolite as Environmental Manager, Jacqui Maitland as Operations Manager, Ammon Kātene as Communications Officer, Susan Cassidy as Business Analyst, Maria Busching as Project Coordinator, Micah Kahaialii as Office Coordinator, and Kimiora McGregor as Office Administrator. It has been an exciting year to see such skilled individuals join Louisa and myself to form a highly effective team.

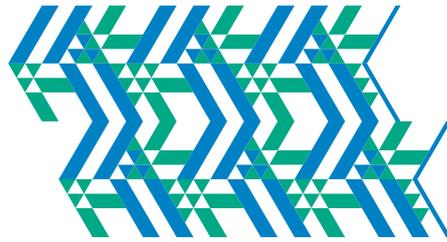
We are delighted to say that this year the Trust distributed \$104,692 in grants to the Iwi for education, health, sports, and other cultural/social needs. In the past year we have experienced a steady rise in the value in our commercial assets, including the schools and forests. The Group's net asset base increased from \$44,556,792 in 2016 to \$49,149,671 in 2017 indicating an accurate measure of the Group's true financial position. I am also pleased to report our audits came back with a very favourable outcome.

I am grateful to the Kaunihera Kaumātua, the Board, and the Trust team for their continued support and encouragement. Ngā mihi ki ā koutou katoa.

Adrienne Kenney
GM/CEO, Ngāti Koata Group



*Tēnā koutou
te whānau o
Ngāti Koata*



Ngāti Koata TRUST

Te Taiuhu o te waka

The prow of the waka representing direction/vision

Te Whakakitenga

Vision

Te hokinga mai o te manu hākapakapa

Ngāti Koata are flourishing

Te Hiwi o te waka

The hull of the waka representing the supporting structure/purpose

Ngā Whāinga Matua

Purpose

Tiaki Tangata, Tiaki Taiao, Tiaki Taonga

Caring for our People, Places and Treasures



Ngā Hoe

The paddles

Ngāti Koatatanga

Cultural Revitalisation

Goals:

To promote, enhance, celebrate and protect our whakapapa, our kawa, our reo, and our mātauranga

Tiaki Tangata

Wellbeing

Goals:

To provide opportunities for our people to succeed

Tiaki Taiao

Environmental Management

Goals:

To maintain, strengthen and develop our kaitiakitanga and relationship with our environment

The Ngāti Koata Trust Strategic Plan is depicted as a waka that embodies the Vision,

Strategic Plan

Te Hoe Ākau

The steering paddle, represents the values that steer the waka in the right direction

Ngā Tikanga Values

Our values are:

Kaitiakitanga, Whanaungatanga, Rangatiratanga
Kotahitanga, Whakatupuranga, Auahatanga
Mātauranga, Manaakitanga, Wairuatanga

Te Taurapa o te waka

The stern of the waka provides stability/mission

Te Ahunga Mission

Hei hāpai i ngā whai hua o te iwi

To support the cultural, social, spiritual, political and economic wellbeing of our people and places



Tiaki Taonga Cultural Wealth

Goals:

To assist Ngāti Koata whānau to maintain, protect and strengthen their kaitiaki role with our taonga

Mana Motuhake Iwi Development

Goals:

To foster the growth of te mana motuhake o Ngāti Koata

Te Hāpai Ō Organisational Development

Goals:

To provide an organisational, sustainable, informative, representative, transparent structure for Ngāti Koata

Purpose, Values and Goals that will progress the iwi into the future with purpose and unity

Ngāti Koatatanga

To promote, enhance, celebrate and protect our whakapapa, our kawa, our reo, and our mātauranga.



Kina for Koroneihana



Matariki Celebrations



Rangatahi Wānanga Reo at Te Ara Poutama



Kia Ngāwari at the Nationals (left) and at the Regionals (right)

Ngāti Koata has had a lot to celebrate this past year, in particular the re-establishment of Kia Ngāwari who performed at both the Te Taihū Regionals and Te Matatini National Kapa Haka Competitions. Kia Ngāwari learnt, performed and promoted Ngāti Koata tikanga, kōrero, whakapapa, and reo with their beautiful performances.

Many of our reo, kawa, tikanga and whakapapa aspirations have been met through Wānanga Reo and Wānanga ā Iwi.

We celebrated te taenga mai o Matariki, and also our people's' achievements in te reo Māori.

He iwi mauri ora!



Takahia te Whenua Wānanga Reo



Te Reo Māori Celebrations

Tiaki Tangata

To provide opportunities for our people to succeed.

Trust Grants

Ngāti Koata Trust provides grants to registered iwi members for health, education and sports. The Trust approved a total of \$60,000.35 in grants to 97 iwi members in the last financial year. The breakdown is as follows:

Education: \$30,000.35 • Health: \$18,000.00 • Sports: \$12,000.00

The Trust also provides an annual grant of \$10,000 to Te Kaunihera Kaumātua o Ngāti Koata, He Kupu Reanga, Te Haeata, and Whakatū Marae. The Trust also gave \$3,300 in financial assistance to Kia Ngāwari. This brings the total amount of grants to \$103,300.35.

The following bar graphs show what was used for each of the education, health and sports grants. The bottom bar graph shows the full allocation of grants this financial year.



Ava McGregor at Swim for Life

Education

37%	Bachelor	\$11,100.00
5.7%	Certificate	\$1,700.00
0.9%	Cultural Exchange	\$280.00
1.2%	Diploma	\$350.00
1.7%	Driving Course	\$500.00
2.3%	Graduate Diploma	\$700.00
6%	Kip McGrath	\$1,800.00
18.9%	Masters	\$5,684.64
4.7%	Matariki Trip	\$1,400.00
1%	O/S Qual Assessment	\$300.00
20.6%	School Costs	\$6,185.71

\$30,000.35

Health

74.4%	Dental	\$13,388.00
3.4%	Glasses	\$612.00
11.1%	Hearing Aid	\$2,000.00
11.1%	Psychology	\$2,000.00

\$18,000.00

Sport

58%	Kapa Haka	\$7,000.00
17%	Nationals	\$2,000.00
25%	NZ Rep	\$3,000.00

\$12,000.00

For more information on applying for Ngāti Koata Trust grants please visit: www.ngatikoata.com/ngati-koata-grants ring us on 03 548 1639, or visit us in the office.

Grants Allocation:

Education

29%

Health

17.4%

Our grants help to provide assistance to iwi members in education, health and sports.

The Trust also works collaboratively with our partners to provide programmes such as the Sealord Swim for Life.

We have streamlined the grants process to provide for faster responses to applications.



Kelsea Elkington

Sports Grant Recipient

Kelsea Elkington, daughter of Jay and Bianca, attended the 2016 Oceania Weightlifting Championships in Fiji with the New Zealand Youth Weightlifting team. Kelsea was placed 4th in her weight class, and broke several records. We are proud to support Kelsea's growth in this highly competitive sport. Kia kaha!



Klein Salmon

Sports Grant Recipient

Klein Salmon is the son of Melody and Jason and played in the U17 National Basketball Championships in Auckland representing Porirua, competing against 20 strong competitive teams from throughout New Zealand. Klein played against teams with skilled boys his age, and New Zealand reps. Klein's team came 8th overall in the tournament, but nonetheless with the support of his whānau and iwi, the sky's the limit! Kia kaha Klein!



Angus Elkington

Education Grant Recipient

Angus Elkington is the son of uncle Angus and aunty Leah (Ria), and has completed his Masters of Social Science. His thesis is entitled: "The role of Fatherhood in the everyday life of young Māori Men". Angus has been a regular recipient of grants working his way through his Bachelor, Masters and now a Doctorate. Congratulations Angus! A wonderful achievement, and a great educational role model for our iwi.



Tiaki Taiao

To maintain, strengthen and develop our kaitiakitanga and relationship with our environment.



Hamuera Robb on Takapourewa



Moawhitu Wetlands Restoration Project



Tohorā stranding at Farewell Spit - February



Minister Te Ururoa Flavell visit to proposed

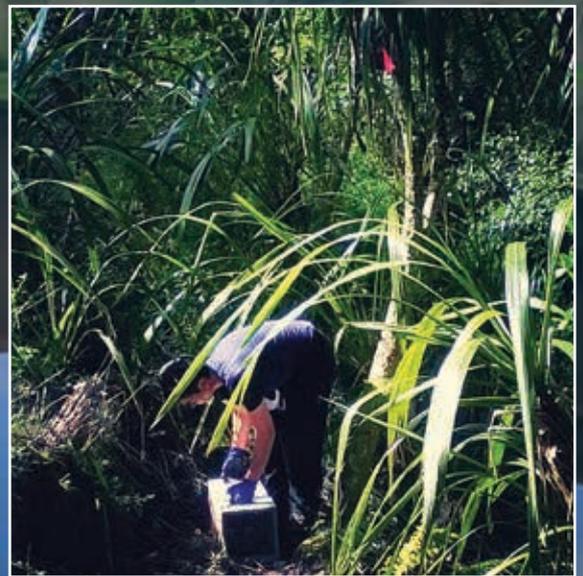
Some of the projects we have been involved in this year continue to include the Moawhitu Wetlands Restoration Project, the Revegetation of Takapourewa, and Pest Control on Rangitoto. This year saw the completion of the Takapourewa tree planting project which has been going for over 30 years.

We gratefully acknowledge Hāmuera Robb who spent nearly three months on Takapourewa relieving the DOC rangers. Your contribution is very much appreciated.

We also acknowledge the hard work and commitment from our ringa raupā who continue to volunteer their time and energy to our environmental priorities. E kore ngā mihi e mutu.



Takapourewa tree planting - August



Pest Control on Rangitoto



Marlborough Marine Park site



Takapourewa Tree Planting - June

Tiaki Taonga

To assist Ngāti Koata whānau to maintain, protect and strengthen their kaitiaki role with our taonga.



Pou unveiling at Suter Art Gallery



He Koha Whakawhanaungatanga
ki a Ngāti Kuia



Tuatara transfer to Pūangiāngi



Kaumātua 2016

Tuatara translocations, monitoring and advocacy is an important kaupapa for Ngāti Koata. The past 12 months have seen translocations and monitoring at Kelly Tarltons in Auckland, Orokonui Ecosanctuary in Otago, and Pūangiangi Island.

We have also been maintaining and increasing our pā harakeke. He taonga nui mō ngā kai rāranga.

We again acknowledge all our ringa raupā, and our partners, for your support and assistance.



Orokonui Tuatara monitoring



Harakeke transfer to Anarū



Te pā harakeke o Naomi



Tuatara translocation to Kelly Tarltons

Mana Motuhake

To foster the growth of te mana motuhake o Ngāti Koata.

Te Haeata Report

The Te Haeata Committee has had a busy year, with a number of projects and events. The Committee wishes to extend its appreciation to all those who have volunteered their time, energy and skills to improve the facilities in and around the complex.

We held a gala at Te Haeata in October that raised \$5,000. It was a fun filled day with whānau and community members enjoying entertainment, games, activities, yummy kai, and kotahitanga. The money raised from the gala has been used for the upkeep and maintenance of Te Haeata.

Some of the improvements made to the complex include a new footpath with railings linking the Top and Bottom houses, septic improvements, a new deck, sliding door and shower in the Top House, a working clothesline, and the planting of harakeke on the grounds.

The Ngāti Koata Trust has also acquired the former French Pass Nurses' Residence neighbouring Te Haeata. This has been transferred to Te Haeata Committee management which increases the capacity of Te Haeata overall.

The committee has completed a strategic plan that has identified and prioritised projects to further improve our iwi facility at French Pass. If you would like to view our plan, and other developments, visit our page on the Ngāti Koata Trust website.

Te Haeata is an iwi facility utilised for wānanga, whānau holidays and celebrations.



Te Haeata Committee



Former French Pass Nurses Residence



Te Haeata Work Bee in September



A fun-filled day at Te Haeata Gala in October

Te Mana Motuhake o Ngāti Koata has been greatly enhanced by the tireless mahi of our Iwi committees and representatives. Ngā mihi ki a kōutou katoa e pupuru ana te mana o te Iwi.

He Kupu Reanga Report

Our next-generation leaders have had an incredibly busy year.

Many of their initiatives have included supporting iwi events including the Te Haeata Gala, Kia Ngāwari Kapa Haka and Wānanga Reo.

He Kupu Reanga held a stall at the Te Haeata Gala to support the fundraising efforts; they purchased a guitar and moko stensils for Kia Ngāwari to assist them through to Te Matatini; and have supported the Trust with their time, energy and expertise in the planning and implementation of our rangatahi wānanga reo.

Many members of He Kupu Reanga were also members of Kia Ngāwari Kapa Haka.

The drivers licensing initiative is continuing to provide a positive opportunity for our people both young and young-at-heart.

He Kupu Reanga have also been involved in community initiatives such as Wairua Warrior to build whanaungatanga and kotahitanga.

Iwi Representatives

Ngāti Koata has representatives on many community, governmental and council groups.

One of our many representatives is Huhana Hippolite-van Steeden (pictured) who sits on the Iwi Health Board. The Iwi Health Board is a partnership between tangata whenua and the Nelson Marlborough District Health Board. It advises the DHB on strategic matters that affect the health and disability status of Māori in Te Tau Ihu.

Janis de Thierry and Maraea (Bobby) Teariki are our representatives on the Whakatū Marae committee.

We thank our representatives for their contribution to the community, and to our iwi. Ngā mihi ki ā kōutou katoa. For a full list of our iwi representatives visit the Ngāti Koata Trust website. You will also find our Kaitiaki Mātaitai there.



He Kupu Reanga



He Kupu Reanga at the Wairua Warrior



Huhana Hippolite-van Steeden

Te Hāpai Ō

To provide an organisational, sustainable, informative, representative, transparent structure for Ngāti Koata



Board Members



Board Governance Training



Restructure Consultation Hui

The Trust provides an organisational structure for the iwi. Some of the initiatives run by the office include contracts through government departments such as the Ministry of Education - Strengthening Early Learning Opportunities (SELO) and the Incredible Years Programme (IYP); Ministry of Health - Problem Gambling; and Department of Corrections - Tikanga. The Trust also contributes to Iwi aspirations by supporting each of the other five hōe.



Trust Kaimahi



Board Kaumātua Christmas Dinner



Ecotourism Planning Hui

Ngā Tikanga

***Our values are Kaitiakitanga, Whanaungatanga, Rangatiratanga
Kotahitanga, Whakatupuranga, Auahatanga, Mātauranga,
Manaakitanga, Wairuatanga***



Aunty Puhanga's design is on the new \$100 note



Aunty Joanie has retired



Jemma Hippolite Graduation



Aunty Mels 60th Birthday



Aunty Huia gets Lifetime Fellowship
of Te Ao Māramatanga National Māori
Mental Health Nurse



Basketball Champions



Kia Ngāwari at Nationals



NMIT Scholarship Recipients

Te hoe ākau is the steering paddle that represents the values that steer the waka in the right direction.
Ko te mea nui o te ao, ko te aroha ki te tangata.



Te Tōwaka Sports Day



Kona Hippolite cycling the Coast to Coast



Nita May with her Pātaka



Uncle Marks 70th Birthday



Ngā Manu Kōrero ki Whangarei - September



Koha to Kaikōura Earthquake Whānau

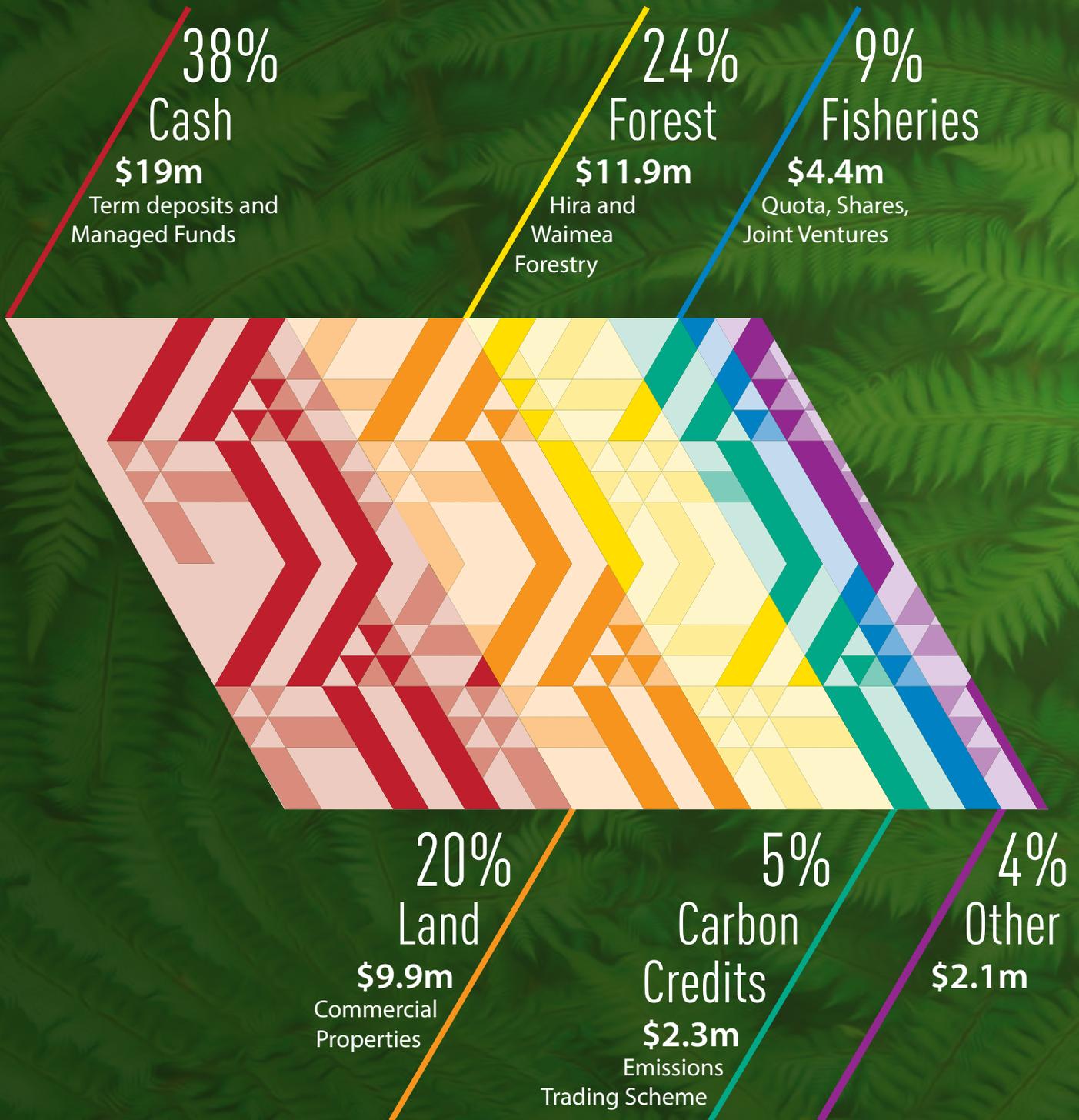


Survivor Rangitoto



Uncle Bill and Aunty Ngawai's 50th Wedding Anniversary

Ngāti Koata Group Asset Summary



Our New Commercial Assets



Dovedale School is valued at \$175,000.
The Ministry of Education has a 21 year lease.

Waitaria Bay School is valued at \$170,000.
The Ministry of Education has a 21 year lease.



Spring Creek School is valued at \$525,000.
The Ministry of Education has a 21 year lease.

Rai Valley Area School is valued at \$155,000.
The Ministry of Education has a 21 year lease.



Wairau Valley School is valued at \$170,000.
The Ministry of Education has a 21 year lease.

Commercial Directors' Report



*Ēhara taku toa I te
toa takitahi, engari
he toa takitini*

Tēnā koutou katoa,

It is my privilege to present you with the inaugural Annual Report from your newly appointed Directors of Koata Ltd. Reflecting on the year it will be remembered as a year of significant change at the Governance level, and the year your Trust Board accorded Koata Ltd with the trust and confidence required to enable it to function independently.

May I start also by acknowledging the very strong relationship we have with the Trust Board, at all levels. And may I also compliment them on their high level of Governance and support for the Commercial Group.

To this end Koata Ltd in May 2017 we were very pleased to welcome Hemi Toia as Chief Executive for Koata Ltd. The Directors would like to acknowledge the support and contribution from the Trust Office team in keeping the fires burning in the interim.

Koata Ltd is entrusted with the responsibility of “Protecting, Managing and Growing” your pūtea. To this end the Directors have spent the first few months developing an understanding of your Asset Base with the view to working with the Trust Board to better understand their aspirations for us achieving the objectives above. The process will take time and it is important we have a clear understanding of your, the iwi's goals, both short term and long term. We acknowledge the ongoing challenge of balancing the needs of whānau today and the needs of whānau tomorrow.

Your Net Asset Base (NAB) which is essentially what you own, your pūtea, is stable and is now well protected. You do need to be aware of its composition in terms of which Asset classes are good income generators and which ones are more conservative. With this in mind we will be looking for suitable opportunities of moving cash holdings into better yielding (cash return) and better growth (asset value) investments. There are good processes and policies in place to manage this in a sustainable and inter-generational way.

With a clear understanding of the aspirations of the iwi delivered by your Trust Board, supported by a robust and accountable set of disciplines and policies your Directors feel confident they will deliver the best possible outcomes for Ngāti Koata.

I would like to acknowledge the contribution from my fellow Directors Dave Ashcroft and Rāhui Kātene during what has been a challenging first year.

Communication is and will be a hallmark of your Commercial Directors. We welcome any thoughts or suggestions you may feel could be of interest to us.

Ēhara taku toa I te toa takitahi, engari he toa takitini - “success is not individual – it is collective”

Robert Pooley
Chairman Koata Ltd

Summary Financial Accounts

For the Year Ended 31 March 2017

REVENUE - This is the Trust's income from leased land (comprising largely of schools and forests), marine operations, investments (managed portfolio and term deposits) and grants.

EXPENSES - These are all the costs we have had to pay to produce our income. This includes employee costs, iwi development expenses, governance costs, consultancy, legal, office costs and grant payments.

CROWN SETTLEMENTS - This is the value of the cash and assets transferred from the Crown to the Trust.

SHARE OF ASSOCIATES - Our share of revenue in entities which we hold an interest in (Tui Joint Venture and Port Nicholson Fisheries Ltd Partnership).

REVALUATIONS - This is the revaluation of land, carbon credits and quota shares to market value. The gain or loss is added or deducted from the surplus for the year.

Summary Statement of Comprehensive Revenue and Expense

	2017 \$	2016 \$
Total Revenue	2,221,875	2,383,539
Total Expenses	2,002,154	1,551,986
<hr/>		
Net Operating Surplus Before Crown Settlements, Share of Associates and Revaluations	219,721	831,553
Crown Settlements	-	1,491,870
Share of Associates Results	42,373	173,768
Revaluations	4,330,784	1,560,060
<hr/>		
Net Surplus	4,592,878	4,057,251

TOTAL ASSETS - This is the sum of all the assets that the Trust owns. Assets are classified as either Current (meaning they are able to be sold or cashed up in a period of 12 months such as Cash, Accounts Receivable, and some Term Deposits), or Non-Current (held for longer than 12 months, such as Land, Investments, and some Term Deposits).

LIABILITIES - This is the amount the Trust owes to the bank or third party suppliers or goods and services that we are yet to pay for under normal trading terms.

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

Summary Statement of Financial Position

	2017 \$	2016 \$
Current Assets	17,720,818	15,587,944
Non-Current Assets	31,924,295	29,544,521
<hr/>		
Total Assets	49,645,113	45,132,465
Current Liabilities	495,442	575,673
<hr/>		
Net Assets	49,149,671	44,556,792
<hr/>		
Total Equity	49,149,671	44,556,792



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NGĀTI KOATA TRUST

Opinion

We have audited the financial statements of Ngāti Koata Trust (“the Trust”) and its subsidiaries (together, “the Group”), on pages 28 to 43, which comprise the consolidated and separate statement of financial position as at 31 March 2017, and the consolidated and separate statement of comprehensive revenue and expense, consolidated and separate statement of movements in equity and consolidated and separate cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements, on pages 28 to 43, present fairly, in all material respects, the consolidated and separate financial position of the Group and Trust as at 31 March 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and 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.

Our firm carries out other assignments for the Group and Trust in the area of business services. The firm has no other relationship with, or interests in, the Group or Trust.

Trustee’s Responsibilities for the Consolidated and Separate Financial Statements

The trustees are responsible on behalf of the Group and Trust for the preparation and fair presentation of the consolidated and separate financial statements in accordance with PBE Standards RDR, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the trustees are responsible on behalf of the Group and Trust for assessing the Group’s and 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 the trustees either intend to liquidate the Group or Trust or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole 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) 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 these consolidated and separate financial statements.

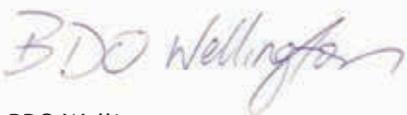
As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, 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 Group's and 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 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 or 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 consolidated and separate financial statements 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 or Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Trust to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Trust audit. We remain solely responsible for our 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.

Who we Report to

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

A handwritten signature in blue ink that reads 'BDO Wellington'.

BDO Wellington
Wellington
New Zealand
21 July 2017

Statement of Comprehensive Revenue & Expense

For the Year Ended 31 March 2017

	Notes	CONSOLIDATED		PARENT	
		2017	2016	2017	2016
		\$	\$	\$	\$
Revenue					
Exchange Revenue					
Fisheries Income		214,636	216,331	-	-
Lease Income	5	915,995	846,269	-	-
Non-Exchange Revenue					
Crown Settlement Received	6	-	1,491,870	-	-
Contracts Income		344,017	195,123	344,017	195,123
Other Revenue					
Interest Received		582,355	795,019	96,930	79,556
Dividends Received		185,284	115,154	-	-
Sundry Income		34,425	28,659	289,336	57,308
BNZ Portfolio - Realised Gains (Losses)		(106,611)	(16,447)	-	-
BNZ Portfolio - Unrealised Gains		51,774	203,431	-	-
Share of Profit - Port Nicholson Fisheries Limited Partnership		25,991	45,276	-	-
Share of Profit - The Tui Joint Venture		16,382	128,492	-	-
Taxable Distribution - Te Pātaka a Ngāti Koata Trust		-	-	828,571	1,480,000
Non Taxable Distribution - Te Pātaka a Ngāti Koata Trust		-	-	-	910,750
Revaluation of Commercial Land	13, 17	1,471,160	(54,672)	-	-
Revaluation of Forest Land	13, 17	920,000	872,000	-	-
Total Revenue		4,655,408	4,866,505	1,558,854	2,722,737
Less Expenses					
Administration Expenses	7	176,710	109,004	91,053	49,633
Consultancy Expenses	8	125,544	173,691	84,281	69,329
Depreciation		24,735	25,840	9,707	8,134
Health, Education and Well-being Grants	9	104,692	60,596	104,692	60,596
Financial Expenses	10	16,703	1,393	199	372
Operating Expenses	11	1,548,777	1,274,744	1,349,951	1,098,833
Total Expenses		1,997,161	1,645,267	1,639,883	1,286,897
Net Surplus before Taxation and Other Comprehensive Revenue and Expense					
		2,658,247	3,221,238	(81,029)	1,435,840
Less Income Tax Expense	12	4,993	(93,281)	-	-
		4,993	(93,281)	-	-
Net Surplus before Other Comprehensive Revenue and Expense					
		2,653,254	3,314,519	(81,029)	1,435,840
Other Comprehensive Revenue and Expense					
Revaluation of Cultural Redress Properties	13	1,068,000	-	-	-
Revaluation of Carbon Credits	13	823,284	632,772	-	-
Revaluation of Quota Shares	13	48,340	109,960	-	-
Total Other Comprehensive Revenue and Expense for the year		1,939,624	742,732	-	-
Total Comprehensive Revenue and Expense for the year					
		4,592,878	4,057,251	(81,029)	1,435,840

The attached Notes and Auditor's report form an integral part of these financial statements.

Statement of Movements in Equity

For the Year Ended 31 March 2017

	Retained Earnings	Asset Revaluation Reserve	Capital Reserve	Total Equity
Consolidated				
Opening Balance 1 April 2015	12,859,248	6,987,975	20,652,319	40,499,542
Total Comprehensive Income for the Year	3,314,519	742,732	-	4,057,251
Distributions - Ngāti Koata Trust	910,750	-	(910,750)	-
Transfer to Asset Revaluation Reserve	(817,328)	817,328	-	-
Balance 31 March 2016	16,267,189	8,548,035	19,741,569	44,556,792
Total Comprehensive Income for the Year	2,653,254	1,939,624	-	4,592,878
Transfer to Asset Revaluation Reserve	(2,391,160)	2,391,160	-	-
Balance 31 March 2017	16,529,283	12,878,819	19,741,569	49,149,671
Parent				
Opening Balance 1 April 2015	9,052,825	-	-	9,052,825
Total Comprehensive Income for the Year	1,435,840	-	-	1,435,840
Balance 31 March 2016	10,488,665	-	-	10,488,665
Total Comprehensive Income for the Year	(81,029)	-	-	(81,029)
Balance 31 March 2017	10,407,636	-	-	10,407,636

The attached Notes and Auditor's report form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2017

	Notes	CONSOLIDATED		PARENT	
		2017	2016	2017	2016
		\$	\$	\$	\$
Current Assets					
Cash Balances	14	1,029,417	452,581	509,338	338,672
Accounts Receivable		55,147	23,661	89,391	17,123
GST Receivable		66,775	4,227	71,423	11,590
Income Tax Receivable	12	58,536	98,666	145,000	259,000
Accrued Income		271,794	134,465	15,136	16,689
Term Deposits	14	9,599,141	9,208,645	2,042,733	1,408,645
BNZ Private Banking Portfolios		6,389,150	5,446,223	-	-
Augusta Value Add Fund		200,000	200,000	-	-
Advance - The Tui Joint Venture	15	50,858	19,476	-	-
Inter Entity Balances	15	-	-	7,399,223	7,486,651
Total Current Assets		17,720,818	15,587,944	10,272,244	9,538,370
Non Current Assets					
Property, Plant and Equipment	16	1,440,083	96,933	316,842	29,025
Investments - Commercial Land	17	9,940,000	7,345,000	-	-
Investments - Forest Land	17	11,902,000	10,982,000	-	-
Carbon Credits	18	2,340,576	1,517,292	-	-
Quota Valuation	19	4,032,952	3,984,612	-	-
Shares - Tainui Taranaki ki te Tonga Limited		7,493	7,493	7,493	7,493
Shares - Aotearoa Fisheries Limited (260)		147,086	147,086	-	-
Shares - Kotato Limited		100	100	-	-
Shares - Ring Road Consortium		131,301	131,301	-	-
Term Deposits	14	1,950,000	5,300,000	-	1,000,000
Land Interest in Tinui Island		32,704	32,704	32,704	32,704
Total Non Current Assets		31,924,295	29,544,521	357,039	1,069,222
Total Assets		49,645,113	45,132,465	10,629,283	10,607,592
Current Liabilities					
Accounts Payable and Other Accruals		175,260	155,673	148,245	102,927
Income in Advance	20	320,182	220,000	73,402	16,000
ASB Trade Advance	14	-	200,000	-	-
Total Current Liabilities		495,442	575,673	221,647	118,927
Net Assets		49,149,671	44,556,792	10,407,636	10,488,665
Represented by:					
Trustees Funds / Shareholders' Equity					
Retained Earnings		16,529,283	16,267,189	10,407,636	10,488,665
Capital Reserve		19,741,569	19,741,569	-	-
Asset Revaluation Reserve	13	12,878,819	8,548,035	-	-
Total Trustees Funds / Shareholders' Equity		49,149,671	44,556,792	10,407,636	10,488,665

For and on behalf of the Board of Trustees:



Trustee



Trustee

21 July 2017

The attached Notes and Auditor's report form an integral part of these financial statements.

Statement of Cashflows

For the Year Ended 31 March 2017

	Notes	CONSOLIDATED		PARENT	
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash Flows From Operating Activities					
Cash was provided from:					
Receipts from Customers		1,558,466	1,304,937	635,230	211,154
Crown Settlement Received		-	1,491,870	-	-
Interest Income		424,813	738,395	81,794	79,556
Dividend Income		184,875	113,746	-	-
Income Tax refund		259,000	9,971	259,000	-
Distributions - Te Pataka a Ngati Koata Trust		-	-	371,000	2,131,750
		2,427,154	3,658,919	1,347,024	2,422,460
Cash was applied to:					
Payments to Suppliers		1,909,788	1,587,828	1,584,914	1,231,084
Interest Expense		6,332	447	-	-
Income Tax Paid		194,664	-	-	-
Net Movement in GST		62,549	6,186	59,833	13,293
		2,173,333	1,594,461	1,644,747	1,244,377
Net Cash Flows from Operating Activities	22	253,821	2,064,458	(297,723)	1,178,083
Cash Flows from Investing Activities					
Cash was provided from:					
Term investment activities (net)		2,959,504	882,539	365,912	-
		2,959,504	882,539	365,912	-
Cash was applied to:					
BNZ Portfolio		997,764	222,610	-	-
Augusta Value Add Fund		-	200,000	-	-
Investments - Commercial Land		1,123,840	2,552,512	-	-
Fixed Assets		299,885	5,587	297,524	5,587
Term investment activities (net)		-	-	-	1,243,355
		2,421,489	2,980,709	297,524	1,248,942
Net Cash Flows from Investing Activities		538,015	(2,098,170)	68,388	(1,248,942)
Cash Flows from Financing Activities					
Cash was provided from:					
Advance - Koata Limited		-	-	400,000	398,317
Advance - The Tui Joint Venture		-	120,000	-	-
ASB Trade Advance		-	200,000	-	-
		-	320,000	400,000	398,317
Cash was applied to:					
Advance - The Tui Joint Venture		15,000	-	-	-
ASB Trade Advance		200,000	-	-	-
		215,000	-	-	-
Net Cash Flows from Financing Activities		(215,000)	320,000	400,000	398,317
Net Increase (Decrease) in Cash Held		576,836	286,288	170,665	327,458
Cash at 1 April 2016		452,581	166,293	338,672	11,214
Cash at 31 March 2017		1,029,417	452,581	509,338	338,672
Represented by:					
Cash at Bank		1,029,417	452,581	509,338	338,672
		1,029,417	452,581	509,338	338,672

The attached Notes and Auditor's report form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. Reporting entity

Ngāti Koata Trust is a public benefit entity for the purpose of financial reporting in accordance with the Financial Reporting Act 2013. These financial statements comprise the financial statements of Ngāti Koata Trust (the "Parent") and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2017. Ngāti Koata Trust is a trust established and domiciled in New Zealand by trust deed and is registered with the Charities Commission under the Charities Act 2005.

The Ngāti Koata Trust Group includes a number of operating and non-operating subsidiary companies which are included in these consolidated financial statements, these are:

- Koata Limited (asset holding company, operating)
- Te Pātaka a Ngāti Koata (Post Settlement Entity, operating)
- Te Kete Aronui of Ngāti Koata Limited (Investment Entity, operating)
- Te Kawau a Toru Developments Limited (non-operating, struck off Companies Register on 29 April 2016)

2. Basis of preparation

a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities. All reduced disclosure regime exemptions have been adopted, except the entity has chosen to present a reconciliation to net cashflows from operating activities - refer note 22.

The Group qualifies for a lower financial reporting at Tier 3, but has elected to 'opt-up' into Tier 2.

The Parent and Group are deemed a public benefit entity for financial reporting purposes, as the Group's primary objective is to provide services to the community for social benefit and it has been established with a view to supporting that primary objective rather than for financial return.

The financial statements were authorised for issue by the Trustees on Friday the 21st July 2017.

b) Basis of measurement

The financial statements have been prepared on an historical costs basis, except for assets and liabilities that have been revalued as identified in specific accounting policies below.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

c) Functional and Presentation currency

The financial statements are presented in New Zealand dollars, which is Ngāti Koata Trust's functional and the Group's presentation currency.

All numbers are rounded to the nearest dollar (\$), except when otherwise stated.

d) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 March 2016 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance.

e) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except Cultural Redress Properties are now being revalued to fair market value in line with policy 4 (d). Previously they were not valued.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE Standards RDR 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. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

4. Summary of significant accounting policies

The accounting policies of the entity have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

a) Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent has control, and which are considered material to these accounts. Control is determined as the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as 'subsidiaries'). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line by line basis. All transactions and balances within the Group are eliminated on consolidation, including unrealised gains and losses on transactions.

b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the entity's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Notes to the Financial Statements

For the Year Ended 31 March 2017

i) Revenue from Exchange Transactions

Sale of goods

Revenue from sale of goods is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

Rendering of services

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Lease income

Lease income arising from leased assets is accounted for on a straight-line basis over the lease term.

ii) Revenue from Non-exchange Transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows 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 reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Donated services

Some of the operations of the entity are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure.

Crown Funding

Crown Funding revenue includes revenue from historical and or fisheries settlements and is recognised when the entitlement (control) passes to the company and or where the company is able to enforce the claim. Revenue is recognised as an amount that reflects the exchange at its deemed cost at the date of exchange.

iii) Other Income

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Dividend income

Dividend income is recognised on the date that the entity's rights to receive payments are established.

c) Property, plant and equipment

Property, plant and equipment excluding Cultural Redress Properties (see (d)) are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to accumulated funds.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight value (SL) basis on all property, plant and equipment over the estimated useful life of the asset unless specified otherwise. The following depreciation rates have been applied at each class of property, plant and equipment:

Asset Class	Method	Rate
Land and Buildings	N/A	0.0%
Plant and Equipment	Prime Cost	0.00% - 28.8%
Te Haeata Cultural Centre - Plant and Equipment	Diminishing Value	0.00% - 40.0%
Office Equipment	Prime Cost and Diminishing Value	7.0% - 67.0%
Website	Diminishing Value	50.0%
Tui Mussel Lines	Diminishing Value	20.0%

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

d) Revaluations

Quota shares are revalued to fair value with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 March 2017

Cultural Redress Properties are revalued to fair value with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

After initial recognition, assets subject to revaluation whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus on Investment Property is recognised in the surplus or deficit in the year in which they arise. Any other revaluation surplus is recognised in other comprehensive revenue and expenses and credited to the asset revaluation reserve in equity, unless the increase relates to a revaluation decrease of the same asset previously recognised in the surplus or deficit.

Any revaluation deficit on Investment Property is recognised in the surplus or deficit in the year in which they arise. Any other revaluation deficit is recognised in other comprehensive revenue and expenses and credited to the asset revaluation reserve in equity to the extent of the revaluation reserve balance accumulated from previous year gains. When no revaluation reserve balance is available to offset a revaluation loss the revaluation deficit is reported within the surplus or deficit for the year.

e) Investment property

Investment property is property primarily held either to earn rental income or for capital appreciation or for both.

Commercial and Forest Land is stated at revalued amounts, based on fair market values based on appraisals prepared by external professional valuers.

Gains or losses arising from changes in the fair values of investment properties are recognised in surplus or deficit in the year in which they arise and are shown in Note 17 as Reconciliation of Movements in Investments.

f) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's 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 assets and are recognised in the surplus or deficit.

Estimated recoverable amounts of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed (except for goodwill) where there is a change in the estimates used to determine the recoverable amount. These are reversed through profit and loss.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

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

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the entity transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of the categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the categories below, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported surplus or deficit or other comprehensive revenue and expense.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The entity's cash and cash equivalents, term deposits, trade debtors and most other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

ii) Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held for trading: Derivatives where hedge accounting is not applied
- Designated at initial recognition: If the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy.

Those fair value through surplus or deficit instruments sub-classified as held for trading comprise the BNZ Private Banking Portfolio.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

Notes to the Financial Statements

For the Year Ended 31 March 2017

iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The entity's available-for-sale financial assets include listed securities and debentures, and certain other equity investments.

Equity investments are the Augusta Value Add Fund, shares held in Aotearoa Fisheries Limited (AFL), shares held in Ring Road Consortium Companies, and shares held in Kotato Limited and are measured at cost less any impairment charges, where they do not have a quoted market price and where the value cannot be reliably measured.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expenses and reported within the 'available-for-sale revaluation reserve' within equity, except for impairment losses which are recognised in the surplus or deficit for the year.

When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive revenue and expenses is reclassified from the equity reserve to the surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expenses.

Interest income or dividends on available-for-sale financial assets are recognised in the surplus or deficit.

Available-for-sale financial instruments are reviewed at each reporting date for objective evidence on whether the investment is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

Subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through surplus or deficit, that are subsequently measured at fair value with gains or losses recognised in the surplus or deficit.

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

h) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

i) Employee entitlements

Short-term employee benefits

Employee benefits, previously earned from past services, that the entity expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rates of pay.

These include directors' fees, salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

j) Borrowing costs

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

Finance costs comprise of interest expenses charged on borrowings and the unwinding of discounts used to measure the fair value of provisions.

k) Income tax

Te Pātaka a Ngāti Koata is a Māori Authority and income tax has been charged at the Māori Authority income tax rate.

Te Kete Aronui o Ngāti Koata Limited is a Look Through Company, so all profits and losses flow through to the shareholders in accordance with their shareholding.

All other entities within the Group have had no provision made in these financial statements for any taxation liability as there is no current or deferred tax payable. Further, Ngāti Koata Trust and Koata Limited are exempt from income tax.

l) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

m) Quota Share

Quota shares are treated as an intangible asset. Quota Shares that are purchased at cost are recognised initially at cost and subsequent fair value. Fair value is determined as the latest valuation less any impairment cost. Values are determined by ToKM valuation except for SCA7 quota shares which have been valued based on Directors' assessment, to ensure the carrying amount does not differ materially from the fair value of the shares.

n) Leased Assets

Leases where the Parent and Group assume substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to the asset.

Payments made under an operating lease are recognised on a straight line basis over the term of the lease. Associated costs such as maintenance and insurances are expensed as incurred.

Rental lease revenue received under operating leases is recognised on a straight line basis over the term of the lease. This excludes receipts from reimbursements for services which are recognised when the customer has received an invoice for the service.

Costs incurred in earning the rental lease revenue are recognised as an expense as they are incurred.

Notes to the Financial Statements

For the Year Ended 31 March 2017

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
5. Lease Income				
DOC Renwick Land Lease	13,163	13,163	-	-
Stoke Police Land Lease	27,000	27,000	-	-
MOE School Land Lease	482,897	372,976	-	-
Fringed Hill Land Lease	18,714	22,159	-	-
Hira & Waimea Land Lease	374,221	410,971	-	-
Total Lease Income	915,995	846,269	-	-

The MOE School Land Lease in 2017 is considerably higher than 2016 due to the lease received from the Brightwater and Broadgreen school lands being for a full 12 months (2016: 8 months), and the lease received from the Dovedale / Rai Valley / Spring Creek / Wairua Valley / Waitaria Bay school lands being for 10 months (2016: nil).

Terms of Leases are as follows:

	Commencement	Term of Lease	Rent Review
DOC Renwick Land Lease	1 August 2014	15 Years	5 Yearly
Stoke Police Land Lease	1 August 2014	20 Years	5 Yearly
MOE School Land Lease - Maitai and Nayland	1 August 2014	21 Years	7 Yearly
MOE School Land Lease - Brightwater and Broadgreen	28 July 2015	21 Years	7 Yearly
Hira Land Lease	2 Nov 1990	5 Years, then Year to Year	3 Yearly
Waimea Land Lease	2 Nov 1990	59 Years	3 Yearly
MOE School Land Lease - Dovedale	3 June 2016	21 Years	7 Yearly
MOE School Land Lease - Rai Valley	3 June 2016	21 Years	7 Yearly
MOE School Land Lease - Spring Creek	3 June 2016	21 Years	7 Yearly
MOE School Land Lease - Wairua Valley	3 June 2016	21 Years	7 Yearly
MOE School Land Lease - Waitaria Bay	3 June 2016	21 Years	7 Yearly

6. Crown Funding / Settlement Assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Crown Funding	-	1,491,870	-	-

Koata Limited received funds from the Crown in relation to New Space Aquaculture Settlement Assets, in accordance with the Allocation Agreement dated 14 October 2015 comprising cash of \$1,500,550 on 23 October 2015, of which \$8,680 was recorded and included as interest income and \$1,491,870 was recorded and included as Crown Funding.

Further New Space Aquaculture Settlement Assets are yet to be received by Koata Limited; however the quantum of these have not yet been agreed upon and therefore no provision has been made in the financial statements.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
7. Administration Expenses				
Accounting Fees	93,158	51,395	41,395	8,842
Audit Fees	43,416	25,333	14,661	12,922
Other Administration Expenses	21,498	20,240	18,121	15,832
Printing Costs	17,138	12,036	16,877	12,036
Commission Fees	1,500	-	-	-
Total Administration Expenses	176,710	109,004	91,053	49,633

8. Consultancy Expenses

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Consultancy	110,021	163,769	84,281	69,329
Valuations	15,523	9,922	-	-
Total Consultancy Expenses	125,544	173,691	84,281	69,329

9. Health, Education and Well-being Grants

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Education Grants	33,933	36,082	33,933	36,082
Koha - Whakatu Marae	20,000	-	20,000	-
He Kupu Raenga Costs and Grants	15,964	2,190	15,964	2,190
Health Grants	15,736	11,081	15,736	11,081
Kaumatua Grant	9,777	-	9,777	-
Sports Grants	9,283	11,243	9,283	11,243
Total Health, Education and Well-being Grants	104,692	60,596	104,692	60,596

10. Financial Expenses

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Interest Expense	16,176	257	-	13
Bank Fees	527	1,135	199	359
Total Financial Expenses	16,703	1,393	199	372

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Operating Expenses	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Contractors	458,260	151,467	439,264	189,877
Employment Expenses	438,165	439,093	438,165	439,093
Legal Costs	149,666	62,630	125,574	42,604
Other	54,691	83,039	49,982	43,276
Travel and Accommodation	68,321	101,187	66,435	85,951
Directors' Fees	66,811	70,000	-	-
Rent	65,761	35,708	52,937	28,713
Board Fees	50,950	67,572	50,950	67,572
Hui Costs - Kai	39,969	32,254	39,960	32,254
Fisheries Levies	24,565	22,484	-	66
Portfolio Fees	24,045	23,691	-	-
Insurance	20,293	19,249	4,519	3,057
Hui Expenses	17,972	8,066	17,972	8,066
External Meeting Fees	16,297	23,432	16,297	23,432
Management Fee - Tiakina Te Taiao	15,000	15,000	15,000	15,000
Koha	11,345	6,963	11,345	6,963
Computer Expenses	7,077	15,243	7,077	15,243
Project Supplies	6,851	13,710	6,851	13,710
Recruitment Expenses	4,994	30,810	4,994	30,810
Operational Costs Recovery (ACE)	4,000	-	-	-
Repairs and Maintenance	2,382	17,235	2,382	17,235
Rates	1,363	-	248	-
Training	-	35,911	-	35,911
Total Operating Expenses	1,548,777	1,274,744	1,349,951	1,098,833

The increase in contractor costs is predominantly due to additional resource taken on to pursue strategic objectives and to satisfy contract obligations.

The increase in legal expenses is due to restructure costs including Trust Deed reviews and amendments and employment expenses.

12. Tax Reconciliation

Operating Surplus (Deficit) Before Tax	2,658,247	3,221,238	(81,029)	1,435,840
Non Assessable (Surplus) Deficit from Ngāti Koata Trust	764,601	697,241	81,029	(1,435,840)
Non Assessable (Surplus) from Koata Limited	(433,552)	(2,433,602)	-	-
Non Assessable Revaluation of Investment Property	(2,320,000)	(817,328)	-	-
Consolidated Māori Authority Tax Credits Received from Te Pātaka a Ngāti Koata Trust	145,000	259,000	-	-
Adjusted Net Surplus Before Tax	814,296	926,549	-	-
Non Deductible Expenses				
Insurance	3,550	4,665	-	-
Legal Fees	21,356	12,972	-	-
Rates	-	1,495	-	-
Other	17,900	1,285	-	-
	42,806	20,417	-	-
Taxable Income	857,102	946,966	-	-
Tax Expense Before Adjustments	149,993	165,719	-	-
Consolidated Māori Authority Tax Credits Received from Te Pātaka a Ngāti Koata Trust	(145,000)	(259,000)	-	-
Tax Expense as per Statement of Comprehensive Revenue and Expense	4,993	(93,281)	-	-
Resident Withholding Tax Paid	(28,891)	(73,003)	-	-
Māori Authority Tax Credits	(1,817)	(1,407)	(145,000)	(259,000)
Income Tax Payable (Receivable) from Last Year	(98,666)	59,054	(259,000)	-
Income Tax Paid	(194,562)	-	-	-
Refund Received	260,407	9,971	259,000	-
Income Tax Payable (Receivable)	(58,536)	(98,666)	(145,000)	(259,000)

Notes to the Financial Statements

For the Year Ended 31 March 2017

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
13. Reserves				
Asset Revaluation Reserves				
<i>Cultural Redress Properties</i>				
Opening Balance	-	-	-	-
Revaluation	1,068,000	-	-	-
Closing Balance	1,068,000	-	-	-
<i>Commercial Land</i>				
Opening Balance	(54,672)	-	-	-
Revaluation	1,471,160	(54,672)	-	-
Closing Balance	1,416,488	(54,672)	-	-
<i>Forest Land</i>				
Opening Balance	5,197,000	4,325,000	-	-
Revaluation	920,000	872,000	-	-
Closing Balance	6,117,000	5,197,000	-	-
<i>Carbon Credits</i>				
Opening Balance	1,517,292	884,520	-	-
Revaluation	823,284	632,772	-	-
Closing Balance	2,340,576	1,517,292	-	-
<i>Quota Share Reserve</i>				
Opening Balance	1,888,414	1,778,454	-	-
Movement	48,340	109,960	-	-
Closing Balance	1,936,754	1,888,414	-	-
Closing Balance Asset Revaluation Reserve	12,878,819	8,548,035	-	-

The purpose of the asset revaluation reserve is to track the balance of each asset class being revalued.

14. Banking Facilities

Cash Balances	1,029,417	452,581	509,338	338,672
Term Deposits - Current	9,599,141	9,208,645	2,042,733	1,408,645
Term Deposits - Non Current	1,950,000	5,300,000	-	1,000,000
ASB Trade Advance	-	(200,000)	-	-

The Term Deposits are made up of 10 separate deposits maturing within 12 months of balance date (2016: 9 deposits) and 2 separate deposits maturing greater than 12 months (2016: 7 deposits).

Per annum annual interest rate ranges applicable to banking facilities were as follows:

Cash Balances	0.00% - 0.50%	0.00% - 3.00%	0.00% - 0.50%	0.00% - 3.00%
Term Deposits	3.55% - 5.30%	3.79% - 5.30%	3.55% - 5.30%	4.50% - 5.30%
ASB Trade Advance	-	4.83%	-	-

The ASB Trade Advance was secured against cash balances and term deposits held with ASB Bank. The facility had a limit of \$1,000,000 and at balance date nil funds were drawn down (2016: \$200,000).

15. Related Parties

Related Party Advance Accounts - Receivable (Payable)

Advance - The Tui Joint Venture	50,858	19,476	-	-
Loan - Koata Limited	-	-	7,095,369	7,495,368
Advance - Koata Limited	-	-	1,683	1,683
Advance - Te Kete Aronui o Ngāti Koata Limited	-	-	(10,400)	(10,400)
Advance - Te Pātaka a Ngāti Koata Trust	-	-	312,571	-
	50,858	19,476	7,399,223	7,486,651

Related Party Transactions

Income

The Tui Joint Venture	16,382	128,492	-	-
Port Nicholson Fisheries Limited Partnership	25,991	45,276	-	-
Kotato Limited	77,492	84,138	-	-
Aoteroa Fisheries Limited	10,384	8,049	-	-
Te Kete Aronui o Ngāti Koata Limited (administration on-charges)	-	-	127,759	42,743
Koata Limited (administration on-charges)	-	-	127,153	-
Te Pātaka a Ngāti Koata Trust (distribution)	-	-	828,571	2,390,750

Expenses

Rob Pooley - Directors' Fees	27,329	-	-	-
Dave Ashcroft - Directors' Fees	15,250	-	-	-
Rahui Katene - Directors' Fees	14,468	-	-	-
Antonina Grant - Consulting Fees	5,236	59,192	-	-
Antonina Grant - Directors' Fees	3,765	34,000	-	-
Tahua Solomon - Directors' Fees	3,000	18,000	-	-
Frans van Boekhout - Consulting Fees	5,535	30,275	-	-
Frans van Boekhout - Directors' Fees	3,000	18,000	-	-

Notes to the Financial Statements

For the Year Ended 31 March 2017

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Related Party Transactions (...continued)				
<i>Receivables at Balance Date</i>				
Te Kete Aronui o Ngāti Koata Limited	-	-	-	6,693
Koata Limited	-	-	36,671	-
Port Nicholson Fisheries Limited Partnership	26,500	33,615	-	-
<i>Payables at Balance Date</i>				
Nil				

Nature of Relationships

The Tui Joint Venture

Koata Limited holds a 25% share in the Tui Joint Venture. Koata Limited received its share of mussel farming income and expenses received and paid for by the Tui Joint Venture. Koata Limited has directors that are also representatives of the Tui Joint Venture.

Koata Limited

The loan to Koata Limited is repayable on demand, and pending demand being made, consecutive monthly instalments of \$33,333.33 on the 20th of each month. Interest if any will be communicated in writing by Ngāti Koata Trust at the end of each financial year with a maximum rate of 5% per annum.

The advance to Koata Limited is interest free and repayable on demand.

Te Kete Aronui o Ngāti Koata Limited

The advance from Te Kete Aronui o Ngāti Koata Limited is interest free and repayable on demand.

Te Pātaka a Ngāti Koata Trust

The advance to Te Pātaka a Ngāti Koata Trust has arisen as a result of transfers of cash, and distributions between the entities. The advance is interest free and repayable on demand.

Port Nicholson Fisheries LLP

Koata Limited is a partner in the Port Nicholson Fisheries LLP. Koata Limited received its share of ACE lease income and profit share income from Port Nicholson Fisheries LLP.

Kotato Limited

Koata Limited is a shareholder in Kotato Limited. Koata Limited received its share of ACE lease income and profit share income. Koata Limited and Kotato Limited have directors in common.

Aotearoa Fisheries Limited

Koata Limited is a shareholder in Aotearoa Fisheries Limited. Koata Limited received its share dividend income.

Consulting and Directors' Fees

Directors' fees were paid to Rob Pooley during the year, who was appointed as a director of Koata Limited from 12 May 2016, and a director of Te Kete Aronui o Ngāti Koata Limited on 12 May 2016.

Directors' fees were paid to Dave Ashcroft during the year, who was appointed as a director of Koata Limited from 26 April 2016, and a director of Te Kete Aronui o Ngāti Koata Limited on 12 May 2016.

Directors' fees were paid to Rahui Katene during the year, who was appointed as a director of Koata Limited from 12 May 2016, and a director of Te Kete Aronui o Ngāti Koata Limited on 12 May 2016.

Consultancy Fees and Directors' Fees were paid to Antonina Grant who was a director of Te Kete Aronui o Ngāti Koata Limited until 10 May 2016.

Directors' Fees were paid to Tahua Solomon who was a director of Te Kete Aronui o Ngāti Koata Limited until 28 May 2016.

Consultancy Fees and Directors' Fees were paid to Frans van Boekhout who was a director of Te Kete Aronui o Ngāti Koata Limited until 10 May 2016.

Ring Road Companies

Koata Limited is a shareholder in the following Ring Road companies:

- Tasman Bay Ring Road Farming Limited
- Tasman Bay Ring Road Spat Catching Limited
- Golden Bay Ring Road Farming Limited
- Golden Bay Ring Road Spat Catching Limited

Frans Van Boekhout was a director of these Ring Road companies until 10 November 2015, and was a director of Koata Limited until 26 April 2016. Koata Limited receives lease income and mussel sales from the Ring Road companies via the Tui Joint Venture.

Trustees Fees and Committees

The following Trustees received fees from Ngāti Koata Trust during the year as shown below:

Frank Hippolite	17,678	20,131	17,678	20,131
John Dobson	9,550	8,750	9,550	8,750
Anthony Patete	8,643	5,791	8,643	5,791
Rahui Katene	8,300	8,600	8,300	8,600
Tahua Solomon	8,250	8,000	8,250	8,000
Joanie Wilson	3,400	-	3,400	-
George Elkington	2,900	-	2,900	-
Jeanette Grace (ceased November 2016)	6,350	7,550	6,350	7,550
Celia Hawea (ceased November 2015)	-	8,500	-	8,500
	65,071	67,322	65,071	67,322

The following Trustees were on various committees as follows:

	HR	Committee Grants	Audit Risk
Anthony Patete	April 16 - Mar 17	-	-
Frank Hippolite	April 16 - Nov 16	Nov 16 - Mar 17	-
Rahui Katene	Nov 16 - Mar 17	-	April 16 - Nov 16
Jeanette Grace	-	April 16 - Nov 16	-
Tahua Solomon	-	April 16 - Mar 17	-
John Dobson	-	-	April 16 - Mar 17
Joanie Wilson	-	-	Nov 16 - Mar 17

Notes to the Financial Statements

For the Year Ended 31 March 2017

	Consolidated		Parent	
	2017 \$	2016 \$	2017 \$	2016 \$
16. Property, Plant and Equipment				
Cultural Redress Properties				
Opening Cost	-	-	-	-
Additions				
Te Haeata - Nurses Residence	260,870	-	260,870	-
Closing Cost	260,870	-	260,870	-
Revaluations				
Moukirikiri Island	80,000	-	-	-
Whangarae Estuary	17,000	-	-	-
Lucky Bay	54,000	-	-	-
Te Haeata - School House and Teachers Residence	840,000	-	-	-
Mātangi Awhio	77,000	-	-	-
Total Land and Buildings	1,328,870	-	260,870	-
Current Year Depreciation	-	-	-	-
Plant & Equipment				
Opening Cost	11,087	11,087	11,087	11,087
Additions	2,478	-	2,478	-
Closing Cost	13,565	11,087	13,565	11,087
Accumulated Depreciation	(2,367)	(1,775)	(2,367)	(1,775)
Total Plant & Equipment	11,198	9,312	11,198	9,312
Current Year Depreciation	592	-	592	-
Te Haeata Cultural Centre - Plant & Equipment				
Opening Cost	12,518	12,518	12,518	12,518
Additions	24,395	-	24,395	-
Closing Cost	36,913	12,518	36,913	12,518
Accumulated Depreciation	(5,269)	(3,356)	(5,269)	(3,356)
Te Haeata Cultural Centre - Plant & Equipment	31,644	9,162	31,644	9,162
Current Year Depreciation	1,913	2,505	1,913	2,505
Office Equipment				
Opening Cost	78,250	78,250	70,702	70,702
Additions	7,027	-	4,666	-
Disposals	(47,570)	-	(47,570)	-
Closing Cost	37,707	78,250	27,798	70,702
Accumulated Depreciation	(23,240)	(63,446)	(17,655)	(60,153)
Total Office Equipment	14,467	14,804	10,143	10,549
Current Year Depreciation	7,361	8,292	5,068	5,630
Website				
At Cost	10,232	10,232	10,232	10,232
Additions	5,120	-	5,120	-
Disposals	(10,232)	-	(10,232)	-
Closing Cost	5,120	10,232	5,120	10,232
Accumulated Depreciation	(2,133)	(10,232)	(2,133)	(10,232)
Total Website	2,987	-	2,987	-
Current Year Depreciation	2,133	-	2,133	-
Tui Mussel Lines				
At Cost	116,317	116,317	-	-
Closing Cost	116,317	116,317	-	-
Accumulated Depreciation	(65,399)	(52,664)	-	-
Total Tui Mussel Lines	50,918	63,653	-	-
Current Year Depreciation	12,735	15,044	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT				
At Cost	228,404	228,404	104,539	104,539
Additions	299,890	-	297,529	-
Disposals	(57,802)	-	(57,802)	-
Closing Cost	470,492	228,404	344,266	104,539
Revaluations	1,068,000	-	-	-
Less Accumulated Depreciation	(98,408)	(131,473)	(27,425)	(75,514)
TOTAL PROPERTY, PLANT & EQUIPMENT	1,440,083	96,933	316,842	29,025
Total Current Year Depreciation	24,734	25,842	9,707	8,135

The cultural assets which have been revalued above were vested to Te Pātaka o Ngāti Koata Trust as part of the settlement process in 2015 and were previously shown at nil value. They have been revalued and included in the financial statements to recognise the fair value of the properties and ensure completeness and transparency of the financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

	Consolidated		Parent	
	2017 \$	2016 \$	2017 \$	2016 \$
17. Investments				
Investments - Commercial Land				
DOC Renwick Land	205,000	205,000	-	-
Maitai School Land	660,000	485,000	-	-
Nayland College Land	3,910,000	3,350,000	-	-
Police Office Stoke Land	295,000	295,000	-	-
Brightwater School Land	645,000	560,000	-	-
Broadgreen School Land	3,030,000	2,450,000	-	-
Dovedale School	175,000	-	-	-
Rai Valley School	155,000	-	-	-
Spring Creek School	525,000	-	-	-
Wairua Valley School	170,000	-	-	-
Waitaria Bay School	170,000	-	-	-
	9,940,000	7,345,000	-	-
Investments - Forest Land				
Hira Land	6,766,000	6,514,000	-	-
Waimea Land	5,136,000	4,468,000	-	-
	11,902,000	10,982,000	-	-
Reconciliation of Movements in Investments - Commercial Land				
Opening balance 1 April	7,345,000	4,847,160	-	-
Additions	1,123,840	2,552,512	-	-
Carrying amount pre-valuation	8,468,840	7,399,672	-	-
Increase (Decrease) in fair value	1,471,160	(54,672)	-	-
Closing balance 31 March	9,940,000	7,345,000	-	-
Reconciliation of Movements in Investments - Forest Land				
Opening balance 1 April	10,982,000	10,110,000	-	-
Additions	-	-	-	-
Carrying amount pre-valuation	10,982,000	10,110,000	-	-
Increase in fair value	920,000	872,000	-	-
Closing balance 31 March	11,902,000	10,982,000	-	-

Refer to Note 4 (e) 'Investment Property' for further information in relation to values.

The movement in Commercial and Forest Land Investments is due to the addition of five new schools and a revaluation of the investments.

18. Carbon Credits / Emission Rights

Te Pātaka o Ngāti Koata Trust was granted 136,080 tradeable emission units from the New Zealand Government in August 2014. These have since been transferred to Te Kete Aronui o Ngāti Koata Limited. These units were received from the Crown at no cost; however they were recorded at their deemed value upon receipt based on published market data. For 31 March 2017 they have been revalued to market value (\$17.20 per unit; 2016: \$11.15 per unit), based on the published NZU market value published on Carbon Forest Services.

Carbon Credits	2,340,576	1,517,292	-	-
----------------	-----------	-----------	---	---

19. Quota Shares

Reconciliation of Quota Shares

Opening balance 1 April	3,984,612	3,874,652	-	-
Additions	-	-	-	-
Carrying amount pre-valuation	3,984,612	3,874,652	-	-
Increase (Decrease) in fair value	48,340	109,960	-	-
Closing balance 31 March	4,032,952	3,984,612	-	-

20. Income in Advance

Hira and Waimea Land Lease	238,449	204,000	-	-
Ma Te Reo - Rangatahi and Pakeke	26,270	-	26,270	-
Fringed Hill Land Lease	7,626	-	-	-
Mt Campbell Land Lease	705	-	-	-
OMV Grant	16,000	16,000	16,000	16,000
Contracts Income	31,132	-	31,132	-
Total Income in Advance	320,182	220,000	73,402	16,000

21. Imputation Credit Account

Koata Limited is a wholly owned subsidiary of a charitable trust, so it is not required to maintain an Imputation Credit Account.

Te Kete Aronui o Ngāti Koata Limited is a Look Through Company, so it is not required to maintain an Imputation Credit Account.

Te Pātaka a Ngāti Koata Trust and Ngāti Koata Trust are not required to maintain an Imputation Credit Account.

Notes to the Financial Statements

For the Year Ended 31 March 2017

22. Reconciliation to Net Cashflows from Operating Activities	Consolidated		Parent	
	2017 \$	2016 \$	2017 \$	2016 \$
Net Surplus	2,653,254	3,314,519	(81,029)	1,435,840
Add Non cash items				
Depreciation	24,735	25,840	9,707	8,135
Unrealised Losses / (Gains) Commercial and Forest Land	(2,391,160)	(817,328)	-	-
Unrealised Losses / (Gains) BNZ Portfolio	(51,774)	(203,431)	-	-
Realised Losses / (Gains) BNZ Portfolio	106,611	-	-	-
Te Pātaka a Ngāti Koata Trust Distribution (Non Cash Portion)	-	-	(312,571)	-
Māori Authority Tax Credits Attached to Dividend	(145,000)	(259,000)	(145,000)	(259,000)
Add (Less) Movements in Working Capital Items				
(Increase) / Decrease in Accounts Receivable and Accrued Income	(247,483)	(113,104)	(83,415)	(41,277)
Increase / (Decrease) in Accounts Payable	103,191	79,735	55,585	34,386
Increase / (Decrease) in Income Tax Payable	217,829	165,719	259,000	-
Add (Less) Non-Operating Items				
Movement in Tui JV Share	(16,382)	(128,492)	-	-
Net Cashflow from Operating Activities	253,821	2,064,458	(297,723)	1,178,083

23. Settlement Assets

Te Pātaka a Ngāti Koata received settlement proceeds during the 2015 year in accordance with the deed of settlement dated 21 December 2012 comprising cash of \$8,564,222 and Land of \$10,632,160.

In addition, six sites were fully vested to Te Pātaka a Ngāti Koata and an additional site was vested jointly with another iwi with Te Pātaka a Ngāti Koata. It was also agreed as part of the settlement process that three of these sites were to be transferred on to agreed Whanau trusts at nil consideration. They are Whangare Bay (Okiwi Bay) to Ngairoimata Wharenui Family Trust, Wharf Road (Okiwi Bay) to the Hura Pakaka Family Trust and Catherine Cove to the Te Ruruku Whanau Family Trust. The remaining sites are Lucky Bay, Whangarae Estuary, Moukikiriri Island, Mātangi Awhio, and the French Pass School and Teachers Residence.

Te Kete Aronui o Ngāti Koata Limited also received Carbon Units at their deemed value on the date they were received, which was \$530,712.

The following settlement assets from the Crown were then transferred from Te Pātaka a Ngāti Koata to Te Kete Aronui o Ngāti Koata Limited:

Asset	
Cash - Transferred 1 August 2015	8,759,925
and - Transferred 30 September 2014	10,632,160
	<u>19,392,085</u>

In consideration for these assets, Te Kete Aronui o Ngāti Koata Limited issued share capital of \$19,392,085 to Te Pātaka a Ngāti Koata.

24. Māori Authority Tax Credit Account

The movements of the Māori Authority Tax Credit Account during the year were as follows:

Opening Balance	8,212	53,574	-	-
Plus				
RWT received from LTC	28,891	64,793	-	-
2016 RWT received from LTC Understated (Prior Year Adjustment)	-	8,210	-	-
2015 Terminal Tax Paid (by way of tax purchase post balance date)	-	69,025	-	-
2016 Provisional Tax Paid (by way of tax purchase post balance date)	-	71,610	-	-
2016 Income Tax Paid During Year	20,673	-	-	-
2017 Provisional Tax Paid During Year	33,254	-	-	-
2017 Provisional Tax Paid (by way of tax purchase post balance date)	55,398	-	-	-
Less	138,216	213,638	-	-
Māori Authority Tax Credits attached to Distribution Paid	145,000	259,000	-	-
	145,000	259,000	-	-
Closing Balance	1,428	8,212	-	-

25. Capital Commitments

No capital commitments have been contracted for or provided for at balance date (2016: Nil).

26. Contingent Liabilities

A Caveat has been put on the Maitai School Land by Wakatū Incorporation. Te Kete Aronui o Ngāti Koata Limited is still receiving the income, however the Crown will not pass title until this issue is resolved. It is expected that if the land was given to Wakatū Incorporation then Te Kete Aronui o Ngāti Koata Limited would receive further settlement from the Crown to that value. The basis for recognising the Maitai School land in the financial statements is that the Deed of Settlement has been signed and the Crown has entered into a lease back for the use of the land.

There are no other significant capital commitments (2016: Nil).

27. Operating Lease

Ngāti Koata Trust has signed an agreement to lease office space at 137 Vickerman Street for \$45,825 plus GST per annum. The term of this lease is for five years, and expires on 31 March 2021, with a rent review on 1 April 2019.

28. Audit

The financial statements have been audited by BDO Wellington.

29. Land Interest in Tinui Island

Ngāti Koata Trust holds 20.55682 of the 220 shares in Tinui Island, d'Urville. Government valuation reference 19850-00500 records that the land value for the 89.0308 hectares as \$943,000 at 1 July 2014.

Notes to the Financial Statements

For the Year Ended 31 March 2017

30. Events Subsequent to Balance Date

Ngāti Koata Trust has completed a restructure as at 3 April 2017. The key aspects of this new structure have Ngāti Koata Trust at the "heart" and Koata Limited as a wholly owned subsidiary which will hold all commercial assets. Te Kete Aronui a Ngāti Koata Limited, a wholly owned subsidiary of Te Pātaka a Ngāti Koata Trust, has had its shareholding transferred to Ngāti Koata Trust and assets and liabilities amalgamated into Koata Limited. Te Pātaka a Ngāti Koata Trust will be retained for any future settlements but will not hold any assets on behalf of the lwi.

As part of the restructure it was agreed on 25 May 2017 that Te Pātaka a Ngāti Koata Trust would sell their shares in Te Kete Aronui o Ngāti Koata Limited to Ngāti Koata Trust for \$26,711,092, with the settlement date being 3 April 2017. As well as this, Te Pātaka a Ngāti Koata Trust agreed to sell to Ngāti Koata Trust, Moukirikiri Island, Whangarae Estuary, Lucky Bay, and Te Haeta school house and teachers residence for \$991,000. The funding for this was provided by a loan from Te Pātaka a Ngāti Koata Trust to Ngāti Koata Trust for the full purchase price which was recorded in a Term Loan Agreement and secured by a General Security Agreement over all of the present and future acquired assets of Ngāti Koata Trust. The Security Agreement also covers funds borrowed by Ngāti Koata Trust from Te Pātaka a Ngāti Koata Trust to enable the purchase of land from Te Pātaka a Ngāti Koata Trust pursuant to an agreement for sale and purchase of real estate. The total loan entered into from Te Pātaka a Ngāti Koata Trust to Ngāti Koata Trust was \$27,702,092, being \$26,711,092 for the shares in Te Kete Aronui o Ngāti Koata Limited and \$991,000 for the property purchased from Te Pātaka a Ngāti Koata Trust.

The loan of \$7,095,369 that Koata Limited owed Ngāti Koata Trust at balance date was subsequently capitalised into shares and Koata Limited issued 7,095,369 shares. The Trustees and Directors believe these transactions to be at fair value.

The final step in the restructure will be the creation of a new Māori Authority entity as a 100% owned subsidiary of Koata Limited. The implementation and timing of this change are currently being worked through.

Koata Limited purchased 408 Trafalgar Street on 5 May 2017 for \$495,000.

No other events or transaction have occurred since balance date which would have a material effect on the financial statements or which are of such significance as to require a mention in the Notes. There are no other plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

31. Transfer of Title for Settlement Properties

The settlement properties are in various stages of transfer from the Crown to Te Pātaka a Ngāti Koata Trust and then to Te Kete Aronui o Ngāti Koata Limited. All properties have been accounted for as if this title transfer has been completed as it is supported by the Deed Of Settlement and resolution passed in September 2013 by Te Pātaka a Ngāti Koata Trust.

32. Te Kāhui Hauora o Ngāti Koata Trust

Te Kāhui Hauora o Ngāti Koata Trust is a controlled entity of Ngāti Koata Trust by virtue that Ngāti Koata Trust appoints 3 of a possible 5 Trustee positions. The financial accounts of Te Kāhui Hauora o Ngāti Koata Trust have not been consolidated into the Ngāti Koata Trust accounts at 31 March 2017 as they are not considered material to the Group. The investigation and report into the activities of the Trust have been concluded and Te Kāhui Hauora o Ngāti Koata Trust will be wound up in the 2018 financial year.

33. Financial Instruments

31 March 2017 - Consolidated

	Loans and Receivables	Available for Sale	Carrying Amount Amortised Cost	Fair Value Through Surplus or Deficit
Cash Balances	1,029,417	-	-	-
Accounts Receivable	91,818	-	-	-
Term Deposits	11,549,141	-	-	-
BNZ Private Banking Portfolios	-	-	-	6,389,150
Augusta Value Add Fund	-	200,000	-	-
Advance - The Tui Joint Venture	50,858	-	-	-
Shares - Aotearoa Fisheries Limited	-	147,086	-	-
Shares - Kotato Limited	-	100	-	-
Shares - Ring Road Consortium	-	131,301	-	-
Shares - Tainui Taranaki ki te Tonga Limited	-	7,493	-	-
Accounts Payable	-	-	(175,260)	-
	12,721,234	485,980	(175,260)	6,389,150

31 March 2016 - Consolidated

Cash Balances	452,581	-	-	-
Accounts Receivable	23,661	-	-	-
Term Deposits	14,508,645	-	-	-
BNZ Private Banking Portfolios	-	-	-	5,446,223
Augusta Value Add Fund	-	200,000	-	-
Advance - The Tui Joint Venture	19,476	-	-	-
Shares - Aotearoa Fisheries Limited	-	147,086	-	-
Shares - Kotato Limited	-	100	-	-
Shares - Ring Road Consortium	-	131,301	-	-
Shares - Tainui Taranaki ki te Tonga Limited	-	7,493	-	-
Accounts Payable	-	-	(155,673)	-
ASB Trade Advance	-	-	(200,000)	-
	15,004,363	485,980	(355,673)	5,446,223

31 March 2017 - Parent

Cash Balances	509,338	-	-	-
Accounts Receivable	89,391	-	-	-
Term Deposits	2,042,733	-	-	-
Inter Entity Balances	7,399,223	-	-	-
Shares - Tainui Taranaki ki te Tonga Limited	-	7,493	-	-
Accounts Payable	-	-	(148,245)	-
	10,040,685	7,493	(148,245)	-

31 March 2016 - Parent

Cash Balances	338,672	-	-	-
Accounts Receivable	17,123	-	-	-
Term Deposits	2,408,645	-	-	-
Inter Entity Balances	7,486,651	-	-	-
Shares - Tainui Taranaki ki te Tonga Limited	-	7,493	-	-
Accounts Payable	-	-	(102,927)	-
	10,251,091	7,493	(102,927)	-

Ngāti Koata TRUST

Ngāti Koata Trust

137 Vickerman Street, Nelson

PO Box 1659, Nelson 7040

Phone 03 5481639

www.ngatikoata.com

www.facebook.com/NgatiKoataTrust/