



2022

ANNUAL REPORT



KO AU Ā
TŪWHARETOA

ko tongariro te maunga
ko taupō te moana
ko ngāti tūwharetoa te iwi
ko te heuheu te tangata

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he whakamaumaharatanga

In Remembrance

Me tīmata tēnei pūrongo i te whakamaumaharatanga ki a rātou kua wehe ki te pō. E mihi atu nei mātou ki ngā huhua mate o tēnā whānau, o tēnā whānau o Tūwharetoa iwi.

Nō reira me huri tātou ki te Pou Tikanga, ki te tarahiti o mua, otirā a Te Kanawa Pitiroi.

E koro, me mihi ka tika ki a koe i āu mahi rangatira ki te iwi.

I whakapau kaha koe ki te hāpai i ngā tarahiti e rua, arā te Tarahiti Whakatau Kerēme o Tūwharetoa me tā tātou Poari Māori.

I whāngaihia te iwi e koe i ngā kōrero tuku iho, me te reo rangatira o Ngāti Tūwharetoa.

E kore e mutu ngā mihi ki a koe, nō reira e koro! Haere!

Hoki atu ki te kapua whakapipi a-tupuna, a-wairua!

Piki atu ki runga i te waka whetū a Te Reporepo. Kei runga rawa atu tāu waka kia kawē atu ki te rangi tūhāhā, ki te rangi tiketike.

Hoki atu ki ngā rangatira, ngā kuia, me ngā koro i whawhati kō mō ngā whānau, me ngā tamariki mokopuna o tō tātou nei iwi. Nā koutou tātou i tū kaha, i tū maia.

E tuku mihi maioha atu mātou ki a koutou ko ngā whānau pani katoa e tangi hotu tonu ana, puta noa i te motu.

Ahakoā kua ngaro rātou ki te pō, e kore ngā mahara e ngaro i te ao tūroa nei.

We begin this report by remembering those who have passed on to the night. We acknowledge the kindred dead of every family of Tūwharetoa iwi.

So we turn our minds to our Pou Tikanga, to former trustee Te Kanawa Pitiroi.

Koro, you worked hard for our two trusts, Tūwharetoa Settlement Trust and Tūwharetoa Māori Trust Board.

You fed our people with the knowledge of our ancestors and the Tūwharetoa dialect of our reo.

We will never forget what you have done for us, therefore we bid you farewell!

Return to rest of your ancestors, who rest in the skies above.

Embark on the star cluster Te Reporepo. It will take to you to the highest heavens.

We return to the many rangatira, kuia and koroua who exhausted their efforts to support the families of our people. It is through them that we stand strong in this world.

We extend our love to the bereaved families who continue to mourn their loss.

Although they have left this world, their memories remain with us.



ō mātou kōrero

Our Story

TŪWHARETOA SETTLEMENT TRUST

We are the Post-Settlement Governance Entity (PSGE) that manages the financial resources returned to Ngāti Tūwharetoa in the Central North Island Forests Iwi Collective settlement. Approved by Ngāti Tūwharetoa, the Trust was established on 1 July 2009, and has been operating for the benefit of Ngāti Tūwharetoa ever since.

THE CNI SETTLEMENT AND NGĀTI TŪWHARETOA

Ngāti Tūwharetoa is one of eight iwi included in the CNI settlement.

Our Iwi received:

- A payment of \$66 million of accumulated rentals, with approximately \$29 million for the associated forest hapū;
- 25.9 per cent of annual Crown Licence fees until the year 2043;
- An equal shareholding in CNIHL (the company holds 176,000 hectares of the CNI forest land, with the actual land holding by iwi to be determined by Mana Whenua);
- A share of three million NZUs (carbon credits); and
- Preferential rights to buy certain Crown assets (DSP).

OUR ROLE

- Protect and enhance the Arikitunga, mana and rangatiratanga of Ngāti Tūwharetoa.
- Promote and advance the social, economic and cultural wellbeing of our members and their hapū.

OUR TRUSTEES RESPONSIBILITIES

- Strategic direction
- Setting values and principles
- Monitoring performance
- Reporting to members
- Risk management
- Legislative compliance
- Policy formulation
- General Manager selection

The Trustees have delegated implementation and operations to the General Manager, through policy and a Delegated Authorities Manual.

to mātou tirohanga me ō mātou mātāpono

Our Vision and Values

Tipua te ao o Tūwharetoa
mo te Iwi, ki te hapai ngā
hapū taketake.

Grow the world of
Tūwharetoa for its people,
to further strengthen our
hapū foundations.



Kia Pononga
Honesty



Kia Mana
Integrity



Kia Rongonui
Reputation



Kotahi te kī
Good Communication



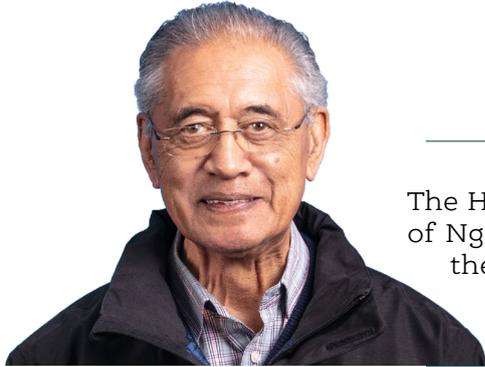
Kotahi te kōrero
Professionalism



Kotahi te wananga
Transparency

ā mātou tarahiti

Our Trustees



Te Ariki Tā Tumu te Heuheu

TE ARIKI O NGĀTI TŪWHARETOA TRUSTEE

The House of te Heuheu has held the Paramount Chieftainship of Ngāti Tūwharetoa since Herea te Heuheu Tūkino I, assumed the role in the 18th Century. As per the Trust Deed, Te Ariki holds this position “irrevocably as of right.”



Rakeipoho Tairaoa
MAATAAPUNA CHAIRMAN

Rakeipoho Tairaoa represents the Maataapuna cluster of Tūwharetoa hapū, and is the chairman of the trust.



Hon Georgina te Heuheu DNZM, QSO
TŪWHARETOA WHĀNUI DEPUTY CHAIR

Dame Georgina te Heuheu is the deputy chair of the trust. She represents Tūwharetoa Whānui as a whole.



Joanne Te Huia
TAI HAUĀURU TRUSTEE

Joanne Te Huia represents the Tai Hauāuru cluster of Tūwharetoa hapū on the Settlement Trust.



Judy Harris
TAI TONGA TRUSTEE

Judy Harris represents the Tai Tonga cluster of Tūwharetoa.



Dylan Tahau
HIKUWAI TRUSTEE

Dylan Tahau represents the Hikuwai cluster of Tūwharetoa hapū.



Paranapa Otimi
TŪWHARETOA WHĀNUI TRUSTEE

Paranapa Otimi represents Tūwharetoa Whānui as a whole.

ā mātou kaimahi

Our Operations Team



Sean te Heuheu

MAATAAPUNA
GENERAL MANAGER



Melanie Henry

NGĀTI RUIGARANGI
CORPORATE SERVICES
MANAGER



Greg Stebbing

NGĀTI RUIGARANGI, NGĀTI
RAUHOTO, NGĀTI TE URANGA
COMMERCIAL ADVISOR



Lisle McErlane

LEGAL ADVISOR

He Iwi Kāinga Team



Blandina (Te Wikitōria) Diamond

NGĀTI TE MAUNGA
PROGRAMME MANAGER



Kelley Hema

NGĀTI RAUHOTO, NGĀTI TE URANGA
SENIOR KĀINGA COACH
SUSTAINING TENANCIES



Casey Thompson

NGĀTI PAREKAAWA, NGĀTI TE MAUNGA
SENIOR KĀINGA COACH
TENANCY & RENTALS



Rua Eagle

NGĀTI HIKAIRO, NGĀTI TURANGITUKUA
SENIOR KĀINGA COACH
ADVICE & ADVOCACY



Aaron Te Huia

NGĀTI TE MAUNGA
TECHNICAL BUILDING
ASSESSOR



Gaye Stebbing

NGĀTI RUIGARANGI, NGĀTI RAUHOTO,
NGĀTI TE URANGA
PROGRAMME ADMINISTRATOR

We also acknowledge the support received during the year from Piki Taiaroa (PM Office Manager), Te Aroha Woods (Trust Accountant) and our Tūwharetoa Māori Trust Board Shared Services Team.

mahere rautaki

Strategic Plan 2021-2023



To protect and enhance the mana of and rangatiratanga of the iwi, its tāonga, its Arikitunga and its members.

STRATEGIC OBJECTIVE

- Demonstrate sound Governance to enhance Iwi reputation, trust and respect
- Support the enhancement of the Arikitunga



To promote and advance the educational, health, spiritual, economic, social, cultural advancement and well-being of the Beneficiaries and their Hapū.

STRATEGIC OBJECTIVE

- Develop and enhance Iwi and Hapū relationships
- Develop and implement strategies and programmes that provide pathways for Ngāti Tūwharetoa into safe and healthy homes
- Support initiatives that promote the uniqueness of Ngāti Tūwharetoa



To maintain and establish places of cultural or spiritual significance to Ngāti Tūwharetoa.

STRATEGIC OBJECTIVE

- Advocate for the protection of Ngāti Tūwharetoa whenua
- Support Ngāti Tūwharetoa marae



To continue to grow the Trust for Ngāti Tūwharetoa.

STRATEGIC OBJECTIVE

- Continue to enhance financial strength and sustainability through to and beyond 2043
- Complete and maintain the Trust Fiduciary Responsibilities

STRATEGIC GOALS

- Complete final resolution of the CNI Mana Whenua process
- Maintain a high level of benefits and decision making for Ngāti Tūwharetoa
- Lead collaboration initiatives with other Tūwharetoa Iwi entities to coordinate a cohesive approach to improving the wellbeing of Ngāti Tūwharetoa
- Provide advice and support to the Ariki and the Arikitanga as required
- Maintain the relationship to the Paramountcy through his TST representation

STRATEGIC GOALS

- Implement improvement initiatives identified in the MoU with the TMTB and NTFCT Trust.
- Seek out further co-investment opportunities.
- Enhance the relationships with the Forest Hapū Cluster Trusts.
- Regular, open and transparent communication with Iwi and Hapū – newsletters, social media.
- Continue increasing the number of registered members and accuracy of the Iwi Database.
- Lead the implementation of the Ngāti Tūwharetoa kāinga strategy.
- Explore co-investment opportunities for housing developments.
- Provide advocacy and advice to our beneficiaries on home-ownership and renting.
- Work with key agencies and organisations in the sector to advance the interests of Ngāti Tūwharetoa in the housing sector.
- Collaborate and promote initiatives targeted at the retention of key attributes and elements that make Ngāti Tūwharetoa unique (reo, tikanga, marae).
- Promote existing initiatives targeted at encouraging Ngāti Tūwharetoa to return back to the iwi.
- Implement programmes and policies targeted at generating pride in and loyalty to the iwi.

STRATEGIC GOALS

- Advocate on behalf of Ngāti Tūwharetoa landowners on matters that impact on their kaitiakitanga
- Collaborate with Tūwharetoa stakeholders, central and local governments
- Collaborate with other Ngāti Tūwharetoa entities to support our marae

STRATEGIC GOALS

- Enhance financial reporting to Governance and Membership
- Continue to build on the strong financial and administration systems within TST
- Achieve the targeted equity of 150 million by 2043 through sound investments
- Resolve outstanding financial guarantees and liabilities matters
- Continue to develop and sustain Tūwharetoa Settlement Trust's fiduciary responsibilities to our Uri
- Work closely with other Ngāti Tūwharetoa entities on initiatives aimed at satisfying our fiduciary responsibilities

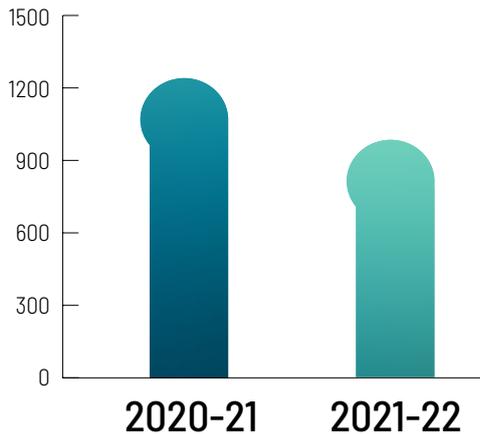
tō tātou iwi

Our People

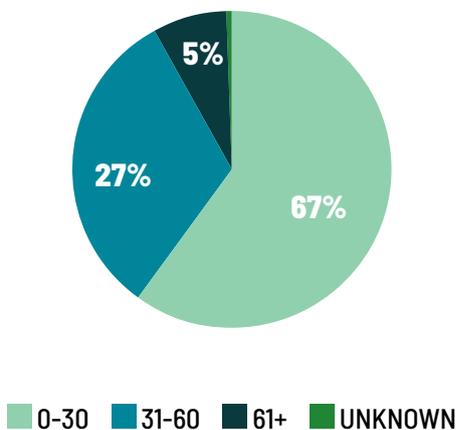
14,478

TOTAL REGISTERED

NEW MEMBER REGISTRATIONS



MEMBERS BY AGE BRACKET



| MARAE | HAPŪ |
|----------------|-----------------------|
| HIKUWAI | |
| Maroanui | Ngāti Rauhoto-a-tia |
| Nukuhau | Ngāti Rauhoto |
| | Ngāti Te Urunga |
| Oruanui | Te Kapa o Te Rangiita |
| Pakira | Ngāti Tutemohuta |
| Te Rangiita | Ngāti Ruingarangī |
| Tutetawha | Ngāti Tutetawha |
| Waipahihi | Ngāti Hineure |
| | Ngāti Hinerau |

| TAI TONGA | |
|-------------------|--------------------|
| Hikairo (Te Rena) | Ngāti Hikairo |
| Moawhango | Ngāti Whitikaupeka |
| Opaea | Ngāti Whitikaupeka |
| Otukou | Ngāti Hikairo |
| Papakai | Ngāti Hikairo |
| Te Tikanga | Ngāti Waewae |

| MAATAAPUNA | |
|-------------------|--------------------|
| Hirangi | Ngāti Turangitukua |
| Kakahi | Ngāti Manunui |
| Kauriki | Ngāti Hinemihi |
| Korohe | Ngāti Hine |
| Maniaiti | Ngāti Manunui |
| Petania | Ngāti Hinemihi |
| Pukawa | Ngāti Manunui |
| Rongomai | Ngāti Rongomai |
| Te Mahau | Ngāti Te Mahau |
| Tokaanu | Ngāti Kurauia |
| Waihi | Ngāti Turumakina |
| Waitetoko | Ngāti Te Rangiita |

| TAI HAUĀURU | |
|--------------------|------------------|
| Mokai | Ngāti Haa |
| | Ngāti Moekino |
| | Ngāti Parekaawa |
| | Ngāti Te Kohera |
| | Ngāti Tarakaiahi |
| | Ngāti Wairangi |
| Ongaroto | |
| Poukura | Ngāti Parekaawa |
| Waihaha | Ngāti Tarakaiahi |
| Whanganui Bay | Ngāti Te Maunga |

he korero whakamarama

Chairman and GM Report



E ngā mana, e ngā reo, koutou e hāpai ngā pae o te Iwi, tēnā koutou katoa.

Tēnei matou ko te poari e mihi atu ki a koutou e Ngāti Tūwharetoa whānui.

E tangi tonu ana ma rātou kua whiti atu i te ora, haere koutou. Hoki mai ki te ao matemate nei, koutou e māuiui, e pōkaikaha nei, piki te ora, te kaha, te māramatanga ki a koutou, otirā ki a tātou katoa.



RAKEIPOHO TAIAROA CHAIRMAN

On behalf of the Board, we are pleased to present this Annual Report for the Tūwharetoa Settlement Trust for the 2021/22 Financial Year.

Over the past year we have continued to build a solid foundation for the Iwi through continued investments in our Arikitanga, our Housing, our Marae and our Whānau. Following is a summary of the key milestones achieved during 2021/22.



National Iwi Chairs Forum

TO TĀTOU ĀRIKITANGA

We are very fortunate to have Te Arika Tā Tumu te Heuheu as a Trustee on the Trust. The involvement of our Arika helps to ensure that the Trust's strategic direction remains true to both our Strategic Plan and to our Arikitanga.

The Trust continues to support our Arika through an annual grant as well as ongoing support of Arika led Kaupapa throughout the year including Koroneihana, Ratana and National Iwi Chairs Forum.

HE IWI KĀINGA

Housing continues to be a key focus for the Trust. Since 2019 we have carried out research and engaged with whānau to help guide our approach to developing housing advocacy and support strategies that support our Ngāti Tūwharetoa housing aspirations.

Our whānau have engaged well with our initial pilot programmes:

- Advice and advocacy – providing housing, budget, tenancy advice,
- Whare Ora – advising homeowners on the best way to maintain and/or repair their whare and
- Residential builds – identifying pathways into warm, dry homes



Whare Ora home assessment recipients

Our team continues to grow and with it so does the scope of work that we are engaged in. By early 2023 we will be providing the following additional support services:

- **Sustaining tenancy** – supporting whānau who need help to sustain their tenancy,
- **Tenancy and rentals support** – tenancy and rental property management for He Iwi Kāinga tenants and
- **Sorted Kāinga Ora** – building financial capability and knowledge.

We have also made significant progress on the Te Iwiheke Place affordable rentals. These affordable rentals are made up of 13 three bedroom homes which are being built in an off-site manufacturing facility in Taupō and will be transported by truck to Te Iwiheke Place in stages during the first half of 2023.

See the He Iwi Kāinga section for more details on the great work being carried out by our He Iwi Kāinga team.



He Kāinga o Iwiheke Concept

NGĀ MARAE

2021/22 saw a combined investment of \$685,000 invested back into our Ngāti Tūwharetoa Marae through the following Kaupapa:

- **Marae Capital Works Grants** - support for marae development ensuring the sustainability of Ngāti Tūwharetoa Marae.
- **Marae Operational Support Grants** – a contribution towards the day-to-day upkeep and operational costs associated with running our Ngāti Tūwharetoa Marae.

See the Ngā Marae section for more details on the investments being made into Ngāti Tūwharetoa Marae.

TE WHAI MĀTAURANGA

STEM

The Trust awarded three students from Tūwharetoa with scholarships to support their studies in Science, Technology, Engineering and Mathematics during 2021/22.

The scholarship recipients for 2021/22 were Shaun McNeil, Heni Unwin and Keiha Nicol and each received \$10,000 in recognition of their academic excellence.

The STEM Scholarship programme is an important part of TST's commitment to promoting and advancing the educational aspirations of Tūwharetoa people and focuses on the importance of science and technology to the future success of Ngāti Tūwharetoa and Aotearoa.

Education Grants

We continue to work collaboratively with our partners, the Tūwharetoa Māori Trust Board and the Ngāti Tūwharetoa Fisheries Charitable Trust to distribute education grants. 2021/22 saw the distribution of 1,879 Education Grants with a total value of \$754k.

See the Te Whai Mātauranga section for more details on the STEM Scholarships, Education Grants and Trade Training Grants.

JULY 2021

Declaratory Judgement Proceedings held in High Court.

AUG 2022

Judge's findings released.

DEC 2022

Ambitious date set to address issues highlighted in Judges findings.

MANA WHENUA UPDATE

In July 2021 the CNI Iwi were subject to court proceedings in the Wellington High Court, where Ngāti Manawa sought a declaratory judgement to further their position in the CNI Iwi forest. Ngāti Tūwharetoa and other CNI Iwi made submissions to the court.



EDUCATION

3 STEM SCHOLARSHIPS

1,879 EDUCATION GRANTS



MARAE GRANTS

250k MARAE CAPITAL WORKS GRANTS

435k MARAE OPERATIONAL SUPPORT GRANTS

The Judges findings were released in August 2022 and are currently being worked through by the Trust and the other CNI Iwi. We have set an ambitious date of Christmas 2022 to address the outstanding issues highlighted by the Judge.

TIAKI PUTEA

The TST has continued to achieve positive financial growth. I am pleased to report that the Trust's equity increased by \$3.1 million to \$65.1 million (5%), compared to \$62 million in the previous year.



Our investments continue to grow with notably strong performances from CNI Iwi Holding Limited and Kakano Investment Limited Partnership.

Other investments include the purchase of a Commercial Property at 79-85 Horomātangi Street and the establishment of the Te Whare Hono o Tūwharetoa Limited Partnership, in collaboration with the Tūwharetoa Māori Trust Board, Lake Taupō Forest Trust, Te Pae o Waimihia Trust and Ngāti Tūwharetoa Fisheries Charitable Trust, which was selected by Taupō District Council to construct the new Civic Administration Building in Taupō.

Following strong gains in 2021, equity and bond markets fell over the first half of 2022 due to rising inflation, interest rates, the war in the Ukraine and the ongoing COVID pandemic. This has had a negative effect on the Trusts Managed Funds with a 4% decline in 2021/2022 financial year.

TRUSTEE ELECTIONS

At the time of writing, the Trustee election process is underway and the four Taiwhenua Trustee Positions have been filled noting that each Taiwhenua had one nomination only. We welcome Ngatoru Wall to the Trust and thank the outgoing Dylan Tahau for the time and energy he has spent on the mahi of the Trust.



In closing, we would like to thank Te Ariki, the Trustees and the Staff for their dedication to the mahi of the Trust over the past year. We would also like to thank our Iwi Members who allow us the privilege of carrying out this mahi on their behalf.

No reira, ngā manaakitanga ki a tatou katoa.

Rakeipoho Taiaroa

CHAIRMAN

Sean te Heuheu

GENERAL MANAGER



HOUSING AFFORDABILITY

13 AFFORDABLE RENTAL BUILDS AT TE IWIHEKE PLACE

3.25 M EXTERNAL FUNDING RECEIVED FOR TE IWIHEKE PLACE

te whai mātauranga

One of the key objectives of Tūwharetoa Settlement Trust's strategic plan is advancing the educational advancement and well-being of our beneficiaries and hapū.

The trust funds a variety of scholarships and grants to achieve this.

- Science, technology, engineering and mathematics (STEM)
- Education Grants
- Trades Training Grants

The trust works with Tūwharetoa Māori Trust Board and Ngāti Tūwharetoa Fisheries Charitable Trust to distribute these funds to our whānau.

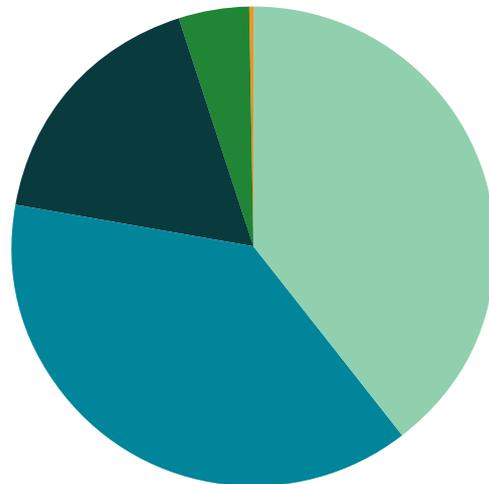
EDUCATION GRANTS

This year we delivered 1,879 grants to our whānau. These grants were made up of the following:

- 743 Early Childhood - for those of our tamariki attending Early Childhood Education centres or Kohanga Reo.
- 326 Secondary School NCEA - for those of our rangatahi in year 11, 12 or 13 and enrolled in NCEA for a full year.
- 721 Tertiary - for those of our whānau attending a Tertiary Institute, University, Wananga or Polytechnic.
- 84 Special Needs - for those of our whānau with special needs who are attending school and
- 5 Trade Training - for those in their second year or higher of an apprenticeship within our rohe.

GRANT TYPE / NUMBER OF GRANTS

ECE = **743**
 Tertiary = **721**
 Secondary = **326**
 Special needs = **84**
 Trade training = **5**



STEM SCHOLARSHIPS

The Science Technology Engineering Mathematics (STEM) Scholarship recognises the academic excellence of students enrolled in Science, Technology, Engineering and Mathematics tertiary study. This Scholarship is offered annually with up to 3 scholarships available, valued at \$10,000 each. In the 2021/22 financial year we were very proud to award STEM scholarships to the following recipients in recognition of their amazing efforts in their chosen area of study.



HENI UNWIN
Ngāti Kurauia

Heni Unwin is a marine scientist working towards her Masters in Science at the University of Canterbury. Her research focuses on the kūtai (mussel). She's concerned that microplastics could be affecting kaimoana for the worst. She hopes her research will find out how the kūtai are faring against this newly discovered threat.

To aid in her research, she developed a sensor that can be used to monitor how the kūtai open and close. This is important because mussels open up to take in water.

“Mussels clean our water through their filtering processes and if this is affected due to increasing microplastic in our environment it could be detrimental to the overall health of the ocean.”

Unwin says only two per cent of New Zealanders working in the science space identify as Māori, and she wants to help change that shocking statistic.



KEIHA NICOL
Ngāti Rauhoto, Ngāti Ruingarangi, Ngāti Te Maunga, Ngāti Te Rangīita, Ngāti Turumakina, Ngāti Tutetawhā

Keiha Nicol is studying for a Masters in Science at Victoria University of Wellington. Nicol believes that scientific progress and technological advances can be made without compromising Papatūānuku.

His research looks at one of the greatest taonga of Tūwharetoa; our geothermal resources. He's looking for better ways to sustainably manage our earth energy source. Which means ensuring they're not abused and overused, while respecting our tikanga and kawa.

“I think that our geothermal taonga are a gateway to prosperity for both the iwi and Aotearoa, but I want to make sure that it is done right.”

The aspiring geologist notes that there are different ways to use our resources. For example in Iceland; some housing areas are warmed with geothermal heat, as opposed to houses using electricity generated from geothermal areas to power heaters.



SHAUN MCNEIL
Ngāti Kurauia

Shaun Te Rire McNeil is a chemical products chemist researching for his PHD at the University of Waikato. He wants to find the beneficial compounds in various types of honey and see how they can be used to improve our health.

The young scientist says his father died from cancer, and he's hoping his research will find ways to help Māori as they navigate their way through the health system.

Although McNeil has chosen to pursue chemistry through a Western Science lens, he says Mātauranga Māori can be used to help people as well.

“Science can help us come up with medicines, so if you're sick, you can feel a little bit better. We need to protect and work with nature to overcome the problems of the future.”

he iwi kāinga

ABOUT HE IWI KĀINGA

He Iwi Kāinga is Tūwharetoa Settlement Trust's Housing Strategy. This housing strategy was created in 2019 and was custom built to suit our Iwi and the environment we live in.

He Iwi Kāinga objectives are:

- Homes worthy of Ngāti Tūwharetoa
- Homes for mana and whanaungatanga
- Communities where our future generations will thrive

During the year we implemented the following programmes:

ADVICE AND ADVOCACY



The Advice and Advocacy programme supports our whānau to achieve their housing aspirations. Our team work to identify what the housing aspirations are and then work with the whānau to develop a plan.

Goals can vary from wanting to carry out repairs or maintenance on a whare, to requiring advice on securing a mortgage on a property, to increasing financial literacy.

WHARE ORA



Whare Ora is our home assessment service. Within this service we will come to your home and carry out a Whare Ora assessment (similar to a Healthy Homes Assessment but with more checks) and then provide you with a summary of the findings.

In the first year we are not carrying out repairs or maintenance. Instead we are helping our whānau to understand their homes better and providing some tips for immediate low cost improvements.

The results of the assessments will provide us with important information on the status and common states of our homes which in turn will allow us to develop a more comprehensive approach to future home repairs.

PAPAKĀINGA

Our papakāinga service is focused on helping Māori Trusts and Whānau Trust to unlock their whenua for the purpose of building homes. We currently have 3 major papakāinga development clients in progress. We have also been a part of the consultation group with the District Council to make changes to the Papakāinga Provisions as part of the Rural Environment Plan Changes.

AFFORDABLE RENTALS



We currently have 6 rental homes in Wairakei and 13 affordable rentals being built on Te Iwiheke Place in Tūrangi. Te Iwiheke Place will see 13 new three bedroom homes installed on site by mid-2023, with the first tranche of homes being delivered to site in January 23. Tenants of these properties will become members of our Tenancy Programme which will provide the whānau with training and tools to support their future housing aspirations.

SUSTAINING TENANCIES

We are proud to have received funding to become a Sustaining Tenancies provider for our district. Sustaining Tenancies works to prevent homelessness by funding community-based services to help individuals, families and whānau who are at risk of losing their tenancy. Those issues could range from struggling to pay their rent, to dealing with mental or physical health concerns, or risk factors such as addiction or family violence.

Support is tailored for each individual or whānau. Support services will work with tenants to see what they need and to develop a whānau-led plan. The type and level of support services they receive will be based on this plan and could include:

- advocacy with landlords
- advocacy and support to navigate social and health services
- referral to budgeting services
- life skills coaching.

He Iwi Kāinga provides the following services:



Advice and Advocacy



Whare Ora



Papakāinga



Sustainable Tenancies



Sorted Kāinga Ora



Affordable Rentals

HE MIHI MAIOHA

We thank the following entities for their support of He Iwi Kāinga:





ngā marae

MARAE CAPITAL WORKS GRANT

Marae Capital Works Grants have been available to Tūwharetoa marae since 2018. In this time, a total of \$1.7m has been allocated to 23 marae recipients. Of this, a total of \$1.2m has been spent to date.

The grant is funded by Tūwharetoa Settlement Trust and Tūwharetoa Māori Trust Board.

This financial year the Tūwharetoa Māori Trust Board and the Tūwharetoa Settlement Trust distributed \$439,148.36 to:

| Marae | Project | Amount Awarded |
|---------------------------|--|----------------|
| Pāpā kai Marae | Develop a project plan to construct retaining walls and replace roof and exterior walls. | \$50,000.00 |
| Waitahanui Marae (Pākira) | Develop a project plan to construct a lean-to, replace doors and install an air vent. | \$50,000.00 |
| Hikairo Marae | Replace the wharekai roof. Build a new waharoa and paepae tapu. | \$100,000.00 |
| Otukou Marae | Remove walkway roof, extend seating, build mobility ramp, install new lighting, and waterproof detector. | \$43,459.95 |
| Pūkawa Marae | Upgrade the wharepaku, install heat pumps in the wharenuui, begin stage 1 of the wharekai upgrade. | \$127,004.03 |
| Rongomai Marae | Repair and reclad the wharekai. Replace the wharenuui roof. | \$35,801.00 |
| Te Tikanga Marae | Complete the construction of the kai preparation shed. | \$32,883.38 |

MARAE OPERATIONAL SUPPORT GRANT

The focus on Marae Grants recognises the unique place of Marae as the traditional and contemporary turangawaewae or cultural, social, and political institutions of Ngāti Tūwharetoa whanau, hapū and Iwi.

The TST recognises the increasing costs associated with the operational aspects of a Marae. This grant aims to support the

ongoing upkeep and day-to-day operations of our Marae, ensuring the sustainability of Ngāti Tūwharetoa Marae.

This grant is funded by Tūwharetoa Settlement Trust and 29 marae recipients received a total of \$435,000 in the 2021/22 financial year.



Otukou Marae capital works





RINGA RAUPĀ KAUPAPA

In collaboration with the Tūwharetoa Māori Trust Board and the Ngāti Tūwharetoa Mercury Development Group, the Tūwharetoa Settlement Trust supported the Ringa Raupā Kaupapa.

The Ringa Raupā kaupapa began when Tūwharetoa Māori Trust Board took a group of 10 kaimahi from our iwi and employed them to carry out much needed maintenance and renovation work on a number of our Ngāti Tūwharetoa Marae.

The renovations required at our Marae were extensive and in partnership with the Department of Corrections, Richard Mabin, an experienced painter and tutor, was engaged to coordinate the Marae projects and develop the skills and abilities of kaimahi.

Ringa Raupā not only revitalised our Marae but also supported whānau who were affected by COVID-19 by providing them with a foundation of employment, skills, qualifications, and connections with their own Marae and Hapū.

As of October 2022, the project is now complete and the kaimahi have been provided support from Tūwharetoa Māori Trust Board to help them find new work.

Tūwharetoa Settlement Trust thanks the Ringa Raupā workers, their kaiāwhina, the Marae that were serviced by the team and the funding providers.





tiaki putea

FINANCIAL PERFORMANCE

The total Comprehensive Income after Tax for the year was down compared to last year at \$3.1 million.

Financial performance incorporated the following notable points.

- Income from CNI Iwi Holding Limited increased by \$576k (10.6%) reflecting a full year of income from the review of forestry land rentals in the previous year.
- The Kakano Investment Limited Partnership investment operating result was \$1.0m a decrease of \$159k compared to last year. This was offset by \$1.0 revaluation increase largely due to favourable foreign currency movements. The share value has increased to a level where the total gain since the shares were purchased in 2013 is still extremely strong at 102%.
- Investment return from managed funds was a loss \$0.8m compared with a profit \$2.1m in the previous year. The overall return on funds invested was -3.9 % which reflects the volatility in investment markets in the second half of the year as Central Banks around the world increased interest rates to combat inflation.
- Operating expenditure increased by \$0.3m due to the He Iwi Kāinga project costs and increased professional fees due to direct investment activity during the year.

| FINANCIAL PERFORMANCE | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|-------|-------|-------|-------|
| | \$m | \$m | \$m | \$m |
| Revenue | 13.3 | 5.0 | 7.8 | 5.6 |
| Expenditure | (1.0) | (1.0) | (1.2) | (1.5) |
| Interest & Depreciation | (0.0) | (0.0) | (0.0) | (0.1) |
| Operating Profit | 12.2 | 4.0 | 6.6 | 4.1 |
| Distribution & Grants | (1.0) | (1.0) | (0.9) | (1.0) |
| Kakano Revaluation | (2.2) | 1.9 | (0.1) | 1.0 |
| Income Tax | (1.6) | (0.7) | (0.5) | (1.0) |
| Comprehensive Income | 7.4 | 4.2 | 5.1 | 3.1 |
| EXPENDITURE | \$m | \$m | \$m | \$m |
| Administration | 0.5 | 0.3 | 0.4 | 0.6 |
| Professional Services | 0.3 | 0.3 | 0.2 | 0.4 |
| Governance & Iwi Support | 0.2 | 0.3 | 0.3 | 0.2 |
| Projects - Mana Whenua, Housing | 0.0 | 0.1 | 0.3 | 0.3 |
| Total Expenditure | 1.0 | 1.0 | 1.2 | 1.5 |

Operating Expenditure was up \$318k compared to last year driven mainly by increased staff and professional fee costs related to the He Iwi Kāinga project and direct investment activity during the year.

FINANCIAL POSITION

The Equity of the Trust increased from \$62.0 million to \$65.1 million in the current financial year, an increase of \$3.1 million (5%). This represents an increase of \$48.9 million since 2013 when equity of the Trust was \$16.2 million.

During the year the Trust was active in direct property investment with the purchase of 79 – 85 Horomātangi street in April and the Blue Light property at 10 Maire Street, Wairakei in June. There was also

investment in the Te Whare Hono Limited partnership which is developing the new Taupō District Council building which will also be occupied by the Tūwharetoa Māori Trust Board.

Investment in He Iwi Kāinga Tūwharetoa Limited Partnership continues as it progresses the development of residential sections in Tūrangi as part of the Iwi housing initiative.

| FINANCIAL POSITION | 2019 | 2020 | 2021 | 2022 |
|--------------------|--------|--------|--------|--------|
| | \$m | \$m | \$m | \$m |
| Total Assets | 66.6 | 70.5 | 77.7 | 81.0 |
| Total Liabilities | (13.9) | (13.6) | (15.9) | (15.9) |
| Total Equity | 52.7 | 56.9 | 61.8 | 65.1 |
| Less Minorities | 0 | 0 | 0 | 0 |
| Net TST Equity | 52.7 | 56.9 | 61.8 | 65.1 |

The graph below breaks down the equity of the Trust into specific asset classes.



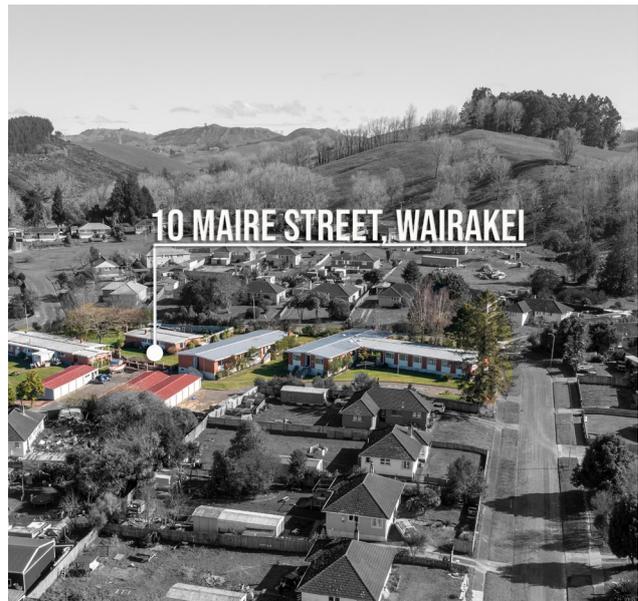
These assets classes can be further grouped into Forestry, Property and Cash/Managed Funds.

| | 2019 | 2020 | 2021 | 2022 |
|------------------------|------|------|------|------|
| Forestry | 40% | 41% | 37% | 36% |
| Property | 9% | 11% | 14% | 21% |
| Cash and Managed Funds | 51% | 49% | 50% | 42% |

DESCRIPTION OF INDIVIDUAL ASSETS CLASSES:

- Funds are cash and managed funds held with the BNZ and Iwi Investor.
- Housing properties include six houses and Blue Light property in the Wairakei Village, two sections at Wharewaka Point and thirteen sections in Tūrangi.
- Tauwhara Ki Te Hikuwai LP is the 50/50 partnership established with Te Pae O Waimihia to purchase the commercial property in the Taupo CBD. Development plans are still being investigated.
- Tūwharetoa Gondola LP is the partnership established with seven other Tūwharetoa entities to invest bonds issued by Ruapehu Alpine Lifts to construct the new Gondola at the Whakapapa ski field

- Hautū-Rangipō Limited Partnership is the entity that purchased the Hautū-Rangipō Prison land (8,500 hectares) and the Mangamāwhitiwhiti block (600 hectares). The Partners are: Lake Taupō Forest Management Limited, Tūwharetoa Carbon Farms Ltd (TST), Oraukura 3 Incorporation, Waihi Pukawa Trust and Puketapu 3A Incorporation.
- TPILP is the Tūwharetoa Property Investment Limited Partnership which is the entity that has purchased the Taupō DSP land properties – 9 Schools, Courthouse and Police Station, Probation Office. The Partners are: TST, Te Pae O Waimihia, Tūwharetoa Māori Trust Board and the Lake Rotoaira Forest Trust.
- Kakano LLP is the Kakano Investment Limited Partnership which comprises six CNI Iwi owning a 2.5% share in Kāingaroa Timberlands.



INVESTMENT MANAGED FUNDS

Following strong gains in 2021, equity and bond markets fell over the first half of 2022 given rising inflation, interest rates, the war in Ukraine, and the ongoing Covid pandemic. The TST portfolio was not immune to this sell-off and declined around 4% in the year to June 2022. This was still a relatively strong result compared to funds (e.g. KiwiSaver) with a similar allocation to growth assets, which fell around 8% on average over this period.

On the advice of our investment adviser, MyFiduciary, the Board approved an allocation to alternative assets last year, which were designed to help protect the portfolio to inflation and interest rate risks. This is shown in the chart below, and includes exposure to assets such as listed infrastructure, property, and gold. The outperformance versus the market reflects this allocation decision. We also raised around \$5m in cash from the portfolio earlier in the year, ahead of much of the market sell-off, to meet future capital commitments. This included for the Trust's property investment on Horomatangi Street.

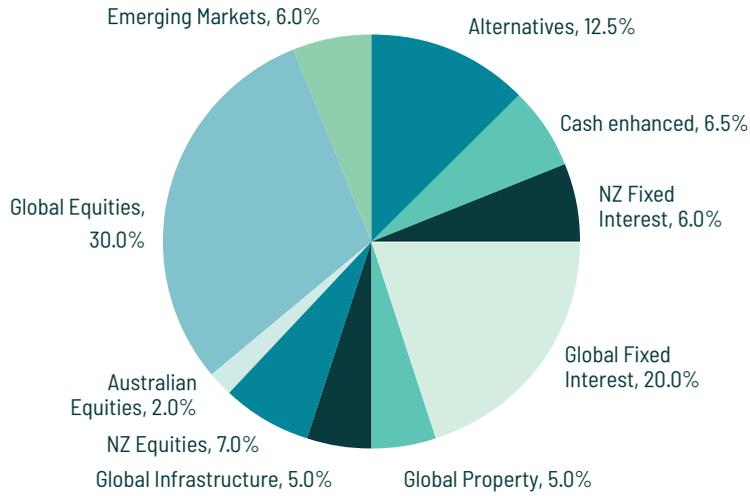
Another important focus of the portfolio is Socially Responsible Investment (SRI) and

ensuring the portfolio has a low greenhouse gas emission or carbon profile. This is in line with our kaitiaki values.

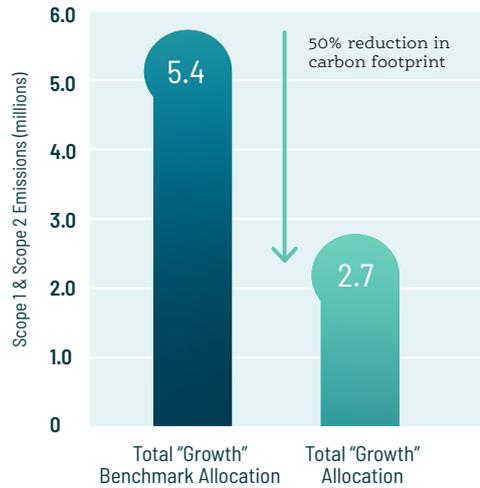
The investment funds that make up the portfolio have an SRI approach, and the level of carbon emissions are around half of market levels, as shown in the second figure below. We believe this SRI focus will lead to better returns over the long term as the risks from climate change are reduced, and as investments are made in companies with better environmental, governance and community relations.

Over the longer term, as shown in the final chart, performance has been well ahead of short-term interest rates, despite the fall in value this year. Since December 2017 the cumulative gain has been around 19%, around 13% ahead of what investors would have earned from keeping their money 'in the bank'. Finally, at the time of writing in August, the portfolio has bounced around 5% higher from the 30 June figure.

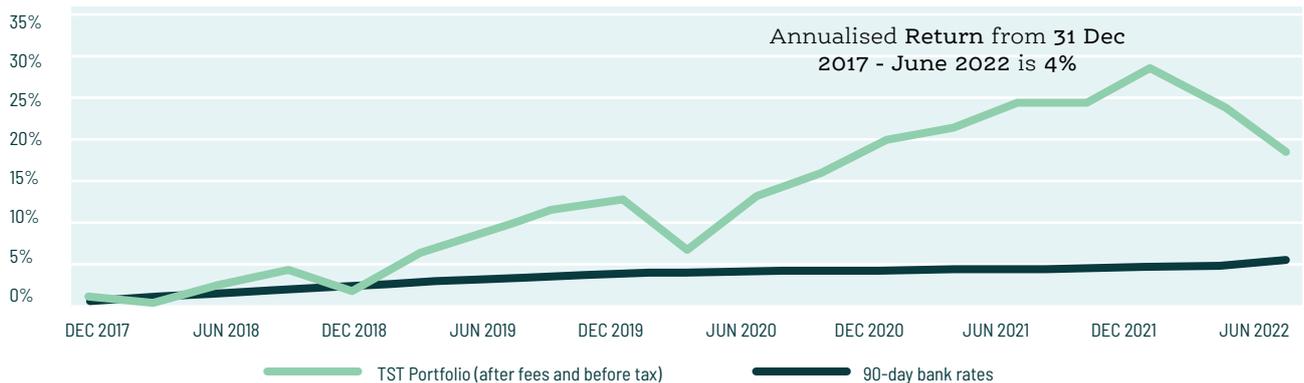
TST PORTFOLIO ASSET ALLOCATION



TST PORTFOLIO CARBON REDUCTION IN GROWTH ASSETS



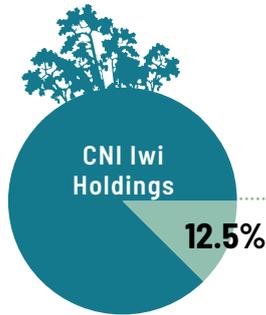
TST PORTFOLIO PERFORMANCE CUMULATIVE PORTFOLIO PERFORMANCE SINCE 31 DEC 2017





TŪWHARETOA

SETTLEMENT TRUST



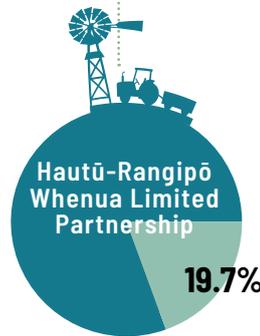
Owns 176,000 hectares of CNI Lands and 3 million NZUs (carbon credits).



Holds shares in Hautū Rangipō Whenua Limited, which owns 9,000 hectares of Hautū-Rangipō/ Mangamāwhitiwhiti lands.

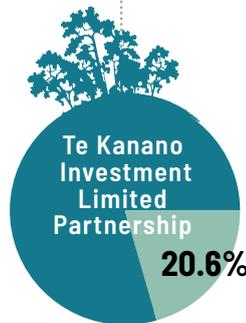


The commercial company established to hold TST's investment portfolios.

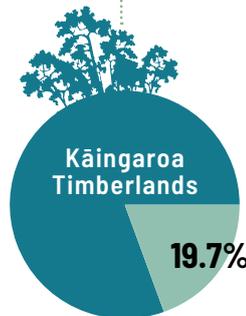


Owns 11 Crown leased properties in the Taupō township - 9 schools, Taupō Courthouse and Taupō Probation Office. These properties were purchased from the Ministry of Education, Ministry of Justice and Department of Corrections under the CNI Settlement's Deferred Selection Process rights.

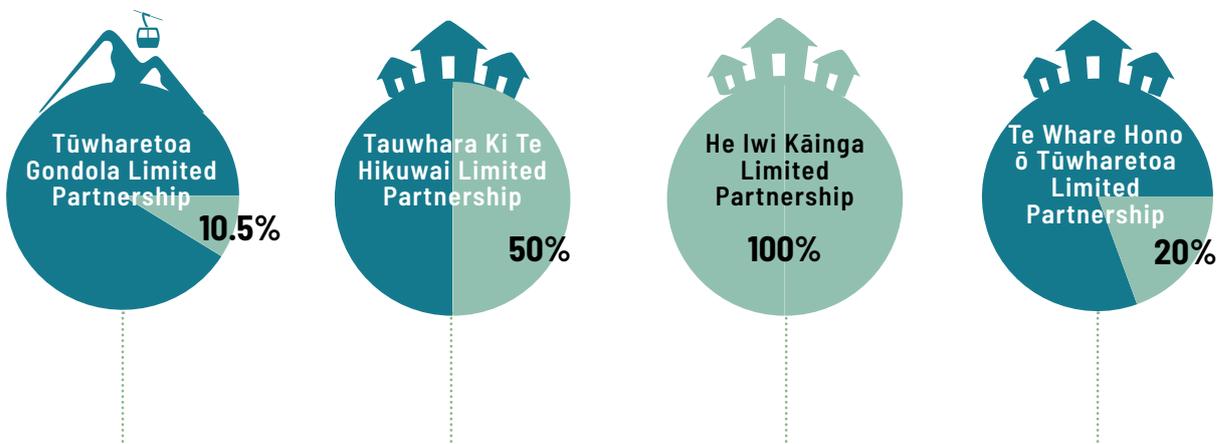
Owns shares in Kaingaroa Timberlands, the owner of the forestry rights for Kaingaroa Forest.



Comprises 10 Tūwharetoa commercial entities that hold shares in Te Pūia Tāpapa Limited Partnership, a direct investment fund established with 25 other Iwi entities.



organisational structure



Comprises eight Tūwharetoa commercial entities that hold \$9.5 million of bonds in the Mount Ruapehu RAL Sky Waka Gondola.

A 50/50 partnership with Te Pae O Waimihia that owns a commercial investment property in the Taupō township.

Owns six residential properties located in the Wairākei Village, two large residential sections on Wharewaka Road in Taupō, and 13 residential sections on Iwiheke Place in Tūrangi.

Comprises five Tūwharetoa commercial entities that will be developing a commercial site on Horomātangi Street in Taupō.

OUR INVESTMENT PARTNERSHIPS

Tūwharetoa Hau Rau Limited Partnership

Ten Tūwharetoa commercial entities formed Tūwharetoa Hau Rau (one hundred winds), a Limited Partnership established for the specific purpose of joining a group of 25 other Iwi and Māori organisations to establish the Te Pūia Tāpapa fund (TPT) which has a total fund commitment of \$115 million. The purpose of the Fund is to pool financial resources to increase Māori investment into a broader scale of assets alongside large investors such as the NZ Super Fund and ACC.

The ten partners in Tūwharetoa Hau Rau have committed a combined total of \$20million to Te Pūia Tāpapa Fund and are represented on the board of Te Pūia Tāpapa Fund by Debbie Birch (Ngāti Tūwharetoa, Ngāti Apa, Ngāti Hauti, Ngāti Rangī).

In the year ended June 2022 TPT made two new investments, \$10million for a 2.8% share of Avanti Finance and a further \$10million for a 3.7% share of Asia Pacific Healthcare Group. This takes the total funds invested to \$30.6million, 26.5% of the total committed capital.

Including the initial investment in the TR Group, all three investments are performing well with Profit after Tax between 8% and 20% higher than in 2020.

Tūwharetoa Gondola Limited Partnership

In 2019, eight Tūwharetoa commercial entities formed Tūwharetoa Gondola Limited Partnership to invest \$9.5million in bonds which were offered to provide RAL with funds to complete the construction of the Sky Waka Gondola.

In early October 2022 John Fisk and Richard Nacey of PwC were appointed as Voluntary

Administrators of RAL. The Limited Partnership has a registered first mortgage over the gondola asset. The Trustees have determined that it is too early to consider impairment of this asset but will continue to monitor this closely.

Hautū-Rangipō Whenua Limited Partnership

This partnership was formed in 2015 for the purpose of acquiring for Tūwharetoa, the Hautū-Rangipō land occupied by the Dept of Corrections. The TST is a shareholder along with Lake Taupō Forest Trust, Lake Rotoaira Forest Trust and three large Tūwharetoa farming trusts. With good long term leases in place, and with the completion of the development of the farming footprint, the returns on this investment are now performing to a very acceptable level between 6% and 7% per annum.

Te Kakano Whakatipu Limited Partnership

This is a partnership comprised of six CNI Iwi investing in Kaingaroa Timberlands, the company that owns and manages the Kaingaroa forest estate. As reported each year, this has been the stand out investment for the Trust with the original \$13.0 million invested now valued at \$26.2million, a gain of 102%. In addition to the gain in share valuation, annual cash dividends averaging over \$1million per year have been received.

Financial performance for the year was double that of the previous year largely due to favourable foreign currency movement, with operating profits down 14% on the previous year due to softer log prices.

Tūwharetoa Property Investment Limited Partnership

This investment partnership includes Tūwharetoa Settlement Trust, Te Pae o Waimihia, the Tūwharetoa Māori Trust Board and Lake Rotoaira Forest Trust.

The Partnership owns 11 crown leased properties purchased under the CNI Deferred Selection Process (DSP). This includes the land of nine Taupō schools, the land of the Taupō Courthouse and the land and buildings of the Taupō Probation Office in Taniwha Street.

Tauwhara ki te Hikuwai Limited Partnership

Tauwhara Ki te Hikuwai Limited Partnership is a 50/50 partnership with Te Pae O Waimihia Trust that owns a commercial investment property at 11 Tuwharetoa Street located in the Taupo CBD.

At present this land is leased to Compact Homes for the purpose of displaying Tiny Homes on the site. The Directors are considering what long-term options are available for this site.

He Iwi Kāinga Tūwharetoa Limited Partnership

He Iwi Kāinga is the investment vehicle for our Housing kaupapa. Within this partnership are the assets of the Housing kaupapa including the residential properties and the resources used to deliver our housing services.

Te Whare Hono o Tūwharetoa Limited Partnership

In 2021 the Tūwharetoa Māori Trust Board, Tūwharetoa Limited (the commercial arm of the Tūwharetoa Settlement Trust), Tupu Angitu Ltd (the commercial arm of the Lake Taupō Forest Trust), Te Pae o Waimihia Trust and the Ngāti Tūwharetoa Fisheries Charitable Trust established the Te Whare Hono o Tūwharetoa Limited Partnership.

The partnership was selected by Taupō District Council to build and own the new Civic Administration Building in Taupō. On completion, this project will see the construction of a three-storey Civic Administration Building at 67 Horomātangi Street in Taupō.

This is an exciting development which will help mana whenua and local government to work more closely together and to build a cohesive relationship for our future.

audited accounts

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|-------|------------------|------------------|
| INCOME | | | |
| Income from Crown Forest Licence Fees | | 6,026,316 | 5,449,584 |
| Less Share Due to Forestry Hapū Clusters | 21 | (2,320,633) | (1,920,713) |
| Rent Received | | 302,853 | 243,967 |
| Share of Profit/(Loss) from Kakano Investment Limited Partnership | 11 | 996,805 | 1,155,531 |
| Share of Profit/(Loss) from Hautū-Rangipō Limited Partnership | 11 | 233,644 | 267,163 |
| Share of Profit/(Loss) from Tauwhara ki te Hikuwai Limited Partnership | 11 | 5,966 | (8,588) |
| Share of Profit/(Loss) from Te Whare Hono o Tūwharetoa Limited Partnership | 11 | (4,634) | - |
| Share of Profit/(Loss) from Tūwharetoa Hau Rau Limited Partnership | | 81,454 | (23,028) |
| Investment Revenue | | (1,473,201) | 3,692,661 |
| Less Investment Revenue Due to Forestry Hapū Clusters | 21 | 692,860 | (1,475,932) |
| Sundry Income | | 825,028 | 467,010 |
| Grants received | | 281,837 | 38,164 |
| Total Income | | 5,648,295 | 7,885,819 |
| LESS OPERATING EXPENSES | | | |
| Administration | | 635,154 | 425,655 |
| Hui a Iwi | | 28,173 | 101,076 |
| Professional Services | | 372,577 | 204,228 |
| Project Management | | 260,803 | 267,935 |
| Governance | | 194,698 | 174,036 |
| | | 1,491,405 | 1,172,930 |
| Earning Before Finance & Depreciation Expenses (EBITDA) | | 4,156,890 | 6,712,889 |
| Less Finance Expense | | 1,396 | 776 |
| | | 4,155,494 | 6,712,113 |
| Operating Surplus Before Depreciation | | 4,155,494 | 6,712,113 |
| Less Depreciation | 12,13 | 45,777 | 11,134 |
| Less Depreciation - ROU Assets | 23 | 50,422 | 8,316 |
| | | 4,059,295 | 6,692,663 |
| Net Operating Surplus before distributions | | 4,059,295 | 6,692,663 |
| Less: Distributions | | 1,035,494 | 941,941 |
| Net Operating Surplus before taxation | | 3,023,801 | 5,750,722 |
| Income Tax Expense (Credit) | 7 | 691,155 | 708,281 |
| | | 2,332,646 | 5,042,441 |
| Surplus after taxation | | 2,332,646 | 5,042,441 |
| Attributed to: | | | |
| Beneficiaries of Parent | | 2,332,646 | 5,042,441 |
| | | 2,332,646 | 5,042,441 |

These financial statements should be read in conjunction with the notes to the financial statements and Independent Auditor's Report

| | | | |
|---|-------|------------------|------------------|
| Other Comprehensive Income | | | |
| Share of Profit/(Loss) from Kakano Investment Limited Partnership | 11,16 | 1,014,781 | (153,083) |
| Income Tax Expense (Credit) on Other Comprehensive Income | 7 | 283,250 | (194,400) |
| Total Other Comprehensive Income | | 731,531 | 41,317 |
| Attributed to: | | | |
| Beneficiaries of Parent | | 731,531 | 41,317 |
| | | 731,531 | 41,317 |
| Total Comprehensive Income | | 3,064,177 | 5,083,758 |

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

| | Retained Earnings | Revaluation Reserve | Total |
|-----------------------------|-------------------|---------------------|-------------------|
| INCOME | | | |
| Balance 1 July 2021 | 48,334,294 | 13,678,657 | 62,012,951 |
| Total Comprehensive Income | 2,332,646 | 731,531 | 3,064,177 |
| Balance 30 June 2022 | 50,666,940 | 14,410,188 | 65,077,128 |
| Balance 1 July 2020 | 43,291,853 | 13,637,340 | 56,929,193 |
| Total Comprehensive Income | 5,042,441 | 41,317 | 5,083,758 |
| Balance 30 June 2021 | 48,334,294 | 13,678,657 | 62,012,951 |

These financial statements should be read in conjunction with the notes to the financial statements and Independent Auditor's Report

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash & Cash Equivalents | 8 | 4,353,374 | 1,097,545 |
| Investments | 10 | 30,684,126 | 39,533,768 |
| Trade and Other Receivables | 9 | 378,777 | 99,173 |
| Total Current Assets | | 35,416,277 | 40,730,486 |
| Non-Current Assets | | | |
| Investments in Associates | 11 | 30,896,992 | 29,534,623 |
| Investment Property | 12 | 9,531,350 | 2,922,568 |
| Investments | 10 | 5,071,321 | 4,492,820 |
| Property, Plant & Equipment | 13 | 20,424 | 28,830 |
| Intangible Assets | 13 | 5,627 | 5,971 |
| Right of Use Assets | 23 | 57,567 | 50,422 |
| Total Non-Current Assets | | 45,583,281 | 37,035,234 |
| TOTAL ASSETS | | 80,999,558 | 77,765,720 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 14 | 3,045,742 | 421,161 |
| Income in Advance | 14 | 230,000 | 271,837 |
| Lease liabilities | 23 | 57,567 | 50,422 |
| Income Tax Payable/(Receivable) | 7 | 211,664 | 188,806 |
| Provisions | 21 | 12,224,713 | 14,776,801 |
| Total Current Liabilities | | 15,769,686 | 15,709,027 |
| Non-Current Liabilities | | | |
| Deferred Tax Liability (Asset) | 7 | 152,744 | 43,742 |
| Total Non-Current Liabilities | | 152,744 | 43,742 |
| TOTAL LIABILITIES | | 15,922,430 | 15,752,769 |
| NET ASSETS | | 65,077,128 | 62,012,951 |
| EQUITY | | | |
| Attributable to Parent Trust Beneficiaries | | 65,077,128 | 62,012,951 |
| TOTAL EQUITY | | 65,077,128 | 62,012,951 |

For and on behalf of the Board of Trustees, who authorised the issue of these financial statements on the 31 October 2022

Chairman 

Trustee 

Dated 31 October 2022

These financial statements should be read in conjunction with the notes to the financial statements and Independent Auditor's Report

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|---|----------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from/(to): | | | |
| Cash Distributions and Other Receipts | | 6,607,756 | 6,399,506 |
| Interest and Dividends Received | | 1,232,072 | 621,656 |
| Disbursed to Suppliers and Employees | | (1,468,817) | (1,016,414) |
| Grants & Koha | | 281,837 | 38,164 |
| Other Distributions | | (1,035,494) | (941,941) |
| Interest Expense | | (1,396) | (776) |
| Income Tax | | (842,545) | (245,998) |
| Net Cashflow from Operating Activities | | 4,773,413 | 4,854,197 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash was provided from/(to): | | | |
| Sale of Investments and Investment Distributions Received | | 884,193 | 1,347,378 |
| Disposal/(Acquisition) of Investments | | 5,647,322 | (3,049,038) |
| Acquisition of Investment Property | | (5,044,175) | (782,040) |
| Purchase of Property, Plant & Equipment | | (1,634) | (13,178) |
| Net Cashflow from Investing Activities | | 1,485,706 | (2,496,878) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash was provided from/(to): | | | |
| Hapū Cluster Payments | | (3,003,290) | (2,026,626) |
| Net Cashflow from Financing Activities | | (3,003,290) | (2,026,626) |
| Net Increase/(Decrease) in Cash | | 3,255,829 | 330,693 |
| Opening Cash and Bank Balances | | 1,097,545 | 766,852 |
| TOTAL CASH AND BANK BALANCES | 8 | 4,353,374 | 1,097,545 |

These financial statements should be read in conjunction with the notes to the financial statements and Independent Auditor's Report

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 CORPORATE INFORMATION

The financial statements of Tūwharetoa Settlement Trust (the ‘Trust’) and Controlled Entities (‘the Group’) for the year ended 30 June 2022.

The Trust was established in New Zealand and was established as a post settlement governance entity (“PSGE”) for the Ngāti Tūwharetoa Iwi. The financial statements of the Trust and Group have been prepared in accordance with the Financial Reporting Act 2013.

The nature of the operations and principal activities of the Trust is included in a mandate to:

- i. Finalise Central North Island Iwi (“CNI”) negotiations
- ii. Develop structures and policies for distribution of benefits to Ngāti Tūwharetoa
- iii. Manage the Ngāti Tūwharetoa portion of the CNI settlement
- iv. Facilitate mana whenua rights of Ngāti Tūwharetoa within the CNI settlement
- v. Facilitate the establishment of suitable forestry Hapū cluster entities

2 STATEMENT OF ACCOUNTING POLICIES

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- r) Property, Plant & Equipment
- s) Changes in Accounting Policies

The consolidated financial statements were authorised for issue by the Trustees on 31 October 2022.

a) Statement of compliance

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP), and the Financial Reporting Act 2013. For this purpose the Trust has designated itself as profit-oriented.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

b) NZ IFRS - Reduced Disclosure Regime

The Trust has adopted External Reporting Board Standard A1 Accounting Standards Framework (for-profit-Entities Update) (“XRB A1”). For the purposes of complying with NZ GAAP, the Trust is eligible to apply Tier 2 For - Profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (“NZ IFRS RDR”)) on the basis that it does not have public accountability and is not a large for-profit public sector entity. The Trust has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

c) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for assets and liabilities as disclosed below that have been measured at fair value.

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

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Tūwharetoa Settlement Trust and Controlled Entities as at 30 June 2022.

The Controlled Entities of the Trust at 30 June 2022 are Controlled entities are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain the benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The financial statements of the Controlled entities are prepared for the same reporting period as the Trust, using consistent accounting policies. In preparing the consolidated financial statements, all intergroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred from the Group.

The acquisition of Controlled entities is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities assumed at the date of acquisition.

| | COUNTRY OF INCORPORATION | % CONTROL | |
|--|--------------------------|-----------|------|
| | | 2022 | 2022 |
| Tūwharetoa Carbon Farms Limited | New Zealand | 100 | 100 |
| Tūwharetoa Limited | New Zealand | 100 | 100 |
| TST No 1 Limited | New Zealand | 100 | 100 |
| TST No 2 Limited | New Zealand | 100 | 100 |
| Tūwharetoa Forestry Rentals Limited | New Zealand | 100 | 100 |
| Tūwharetoa Property Limited | New Zealand | 100 | 100 |
| He Iwi Kāinga Tūwharetoa Limited Partnership | New Zealand | 100 | 100 |

e) Comparatives

Comparatives in the financial statements have been reclassified to conform with current year presentation.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above.

g) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

h) Investments and other financial assets

Financial assets in the scope of NZ IFRS 9 Financial Instruments are classified as either financial assets at fair value through profit or loss, fair value through other comprehensive income or subsequently measured at amortised cost. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and

appropriate, re-evaluates this designation at each financial year-end.

Financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

- i. Financial assets at fair value through profit or loss

The Group has designated its investments as financial assets at fair value through profit or loss as it manages the investments on a fair value basis in accordance with its investment strategy. Realised gains or losses on investments are recognised in the Statement of Comprehensive Income on the disposal of the investment. Movements in fair value give rise to unrealised gains or losses which are recognised in the Statement of Comprehensive Income.

- ii. Financial assets at fair value through other comprehensive income

No financial assets are currently classified as fair value through other comprehensive income by the Group.

- iii. Financial assets subsequently measured at amortised cost

These financial assets include cash and cash equivalents, trade and other receivables and loans receivable. They are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired.

i) Investment Property

Investment property is property principally held to earn rentals or for capital appreciation. Investment property is valued at cost less accumulated depreciation and impairment losses.

Investment property is depreciated at the following rates:

| | |
|----------------------------|----------------------|
| Land | 0% Diminishing Value |
| Buildings and Improvements | 2% Diminishing Value |

j) Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements.

The associates are entities over which the Group has significant influence but not control and are not either subsidiaries nor joint ventures.

Under the equity method, investments in associates are carried in the consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Profit and Loss, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including and unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

k) Impairment of non-financial assets other than goodwill

Non-financial assets are tested for impairment annually at balance date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an assets fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the

lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

l) Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is recognised in the Statement of Comprehensive Income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for gible asset.

Intangible assets with a finite life are amortised using the following rates on a straight line basis over the life of the asset.

| | |
|---------|---------|
| Website | 4 years |
|---------|---------|

m) Leases

The Group:

Recognises right-of-use assets and lease liabilities in the balance sheet initially measured at the present value of future lease payments;

Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of Comprehensive income; and

Separates the total amount of cash paid into a principal portion, presented within financing activities, and interest, presented within operating activities, in the Consolidated Statement of Cash Flows.

Under NZ IFRS 16, right-of-use assets are tested for impairment in accordance with

NZ IAS 36 Impairment of Assets. For short-term leases with a lease term of 12 months or less and leases of low-value assets, such as personal computers and office furniture the Group has opted to apply the recognition exemption as allowed under NZ IFRS 16 and recognize the lease expense on a straight line basis. The expense is presented within other expenses in the Consolidated Statement of Comprehensive Income.

The main difference between NZ IFRS 16 and NZ IAS 17 with respect to assets formally held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. NZ IFRS 16 requires that the Group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee as required by NZ IAS 17. This change does not have a material effect on the Group's consolidated financial statements.

n) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Revenue Recognition

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

i) Crown Forest Licence Fees

Crown Forest Licence Fees are paid to the Group by CNI Iwi Holdings Limited as a distribution of net Crown Forest Licence Fees on an agreed percentage. The fees are recognised when the right to the distribution is established. The share of these fees that are provided for the Forest Hapū Cluster Trusts is deducted from income of the Group.

ii) Rental Income

Rental income from operating leases is recognised on a straight line basis over the term of the lease. Any initial direct costs incurred in negotiating and arranging an operating lease are expensed at the time they are incurred.

iii) Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. The share of these revenues that are provided for the Forest Hapū Cluster Trusts is deducted from income of the Group.

p) Income Taxes

i) Income tax expense

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss, or items recognised directly in equity or in other comprehensive income.

ii) Current Income taxes

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

iii) Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against

which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Trust is taxed at the Māori Authority rate, currently 17.5% (2021: 17.5%).

q) Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of Trade and Other Receivables or Trade and Other Payables in the Statement of Financial Position.

r) Property, Plant & Equipment

All property, plant and equipment is initially recorded at cost less accumulated depreciation and less any impairment loss.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the Statement of Comprehensive Income and is calculated as the difference between the sale price and the carrying value of the item.

Depreciation is provided for on all tangible property, plant and equipment other than freehold land and capital work in progress, at depreciation rates calculated to allocate the asset's cost or valuation less estimated residual value, over their estimated useful lives.

The following depreciation rates have been applied:

| | |
|---------------------|-----------------------|
| Intangible Assets | 25% Diminishing Value |
| Plant and Equipment | 33% Diminishing Value |

s) Changes in Accounting Policies

The accounting policies have been applied consistently for the purpose of these financial statements.

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored. The statement of investment parameters and objectives (SIPO) provides the appropriate weightings of investments to minimise the overall risk to the Trust. The Trust regularly monitors the SIPO to ensure that there is compliance with these.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There is no significant concentrations of credit risk within the Group.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS

In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

5 DEED OF SETTLEMENT

On 25 June, 2008 a Deed of Settlement was entered into between the beneficiaries and Her Majesty the Queen in the right of New Zealand (the Crown), for the settlement of historical claims in relation to the Central North Island Forest Lands (CNIFL). The

settlement included ownership of the land, but did not include rights to the current forest plantation crop growing on the land.

As part of the CNI Forest Collective Settlement, Ngāti Tūwharetoa received:

- A Cash payment of \$66M
- 25.9% of the annual Crown Forest License fees.
- A share of three million NZUs (Carbon Credits)
- Preferential rights to buy certain Crown Assets
- A share of the 176,000ha of Central North Island forests (to be determined by a Mana Whenua process).

6 MANA WHENUA

The Mana Whenua process determines the allocation of CNI Forests Lands amongst the CNI Collective Iwi. All the lands are held in Trust by CNI Iwi Holdings Limited, until transferred to respective iwi, or otherwise determined by the CNI Iwi. Mana Whenua is a legislative process which includes three stages. The mana whenua allocations were completed for nine Kāingaroa Crown Forest CFLs in June 2014. The Final Allocation Report was issued 1 July 2014.

The Kāingaroa CFLS of Pukuriri and Waimaroke and Waimihia are the major CFLs to Tūwharetoa. These are yet to be determined. Through “kanohi ki te kanohi” agreement has been reached for Tūwharetoa to have exclusive rights to Taurewa and Waituhi Forests and shared rights with Ngāti Raukawa to the Pureora and Marotiri Forests.

Within Tūwharetoa the group of Hapū associated with each of these forests are referred to as Forest Hapū Clusters. Tūwharetoa Settlement Trust has completed an internal Hapū process to identify the Hapū with mana whenua in these land blocks. Trusts for each forest have been established except for Taurewa who are working through a mandate.

7 TAXATION

| | 2022 \$ | 2021 \$ |
|--|------------------|------------------|
| a) Components of Income Tax Expense | | |
| Current Tax Expense | 1,068,217 | 1,085,022 |
| Prior Year Under/(Over) Provision | (377,062) | (376,741) |
| Deferred Tax Expense/(Income) | 283,250 | (194,400) |
| Income Tax Expense | 974,405 | 513,881 |
| Charged to Profit or Loss | 691,155 | 708,281 |
| Charged to Other Comprehensive Income | 283,250 | (194,400) |
| | 974,405 | 513,881 |
| It is related to accounting profit as follows: | | |
| Total Comprehensive Income/(Loss) Before Tax | 4,038,582 | 5,597,639 |
| Tax at Applicable Rate of 17.5% | 706,752 | 979,587 |
| Tax Effect of Subsidiary Income Taxed at 28% | 21,500 | 27,957 |
| Tax Effect of Non-Taxable Income | (419,917) | (830,731) |
| Tax Effect of Non Deductible Expenditure | 759,882 | 908,209 |
| Other Adjustments | (377,062) | (376,741) |
| Income Tax Expense | 691,155 | 708,281 |
| b) Current Income Tax Payable/(Receivable) | | |
| Opening balance | 188,806 | (273,477) |
| Current year tax expense | 1,068,217 | 1,085,022 |
| Prior Year Under/(Over) Provision | (377,062) | (376,741) |
| Net taxes (Paid)/refunded | 38,124 | 482,930 |
| Net MATC's and RWT received | (644,661) | (729,066) |
| Other adjustments | (61,760) | 138 |
| Closing balance | 211,664 | 188,806 |
| c) Deferred Tax Liabilities/(Assets) | | |
| The Company has a net deferred tax liability of \$152,744 (2021: Liability of \$43,742) as at the end of the reporting period. The following table shows the build up of the net deferred tax liability. | | |
| Recognised in Profit and Loss | | |
| Tax Losses | (174,248) | - |
| | (174,248) | - |
| Recognised in Other Comprehensive Income | | |
| Investment - Associates | 283,250 | (194,400) |
| | 109,002 | (194,400) |
| Deferred Tax Liability/(Asset) at 30 June | | |
| Accrual Adjustments & Employee Provisions | (685) | (685) |
| Tax Losses | (174,248) | - |
| Investment - Associates | 327,677 | 44,427 |
| | 152,744 | 43,742 |
| d) Māori Authority Tax Credits (MATC) | | |
| Māori Authority Tax Credit Account Balance | 9,312,101 | 8,452,552 |
| Closing Balance as at 30 June | 9,312,101 | 8,452,552 |

8 CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, Cash and cash equivalents comprise the following:

| | | |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 4,353,374 | 1,097,545 |
| | 4,353,374 | 1,097,545 |

9 TRADE AND OTHER RECEIVABLES

| | 2022 \$ | 2021 \$ |
|---|----------------|---------------|
| Trade Receivables | 115,520 | 86,017 |
| Other Receivables | 263,257 | 13,156 |
| Tūwharetoa Hapū Forum Loan (2012) | 402,634 | 833,586 |
| Te Whenua Venture Holdings/Mangamāwhitiwhiti Guarantees | - | 3,320,042 |
| Tokaanu Township 2nd Residue Trust Loan | 536,687 | 536,687 |
| | 1,318,098 | 4,789,488 |
| Less impairment and provision for doubtful debts | (939,321) | (4,690,315) |
| Carrying amount of trade and other receivables | 378,777 | 99,173 |

The Group assesses the past payment history of customers and considers forward-looking information to determine the expected credit losses for trade receivables under the simplified approach under NZ IFRS 9. No expected credit losses have been recognised as at 30 June 2022.

Other than those disclosed at note 16, no debts are considered impaired and consequently no provision for impairment losses has been made.

(a) Related party receivables

For terms and conditions of related party receivables refer to note 16.

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

Tūwharetoa Hapū Forum Loan (2012) (THF)

The THF received a loan from the Trust in 2012 to support the Tūwharetoa Comprehensive Settlement claims. The recipient of the settlement is Te Kotahitanga O Ngāti Tūwharetoa (TKNOT), not the THF. As such repayment of the loan is dependant upon TKNOT accepting responsibility for the payment. The Trustees provided for non repayment of the full loan in prior financial periods. In the current financial year TKONT have agreed to repay the loan over a 36 month period commencing in October 2019. These repayments totaled \$430,952 in the current financial year and have been included in Sundry Income as the loan has been previously fully written off.

During the year Opepe Farm Trust paid \$250,000 and Ngāti Tūrangitukua Charitable Trust paid \$100,000 as full and final settlement of the sums under - written by the Te Whenua Venture Holdings / Mangamāwhitiwhiti guarantees. These amounts have been treated as other revenue as the full amount of the guarantees underwritten had been previously provided for as doubtful debts.

10 INVESTMENTS

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Investments | | |
| Cash | 2,706,508 | 9,743,038 |
| NZ Fixed Interest | 2,663,931 | 2,520,347 |
| NZ Equities | 1,987,406 | 3,181,895 |
| Overseas Fixed Interest | 5,768,821 | 6,825,645 |
| Overseas Equities | 14,634,063 | 13,823,320 |
| Property | 2,923,397 | 3,439,523 |
| Gondola Limited Partnership | 1,000,000 | 1,000,000 |
| Tūwharetoa Property Investment Partnership | 2,981,236 | 3,006,063 |
| Tūwharetoa Hau Rau Limited Partnership | 1,090,085 | 486,757 |
| | 35,755,447 | 44,026,588 |
| Represented by: | | |
| Current Investments | 30,684,126 | 39,533,768 |
| Non Current Investments | 5,071,321 | 4,492,820 |
| | 35,755,447 | 44,026,588 |

The above investments include funds held on behalf of the Forestry Hapū Clusters, as provisioned on the Trust achieving 100% Mana Whenua allocation.

The liability is shown on note 22. The funds held on behalf of the Forestry Hapū Clusters are as follows:

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Investments | | |
| Investments in Subsidiaries and Other Accounts | 11,976,387 | 14,596,410 |
| | 11,976,387 | 14,596,410 |

11 INVESTMENTS IN ASSOCIATES

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Kakano Investment Limited Partnership | 26,218,965 | 25,204,005 |
| Hautū-Rangipō Limited Partnership | 3,158,064 | 3,161,987 |
| Tauwhara ki te Hikuwai Limited Partnership | 1,224,597 | 1,168,631 |
| Te Whare Hono o Tūwharetoa Limited Partnership | 295,366 | - |
| Total | 30,896,992 | 29,534,623 |

Investment in Kakano Investment Limited Partnership

The Group has a 20.63% (2021: 20.63%) interest in Kakano Investment Limited Partnership which is an investment entity that holds a 3.13% (2021: 3.13%) investment in Kāingaroa Timberlands Limited. The

Associate is a privately held Limited Partnership that is not listed on any public exchange.

The Group's interest in the Associate is accounted for using the equity method in the consolidated financial statements.

| | 2022 \$ | 2021 \$ |
|---|-------------------|--------------------|
| Opening Balance | 25,204,005 | 25,355,353 |
| Share of associate profit/(loss) for the year | 996,805 | 1,155,531 |
| Share of associate other comprehensive income | 1,014,781 | (153,083) |
| Distributions to Partners | (996,626) | (1,153,796) |
| Closing carrying value of Associate | 26,218,965 | 25,204,005 |

Hautū-Rangipō Limited Partnership

The Group has a 19.74% (2021: 19.74%) interest in Hautū-Rangipō Limited Partnership which owns farm and forestry land near Tūrangi. The Associate is a privately held Limited Partnership that is not listed on any public exchange. The Group's interest in the associate is accounted for using the equity method in the consolidated accounts. As at 30 June

2020, Hautū-Rangipō revalued its land and buildings to current rating valuation which resulted in a total increase of \$13,257,000. The Group's share of this increase is \$2,616,500. This increase has not been recognised in the Group's investment in Hautū-Rangipō as the Group does not revalue land and buildings, and NZ IFRS 13 does not allow the use of rating valuation to revalue land and buildings.

| | 2022 \$ | 2021 \$ |
|---|------------------|------------------|
| Opening Balance | 3,161,987 | 3,238,406 |
| Share of associate profit/(loss) for the year | 233,644 | 267,163 |
| Distributions to Partners | (237,567) | (343,582) |
| Closing carrying value of Associate | 3,158,064 | 3,161,987 |

Tauwhara ki te Hikuwai Limited Partnership

The Group has a 50% (2021: 50%) interest in Tauwhara ki te Hikuwai Limited Partnership which owns a commercial property in Taupō. The Associate is a privately held

Limited Partnership that is not listed on any public exchange. The Group's interest in the associate is accounted for using the equity method in the consolidated accounts.

| | 2022 \$ | 2021 \$ |
|---|------------------|------------|
| Opening Balance | 1,168,631 | - |
| Addition | 50,000 | - |
| Share of associate profit/(loss) for the year | 5,966 | - |
| Closing carrying value of Associate | 1,224,597 | - |

Te Whare Hono o Tūwharetoa Limited Partnership

The Group has a 20% (2021: 0%) interest in Te Whare Hono o Tūwharetoa Limited Partnership which owns a commercial property in Taupō. The Associate is a

privately held Limited Partnership that is not listed on any public exchange. The Group's interest in the associate is accounted for using the equity method in the consolidated accounts.

| | 2022 \$ | 2021 \$ |
|---|----------------|------------|
| Opening Balance | - | - |
| Addition | 300,000 | - |
| Share of associate profit/(loss) for the year | (4,634) | - |
| Closing carrying value of Associate | 295,366 | - |

12 INVESTMENT PROPERTIES

| | 2022 \$ | 2021 \$ |
|---------------------------|------------------|------------------|
| Opening balance | 2,922,568 | 2,140,528 |
| Additions during the year | 6,644,175 | 782,040 |
| Less Depreciation | (35,393) | - |
| | 9,531,350 | 2,922,568 |

Description of the Group's investment properties

There is a 100% share in residential properties in Wairakei, held in the He Iwi Kāinga Tūwharetoa Limited Partnership. These properties were acquired in August 2019 and consist of: No's 11,13,17 & 20 Kauri Drive, Wairakei and 19 & 45 Maire Street, Wairakei.

There is a 100% share in residential sections in Tūrangi, held in the He Iwi Kāinga Tūwharetoa Limited Partnership. These sections were acquired in September 2020 and consist of Lot 37-49 Deposited Plan 34051, an area of 9,385m² more or less, being all the land contained in Record of Title WN46B/355 (Wellington Registry) and known as 2 - 26 Te Iwiheke Place.

There is a 100% share in commercial property, Lot 33 Deposited Plan SA53287, an area of 7,384m² more or less, known as 10 Maire Street, Wairakei, held in the He Iwi Kāinga Tūwharetoa Limited Partnership.

This property was acquired in July 2022.

There is a 100% share in residential properties, Section 8 & 10, corner Heeni Street and SH One, Wharewaka Taupō owned by Tūwharetoa Limited.

These properties were acquired in June 2020.

There is a 100% share in commercial properties, Lots 3 & 4 Deposited Plan 54048, 79-83 & 85 Horomotangi Street, Taupō owned by Tūwharetoa Limited.

These properties were acquired in April 2022.

There is an investment in Property Development, Te Iwiheke Place, being development of Land 2-26 Te Iwiheke Place, Tūrangi.

The Group does not revalue land and buildings, values are stated at cost less depreciation.

13 PROPERTY, PLANT AND EQUIPMENT

| | 2022 \$ | 2021 \$ |
|----------------------------------|---------------|---------------|
| Opening Cost | 163,227 | 150,049 |
| Additions | 1,634 | 13,178 |
| Disposals | (1,378) | - |
| Closing Cost | 163,483 | 163,227 |
| Opening accumulated depreciation | 134,397 | 126,769 |
| Current year depreciation | 10,040 | 7,628 |
| Disposals | (1,378) | - |
| Closing accumulated depreciation | 143,059 | 134,397 |
| Plant & Equipment Total | 20,424 | 28,830 |
| Closing Book Value | 20,424 | 28,830 |
| Intangible Assets | | |
| Opening Cost | 98,993 | 98,993 |
| Closing Cost | 98,993 | 98,993 |
| Opening accumulated depreciation | 93,022 | 89,516 |
| Current year depreciation | 344 | 3,506 |
| Closing accumulated depreciation | 93,366 | 93,022 |
| Intangible Assets Total | 5,627 | 5,971 |
| Closing Book Value | 5,627 | 5,971 |

14 TRADE AND OTHER PAYABLES

| | 2022 \$ | 2021 \$ |
|---|----------------|----------------|
| Trade and other payables | 2,739,811 | 395,994 |
| Other payables: | 241,149 | 49,625 |
| GST | 64,782 | (24,458) |
| Carrying amount of trade and other payables | 3,045,742 | 421,161 |
| Income in Advance | | |
| Rental Income Received in Advance | 225,000 | - |
| Grants Received in Advance | 5,000 | 271,837 |
| | 230,000 | 271,837 |

(a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Related party payables

For terms and conditions relating to related party payables refer to note 15.

15 RELATED PARTY DISCLOSURE

Related Party transactions of a material nature, which occurred during the financial year for which these financial statements are prepared for are:

(a) Mangamāwhitiwhiti Debt Guarantees - Provision for Doubtful Debts.

At the time that the Trustees (as the shareholders of Tūwharetoa Carbon Trust Limited) entered into agreements to purchase debt instruments from Westpac New Zealand Limited and Dorchester Finance Limited, the Deeds of Assignment of Debt included a number of securities with Ngāti Tūwharetoa Iwi organisations.

As there have been public expressions that the guarantees provided (notably by Opepe Farm Trust, Ngāti Turangitukua and Owawenga Trust (being entities that remain in existence and solvent) would not be called upon, the Trustees consider that it is prudent to reflect that the sums being under-written by those guarantees may not be collectable, thereby reducing the asset base of the Trust.

On that basis, in 2013 the Trustees determined that it was appropriate to make a provision for doubtful debts (per Note 9).

During the year Opepe Farm Trust paid \$250,000 and Ngāti Tūrangitukua Charitable Trust paid \$100,000 as full and final settlement of the sums under-written by the guarantees. These amounts have been treated as other revenue as the full amount of the guarantees underwritten had been previously provided for as doubtful debts.

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group has assessed that the Trustees and General Manager are key management personnel.

| | 2022 \$ | 2021 \$ |
|---|------------|------------|
| Remuneration, including meeting fees and travel costs | 331,088 | 350,662 |

(c) Other related parties

(i) Te Pae o Waimihia.

Greg Stebbing (General Manager, resigned July 2021) is a trustee of Te Pae o Waimihia. The Group recognises a provision to Te Pae o Waimihia as a result of the Group's trust deed. The amount recognised as a provision at 30 June 2022 was \$12,696,365 (2021: \$12,958,530).

The group continues to work collaboratively with Te Pae o Waimihia for the benefit of the Tūwharetoa Settlement Trust, this being evidenced by Te Pae o Waimihia being the majority shareholder in Tūwharetoa Property Investment Partnership and a 50:50 partner in Tauwhara ki te Hikuwai Limited Partnership which owns a commercial property at 11 Tūwharetoa Street, Taupō.

(ii) Opepe Farm Trust.

Temuera Hall who represents the Group on CNI IHL and Kakano is the Chairman of Opepe Farm Trust. The Group has an impaired receivable from Opepe Farm Trust in relation to the guarantees provided from the Mangamāwhitiwhiti transaction detailed above. During the year Opepe Farm Trust paid \$250,000 as full and final settlement of the sums under-written by the guarantees (2021: NIL)

(iii) Tūwharetoa Māori Trust Board.

The Tūwharetoa Māori Trust Board (TMTB) is a partner in the Tūwharetoa Property Investment Limited Partnership. Rakeipoho Taiaroa is the Manager-Commercial & Strategy for TMTB and Georgina te Heuheu and Judy Harris are Board members of TMTB.

(iv) Lake Rotoaira Forest Trust.

Lake Rotoaira Forest Trust (LRFT) is a partner in the Tūwharetoa Property Investment Limited Partnership. Judy Harris is a Trustee of LRFT.

16 REVALUATION RESERVE

| | 2022 \$ | 2021 \$ |
|---|-------------------|-------------------|
| Investment Revaluation | 219,705 | 219,705 |
| Kakano Investment LP - Revaluation and Foreign Currency Translation | | |
| Opening | 13,458,952 | 13,417,635 |
| Revaluation | 1,014,781 | (153,083) |
| Deferred Tax | (283,250) | 194,400 |
| | 14,190,483 | 13,458,952 |
| Total revaluation reserves | 14,410,188 | 13,678,657 |

17 COMMITMENTS

The Trustees have approved an investment of \$50,000, representing a 25% share in the North Island Mānuka Limited Partnership.

He Iwi Kāinga Tūwharetoa Limited Partnership has signed an offer to purchase a property, Lot 33 DP SA53287 10 Maire

Street, Wairakei at a purchase price of \$1,600,000. The agreement includes a 3 year commercial lease of \$225,000 plus GST to the vendor, Blue Light Ventures Incorporated.

This agreement was unconditional at 30 June and was settled on 29 July 2022.

18 AUDITOR'S REMUNERATION

The auditor of Tūwharetoa Settlement Trust and the Group is Crowe New Zealand Audit Partnership. Auditors' remuneration is included in Professional Services and other expenses in the Statement of Comprehensive Income.

| | 2022 \$ | 2021 \$ |
|---|---------------|---------------|
| Amounts received or due and receivable by the current Auditors (Crowe New Zealand Audit Partnership) for: | | |
| Audit of the financial statements | 26,000 | 19,045 |
| Other assurance-related services | - | 1,504 |
| | 26,000 | 20,549 |

19 CONTINGENT ASSETS

Tūwharetoa Limited has acquired a 25% share in the North Island Mānuka Limited Partnership, the business of the Limited Partnership is to establish and operate a mānuka plantation within the Kāingaroa forest estate, between Rotorua and Taupō.

20 SUBSEQUENT EVENTS

The Group has a \$1,000,000 investment in the Tūwharetoa Gondola Limited Partnership (Limited Partnership) which in turn has invested in a Bond issued by Ruapehu Alpine Lifts Limited (RAL) the operator of Whakapapa and Turoa ski fields on Mount Ruapehu to fund the development of a Gondola. In early October 2022 John

Fisk and Richard Nacey of PwC were appointed as Voluntary Administrators of RAL.

The Limited Partnership has a registered first mortgage over the gondola asset. The Trustees have determined that it is too early to consider impairment of this asset but will continue to monitor this closely.

21 FOREST HAPŪ CUSTER TRUSTS

The Group has an obligation to the Deed of Trust to manage the process whereby Forest Hapū Cluster Trusts (FHCT) are established and funds attributable to them from the CNI Settlement are distributed.

The FHCTs were established 19 December 2012 and an initial transfer was made on 21 December 2012, as per clause 3.3 of the Trust Deed.

(a) The Trustees are required to transfer 60 percent of the Accumulated Rentals to the relevant Forest Hapū Cluster Trusts before the end of 2012, even if the Hapū Allocation Process is not completed by that time. Any such allocation shall be revocable on the basis of the extent to which the relevant forests are received by the Trust and the final outcome of the Hapū Allocation Process.

The provision for the final distribution is based on 100% Mana Whenua for Waimihia North and South Forests, 100% Taurewa

Forest, 100% Waituhi Forest and 50% for Marotiri and Pureora South Forests.

At the December 2017 AGM the members resolved to alter clause 3.3(h) to read:

(b) That the Trustees shall be entitled from time to time, subject to the sensible and proper exercise of their discretion, which may involve the imposition of various conditions, to transfer all and or part thereof of the Accumulated Rentals, as are held from time to time in respect of the Forest Hapū Cluster Trust to each of the relevant Forest Hapū Cluster Trusts.

The CNI Mana Whenua process has been completed for the 4 Southern Forest but is yet to be resolved for Waimihia North and South Forests; Taurewa Forest - 100% Tūwharetoa, Waituhi Forest - 100% Tūwharetoa, Marotiri Forest - 50% Tūwharetoa, Pureora Forest - 50% Tūwharetoa and 50% Raukawa.

| | 2022 \$ | 2021 \$ |
|---|-------------|-------------|
| Opening Balance | 14,768,000 | 13,406,782 |
| Additions to Provision | 45,090 | 3,167,290 |
| Amounts Used through Distribution to FHCT's | (2,588,377) | (1,806,072) |
| | 12,224,713 | 14,768,000 |

| 2022 | Te Pae o Waimihia | Waituhi | Marotiri - Pureora | Taurewa | Total |
|--|----------------------|--------------|-----------------------|----------------|-------------------|
| Opening balance | 13,125,550 | - | - | 1,642,450 | 14,768,000 |
| Share of CNI income | 1,798,970 | 34,520 | 41,973 | 39,059 | 1,914,522 |
| Less: CNI income held in Accounts payable | (1,167,394) | | | (9,178) | (1,176,572) |
| Investment Income | (706,789) | - | - | 13,929 | (692,860) |
| Adjustment to Provision | 287,158 | - | - | | 287,158 |
| Capital Distribution | - | - | - | (874,854) | (874,854) |
| Distributions | (1,808,524) | (29,637) | (41,973) | (120,547) | (2,000,681) |
| Closing Balance | 11,528,971 | 4,883 | - | 690,859 | 12,224,713 |

| 2021 | Te Pae o Waimihia | Waituhi | Marotiri - Pureora | Taurewa | Total |
|-------------------------|----------------------|----------|-----------------------|------------------|-------------------|
| Opening balance | 12,073,594 | - | - | 1,333,188 | 13,406,782 |
| Share of CNI income | 1,473,997 | 18,502 | 49,483 | 42,607 | 1,584,589 |
| Investment Income | 1,565,526 | - | - | 17,175 | 1,582,701 |
| Adjustment to Provision | (274,975) | - | (49,483) | 249,480 | (74,978) |
| Distributions | (1,712,592) | (18,502) | - | - | (1,731,094) |
| Closing Balance | 13,125,550 | - | - | 1,642,450 | 14,768,000 |

22 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

| 2022 | Financial assets at FV through profit and loss | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|------------------------------|--|------------------------------------|---|-------------------|
| Financial assets | | | | |
| Cash and cash equivalents | - | 4,353,374 | - | 4,353,374 |
| Investments (current) | 27,977,618 | 2,706,508 | - | 30,684,126 |
| Investments (non current) | 5,071,321 | - | - | 5,071,321 |
| Trade and other receivables | - | 378,777 | - | 378,777 |
| Total | 33,048,939 | 7,438,659 | - | 40,487,598 |
| Financial liabilities | | | | |
| Trade and other payables | - | - | 3,045,742 | 3,045,742 |
| Lease liabilities | - | - | 57,567 | 57,567 |
| Total | - | - | 3,103,309 | 3,103,309 |

| 2021 | Financial assets at FV through profit and loss | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|------------------------------|--|------------------------------------|---|-------------------|
| Financial assets | | | | |
| Cash and cash equivalents | - | 1,097,545 | - | 1,097,545 |
| Investments (current) | 29,790,730 | 9,743,038 | - | 39,533,768 |
| Investments (non current) | 4,492,820 | - | - | 4,492,820 |
| Trade and other receivables | - | 99,173 | - | 99,173 |
| Total | 34,283,550 | 10,939,756 | - | 45,223,306 |
| Financial liabilities | | | | |
| Trade and other payables | - | - | 421,161 | 421,161 |
| Lease liabilities | - | - | 50,422 | 50,422 |
| Total | - | - | 471,583 | 471,583 |

23 LEASES

The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases, defined as leases with a lease term of 12 months or less, and leases of low value assets. For these leases the Group recognises the lease payments as an operating lease on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined the Group uses its incremental borrowing rate (IBR).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability, using the effective

interest method, and reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset.

The estimation of the IBR relies on the Directors considering the credit risk of the Group. If the credit risk of the Group differs

from what is estimated, the IBR may differ, and consequently the future net present value of the lease cash flows may be over or understated.

The determination of the lease term relies on the Directors view of the likelihood of any lease renewal options being renewed. If the lease renewal options included and then not taken up, or are not included and are taken up, the net present value of the lease cash flows may be over or understated.

The Group leases several assets including buildings and office equipment. The weighted average lease term is 1 year.

| RIGHT OF USE ASSETS | Buildings \$ | Office Equipment \$ | 2022 \$ | 2021 \$ |
|---|---------------|---------------------|---------------|---------------|
| Cost | | | | |
| Balance 1 July | 81,803 | 10,200 | 92,003 | 41,581 |
| Additions | 57,567 | - | 57,567 | 50,422 |
| As at 30 June 2022 | 139,370 | 10,200 | 149,570 | 92,003 |
| Depreciation | | | | |
| Balance 1 July | 31,381 | 10,200 | 41,581 | 33,265 |
| Depreciation expense | 50,422 | - | 50,422 | 8,316 |
| As at 30 June 2022 | 81,803 | 10,200 | 92,003 | 41,581 |
| | 57,567 | - | 57,567 | 57,567 |
| Amount recognised in profit and loss | | | | |
| Total cash outflow for leases | | | 36,120 | 5,671 |
| Interest expense on lease liabilities | | | 1,382 | 144 |
| Lease Liabilities | | | | |
| Current liability | 57,567 | - | 57,567 | 50,422 |
| | 57,567 | - | 57,567 | 50,422 |
| Maturity Analysis | | | | |
| Not later than 1 year | | | 57,567 | 50,422 |
| | | | 57,567 | 50,422 |

The Group does not face a significant liquidity risk with regard to its lease liabilities.

24 IMPACT OF COVID-19

Although the Group has been impacted by COVID-19 the Board of Trustees have concluded that the Group will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because the entity has sufficient cash resources that can maintain current expenditure for at least 12 months from the date of signing of these financial statements.



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INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Tuwharetoa Settlement Trust

Opinion

We have audited the consolidated financial statements of Tuwharetoa Settlement Trust (the Trust) and its controlled entities (the Group) on pages 2 to 20, which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

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

Other than in our capacity as auditor we have no relationship with, or interests in, Tuwharetoa Settlement Trust or any of its controlled entities.

Information Other Than the Financial Statements and Auditor's Report

The Trustees are responsible for the other information. The other information comprises the information included in the Schedule of Expenses, Distributions and Fair Value Adjustments report on pages 24 to 25, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Trustees' Responsibilities for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 economic decisions of users taken on the basis of these consolidated 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 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 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 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 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 to cease to continue as a going concern.

2021 annual general meeting minutes

Held on Saturday 20 November 2021 at 10:00am
Via Livestream at AVP Studios, Manuka Street, Taupo, 3330

1. WHAKATUWHERATANGA

1.1. PRESENT

Rakeipoho Taiaroa (Chairman), Joanne Te Huia, Judy Harris, Dylan Tahau, Greg Stebbing.

1.2. APOLOGIES

Te Ariki Tā Tumu te Heuheu, Hon Georgina te Heuheu (Deputy Chair), Paranapa Otimi, Sean te Heuheu (General Manager). 61 members as part of the Apologies register.

1.3. IN ATTENDANCE

109 members registered into the livestream.

2. TE TIMATANGA/KARAKIA

The hui commenced with a karakia from Dylan Tahau.

The Chairman welcomed all those who had joined the hui, including whānau from Australia and other countries. He acknowledged attendance of those registered in the livestream and the time taken to do so. He explained the agenda and invited the Trustees and staff to introduce themselves.

The Trustees introduced themselves in turn.

The Chairman acknowledged that due to a tangihanga some of the Trustees and Staff were not in attendance for the AGM and had asked their apologies be recorded.

3. AGM HOUSEKEEPING

Judy Harris went through the housekeeping items advising that:

- the Livestream would be recorded, and a full replay will be available on the TST website.
- the Annual report would be available online or a hardcopy can be requested from the office.
- the software “Slido” would allow members to ask questions and vote on resolutions.
- that questions would be moderated and if not answered today would be answered via email.

3.1. APOLOGIES

The Chairman acknowledged the apology of the TST General Manager Sean te Heuheu, and Trustee Georgina te Heuheu due to tangihanga and wished the whānau well.

Trustee Jo Te Huia confirmed the 61 apologies received and thanked the whānau for taking the time to log their apologies.

Resolution 3.1 THAT the apologies be received

| Moved | Seconded |
|-------------------------|---------------|
| Raina Ferris-Bretherton | Rahapa Rameka |

The Motion was voted on and CARRIED

3.2. UNCONFIRMED MINUTES OF 2020 ANNUAL GENERAL MEETING

The Chairman reported that the minutes of the AGM held on the 21 November 2020 were available in the Annual Report. There were no matters arising.

Resolution 3.2 THAT the minutes of the 2020 AGM held 21 November 2020 be approved.

| Moved | Seconded |
|-------------------|-------------------|
| Rakeipoho Taiaroa | Courtney Marshall |

The Motion was voted on and CARRIED

4. WHO ARE WE

The Chairman advised that the Tūwharetoa Settlement Trust (TST) was an organisation born from the Central North Island (CNI) Settlement and introduced a video that gave a synopsis of the TST and its origins.

5. CHAIRMAN'S REPORT

The Chairman presented his Chairman's report as outlined in the Annual Report, for the year ended 30 June 2021.

5.1. STRATEGIC GOALS

The Chairman referred to the Trust 2021-2023 Strategic Plan and outlined the Trust's strategic objectives:

- Strong investments have allowed TST to provide notable benefits back to our whānau
- Strong social focus in the Trust's current strategic plan
- Provide support and enhancement of the Arikitanga
- Develop pathways for our Iwi into safe and healthy homes
- Develop and enhance hapū/Iwi relationships
- Support initiatives that promote the uniqueness of Ngāti Tūwharetoa
- Support Ngāti Tūwharetoa marae
- Close to \$1 million provided back to our Iwi in 2020/2021 in the form of grants.

5.2. ADMINISTRATIVE ALIGNMENT

The Chairman explained the separation of commercial and fiduciary functions within the operational staff. This includes:

- Sean te Heuheu as the new General Manager
- Previous General Manager Greg Stebbing taking on the Commercial Advisor role
- The recruitment of a Housing team
- The employment of a Trust Accountant

5.3. COVID-19 RESPONSE

The Chairman briefed the hui on the current COVID-19 environment (with COVID now present in both Taupō and Tūrangi). The TST has collaborated with the office of Te Arika Tā Tumu te Heuheu to provide support to our iwi. The Triumvirate (which includes the Tūwharetoa Māori Trust Board and Ngāti Tūwharetoa Fisheries Charitable Trust) has provided support through Tūwharetoa Health with vaccination drives.

5.4. COLLABORATION

The Chairman spoke to the efficiencies gained by the Triumvirate (TST / TMTB / NTFCT) through collaborative working. Examples of such being:

- the Member Database
- the Grants
- Staff – Shared Services
- COVID-19 Support
- the Shared Investments

5.5. THREAT TO TŪWHARETOA LAND

The Chairman reported on a hui held July 2021 with Tūwharetoa landowners which is a focus of TST to help facilitate and coordinate our people. The Crown through legislation is limiting Tūwharetoa landowners abilities to be kaitiaki of their lands. The Hui was the culmination of previous discussions regarding the designation by the Crown of Significant Natural areas on Tūwharetoa lands.

The Chairman reported that the Te Arika Tā Tumu te Heuheu has written a letter directly to the Prime Minister Jacinda Ardern and copied to other noted Ministers. A response was received and a meeting between the Arika and the Crown is planned in the new year.

5.6. LOOKING AHEAD

The Chairman reported the 2044 goal of 150 million in assets is on target and forecasting slightly higher than expected.

5.7. MANA WHENUA

The Chairman provided an update on the current position of the CNI Mana Whenua process. He reported that the matter was currently in the High Court, with Ngāti Manawa having filed proceedings seeking a declaratory judgement to further their position in relation to the mana whenua of certain lands within the CNI Iwi Forests. Depending on which way the judgement might go, there could be a change in income and dealings with CNI lands. A decision on the current court proceedings is expected to be delivered toward the end of 2022.

5.8. MARAE PAEPAE JACKETS

The Chairman reported on the distribution of over 200 jackets for our kaumātua on the Paepae. The jackets are to assist our people to stay warm in the cold winters and show the value that the TST places on its kaumātua and the tikanga of our Marae Paepae.

The Chairman ended his report by thanking the Trustees who put in the time and effort to ensure the assets of the Tūwharetoa Settlement Trust are governed well. The Chairman acknowledged

- the new staff hired as part of the housing kaupapa
- the legal and financial advisors who contribute to the important decisions made within the commercial space and finally Greg Stebbing who still maintains his relationship with TST as Commercial Advisor.

Resolution 5.8 THAT the Chairmans report be recieved.

Moved

Seconded

Patricia Otimi

Dominic Bowden

The Motion was voted on and CARRIED

6. OPERATIONS REPORT

The Chairman introduced Greg Stebbing to present the Operations Report in place of Sean te Heuheu (the current General Manager).

6.1. MARAE OPERATIONAL GRANTS

Greg Stebbing reported that Operational grants had been provided by TST to the 29 Marae across Tūwharetoa. These \$15,000 grants have been provided to Ngāti Tūwharetoa Marae for the last five years. This contribution provides support towards day-to-day upkeep and operational costs associated with running our Marae. Feedback indicates that this support is very well received by our Marae.

6.2. EDUCATION GRANTS

These are provided in collaboration with the Tūwharetoa Māori Trust Board and Ngāti Tūwharetoa Fisheries Charitable Trust. In the previous financial year \$827,000 worth of funds were provided between the three entities, with a 30% increase from the previous year. This was due to a transition to online applications and is still expected to increase as it becomes easier for our members to apply.

6.3. MARAE CAPITAL WORKS GRANTS

Another grant provided in collaboration with the Triumvirate. Five Marae received Capital Works grants to total value of \$427,959. These were:

- Hirangi Marae
- Maniaiti Marae
- Maroanui Marae
- Opaea Marae and
- Waitetoko Marae.

6.4. MEMBERS DATABASE

The Triumvirate decided to amalgamate their membership databases to create efficiencies and make it easier for our whānau to register. Greg Stebbing reminded our members to keep their details up to date to ensure they can receive the benefits provided to our members.

6.5. STEM SCHOLARSHIPS

The TST awards three scholarships in the fields of Science, Technology, Engineering and Mathematics. These scholarships are for \$10,000 and are awarded annually. For the Financial Year 2020/21 these were awarded to:

- Shaun McNeil - Ngāti Tūrangitukua
- Charquera Tobin-Cribb - Ngāti Te Kohera
- Tia Haira - Ngāti Hine.

More details regarding the applicants can be found in the Annual Report.

7. HOUSING STRATEGY

Dylan Tahau reported after the previous years' work, the TST decided to investigate the condition of Tūwharetoa Kāinga. As a result of this, the Tūwharetoa Housing Strategy was developed. Through the Strategy, TST was able to resource this area with a Programme Manager in Piki Taiaroa. The Team includes three pilot programmes of which will be discussed later. Dylan Tahau acknowledged the work of Melanie Henry, Aaron Te Huia and Wikitoria Blandina Diamond, who provide the grassroots of working in those projects.

7.1. ADVICE AND ADVOCACY

Melanie Henry continues to provide Advice and Advocacy to Tūwharetoa whānau focused on Increasing financial literacy and creating action plans to move towards home ownership. This programme involves supporting whānau when engaging with banks, real estate agents and solicitors and connecting whānau with local professionals who understand our te ao Māori approach.

7.2. REPAIRS AND MAINTENANCE

Aaron Te Huia is preparing to carry out healthy home inspections. He will be carrying out 100 inspections before the end of the programme. Whānau will be given a healthy homes report, prioritising repairs. The Advice and Advocacy team will support whānau to source funding from external providers.

7.3. RESIDENTIAL BUILDS AND PAPA Kāinga DEVELOPMENT

Blandina Diamond continues to provide advice and support to Māori landowners regarding Papakāinga Developments. TST is working in partnership with a Housing Collective to secure funding that will support the TST to build 13 houses on land at Te Iwiheke Place, Tūrangi.

7.4. HOUSING SURVEY

The recent second housing survey collected over 800 responses. From this survey information we now know that:

- 60% of whānau would like to own their own home on their own accord or through “rent to own” or “shared equity” options.
- Of these whānau the biggest hurdle to home ownership was obtaining a deposit.
- Of our whānau who are already home owners,
- 50.7% had issues with their homes that required repair.
- The majority of repairs involved roofing, guttering, bathrooms and kitchens and
- 30% of whānau would prefer to live in a Papakāinga development.

7.5. NEXT STEPS

The He Iwi Kāinga team is sourcing funding for the Residential Build Programme, with a group of other entities in the North Island. Finalising additional funding for the Advice and Advocacy Programme to provide whānau engagement through workshops, webinars and Marae visits. There is the target of completing 100 whare assessments and reports by 30 April 2022.

Dylan Tahau completed his report by acknowledging that TST has the team in place and is working hard to ensure we are delivering on the strategy.

The Chairman noted that at the last AGM, Aaron Te Huia was recorded in the Minutes as volunteering his services to Tūwharetoa and is now employed by the Trust to carry out this work. It shows TST's commitment to this kaupapa and where possible engaging our whānau to be involved.

| Resolution 7.5 | Moved | Seconded |
|--|----------------|-------------------|
| THAT the Operations report be recieved. | Te Mahau Kingi | Stephen Maniapoto |
| The Motion was voted on and CARRIED | | |

The Chairman reported on possible technical issues faced by our whānau to connect to the livestream and ways to alleviate those problems.

8. FINANCIAL REPORT

Greg Stebbing started the financial report acknowledging a mistake in the presentation which shows income being down from last year. The correct result was an increase in \$700,000. The main driver on this improvement was the Kakano investment through the Kāingaroa Forest.

G Stebbing advised the main points of the financial performance being:

- Increase in forest land values of up to 50%.
- Managed funds investments increasing (managed through Iwi Investor).
- Operating costs increasing through the start of the Housing Programme and Team. Mitigated by funding provided by Bay Trust and the Ministry of Housing and Urban Development.

8.1. FINANCIAL POSITION

- An equity increase of \$4.9 million
- Total equity now at \$61.8 million, compared to \$16.3 million in 2013.
- \$2.9 million now invested in He Iwi Kāinga Strategy, residential properties

8.2. MANAGED FUNDS

- Strong return of around 10% (net of fees) for the year ending June 2021.
- Markets bounced back strongly from the lows reached during COVID-19 initial outbreak 2020.
- Performance well ahead of inflation and short-term interest rates.
- Since December 2017 the cumulative gain is around 25%. Approximately 20% ahead of what investors would have earned keeping their money ‘in the bank’.

8.3. INVESTMENT PARTNERSHIPS

- Tūwharetoa Hau Rau Limited Partnership. Joint fund with 25 other iwi organisations. Profit after Tax was 8% and 20% higher than in 2020.
- Tūwharetoa Gondola Limited Partnership is a collaborative Tūwharetoa effort. Ruapehu Alpine Lifts (RAL) are meeting their financial obligations to the bond holders despite COVID.
- Hautū Rangipō Whenua Limited Partnership. A purchase through the deferred selection process. Returns between 6 and 7%.
- Te Kakano Whakatipu Limited Partnership. An outstanding investment for the Trust. Income up 9% from the previous year.

Greg Stebbing made note of the key statistics including a total operating income 9% increase from 2020, total operating expenses 12% decrease from 2020 and total assets 12% increase from 2020.

| Resolution THAT the Financial report be received. | |
|---|--------------|
| Moved | Seconded |
| Danny Loughlin | Aroha French |
| The Motion was voted on and CARRIED | |

| Resolution THAT Crowe be reappointed as auditors. | |
|---|-----------|
| Moved | Seconded |
| Raina Ferris-Bretherton | Cher Mohi |
| The Motion was voted on and CARRIED | |

The Chairman reported the importance of successful commercial investments and TST’s focus on housing in this financial year.

The Chairman recommended that anyone who was having issues logging into the Livestream, to report this to the operations team.

9. MANGAMĀWHITIWHITI GUARANTEES

The Chairman gave historical information on the Mangamāwhitiwhiti guarantees and the need to correct and finally resolve the issue which was found in 2013 when the new Trustees were originally appointed.

The Tūwharetoa Settlement Trust (the TST) acquired the land at Mangamāwhitiwhiti from Westpac Bank and Dorchester finance as the entity which owned the land. Te Whenua Venture Holdings Limited (TWVL), could not meet its obligations.

Opepe Farm Trust (Opepe) and The Ngāti Tūrangitukua Charitable Trust (Tūrangitukua) were shareholders in TWVL and were bound into the obligations of TWVL to Westpac and Dorchester.

Dorchester also had obtained a judgement against Opepe, Tūrangitukua and others, which was assigned to TST when we purchased the land from Westpac and Dorchester.

The financial summary is that the TST paid the sum of \$10,280,042 for the land and will receive recoveries. The following offers have been made by Opepe and Tūrangitukua:

- Opepe is to make 20 payments over 20 years of \$12,500 totalling \$250,000
- Tūrangitukua to make 5 payments of \$20,000 over 5 years totalling \$100,000.

If accepted the shortfall to TST will be \$759,411 in total.

The Chairman utilised a waterfall chart to explain the ways in which TST recovered the initial Dorchester and Westpac debt via Nitrogen Grants, Hautu Rangipo profits and share of the Hautu Rangipo Asset Value. It is also expected that in the next five years through those investments the shortfall will be reclaimed.

The Chairman reported, as Trustees they were duty bound to gather in all the assets of the TST and required members' confirmation by resolution that they agreed with the Trustee's recommendation in order that the TST might accept the offers from Opepe and Tūrangitukua and write off any and all shortfall owing.

The Trustee's recommendation to the hui was that the TST accept the offers from each Opepe and Tūrangitukua as outlined

previously and write off any balance that would be owing by them and any others.

Resolution 7.5 THAT the TST accept the offers from each of Opepe Farm Trust and The Ngāti Tūrangitukua Charitable Trust as outlined above and write off any balance that would be owing by them and any others

| Moved | Seconded |
|-------------------------------------|---------------|
| Danny Loughlin | Greg Stebbing |
| The Motion was voted on and CARRIED | |

It was noted that the vote was 97% in favour and 3% against.

10. GENERAL BUSINESS

The Chairman then used the General Business time to answer questions made to the TST Board.

10.1. Julie Nathan: "Yes I think the jackets are an awesome gesture."

Rakeipoho Taiaroa: "Ngā mihi Julie"

10.2. Courtney Marshall: "Kia ora Trustees, on behalf of Otukou Marae I would like to thank you immensely for the ongoing support through the Marae Operational Support Grant, Ngā mihi".

10.3. Connie Hapi: "Is the housing only focused in Tūwharetoa, what about outside the area?"

Dylan Tahau: "Kia ora Connie, ngā mihi mo te whakaaro with the patai. Yes it is focused primarily on here at home. Our three pilots initially are focusing on He Iwi Kāinga and that is Tūwharetoa looking after our homes."

10.4. Dave Potaka: "Pukawa Marae would like to thank TST for the operational grant. This makes a huge difference to our Marae, ngā mihi, Dave Potaka. Committee Chair."

Rakeipoho Taiaroa: thanked Dave for his comment and noted his wonderful work at Pukawa.

10.5. Dylan Sheehan: "Would the Trust consider creating a food bank for registered members?"

Greg Stebbing: "I think the focus has been

from Tūwharetoa of supporting the local organisations that are already setup to do this. So its more likely that this would occur through one of the Non-Government Organisations that are already well setup to do it, with financial support from various Trusts.”

10.6. Julie Nathan: “Thank you for the clarification around Mangamāwhitiwhiti, well done.”

Rakeipoho Taiaroa: “Thanks Julie for you comment”

10.7. Trish Otimi: “Mana whenua hapū in Hautu Rangipō lands did not have the means to enter into the buy-back. What’s TST’s appetite to support hapū like FHCs in Hautu Rangipo Whenua LP or as Kaitiaki?”

Greg Stebbing: “As you probably know Trish we were trying an option of which the 8 hapū that were identified as having mana whenua in those lands, could participate financially. The grouping did not take up that offer, although it would always still be on the table with the TST. It’s just a matter of the hapū getting themselves organised and coming back and talking to us. Thanks.”

10.8. Katie Tahau: “Paepae Jackets sound great. Will they be available online on your website to purchase? Very impressed with the running of this hui. The Chairman is fantastic. Ngā mihi ki a koutou.”

Rakeipoho Taiaroa “Thank you very much Katie. Yes, they will be online. They certainly will be now and there will be a charge. But no, Kia ora Katie, we will have this available to our families and we’ll have it on our website as well and the charge will be at cost. So whānau please look at the website in regard to this.”

10.9. Cynthia Ellis: “Kia ora, Korohe Marae would like to send our thanks for the annual Marae Grant.”

Rakeipoho Taiaroa: “Thanks Cynthia and I hope you were able to resolve your wifi issues and get everyone online.”

10.10. Marie Hartley: “Ka pai Rakei, finally managed to get them all online. Very happy with the outcome.”

Rakeipoho Taiaroa: “Thanks to Marie and Cynthia who have been working hard to make sure their hapū would have access to the online AGM.”

10.11. Warren Osborne: “Thank you Trustees and staff for your hard work and excellent results this year. We are well served by your diligence and integrity ngā mihi”

The Trustees thanked Warren for his comment.

10.12. Te Rina Chan: “ Ae this is awesome, sending acknowledgements and greetings from Sydney.”

11. CLOSE

The Chairman finished the hui by thanking everyone who gave their time today and provided the table an opportunity for final comment. Each of the Trustees took the time to acknowledge those who attended the hui and wished all a Merry Christmas and happy holiday period.

Dylan Tahau Closed the hui with a karakia at 10:52 am.

Verified as a true and correct record of this meeting

Signed:  R Taiaroa, Chairman



 *KO AU Ā*
TŪWHARETOA

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