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WAIKATO RAUPATU  
LANDS TRUST  
ANNUAL REPORT

NAVIGATING OUR FUTURE

## He maimai aroha

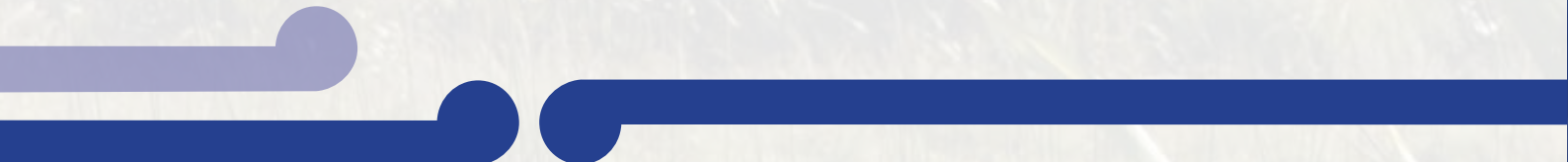
*E ruhi maa, e koro maa,  
E tai maa, e hine maa.*

*Koutou kua tere i runga i te au o aituaa,  
Koutou kua pari i runga i te ia o ake ake,  
Ka tangi mapu kau,  
Ka tangi iere kau.*

*Kei ngaa pou o ngaa marae,  
Kei ngaa amo o te kaupapa.*

*Naa koutou te kaupapa i ora ai,  
Naa koutou te iwi i puea ai,  
Naa koutou ngaa tikanga i tuu ai,  
Naa koutou ngaa marae i kotahi ai.*

*Waiho mai ki muri nei ngaa whakatupuranga  
e haapai i aa koutou kaupapa kia tutuki noa.*



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## Key Performance Highlights

- *Novotel Auckland Airport Hotel opened*
- *Final two stages of Te Awa mall, The Base, Te Rapa, completed*
- *Tainui Group Holdings revenue growth of 57.7% for a net profit of \$39.9m*
- *Te Ope Koiora o Waikato-Tainui launched*
- *Waikato-Tainui Masters of Business Administration launched*
- *Renovation of Mahinaarangi completed*

*See pages 20 - 25 for more detailed information about these highlights*

## Key Statistics

*Tribal membership* **62,866**

	2012	2011
<i>Net profit</i>	<b>\$34.6m</b>	<b>\$15.9m</b>
<i>Revenue</i>	<b>\$56.9m</b>	<b>\$37.1m</b>
<i>Equity</i>	<b>\$595.6m</b>	<b>\$558.5m</b>
<i>Total Assets</i>	<b>\$802.5m</b>	<b>\$775.1m</b>
<i>Distributions</i>	<b>\$6.8m</b>	<b>\$4.4m</b>

## Vision

Maaku anoo e hanga i tooku nei whare  
Ko ngaa whare pou oo roto he maahoe,  
he patatee  
Ko te taahuuhuu he hiinau  
Me whakatupu ki te hua o te rengarenga  
Me whakapakari ki te hua o te kawariki

I shall build my house from the lesser known trees  
of the forest.

The support posts shall be of maahoe and patete,  
and the ridge pole of hiinau.

My people will be nourished by the rengarenga  
and strengthened by the kawariki.

Kiingi Taawhiao

## Trust Profile

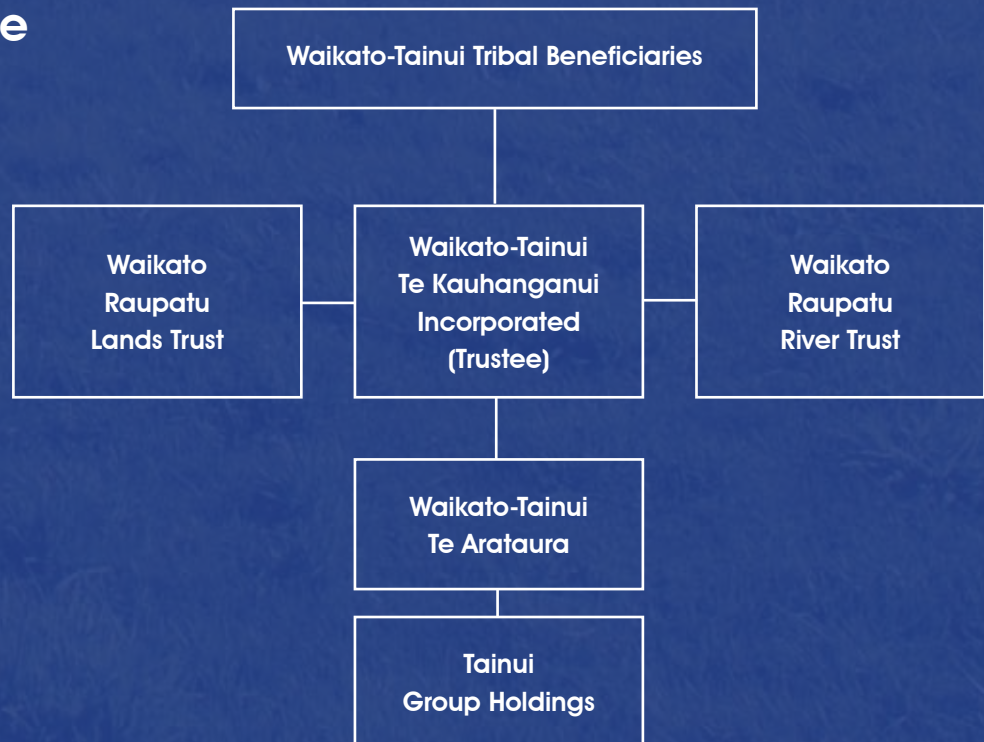
Waikato-Tainui Te Kauhanganui Incorporated (WTKI) is the tribal authority of Waikato-Tainui. WTKI is represented by a 199-member Parliament which consists of three representatives from each Waikato-Tainui marae and one representative appointed by the head of the Kaahui Ariki, Kiingi Tuheitia.

From that Parliament, 10 members are elected to its executive body Te Arataura, and one is appointed by Kiingi Tuheitia. Te Arataura oversees tribal operations based at Hopuhopu and at the Waikato Raupatu River Trust in Hamilton.

The Waikato Raupatu Lands Trust was created by the Raupatu Claims Settlement Act and manages distributions for the collective benefit of nearly 63,000 registered tribal members.

Established for charitable purposes, the Waikato Raupatu Lands Trust makes distributions for education, health and wellbeing, marae, social and cultural development and is the parent entity of WTKI.

## Tribal Structure





*Photo above: Hakarimata ranges, Ngaaruawaahia*

## Strategic Direction

Whakatapuranga 2050 is the blueprint for the cultural, social and economic advancement of Waikato-Tainui. It is a 50-year development approach to building the capacity of our whaanau, hapuu, and marae communities. Whakatapuranga 2050 is our legacy to those who come after us.

### KIINGITANGA: WHAIA KO TE MANA MOTUHAKE

The King Movement acts as a unifying korowai encompassing all tribes throughout Aotearoa. Kiingitanga was established in 1858 to unite Maaori under the leadership of Pootatau Te Wherowhero.

Its primary goals were to halt the sale of land to Paakeha settlers, stop inter-tribal warfare and provide a springboard for the preservation of Maaori culture in the face of Paakeha colonisation.

Today the role of Kiingitanga remains a vibrant symbol of unification of Maaori under the banner of the seventh monarch, Kiingi Tuheitia.

### TRIBAL IDENTITY & INTEGRITY

*Ko Tainui te waka, ko Taupiri te maunga,  
ko Waikato te awa, ko Pootatau te tangata.  
Waikato Taniwharau, he piko he taniwha, he piko  
he taniwha.*

Our strategic direction charts a course of significant development to protect our tribal identity and integrity.

The development of a core strategy designed to provide maximum support for our kaumaatua, the caretakers of our maatauranga and experts of our reo and tikanga, is a key priority. Our whenua, river, lakes and other waterways are living embodiments of our tribal identity.

The necessity to forge an enduring and meaningful relationship with the Crown is vital to the protection of Te Taiao, our environment.

### TRIBAL SUCCESS

*Ki te moemoea ahau ko ahau anake.  
Ki te moemoea taatou ka taea e taatou.*

Priorities in this context are focused on building capacity in all our endeavours at all levels. Coupled with research as a key priority designed to keep the tribe abreast of all local and global shifts and developments, generations hereafter will be well-equipped to enjoy success in all sectors of society.

There is recognition however, that success is short-term without succession, therefore growing leaders through succession planning and mentoring programmes are key priorities.

### TRIBAL SOCIAL & ECONOMIC WELLBEING

*Kia niwha te ngaakau ki te whakauu,  
ki te atawhai i te iwi.*

Social and economic wellbeing is dependent on a number of pathways, beginning with efforts to effect our Treaty Partnership with the Crown and robust monitoring of their Article Three responsibilities as Government agencies. We will develop effective long-term solutions for our people through strategic coordination of sustainable social and economic initiatives.

Other priorities include utilising our marae as the catalyst to advancing tribal development, building strong inter-tribal and stakeholder relationships, and establishing strategic alliances at local, national and international levels to ensure tribal socio-economic gains.



## Chairman's Review

*E te Kiingi Tuheitia*

*E te Pouherenga waka o te iwi Maaori*

*E kore raa e mutu taku whakamihhi kia koe*

*E aku Tuupuna*

*E aku Whakamarumaruru*

*Kooriporipo kau ana te ia o Waikato*

*Ripo atu ripo mai*

*E hinga atu raa e hinga mai nei*

*E kui e Iti e Joyce, koutou ko te hunga kua wheturangitia*

*Ngaa mate tuatini, haere ki te ata haapara*

*E hoki ki io Matua kore, naana nei ngaa mea katoa*

*Taatou ngaa mahuetanga iho, teenaa ano*

*taatou i roto i te aroha o tetehi ki tetehi.*

*It is my honour, as the newly elected chairman of Te Arataura, to introduce the Chairman's Review for the 2012 Annual Report of the Waikato Raupatu Lands Trust.*

*I want to acknowledge and thank the past Chairman and Board of Te Arataura. The commitment they have demonstrated to promoting the aspirations of our tribe and achieving real progress and growth is commendable. Their work has continued to lay a strong foundation for even more development yet to come.*

*My election as Chairman allows me the privilege of leading a Board with a strong mix of governance, tribal, business and leadership skills. As a group, just weeks into our role, we are focused on the issues facing our tribe, the opportunities ahead, and the leadership that is required to continue to build on the progress of the previous Board.*

*Our immediate priority is to review the strategic direction of Te Arataura and devise a road map that supports the realisation of Whakatupuranga 2050. As a Board we are fully committed to the cultural, social and economic advancement of our tribe and, ultimately, our tribal members so that they are empowered to reach their potential and achieve success.*

*Given the shortness of my tenure as your Chairman (12 February-31 March 2012), and as an acknowledgement to the leadership and achievements of our former Chairman Tukoroirangi Morgan, I have invited Tuku to provide the review of the 2012 year. That review follows.*

A handwritten signature in white ink on a blue background. The signature is stylized and appears to read 'J C. Roa'.

*Paimaarire  
Tom Roa - Chairman*



It has been my very great privilege to have led this tribe for the past six years and I am honoured to present this, my final report as Chairman. I am grateful to the new Te Arataura and its Chairman Tom Roa for allowing me this opportunity to provide an overview of the tribe's activities for 11 of the past 12 months.

I wish the new Te Arataura well in its future endeavours. In many ways taking on a leadership role within this tribe is a thankless task and definitely not for the faint-hearted. As we grow the financial wealth of this tribe, the job will only get harder, as every dollar earned generates ever greater expectations from our tribal members. The challenge for Te Arataura lies in charting a course that continues to enhance our tino rangatiratanga while keeping those expectations at a realistic level.

Our tuupuna provided us with wisdom and lessons learned in much harder times than we have ever had to face. We ignore them at our peril. Strong leadership with a clear vision is vital. So too, is good governance and mahi tahi – working together.

What has become clear to me over the past 12 months is the need for a constitutional review. Our rules are ambiguous in some critical areas and, if the experiences of the past are to count for anything, we need to ensure greater clarity of roles, functions and election processes. Again, if the lessons of the past are to be learned then any such review must be undertaken with impartiality, objectivity and transparency. But what must ultimately be understood is that only one person can steer the waka.

When I assumed the chairmanship of this tribe, I saw my role as to position the tribe in the gateways of opportunity. I also firmly believed that the ultimate goal for this tribe, for all Iwi, is self-determination over our own affairs. Key to achieving this was the need to establish our right to be treated as equal partners by the Crown.

I believe we have travelled a long way down this path and today, this tribe stands once more upon the brink of greatness.

#### **FINANCIAL PERFORMANCE**

The 2012 year was marked by a solid performance that has seen our consolidated results improve across the board. Our commercial entity, Tainui Group Holdings (TGH), has continued to provide our core income, growing the financial base through a portfolio of property investment, property development, hotels, investments, fishing interests, farms and forestry. The past 10 years has seen remarkable progress by TGH and I want to acknowledge the work of the TGH Board and management team. In particular, I salute John Spencer who has played a key role in our commercial success and who recently left the Board following nine years as Chairman.

#### **KEY ACHIEVEMENTS**

A review of some key achievements includes:

##### **Partnership Agreements and JMAs**

The more than 25 partnership agreements and Memoranda of Understanding signed between this iwi and the Crown, its departments and agencies, and local government are far more than simply



pieces of paper. They are re-affirmations of our kaitiaki responsibilities, of our mana whakahaere status; they are the pou against which we can demand accountability, build capability and benchmark our progress.

We now have agreements in place with the Departments of Conservation and Corrections, and the Ministries of Justice, Primary Industries, Health, Education, and Social Development, as well as regional and local authorities, to name just a few.

Having signed these agreements however, we cannot let them be 'put into the bottom drawer'. The agreements will only endure and bear significant fruit with constant vigilance and regular monitoring of progress against deliverables and outcomes.

#### **Novotel Auckland Airport Hotel**

The opening of this iconic hotel by Kiingi Tuheitia in a moving dawn ceremony attended by Prime Minister John Key, Mark Solomon of Ngaai Tahu, Auckland Mayor Len Brown, Joan Withers, John Spencer and many others, including around 100 Waikato-Tainui kaumaatua and kuia, was undoubtedly a highlight of the year.

It is a truly stunning building and a fitting pou to mark the northern boundary of our rohe. TGH deserves congratulations for the way in which they have once again successfully woven distinctly Maaori elements throughout.

#### **Otautahi Earthquake Relief**

The assistance offered to our whaanau affected by the Otautahi earthquakes was truly humbling.

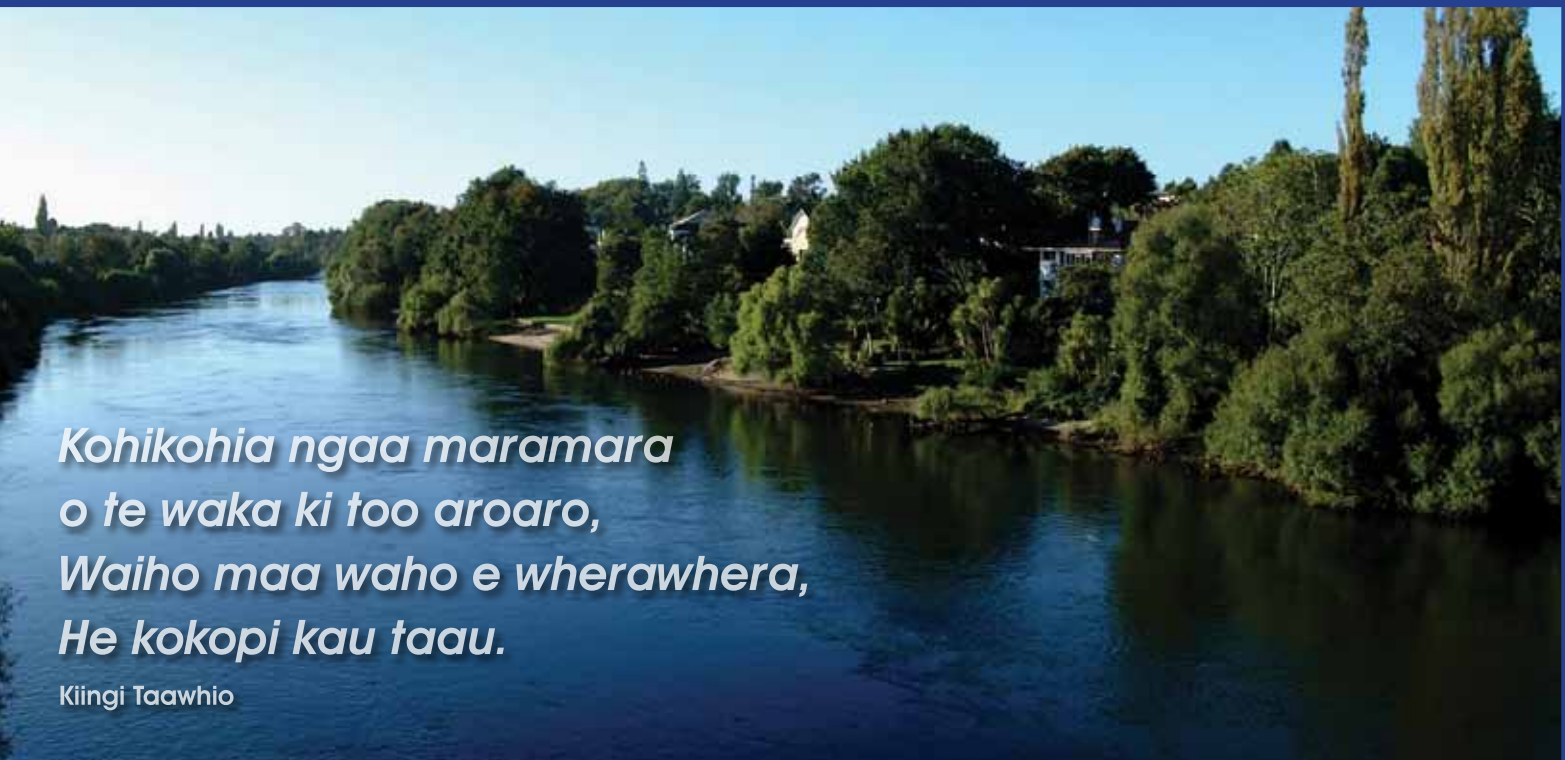
Raukura Hauora o Tainui provided medical teams, Te Puuaha o Waikato Marae provided more than 1,300 meals to workers and affected whaanau, and Solid Energy, Genesis Energy and Toll Holdings contributed services at no charge to the tribe. The coordination and support from Ngaai Tahu was also greatly appreciated and further strengthened the already strong bonds between our two iwi.

#### **Te Ope Koiora o Waikato-Tainui**

Whaanau Ora is a flagship policy of the current Government and the Maaori Party. It represents the best hope for our people to access services in a culturally appropriate and integrated way. It also meets a number of the key objectives of Whakatupuranga 2050, and consequently, I and Te Arataura strongly supported the tribe's participation in this critically important initiative.

Waikato-Tainui Te Kauhanganui Incorporated CEO Parekawhia McLean deserves special mention for her efforts in guiding the hugely complicated mammoth task of producing a vast array of documentation required by Te Puni Kokiri to support the business case and beginning the process of integrating a disparate group of highly committed providers into one cohesive organisation.

A key, related project is the building of Whaanau Ora centres at Te Rapa and in South Auckland. Negotiations are now well-advanced for the tribe to build one of the centre's on Counties-Manukau District Health Board land in Manukau. TGH has applied for consents to build the second centre on our land at The Base, Hamilton.



*Kohikohia ngaa maramara  
o te waka ki too aroaro,  
Waiho maa waho e wherawhera,  
He kokopi kau taau.*

Kiingi Taawhio



### **Iwi Leaders Forum at Hopuhopu**

As part of Koroneihana celebrations, iwi leaders from around the motu gathered at Hopuhopu for discussions and reports from the various working groups on issues of significance. The hot topics for discussion were around mining and exploration, and fresh water. These are two critical areas of importance to our future development. At the core of both is our determination to exercise kaitiakitanga over the resources of Papatuaanuku.

The record of Paakeha in environmental management in general is poor and Maaori have had to watch from the sidelines as our waahi tapu and other sites of significance have been exploited and degraded in the name of 'economic development'. The battle has really only just begun and as we grow and develop in the post-settlement era we will be seeking to enforce our Treaty rights in these critical areas.

### **Establishment of the Waikato River Authority**

As part of the Waikato River Raupatu Deed of Settlement provision was made for the establishment of a \$210 million clean-up fund. On 1 October 2011 we called for clean-up and restoration proposals. Total funding available was \$6 million. We received hundreds of proposals adding up to more than \$57 million. The Waikato Raupatu River Trust must be congratulated for their efforts in promoting the scheme to our marae and helping them put together their applications for funding. There were a number of marae who were successful in their applications, which was extremely pleasing.

### **Strong Government Relationships**

Strengthening relationships with senior Government Ministers and their management teams has been a major priority. The ability to get immediate access to the country's powerbrokers is critical to growing a robust and necessary partnership with the Crown. Confidence and trust built over a long period has been the key to maintaining a strong relationship with the Prime Minister and his colleagues.

### **Corporate Relationships**

Fostering and growing relationships with some of this country's most successful corporations has been a major preoccupation for me. While our commercial company, Tainui Group Holdings, maintained working relations with most of New Zealand's key companies, the onus was on the tribe to build and strengthen its own ties with some of those organisations. Sir Henry van der Heyden (Chair of Fonterra), Dame Jenny Shipley (Chair, Genesis Energy), Joan Withers (Chair, Auckland Airport, Mighty River Power), and John Palmer (Chair, Air NZ, Solid Energy) were just some of New

Zealand's top business leaders that I have had the privilege of working closely with.

In closing I want to acknowledge the passing of Joyce Paekau who was such an inspiration to us all. Her calmness and unstinting support of the Kiingitanga will never be forgotten. The tribe has lost many of its leading elders, including Iti Rawiri, over the past year and each one is a great loss, not just to their whaanau, but also to the tribe.

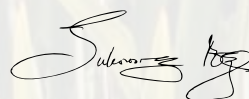
Over the past six years I have worked with some incredible people. I want to acknowledge in particular the support of my wife Carolyn, iwi leaders Sir Tumu Te Heuheu, Apirana Mahuika, Mark Solomon and Sonny Tau, management and staff. I am especially appreciative of the support given by Taitimu Maipi, Patience Te Ao, Rukumoana Schaafhausen, Charles Joe, Robert Tukiri, Maxine Moana-Tuwhangai and Rahui Papa. They will always have my deepest respect. The members of Te Arataura should be proud of their contribution to building a legacy that will endure for the long term.

Special mention should also be made of the efforts and work undertaken by John Spencer and Rob McLeod. They have both made a magnificent contribution to TGH and the tribe owes them a huge debt of gratitude for rebuilding our financial fortunes.

I have been single-minded and determined in all my efforts on behalf of this tribe, whether that has been as one of the tribe's negotiators or as Chairman. I have been part of a tumultuous and exciting period of this tribe's history and feel proud of what I have achieved. I want to see Waikato-Tainui and other iwi take their places as genuine partners in New Zealand Inc.

Time is the enemy of any politician and I regret that I was not able to complete all of what I set out to do. The Taamaki and West Coast harbours claims are still outstanding and negotiations around the relativity clause were advancing well. I leave these tasks to the incoming Te Arataura. I love this tribe and while I have resigned and stepped away from the tribal authority, I will always be Waikato-Tainui in my heart.

I leave you with a whakatauki from our beloved Kiingi Tawhiao: Kohikohia ngaa maramara o te waka ki too aroaro, Waiho maa waho e wherawhera, He kokopi kau taau.



Naaku noa na  
Tukoirangi Morgan



## Te Arataura

*Te Arataura is the executive board of Waikato-Tainui Te Kauhanganui Incorporated.*

*Te Arataura is responsible for tribal policy development, negotiation of outstanding treaty claims, overseeing tribal operations including the Waikato Raupatu River Trust, and financial management.*

*The current Te Arataura representatives were elected in February 2012.*



*Top photo (L-R): Rahui Papa, Tom Roa, Hemi Rau & Greg Miller*

*Bottom photo (L-R): Maraë Tukere, Kingi Porima, Rukumoana Schaaftausen, Paki Rawiri, Tipa Mahuta & Sonny Wilson*

### **TOM ROA**

Chairman - Puurekireki Marae

Tom has represented Puurekireki Marae in Te Kauhanganui since its inception. He served on the executive Board from 2000-2005 before returning in 2012. Tom is also a former Chairman of Te Kauhanganui, having served in that role from 2006-2010. He is a Justice of the Peace and a senior lecturer at the University of Waikato.

### **HEMI RAU**

Deputy Chairman - Te Kotahitanga Marae

Hemi was elected to the inaugural Te Kauhanganui in 1999. He served as Deputy Chairman of Te Kaumaarua (now Te Arataura) from 2000-2002 and was re-elected to the executive in 2011. Hemi is a former Chief Executive of the Waikato Raupatu Lands Trust, having filled that role from 2002-2009.

### **GREGORY MILLER**

Kahui Ariki representative

Te Manukanuka-o-Hoturoa Marae

Greg is the Chairman of Ururangi Ltd, Te Tari o Te Kiingi Maaori, on behalf of Kiingi Tuheitia. Greg leads the New Zealand division of Toll Holdings Ltd, a publicly-listed Global Transport Network company founded in Australia in 1888. He possesses a strong skill set in global networks and trade, having worked extensively around the world in a number of logistics operations as a senior executive, Managing Director, Chief Executive, and Director.

### **TIPA MAHUTA**

Waahi Paa

Tipa is in her third term as a member of Te Kauhanganui. She started as rangatahi representative and has served on Te Arataura since 2005. She is a former Secretary and Deputy Chairperson of Te Arataura. Tipa returns to Te Arataura as Waahi Paa's marae representative.

### **RAHUI PAPA**

Poohara Marae

Rahui has represented Poohara Marae in Te Kauhanganui since its inception. He has a background in education and is Chairman of both the Tainui Teachers Association and the National Secondary Schools Kapa Haka board. He is a member of the Iwi Leaders Forum and sits on the WINTEC Board.

### **KINGI PORIMA JP**

Waipapa Marae

Kingi is a past Chairman of Te Arataura and Director of Tainui Group Holdings and has been a member of Te Kauhanganui since 2000. He has a background in forestry and is a past advisor to Te Ruunanga o Te Ika Whenua River Claim. Kingi is the tribe's representative on the Tainui Waka Alliance.

### **PAKI RAWIRI**

Te Awamaarahi Marae

Paki has previously worked within the tribe's fishing interests and was appointed General Manager of the tribe's two commercial fishing entities in 1999. He has worked with Te Ohu Kaimoana in Wellington and, since 2008, has worked as a consultant in the area of iwi and Maaori development. Paki continues to work with iwi organisations and holds directorships on a number of commercial iwi-owned companies.

### **RUKUMOANA SCHAAFHAUSEN**

Rukumoana Marae

Rukumoana is in her fourth term as a member of both Te Kauhanganui and Te Arataura. She has a background in commercial and corporate law, and is a past Director of Tainui Group Holdings and a current Director of Genesis Energy Ltd, Regional Facilities Auckland Ltd and New Zealand Centre for Social Innovation.

### **MARAE TUKERE**

Tuurangawaewae Marae

Marae is a first term member of Te Kauhanganui and Te Arataura. Her professional career includes 20 years at the Maaori Land Court. Between 2006-2011 she was manager of the Waikato-Tainui Tribal Development Unit before accepting a position as Iwi and Community Partnerships Manager at the Waikato District Council, with a focus on implementing the Joint Management Agreement with Waikato-Tainui.

### **SONNY WILSON**

Hukanui Marae

Sonny is in his fourth term as a member of Te Arataura. His background includes management experience in both the public and private sectors within the area of social services. Sonny is Chairman of the Waikato-Tainui Games, the Tainui Sports Awards and Tainui Touch.



## Chief Executive Officer's Report

*E taku Kiingi Tuheitia*

*E ngaa marae maramara o Waikato-Tainui*

*Teena koutou katoa*



It is an honour and privilege to present this 2012 Annual Report of the Waikato Raupatu Lands Trust on behalf of Te Arataura and senior management. It has been a challenging past 12 months but through it all the iwi has endured and we can look back on some real achievements and significant milestones. It was also a year that saw the passing of a number of leading lights within the tribe. And it was a year that marked a change of leadership within Te Arataura and a consequent change in the strategic priorities of the tribe.

The theme of this year's Annual Report is Navigating our Future, which has also been the theme of the past two Annual Reports. In that space of time we have successfully charted a course through a global financial crisis, a global recession, a sluggish and depressed domestic economy and a general election. Acknowledgement is due to the tribal leadership over that time for the sound and pragmatic approach that was followed. We are in the best shape we have ever been in with a strong and stable economic base, a healthy balance sheet and a growing belief in our own, shared destiny.

While there has been some disagreement at the tribal level during the year under review, we do recognise that at times we will experience a few 'speed wobbles' as we continue to 'build our own whare'. We are a tribe of 63,000 strong, independent people with potentially 63,000 different opinions as to how things 'should be done'. The important thing is that we embrace our differences and accept the right of people to have a different view.

## KEY ACHIEVEMENTS

### Opening of Novotel Auckland Airport Hotel

In May 2011 more than 100 Waikato-Tainui kaumaatua and kuia joined Kiingi Tuheitia, Tukoroirangi Morgan, Prime Minister John Key, Taamaki Makau-rau Mayor Len Brown, Tainui Group Holdings' John Spencer and Mike Pohio and a host of other dignitaries at a special dawn ceremony to mark the opening of the spectacular Novotel Auckland Airport Hotel.

At the opening of this newest Waikato-Tainui owned asset, Tuku Morgan noted: "This hotel is more than a marker of Waikato-Tainui's northern boundary; more even than a monument to this tribe's dramatically changed fortunes. It is a potent symbol of our approach to doing business in a post-settlement era."

### Whaanau Ora – Te Ope Koiora o Waikato-Tainui

Over the period covered by this Annual Report the tribe's response to the Government's Whaanau Ora policy took shape to become Te Ope Koiora o

Waikato-Tainui. It has been a careful and painstaking process involving a tremendous amount of mahi by everyone involved. The launch of Te Ope Koiora o Waikato-Tainui took place at the Waikato-Tainui Games earlier this year and was well received by everyone present. I want to congratulate the efforts of the individual providers, my own Tribal Development Group staff, Te Puni Kookiri and the many others who have supported the kaupapa of this project.

Whaanau Ora represents the pathway forward to ensure that our people achieve their potential and live healthy, fulfilling lives. Those of us who have been involved throughout have witnessed the transformation of a dream by our tribal leadership to be kaitiaki to all those who live within our rohe, to the point where we are now negotiating the building of two Whaanau Ora centres in Auckland and at The Base in Hamilton.

### Waikato-Tainui College for Research and Development MBA and Award

Launched in April 2011 in partnership with the University of Waikato, the College's inaugural Masters in Business Administration course was quickly fully subscribed. The support shown by the first year's intake of 23 students was soon justified when the MBA programme won the inaugural MBA Innovation Award from the prestigious London-based Association of MBAs (AMBA).

College Director Dr Sarah-Jane Tiakiwai called the award "a credit to the quality of the curriculum and the calibre of teaching it offers".

### Establishment of the Waikato River Authority

An integral part of the Crown's 2008 Waikato Raupatu River settlement with Waikato-Tainui, and supported by Ngaati Tuwharetoa, Te Arawa, Raukawa, and Ngaati Maniapoto, the establishment of the Waikato River Authority is a significant milestone on our journey to restore the health and wellbeing of our tuupuna awa. The Authority is the sole trustee of the Waikato River Clean-up Trust, formed to oversee the allocation of a 30-year restoration fund of \$210 million.

Applications for the first \$6 million of funding opened on 1 October 2011 and by the close of the application period in mid-December, the Authority had received a total of 115 applications seeking nearly \$57 million.

The response of Waikato-Tainui Marae in developing project plans and ideas was particularly pleasing.

### Waikato-Tainui Games

The bi-ennial Waikato-Tainui Games were held in February, drawing more than 12,000 competitors



Top photo: Waikato-Tainui Research and Development College, Hopuhopu.



and spectators over the duration of the Games. Congratulations to Waingaro Paa for taking out first place. Te Arataura board member Sonny Wilson and his team, including Heremaia Samson from Sport Waikato, are to be commended for the many hundreds of hours spent in planning, organising, managing and delivering a fantastic event.

#### **LAUNCH OF NEW TRIBAL WEBSITE**

In March 2012 we launched our new tribal website. The site at [www.waikatotainui.com](http://www.waikatotainui.com) is a vast improvement and means that tribal members can now download grant applications, registration forms, check for employment and training opportunities and read a range of tribal information online. We now have a platform from which we can engage with tribal members in a more meaningful way and get information out to our members more quickly and efficiently.

#### **GOVERNANCE**

Te Kauhanganui elections in November saw the arrival of many new faces to our tribal Parliament. The challenges of tribal leadership are significant and it is especially pleasing to see so many new participants in the Chamber, an indication that there is a growing willingness on the part of tribal members to step up and be counted.

In February a new Te Arataura was elected and a new Chairman took the helm. Tom Roa brings a wealth of experience and knowledge to the role. While Tukoroirangi Morgan was not re-elected to the board, this tribe will, in time, come to see just what an incredible contribution he made over his six years at the helm.

While there has been much to celebrate over the past 12 months, I must also acknowledge the passing of many influential and dearly loved and respected kaumaatua and kuia. The year has seen some great losses and while I want to resist attempting to name them in case I miss anyone, I simply must comment on the passing of Joyce Paekau. Her ceaseless and tireless work on behalf of this iwi is an ongoing inspiration to us all. To all those who have lost loved ones over this period we extend our deepest sympathies.

**Paimaarire.**

Parekawhia McLean  
Chief Executive Officer



## A Year of Progress

*Waikato-Tainui achieved a number of highlights during the 2012 year and some of those are profiled here.*

## Tainui Group Holdings (TGH) Performance Highlights:

- Opening of the \$61m Novotel Auckland Airport Hotel
- Completion of final two stages of Te Awa mall, The Base, Hamilton
- Financial Performance Summary (TGH and Waikato-Tainui Fisheries Limited)

	<b>2012</b>	<b>2011</b>
Net Profit	\$39.9m	\$23.1m
Revenue Growth	57.7%	16.3%
Total Assets	\$694m	\$658m
Dividend	\$11m	\$10.5m

FOOTNOTE: The 2011 dividend was declared on 31 March 2011 and is recorded in the financial statements. The 2012 dividend in relation to the year ended 31 March 2012 was declared on 22 June 2012 and is not recorded in the financial statements.

## NOVOTEL AUCKLAND AIRPORT HOTEL

The early success of our newest property investment, the establishment of Tainui Auckland Airport Hotel Limited (TAAH) to deliver the Novotel Auckland Airport hotel, bodes well for the future of this impressive tourism industry venture.

The hotel was officially opened in May last year by Kiingi Tuheitia and Prime Minister John Key in a traditional dawn ceremony. One of the key commercial highlights of the Tainui Group Holdings (TGH) year, the hotel is the TAAH joint venture with Auckland International Airport and hotel operator Accor Group. The hotel is located just 20 metres from the international terminal and is regarded as easily the premium accommodation offer within the wider airport precinct.

TGH has a 70 per cent shareholding in the 263-room four and a half Star Plus hotel, which boasts conference facilities to cater for over 300 delegates, a comprehensive business centre, restaurant and bar, and a fully equipped gym.

It has been described as 'the most strategic hotel of the 21st century' given its location, design, the quality of its facilities, advanced technological capability, and its opening just 100 days out from the start of the Rugby World Cup. Its performance for the 10 months to 31 March 2012 is especially pleasing with the hotel generating 25 per cent of TGH's revenue for the financial year.

As an investment the hotel reinforces the diversity and depth of our property portfolio. It is a high profile asset at New Zealand's gateway that provides the tribe with a highly valuable strategic relationship with Auckland International Airport and adds to the strength of our existing relationship with Accor Group.

In addition to these benefits, opportunities exist for Waikato-Tainui tribal members seeking to forge a career in the tourism and hotel sectors. Together with Accor Group we have actively encouraged iwi members to consider positions that are available at the hotel as well as at other hotels across the Accor Group.

This flagship investment in the northern part of our tribal boundary, whose stunning design is infused with Waikato-Tainui references such as the niho taniwha canopy and entrance pou, has already been the recipient of a number of awards. The prestigious Property Council of New Zealand award for best in category, an Auckland Architecture Award for commercial architecture and interior, and a New Zealand Architecture Award for commercial architecture have highlighted a first year of what are expected to be many more years of successful operation.

## TE OPE KOIORA O WAIKATO-TAINUI

Te Ope Koiora o Waikato-Tainui is set to become one of the most important whaanau-centred tribal development initiatives to be introduced.

Te Ope Koiora o Waikato-Tainui – the name we have given to our Whaanau Ora collective initiative – was officially launched in February this year following months of meticulous planning and establishment work. Whaanau Ora is an inclusive interagency approach to providing services to New Zealand families in need. It focuses on treating whaanau as a whole, rather than on individual family members, and providing a full suite of the services that are needed.

The launch of Te Ope Koiora signals the formal commencement in the Waikato-Tainui rohe of this new approach to the delivery of, initially, health, social, and education services – an approach that prioritises the needs of whaanau, the delivery of integrated and holistic services, and whaanau empowerment to ensure long-term sustainable solutions.

It is an approach that recognises the value of incorporating tikanga Maaori into the development and delivery of solutions for Maaori. Whaanau Ora acknowledges Maaori as a rightful partner in the provision of whaanau-focused health and social services. Our aspiration for Te Ope Koiora is that it restores self-determination to whaanau, allowing them to achieve their potential and create their own plans for their future, trusting in their own solutions.

### Progress

Our focus since selection by the Government as a provider collective in 2010 has been on ensuring that Te Ope Koiora is properly established to enable it to deliver on the expectations that we have for it. Eight providers are confirmed members of Te Ope Koiora offering a comprehensive range of services including medical care, mental health support, health and fitness education, drug and alcohol treatment, tamariki intervention, kaumaatua services, social services, jobs training, literacy education and more.

Through the Te Ope Koiora approach and way of operating, the services of providers will integrate at all levels so that duplication is reduced, resources are maximised, skills and experience within the providers are better utilised, and all whaanau needs are identified and delivered in a timely manner. Our intention is that this more streamlined system will result in whaanau having control over their lives

and circumstances, and that they are enabled to continue to improve the quality of their lives.

### Te Ope Koiora Providers:

- *Ideal Success Charitable Trust*
- *JTP Consultants Ltd*
- *Ngaa Miro Health Centre*
- *Raukura Hauora o Tainui*
- *Raukura Waikato Social Services*
- *Solomon Education and Training Academy*
- *Te Hauora o Ngaati Haua*
- *Waahi Whaanui Trust*

The Te Ope Koiora working group, comprising representatives of the eight providers and Trust staff, has taken the time and effort required to determine protocols regarding how the collective will operate to ensure that the experience, knowledge, networks and skills of each provider are successfully integrated and combined. Governance arrangements, strategic planning, funding, infrastructure, processes, systems, integration of provider services and contracts, development of key relationships, identification of staffing requirements and implementation of effective communication channels have been key areas of focus.

The finalisation of the Implementation Agreement with Te Puni Kookiri in March this year is a milestone that enabled Te Ope Koiora to begin provision of wrap-around services across all areas serviced by our eight provider members. Key to delivery of those services is the introduction of Whaanau Ora facilitators, or navigators, who will act as representatives of whaanau and broker access to the services they need. The recruitment process to fill those roles has commenced, as has recruitment for key management positions. The Project Change Manager and Project Co-ordinator positions are in place.

We have also defined a working relationship with Waikato-Tainui College for Research and Development which will provide research and evaluation services to Te Ope Koiora. We recognise how fortunate we are to have this expertise available to us; expertise that will enable us to continually assess, develop and improve upon the outcomes that Te Ope Koiora achieves for whaanau.

Planning to build two regional Whaanau Ora centres - one in Manukau, South Auckland and the other at

Te Awa in Hamilton - is advancing. These centres will house a complete range of services and facilities, enabling whaanau to access all the services they need in one location. The centres will stand as the physical expression of Waikato-Tainui commitment to providing kaitiakitanga to all - Maaori and non-Maaori - who live within our rohe.

The next 12 months will see significant progress as Te Ope Koiora o Waikato-Tainui becomes firmly established and the impacts of Maaori aspiration for integrated health and social service provision delivered through whaanau/hapuu channels begin to be seen.

## **WAIKATO-TAINUI COLLEGE FOR RESEARCH AND DEVELOPMENT**

The 2012 year has been one of solid progress for the Waikato-Tainui College for Research and Development, highlighted by the commencement of academic and research programmes that are designed to grow exceptional leadership, preserve our tribal heritage, and support the College's goal to be a global leader in research excellence.

The College has developed a growth strategy that positions the institution as a centre of excellence benefiting not only Waikato-Tainui but also the local, national and international communities. The strategy is strongly aligned to the aspirations of Whakatupuranga 2050 and this is borne out in the type of academic programmes and research initiatives that the College is pursuing.

Since its re-dedication in 2010 the College has focused on implementing a structure that is informed by, and respectful of, the vision held by previous tribal leaders. It is a structure that is intended to guide direction and decision-making to ensure that the College fulfils the aspirations held by those leaders and the leadership of today.

### **Inspired by Iwi Leadership**

Three schools - the School of Leadership and Entrepreneurship, the School of Tribal Knowledge and Heritage, and the School of Research and Innovation - provide focus and direction for the work of the College.

Sitting within the korowai of Te Puea Herangi, the School of Leadership and Entrepreneurship strives to emulate her vision and determination by providing programmes that build skilled leadership - critical to on-going development of Maaori.

The School of Tribal Knowledge and Heritage is guided by the dream held by Te Arikinui Dame

Te Atairangikaahu that as Maaori we would be enabled to develop and achieve our potential enriched by our traditions, customs and way of life. The primary aim of the school is to be the centre of tribal knowledge by maintaining, preserving and disseminating language, culture and heritage. The 2012 commencement of Taahuuhuu Maatauranga Maaori - in association with Te Waananga o Raukawa - is indicative of the types of programmes that will be provided.

No legacy other than that of Sir Robert Te Kotahi Mahuta could inspire and inform the School of Research and Innovation. The College is the tribe's intellectual centre for tribal research and development, providing analysis and insight to meet the needs of the tribe to support its economic, cultural and social growth. It also provides for local, national and international indigenous developments and aims to be internationally recognised as a research institute that is comparable with the best universities in the world.

### **A Year of Progress**

The College has introduced a number of new academic and research programmes and some of those are highlighted here:

#### ***Developing Leadership Excellence***

*'Ki te kahore he whakakitenga ka ngaro te iwi. Without foresight or vision the people will be lost.'*

In April 2011 the College launched the Waikato MBA (Master of Business Administration).

The MBA is the result of a partnership between the College and Waikato University's Waikato Management School. Working together, the two academic institutions have re-contextualised the management school's successful MBA programme to reflect indigenous perspectives delivered in the culturally rich College environment. So unique and world-leading is the MBA that it has beaten a range of top international business schools to win the 2011 MBA Innovation Award from the London-based Association of MBAs.

#### ***Preserving our Heritage***

Earlier this year the College formally entered into a relationship with Te Waananga o Raukawa. This signalled the commencement of delivery of Taahuuhuu Maatauranga Maaori, a Masters Degree in Maatauranga Maaori developed by the waananga.

Delivered within the School of Tribal Knowledge and Heritage, the postgraduate programme is

conducted in te reo Maaori and designed to engage descendants of Tainui waka in research into tribal knowledge traditions, thereby growing our maatauranga and understanding of history and traditions. It is through programmes such as Taahuuhuu Maatauranga Maaori that we will support the preservation and maintenance of our tribal heritage, reo and tikanga.

### **Action Research**

The vision of Sir Robert Mahuta that the College would serve as a major contributor by providing research that would lead directly to development is being seen through the research projects undertaken, among those an international indigenous collaboration examining oral health of our peepi and their mothers.

Funded by the Health Research Council, Te Mana o Te Whaanau is a collaboration with Raukura Hauora o Tainui, Otago University, the University of Adelaide, and the University of Toronto. Initiated by Raukura Hauora and Otago University, the project was launched on the back of worrying statistics regarding the oral health of tamariki Maaori. The five-year project is assessing ways to educate and support mothers to provide optimal dental care for themselves and their babies. The inclusion of the University of Adelaide and the University of Toronto provides access to the experiences of the indigenous peoples of Australia and Canada and the opportunity to share and compare findings, and is aligned to the College's objective to develop international indigenous partnerships.

The College is also the Action Research team for Te Ope Koiora o Waikato-Tainui.

These projects, coupled with a range of others underway, will provide tangible benefits at the rohe, national and international levels.

### **The Year Ahead**

The College is making satisfactory progress and focus remains on its establishment as an innovative leader in tribal research and development. The year ahead will see the delivery of a range of courses designed to support leadership development, the launch of an inaugural Raupatu Seminar Series, the development of national and international strategic relationships and partnerships, and the commencement of new indigenous-oriented research projects.

### **WAIKATO RAUPATU RIVER TRUST**

*Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri.*

*The river of life, each curve more beautiful than the last.*

Water is a fundamental part of the cultural, spiritual, social and economic wellbeing and way of life of iwi Maaori. The work of the Waikato Raupatu River Trust team to restore and protect the health and wellbeing of our tuupuna awa, the Waikato River, is a reflection of this.

The Waikato Raupatu River Trust was created in August 2008 with responsibility for ensuring that the provisions of the Waikato River Raupatu Deed of Settlement are implemented. The Trust's activities are aimed at achieving the Settlement's outcomes and include:

- Recognising and sustaining the special relationship Waikato-Tainui has with the Waikato River.
- Growing a prosperous, healthy, vibrant, innovative and culturally strong Waikato-Tainui iwi.
- Enhancing the relationship between the Crown and Waikato-Tainui.
- Reflecting a unity of commitment to respect and care for the Waikato River.

While the Trust has existed since 2008 it wasn't until 2011, when the legislation was finalised, that the Trust was able to properly commence operations. Since that time significant progress has been made.

2012 has been a busy year for the Waikato Raupatu River Trust team with a wide range of projects identified. However, particular emphasis has been placed on the need to establish formal working relationships with Government departments, Crown entities, local authorities, and environmental organisations.

A priority has been the establishment of Accords between Waikato-Tainui and Government ministries and/or departments as a means to create enduring relationships that are fitting of a true Treaty of Waitangi partnership. In total, 13 portfolio-specific Accords have been identified and these include Fisheries, Conservation, Land Information, Environment, Culture Heritage and Arts, Local Government, Agriculture, Biosecurity and Energy, Forestry and Maaori Affairs, Historic Places Trust, Crown Lands, Science and Innovation, and Social Development.

Eleven Ministerial Accords are now in place with 10 Crown departments, and one Memorandum of Understanding is held with the New Zealand Historic Places Trust. During the year a number of these Accords were progressed to the development and agreement of implementation plans, providing Waikato-Tainui with opportunities for early engagement and direct involvement in key decision-making, planning and monitoring.

Strong working relationships with local authorities are an equivalent priority. The Settlement provides for the development of Joint Management Agreements and to date two have been agreed and signed with Waikato District Council and Hamilton City Council. The Trust is progressing a further two with the Waikato Regional Council and Waipa District Council. The Agreements are providing opportunities for Waikato-Tainui to engage early in the development of regional and district policies and the consent application process prior to public notification. It is notable that, through an improved partnership approach, for the first time the Waikato Regional Policy Statement was supported by all Waikato-Tainui iwi prior to its public release.

#### **Further highlights of the 2012 year include:**

- Development of the Waikato-Tainui (Waikato River Fisheries) Regulations, establishing regulations over the tribal fisheries area.
- Development of the Waikato-Tainui Environmental Management Plan.
- First funding round of the Waikato River Authority which saw the distribution of \$5.5 million for 46 clean-up or restoration projects.
- Establishment of the Wetland Restoration Scholarship and the restoration of three key Wetland sites within the tribal rohe.
- Establishment of Engineering Scholarships with specific focus on the Waikato River and surrounding environment.
- Finalisation of the Huntly Eel Restoration programme contract.
- Development of Marae restoration project plans along Waikato River.
- Completion of phase one of the Taupiri Maunga Restoration Project.
- Annual Relationship Forum meeting held between Waikato-Tainui and the Crown, including the attendance Prime Minister John Key.
- 2012 National Iwi Freshwater Summit – held in February 2012 and hosted by Waikato-Tainui. Attendance included representatives from approximately 30 iwi.

The various elements of the Settlement and the range and complexity of the river initiatives undertaken have led to the implementation of the Waikato River Settlement being described as the most comprehensive environmental restoration programme in New Zealand. As a kauapa, the Settlement and all that it aspires to achieve is of primary importance. Its success is reliant upon strong leadership, clarity of purpose and partnerships based on the principles of openness, good faith and confidence. In this way we will reach a common understanding that sees all parties working together to restore and promote the enduring health and wellbeing of our tuupuna awa.

#### **WAIKATO-TAINUI GAMES: IT'S ALL ABOUT WHAANAU**

It may pitch marae against marae in friendly rivalry, but ultimately it's all about whaanau.

The Waikato-Tainui Games, held biennially as an event to encourage healthy, active lifestyles and to bring tribal members together in the spirit of whakawhanaungatanga, has grown to become one of our most popular events.

Held over three weekends earlier in 2012, the Games included sports ranging from surfing and waka ama to indoor bowls, tennis, basketball, volleyball, netball, touch, table tennis, chess and the ever popular power pulling. The introduction of the ancient traditional game, Ki-o-Rahi, into the sports programme was a highlight with most of the competitors playing and enjoying it for the first time. The final weekend, hosted at Hopuhopu, attracted in excess of 12,000 participants from across the rohe. The emphasis was on participation and it was great to see tamariki, rangatahi, pakeke and kaumaatua all taking part as representatives of their marae. A number of marae teams featured four generations of whaanau.

This year overall honours went to Waingaropu as outright winners, with four marae tied for second place – Puurekireki, Rukumoana, Taniwha and Tuurangawaewae.

Events such as the Waikato-Tainui Games are significant for the role that they play in connecting us all to our marae, hapuu and iwi, enabling us to retain and maintain our tribal identity, and supporting and promoting the health and social wellbeing of our people.



## Education Grants

*Each year Waikato-Tainui offers a range of education grants to registered tribal members.*

*For the 12 months ending 31 March 2012, members benefited from the distribution of \$885,000 in education grants. Recipients for the 2012 financial year are listed here.*

## **AARUKA**

HUAKI, Kerri  
MAIKUKU, Anne-Marie  
TE UIRA, Phillip

## **AOTEAROA**

DUDLEY, Margaret  
KAPUA, Petalla  
KAWE-SMALL, Renei  
KOPA, Teri  
SIMMONDS, Naomi  
TAIAPA, Michael  
TOCKER, Kimai

## **HIIONA**

TE WHARE, Johnna

## **HORAHORA**

ANANIA, Meri Meri Pat  
BAIRD, Connor  
BAKER, Kyle  
BALLE, Joseph  
BLOOMFIELD, Evan Scott  
BROUWER, Haylee Moana  
FRIEND, Jethro  
HARDING, Sarina Jane  
KITCHEN, Stacey  
MOANA, Taipu  
RASMUSSEN, Cecile  
ROWLANDS, Renee  
TATA, Stony  
TUMAI, Charles Romi  
WAIKATO, Ripi  
WAITAI, Pirihira

## **HUKANUI**

BARTON, Kyle Peter Kahurangi  
BIDOIS, Erin  
BISSET, Katarena  
BROADHURST, Liahona  
BROADHURST, Orman  
BURGESS, Bronson  
COUPERTHWAITA, Jesney  
DAY, Ashleigh  
DYALL-KALIDAS, Rahera  
FELTON, Bryce  
FROST, Brad  
HENRY, Selwyn  
HOWIE, Jordan  
JOHNSON, Michael  
KINGI, Haylee  
MANIAPOTO, Selina  
MANIHERA, Chloe  
MATTHEWS, Robert Leigh  
NORTON, Adam  
NORTON, Hope  
PEMBERTON, Nicole  
PEMBERTON, Stephanie  
SAVAGE, Oliver Thomas

## **HUKANUI**

SKINNER, Courtney  
STEWART, Nathan  
SWEET, Ihipera  
SWEET, Tilly  
SWEET, Waka  
TOKO, Maria  
WILSON, Kayla

## **KAHOTEA**

BARBER, Lucy  
CLEAVE, Jaymee  
CLEAVE, Sarah-Rose  
COROMANDEL, Chrissy Estelle  
COROMANDEL, Robert Beazley Smith  
HAMANA, Kylie Cheyne  
HEMANA, Paula  
HORROCKS, Douglas  
HORROCKS, Megan Joyce  
HORROCKS, Rebecca  
KAPUA, Archie  
KEUNG, Manu-Kiwa Chantel  
MAJOR, Robert  
MITCHELL, Margaret  
NABBS, Jonathan  
ORMSBY, Jessie-Beau  
REWHA, Ngawai  
RIRINUI, Chloe  
RIRINUI, Joseph  
ROA, Anne Maumahara Kinokino  
STANLEY, Penny Amelia  
TE KANAWA, Lincoln  
TEAURIMA, Nikki-Lee  
TUHORO, Anthony  
WEST, Amy  
WI, Tania

## **KAI A TE MATA**

ANNAS, Kara  
DRAWBRIDGE, Cheryle  
MAAKA, Judith  
ROSS (WAITAI), Julie  
TE UIRA, Eden

## **KAITUMUTUMU**

AHIPENE, DeArna  
AWA, Te Ari  
CLARKE, Amy Orahia  
CUNNINGHAM, Waimirirangi  
HETET, Piri  
McDONALD, Tennille  
NAHU-NIKAU, Moana  
PAKI, Te Tuanui  
PAKI, Tuhoropunga  
RANGI, Te Rangimarie  
SMITH, Rachel  
SUBRITZKY-POHATU, Kandy  
TE MOMO, Sheree  
ULUTUKI, Ngaperahurhuri  
WESSELS, Kanauea

### **MAKAURAU - IHUMATAO**

LAZARUS, Duncan  
LEE, Morgan  
MANOA, Tony  
NATHAN, Joshua  
NGAHA, Dax Christopher  
PUANGI, Denise Margaret Ann  
TUPAEA, Mita

### **MAKETUU**

COE, Tara Alice Dawn  
CONNELLY, Jeana Elizabeth  
FLETCHER, Taryn  
JOHNSTON, Fenella  
KING, Kimberley  
RAKENA, Renae  
RANGA, Trevor

### **MAKOMAKO - TE TIHI O MOERANGI**

HOROTINI, Macky  
NEPE, Rose

### **MANGATANGI**

EDWARDS, Douglas Neil Te Kaumaarua  
GAMMIE, Lucas  
HEREORA, Rawinia  
HOHAIA, Gina Lani  
MARTIN, Matiaha  
MOREHU, Katherine  
MOREHU-BURNS, Manea  
ORMSBY, Jade Brannon  
SAVAGE, Gail  
TAKA, Lynette  
TAKA-BROWN, Tamara

### **MANGATOATO**

ANDERSON, Rovina  
EMERY, Amiria Mereana  
HALL, Tineka  
HODGES-TAI, Moehau  
JONES, Sophie  
MARA KU, Te Kahui  
MARCHIONI, Jacob  
PHILLIPS, Rovina  
STEPHENSON, Poa  
STEVENSON, Te Wano  
TE HUIA, Shannon

### **MATAHURU**

BIDDLE, Sharni Lee Heeni  
HAENGA, Anne  
HAENGA, Lance  
RAKENA, Jean

### **MAUNGATAUTARI**

ADAM, Sharee  
BRISTOWE, Reggae  
CHALMERS, Tess  
CLARK, Trevor  
CLARK-WALTERS, Kyle  
COOK, Peita  
COOK, Rosemary  
DEKKER, Adriaan  
DEKKER, Joost  
DUNDAS, Joan  
GILLIES, Rachel  
GREEN, Nathan  
HARRISON, Te Ahuru  
HURIWAI, Khaylen  
JAMIESON, Courtney  
KARA, Richard Karaitiana  
KIEL, Rachel  
MARTIN, Julian  
MOORE, Joshua Te Uara  
MORRISON, Samantha  
MUNRO-SINCLAIR, Quaide  
PARK, Eriora  
PEHI-LIVAPULU, Mereana  
PUHI, Anna Kohitu  
RAUMATI, Ngatungane  
RIPAKI-TAMATEA, Karaitiana  
RURI, Jackie-Jade  
TAIRI, Chelsea Rawinia  
TAPSELL, Rose  
TAPSELL, Tania  
URUAMO, Pier

### **MAUREA**

AHU, Neil  
ALLEN, Harlin  
IWIHORA, Hemi  
KIHI, Kirimaaku  
KUMAR, Raymond  
LANE, Te Atatu  
LEOTA, Janei  
MASON, Charmaine  
NEAL, Angelique  
RAE, Hauauru  
TAKA, Lisa Marie  
TAOHO, Christine  
TOTOREWA, Brad  
TOTOREWA, Shannan Cherie  
TUMAI, Jamie Lee  
TUMAI, Joanne  
WILSON, Nadine

### **MOOKAI KAINGA**

CROWN-MAWHINNEY, Jade  
CROWN, Jenny  
HERBERT, Stacey Maree

### **MOOKAI KAINGA**

LUKE, Rangi  
LUKE, Susan  
LUITEN-APIRANA, Pareoranga

### **MOOTAKOTAKO**

KEWENE, Louise  
PAEKAU, Priscilla  
RANGA, Maria  
RANGIAWHA, Tahī  
RANGIAWHA-RAUTANGATA, Ellen Maria  
REWA-MORGAN, Joel  
TAWHA, Donna

### **NGAA HAU E WHA**

ANDREW, Thomas  
HEMOPO, Johnnie  
HOHAIA, Tessa  
RODGER, Jade  
TE KAUTE, Geraldine  
TE KAUTE, Michael  
TE KAUTE, Tania  
TUHI, Anaru

### **NGAATAIERUA**

BENIONI, Nerissa  
DAVIS, Sacha  
JAKEMAN, Rhema  
KAHU, Joseph  
POTINI, Wairua  
TE AO, Dalwyn Te Aroha  
WARA, Ratapu

### **NGAATIRA**

BEGBIE, Anaru Hemi  
DIXON, Selena  
FORBES, Genevieve  
O'CONNOR, Rahera  
SIMMONDS, Hayley  
SIMMONDS, Josiah Tamati  
TAHANA, Joshua  
TAWHI-AMOPIU, Corena  
WAIREPO, Erena  
WAIREPO, Ngareta

### **OOKAREA**

NEPE, Kuia  
PAYNE, Dion  
PENNEY, Latrese

### **OMAERO**

BISHOP, Morehu  
HUNT, Amaya  
JOHNSTON, Ruby  
PARANIHI, Nadia  
RICHMOND, Jessica

### **OOKAPU**

BARNES, Graham  
BARNES, Misty  
BURLEIGH, Roseanne  
CLARK, Nicola  
DRADER, Rhys Joseph Te Arohanui  
FREUNDLICH, Simone  
HARAWIRA, Teinakore  
KOHU, Tane  
MAHARA, Ezra  
MATIU, Te Paerata  
MILES, Rachel  
MOKE, Ohomairangi  
PAVISH, Joyce Ann  
WETE, Joshua

### **OORAEROA**

DAVIS, Maramatanga  
EDMONDS, Shane  
ELLIS, Rosalie  
HAWERA, Wharenuī  
HONGARA, Kayla  
NOBLETT, Priscilla  
PHILLIPS, Pua Moe Awa  
RAPANA-BROWN, Danielle Talia  
ROLLO, Te Manaaroha  
ROSE, Wallis  
THOMPSON, Gage

### **OPUATIA TE POHO O TANIKENA**

ARMSTRONG, Jarom  
FREARSON, William

### **OWAIRAKA**

DALLEY, Tara  
QUINN, Kapua  
TUNOHO, Quinton

### **PAARAAWERA - TE TAUMATA**

HOHEPA, Kathleen  
HOHEPA, Marion  
HOHEPA-REWETI, Hemi  
HOHEPA-REWETI, Jessie  
ONEHI, Cilla  
TE HUIA-REHUA, Stevie Rose  
TE TAU, Marianne  
TEREI, Tiffany  
TEREI, Fontaine  
WIHONGI, Beaumyn

### **POIHAAKENA**

HAWEA, Vanya  
HUSBAND, Lewin  
GREENSILL, Hautai  
KAPEA, Reone  
KARENA, David Waretini

**POIHAAKENA**

KEREOPA, Te Mania  
LANGDON, Martin  
MARTIN, Coraleen  
McRAE, Dylan  
McRAE, Sam  
RIKI, Janelle  
TOY, Kristy  
TOY, Nicole

**POOHARA**

BARTON, Riane  
EDWARDS, Amy Whiua  
GILBERT, Hera Alice Te Rangimarie  
HEKE, Louise  
HETARAKA, Marama  
KEREAMA, Hemi  
LOUSI, Ashley  
LOUSI, Jordan  
MATEKOHI, Nataria  
MIKAERE, Michael  
NOOROA, Zoe  
O'BRIEN, Keoghlan Anaru Reece  
O'CONNOR, Christine  
PRICE, Danielle Tui  
RIKA, Whitney  
SMITH, Tania  
SMITH, Wahineata  
SPERLING-MUNTZ, Lisa  
TATE, Courtney  
TAUROA, Shanni  
TAUTE, Andrew  
TAUTE, Norma  
WINIKEREI, Samuel Haami

**PUKEREWA**

WEBB, Marcial  
WHARE, Eruera

**PUUKAKI**

HEPANA, Kororia  
TAKAANINI-WILSON, Brian  
WILSON, Pania Joy  
WILSON, Wai Te Owai

**PUUREKIREKI**

BUTLER, Monique  
DIXON, Tyler  
GILLETTE, Chauntelle  
HAYWARD, Lisa Nanette  
JAMIESON, Benjamin  
KOROHEKE, Tori  
LUCAS, Davina  
NEHA, Tongaporutu  
NGAIA, Te Wairere

**PUUREKIREKI**

ORMSBY, Joshua  
ORMSBY, Melissa Jean  
ROA-EDWARDS, Jordan  
WILSON, Corey

**RAAKAUNUI**

CAMPBELL, Ashley  
CAMPBELL, Tyler  
CLARK, Rangiaroha  
FALEPEAU, Krystal  
HERBERT, Hana  
HOUPAPA, Atamarie  
NELSON, Marcella  
ORMSBY, Juliet  
RAWIRI, Gloria Ann Ngahina  
STEPHENS, Pohe  
STOCKMAN, Lloyd Joshua Tukotahi  
TAKIARI, Nita Shirley  
TAKIARI, Phillip  
TAKIARI-CHURCH, Josephine  
TE KANI, Gardenia  
WAIWIRI-TAUMATA, Natalee

**RAUNGAITI**

GRAHAM, Ngaire  
HAPI, Bodie  
MATEHUIRUA, Marlene  
PENE, Syrina  
SAMUEL, Joel  
WILSON, Bianca

**RERETEWHIOI**

KOHERE, Reweti

**RUKUMOANA**

CAFFERY, Jane  
COLLIER, Dianne  
DIXON-HARRIS, Endine  
HENRY, Dayna  
HOTENE, Angela  
HOWE, Alice  
JENKINS, Ayla  
McDONALD, Millie Grace  
McSHANE, Rachel Sue Whakamiharo  
MILNE, Daniel  
MUNRO, Chelsea  
MUNRO, Tourely  
NICHOLLS, Naeri  
POLOGA, Ruth  
POTAKA, Rowene Lee Aroha  
ROLLESTON, Elisha  
SAMUELS, Ranui Mark  
STRETCH, Justin  
TAYLOR, Bodie  
TEINAKORE, Te Manawaroa  
TEINAKORE, Tiare

## **RUKUMOANA**

TIAKIWAI, Tiana  
WHAU WHAU, Te Ramarama

## **TAHUNAKAITOTO**

BELK, Sheryl-Lee  
HUTCHINSON, Christopher  
PETERS, Kayne  
RAWIRI-PUKEROA, Klazz  
TAHITAHU, Kelly  
WHITE, Rebecca  
WINSOR, Katrina

## **TANIWHA - TANGOAO**

ANDREWS, Rawinia  
CAMERON, Joanne COLLIAR, Eliza  
FALWASSER, Messa  
FALWASSER-PERA, Atamarama  
FALWASSER, Paulette Julianna Eraina  
HONE, Natalie  
GARDINER, Carlene  
GARDINER, Theresa  
KOPAE, Hayley  
LAWRENCE, Tina  
RAKETE, Darlene  
TOKA, Sam  
WARU, Jennifer  
WILSON, Jozetta Triess

## **TAUHEI**

DANIELS, Makerina  
NICHOLSON, Mereana

## **TAUPIRI**

CHARLIE, Sada Cruzina  
GEORGE, Cairo  
KAHU, Niki-Leigh  
POURAU, Morgan  
TOTO, Jesse  
TRILLO, Laura  
TRILLO-FEELY, Cody

## **TAURANGANUI**

BENNETT, Rangipipi  
CLARK, La Vonne  
FERMANIS, Michael  
HENRY, Danielle  
HENRY-WHITE, Jordan  
HOHAIA, Trent  
NIELSEN, Monique  
OTI, Franz  
SCRIMSHAW, Gene  
TATE, Dudley  
TAUA, Chardonei  
TAUPO, Te Aroha  
TE AO, Braden

## **TE AAKAU**

BEZZANT, Teresa  
HAPUKU, Shaquille  
MATENGA HUIRAMA OSBORNE, Miriama  
WEHI, Hariata Kapania

## **TE AWAMAARAHU**

GRAY, Tiahua  
McGARVEY, Amiria Waiata  
McQUILKAN, Ben  
MORGAN, Byron  
OTI, Tommy  
TE RUKI, Shane

## **TE HOE O TAINUI**

MOKO-MEAD, Hinetaapora  
MOKO-MEAD, Te Taiawatea  
PAKI, Denzel  
TAKUIRA, Jennifer

## **TE ITI O HAUA - TAUWHARE**

HAEREROA, Nikki  
PATENA, Sheri  
RURU, Stacey Mariu  
MARK, Charmaine  
THOMPSON, Racquelle  
TUHAKARAINA, Wakataua  
WHITTAKER, Antonia Eliza

## **TE KAHAROA**

ENOKA, Celia  
GILMOURE, Angela Danielle Jordan  
HAYWARD, Tracy  
HEITIA, Nikora  
HEITIA, Sonny  
HEITIA, Turituperarahui  
MITCHELL, Wikitoriaraukura  
RAKENA, Terina  
TAIRAWHITI, Mahora  
TAIRAKENA, Joseph  
THOMPSON, Tamati

## **TE KAURI**

BERRYMAN, Keila Moana Oke  
BERRYMAN, Kelsey  
HAY, Louise  
PERE, Helen  
PERE, Rangimarie  
TEMPLETON, Jessica  
TIANANGA, Cameron

## **TE KOOPUA**

EDWARDS, Katrina  
EMERY, Nathan  
KEREOPA, Rewa  
MOHI, Karla  
NAERA, Leyton Kahurangi

## **TE KOOPUA**

NEWTON, Pania Peta  
PAERATA, Luke  
SHAW, Te Ao  
BAKKER, Candice  
GOLDING, Eric  
KING, Thea Tu Rora  
REWI, Paula  
TANE, Lee  
TAWHA, Lamoni  
WILLISON, Roy

## **TE KOTAHITANGA**

ALLATT-DARGAVILLE, Rachael  
CLARK, Robert  
CLARK, Waiata Joy  
TARAPA, Bruno  
THOMPSON, Malachi  
TUPAEA, Paul

## **TE OOHAKI**

AOAKE, Tia  
HAPETA, Robin  
MAIPI-CAMPBELL, Mururaupatu  
PAKI, Chelsea  
RAWIRI-McDONALD, Kio

## **TE PAPAOROTU**

BELL-KINGI, Lauren  
BISHOP, Karen  
BLACK, Parearau  
EMERY, Venus  
HAMBLETON, Lorna  
HEU, Dermarius  
HIRAWANI, Brooke  
JOYCE, Andrea  
KINGI, Hemi Ezra  
KINGI, Leroy-Zakk  
LUNJEVICH, Anaru  
LYNDON, Mataroria  
MARRINER, Isaac  
McLEAN, Elizabeth  
McLEAN, Nicholas  
PARKER, Michelle  
PAUL, Patricia  
PERE, Miriama  
PIHAMA, Rangitiaria  
PIHAMA, Rochelle  
RANDALL, Cassandra Maud  
REYNOLDS, Awhimai  
ROLLS, Rangihaanu  
ROMANOS, Daria  
SEVE, Huhana  
WAIOMIO, Anthony  
WALTERS, Lei-Alan  
WANAKORE, Sharee

## **TE PAPTAPU**

SCOTT, Jacob  
TE WHEORO, Rikki

## **TE PUEA**

AWHITU, Lisa  
CASSIDY, Loren  
FANEVA, Hine Rangī  
GRAHAM, Maxine  
KAIawe, Tina Moana  
WHAANGA, Anasazi

## **TE TOKANGANUI A NOHO**

BALL, Tawhana  
FINCH, Makere  
GIBBONS, Bradley  
HETET, Emma  
HETET, Evette  
HOLDEN, Betty  
JARVIS, Sarah  
KAWE, Rangitahi  
KILGOUR, Jonathon  
KINO, Shilo  
NANKIVELL, Faye  
NANKIVELL, Jean  
PAKI, Arlene  
RAUPUTU, Hemaima  
RIDLEY, Ariana  
TE KANAWA, Wepiha  
TE WHARE, Sarah  
TERRY, Anaru  
TURNER, Bryce  
WALLACE, Purukamu

## **TIKIRAHĪ**

COE, Sharlene  
KITE, Danielle

## **TUURANGAWAEWAE**

AHOMIRO, Kahurangi  
AHOMIRO, Ruahuihui  
ALEXANDER, Zanzir  
APIATA, Arohanui  
AREMETE, Gidget  
AREMETE, Juanita  
BAILEY, Jessica  
BELL-CRAWFORD, Haley  
BENNETT VAN DER NEST, Corrin  
BEUMELBURG, Colin  
CLARKIN, Amiria  
CLOW, Jody Lee  
COOPER, Paris Arohaina  
DUNCAN, Pianika  
EKETONE, Rererangi  
FUATAVAI, Caroline Messines Kera  
GRAHAM, Kimikimi  
GRAY, Malachi

## **TUURANGAWAEWAE**

HAGGIE, Dean Pikitawhaki  
HAGGIE, Marrin Brian Pikitawhaki  
HAMILL, Roimata  
HAWE, Corrie  
HAWE, Michele  
HAWE, Wharerahi  
HAWKINS, Casey-Mia  
KELLS, Linda  
MAHARA, Piripi  
MALCOLM, Ashleigh  
McKAY, Jarrad Oman  
MILLER, Peter  
MOANA, Tynaya Leah  
MOANA, Adam  
MORELL, Te Winika  
MORGAN, Jesse Onehi Stuart  
O'REGAN, Patrick  
O'REGAN, Timothy  
ORMSBY, Tamoko-o-te-Rangi  
PAIKEA, Stacey  
RAUMATI, Glenda  
RICHMOND, Natalie Margaret Rangiamohia  
RURI, Marama  
SMITH, Manuka Rhys  
SOLOMON, Shane  
SOLOMON, Stacey  
TAPIATA, Hana  
TE KOI, Rona  
TE WIATA, Kim  
TE WIATA, Te Kani David  
TITO-TAYLOR, Larsen  
TUKERE, Tahanga  
TURNER, Anaru  
VERSTAPPEN, Dale  
WANOA, Faenza  
WELLS, Susan  
WEST, Leticia  
WHARAKURA, Rimutere

## **UMUPUIA**

JACOBSON, Amy  
KINGI, Susan  
TAYLOR, Emma Lee  
THOMPSON, Callie  
WOLFGRAMM-KINGI, Tania

## **WAAHI**

BAILEY, Iraia  
BRAMLEY, Mark  
CLARKE Donovan  
CLARKE Matehaere  
CLARKE Ramari Tate  
COLLETT, Robyn Kirioho  
DAVIES, Kim  
DIXON-HETET, Paretukiterangi  
GRAHAM, Kahurangi

## **WAAHI**

HARTWELL, Ashley  
HATI, Francis  
HETET, Gerry  
HONA, Carly  
HUNIA, Rangitaua  
KAWEROA, Tui  
KENNY, Matthew  
MAHARA, Raewyn  
MAIPI, Josephine  
MAIPI, Potaka  
MAIPI, Te Uira  
McKENZIE, Chris  
MORGAN, Tait  
NIKAU-TUMAI, Te Kaumarima  
ORMSBY, Te Amohia  
RAKEI, Nina  
RAMEKA, Teria  
RHIND-REEDY, Kajaun  
SMITH, Chastity  
STANLEY-KAWEROA, Keeri  
TE WARA, Ryan  
TE WARA, Te Aroha  
TIMOTHY, Eve (Rosie)  
TOMO, Maha  
TOMO, Natasha  
TOMO, Tumanako  
WAAKA-KAREKARE, Agnes  
WAIKAI, Jordan  
WAIKAI, Wharetotara

## **WAIKARE**

ORMSBY, Shenelle Awhina  
ROPIHA, Maora

## **WAIKARETUU - WERAROA**

CLARK-WILSON, Kodee  
EVANS, Maree  
MAY, Louise Kelly  
WHARE, Tania

## **WAIKERI - TANGIRAU**

MAHU, Kamanomano  
McCLEERY, Hinewaiora  
SHEPHEARD, Tui

## **WAINGARO**

AMUKETI, Moana Marie  
BARRETT, Tia  
HUIRAMA, Manawa  
HUIRAMA, Tukiho i te Rangi  
MADOC, Graham  
RAWIRI, Anthony Paul  
SAMSON, Heremaia  
STRINGER, Jennice  
TAHANA, Parehuia  
TENGU, Aaron-Lee Tane Hurihuri

## WAIPAPA

BARAKAT, Tracey Amohia Tukotuku  
CAIRD, Pohiri  
CAIRD, Rona  
CAMERON, Raymond  
CLARK, Dianne  
DALE, Joshua Craig  
EPAPARA, Cherie  
EPAPARA, Colleen  
GRAY, Kelly  
HILL, Erena  
KEWENE, Francis Waiata  
KEWENE, Rickie  
LEE, Tui  
LONDON, Natasha  
McNAB, Daniel  
MORATTI, Corey  
OSBORNE, Stephen  
PELASIO, John  
PORIMA, Mereraina  
REIRI-ALLEN, Joshua  
SEUMANU, Melissa  
SOLOMON, Charlotte  
SPELMAN, Anthony Cyril  
TOATAUA, Rumatiki  
TOATAUA, Te Ake  
WETERE, Tamara

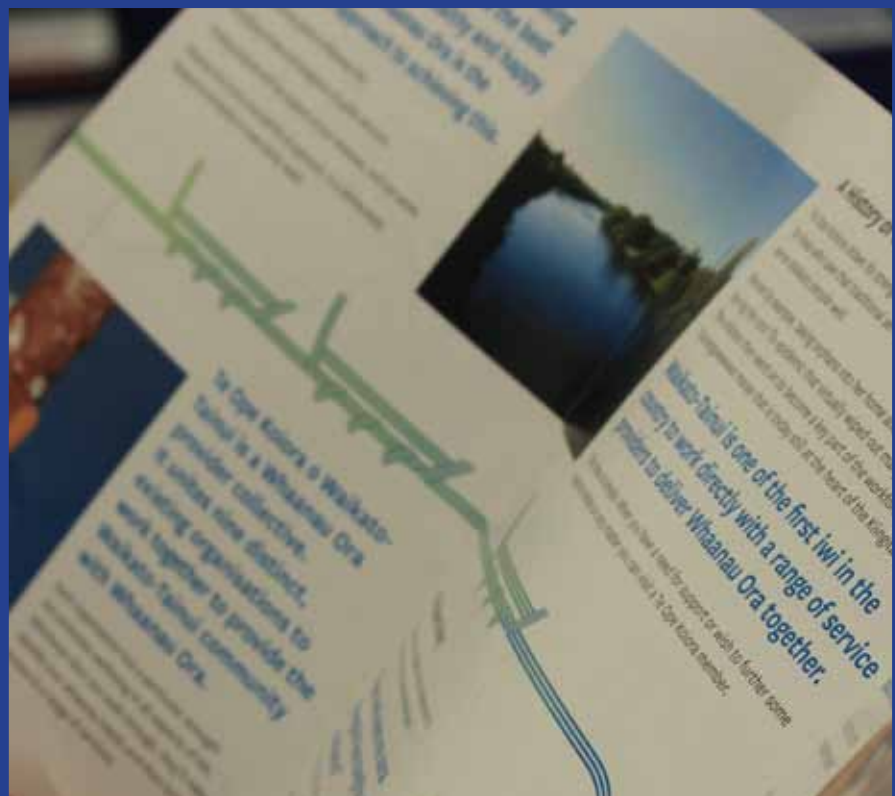
## WAITI

HOPA, Logan Ryan  
HUDSON, Tara Glenis  
PATUWAI, Adam  
RIHARI, Noeleen  
WALLACE, Wade  
WILSON, Cresta

## WHAATAAPAKA

KAHI, Merehema Tihoe  
KIRKWOOD-KAHI, Melani  
MOTION, Brandan  
NGATAKI, Te Rori  
RAWIRI, Te Teira  
SHILTON, Annabelle  
SHILTON, Thomas







**Waikato Raupatu Lands Trust  
Financial Statements  
For the Year Ended 31 March 2012**

*Photo above: Palisades at Puke-ii-ahua, Ngaruawahia*

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**WAIKATO RAUPATU LANDS TRUST  
DIRECTORY  
FOR THE YEAR ENDED 31 MARCH 2012**

Date of establishment 10 November 1995

Function To administer the Trust's assets for the general benefit of its beneficiaries as defined in the Waikato Raupatu Lands Trust Deed, the Waikato Raupatu Claims Settlement Act 1995 and the Waikato Raupatu River Trust Deed.

Trustee Waikato-Tainui Te Kauhanganui Incorporated

Auditor PricewaterhouseCoopers  
Private Bag 92162, Auckland 1142

Solicitors Chapman Tripp  
P O Box 2206, Auckland 1140

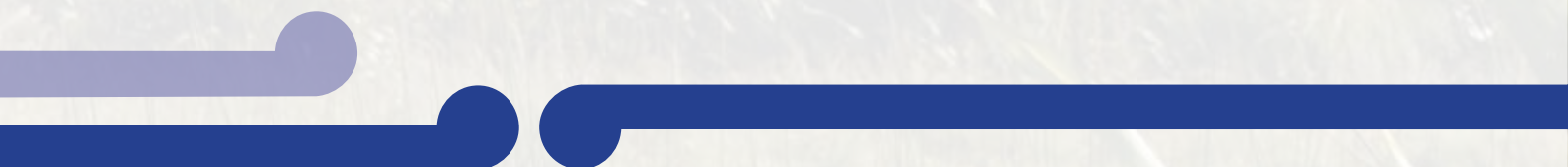
Bank Bank of New Zealand  
524 Te Rapa Road, Hamilton 3200

Postal Address Private Bag 542, Ngaaruawahia 3742

Telephone +64 7 824 8689

Facsimile +64 7 824 5133

Website [www.waikatotainui.com](http://www.waikatotainui.com)



**WAIKATO RAUPATU LANDS TRUST  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Consolidated		Parent	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
Revenue	4	56,939	37,151	3,958	13,727
Expenses	5	(33,051)	(22,880)	(9,515)	(9,861)
Finance costs - bank loans		(13,233)	(8,228)	(17)	(60)
Finance income - short term deposits		3,342	3,291	186	174
Share of net profit of associates	6	541	139	-	-
<b>Net operating profit/(loss) for the year</b>		<b>14,538</b>	<b>9,473</b>	<b>(5,388)</b>	<b>3,980</b>
Other gains - net	8	26,771	10,766	4,900	2,604
Grants	9	(6,757)	(4,359)	(6,674)	(4,324)
<b>Net profit/(loss) for the year</b>		<b>34,552</b>	<b>15,880</b>	<b>(7,162)</b>	<b>2,260</b>
<b>Other comprehensive income for the year</b>					
Gain/(loss) on revaluation of farm and other properties	10	2,872	(2,689)	-	-
<b>Total comprehensive income for the year</b>		<b>37,424</b>	<b>13,191</b>	<b>(7,162)</b>	<b>2,260</b>
<b>Profit is attributable to:</b>					
Equity holders of Waikato Raupatu Lands Trust		34,571	15,880		
Non-controlling interest		(19)	-		
		<b>34,552</b>	<b>15,880</b>		
<b>Total comprehensive income for the year is attributable to:</b>					
Equity holders of Waikato Raupatu Lands Trust		37,443	13,191		
Non-controlling interest		(19)	-		
		<b>37,424</b>	<b>13,191</b>		

These financial statements should be read in conjunction with the accompanying notes.

**WAIKATO RAUPATU LANDS TRUST**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

	Notes	Consolidated		Parent	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
<b>EQUITY</b>					
Retained earnings	10	568,290	533,234	185,505	192,667
Reserves	10	<u>18,373</u>	<u>15,986</u>	<u>-</u>	<u>-</u>
		586,663	549,220	185,505	192,667
Non controlling interest		<u>8,921</u>	<u>9,300</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<b><u>595,584</u></b>	<b><u>558,520</u></b>	<b><u>185,505</u></b>	<b><u>192,667</u></b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		83,146	79,500	4,730	4,229
Trade and other receivables	11	7,067	12,771	840	3,948
Inventories	12	4,210	4,625	8	8
Biological assets	13	1,082	843	-	-
Advances - subsidiaries	14	<u>-</u>	<u>-</u>	<u>74,027</u>	<u>74,027</u>
<b>Total current assets</b>		<b><u>95,505</u></b>	<b><u>97,739</u></b>	<b><u>79,605</u></b>	<b><u>82,212</u></b>
<b>Non-current assets</b>					
Other receivables	15	15,217	13,449	21	21
Other financial assets	16	18,320	70,344	-	-
Investments in associates	6	13,485	13,151	-	-
Investments in subsidiaries		-	-	70,253	70,253
Intangible assets	17	20,859	20,672	371	-
Biological assets	13	3,191	2,694	-	-
Property, plant and equipment	18	94,901	86,926	9,162	9,682
Investment properties	19	504,437	437,917	4,305	4,156
Te Wherowhero title properties	20	<u>36,572</u>	<u>32,203</u>	<u>36,572</u>	<u>32,203</u>
<b>Total non-current assets</b>		<b><u>706,982</u></b>	<b><u>677,356</u></b>	<b><u>120,684</u></b>	<b><u>116,315</u></b>
<b>Total assets</b>		<b><u>802,487</u></b>	<b><u>775,095</u></b>	<b><u>200,289</u></b>	<b><u>198,527</u></b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	21	14,971	22,112	4,060	3,649
Interest bearing liabilities	22	30,305	72,005	5	5
Advances - subsidiaries	14	<u>-</u>	<u>-</u>	<u>10,707</u>	<u>2,188</u>
<b>Total current liabilities</b>		<b><u>45,276</u></b>	<b><u>94,117</u></b>	<b><u>14,772</u></b>	<b><u>5,842</u></b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	22	149,864	114,668	12	18
Other financial liabilities	23	<u>11,763</u>	<u>7,790</u>	<u>-</u>	<u>-</u>
<b>Total non-current liabilities</b>		<b><u>161,627</u></b>	<b><u>122,458</u></b>	<b><u>12</u></b>	<b><u>18</u></b>
<b>Total liabilities</b>		<b><u>206,903</u></b>	<b><u>216,575</u></b>	<b><u>14,784</u></b>	<b><u>5,860</u></b>
<b>Total net assets</b>		<b><u>595,584</u></b>	<b><u>558,520</u></b>	<b><u>185,505</u></b>	<b><u>192,667</u></b>

*J C. Roa*

Tom Roa  
 Executive Member  
 Waikato-Tainui Te Kauhanganui Incorporated  
 26 October 2012

*Hemi Rau*

Hemi Rau  
 Executive Member  
 Waikato-Tainui Te Kauhanganui Incorporated  
 26 October 2012

These financial statements should be read in conjunction with the accompanying notes.

WAIKATO RAUPATU LANDS TRUST  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2012

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	Revaluation reserves \$'000	Retained earning \$'000	Total \$'000	Non- controlling interest \$'000	Total equity \$'000
<b>Balance as at 1 April 2010</b>	18,675	517,354	536,029	1,539	537,568
<b>Comprehensive income</b>					
Net profit for the year	-	15,880	15,880	-	15,880
<b>Other comprehensive income</b>					
(Loss) on revaluation of farm and other properties	(2,689)	-	(2,689)	-	(2,689)
Total other comprehensive income	(2,689)	-	(2,689)	-	(2,689)
<b>Total comprehensive income</b>	(2,689)	15,880	13,191	-	13,191
Non-controlling interest	-	-	-	7,761	7,761
<b>Balance as at 31 March 2011</b>	<b>15,986</b>	<b>533,234</b>	<b>549,220</b>	<b>9,300</b>	<b>558,520</b>
<b>Balance as at 1 April 2011</b>	15,986	533,234	549,220	9,300	558,520
Transfer from reserves to retained earnings	(485)	485	-	-	-
<b>Comprehensive income</b>					
Net profit/(loss) for the year	-	34,571	34,571	(19)	34,552
<b>Other comprehensive income</b>					
Gain on revaluation of farm and other properties	2,872	-	2,872	-	2,872
Total other comprehensive income	2,872	-	2,872	-	2,872
<b>Total comprehensive income</b>	2,872	34,571	37,443	(19)	37,424
Non-controlling interest	-	-	-	(360)	(360)
<b>Balance as at 31 March 2012</b>	<b>18,373</b>	<b>568,290</b>	<b>586,663</b>	<b>8,921</b>	<b>595,584</b>
<b>Parent</b>					
<b>Balance as at 1 April 2010</b>	-	190,407	190,407	-	190,407
<b>Comprehensive income</b>					
Net profit for the year	-	2,260	2,260	-	2,260
<b>Total comprehensive income</b>	-	2,260	2,260	-	2,260
<b>Balance as at 31 March 2011</b>	-	<b>192,667</b>	<b>192,667</b>	-	<b>192,667</b>
<b>Balance as at 1 April 2011</b>	-	192,667	192,667	-	192,667
<b>Comprehensive income</b>					
Net loss for the year	-	(7,162)	(7,162)	-	(7,162)
<b>Total comprehensive income</b>	-	(7,162)	(7,162)	-	(7,162)
<b>Balance as at 31 March 2012</b>	-	<b>185,505</b>	<b>185,505</b>	-	<b>185,505</b>

These financial statements should be read in conjunction with the accompanying notes.

**WAIKATO RAUPATU LANDS TRUST**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>					
Receipts from customers		62,147	32,308	4,356	3,318
Payments to suppliers and employees		(37,261)	(15,904)	(8,990)	(8,991)
Payments to grant recipients		(6,302)	(3,816)	(6,219)	(3,781)
Interest received		3,342	3,291	186	174
Dividends received		1,624	2,000	2,700	10,500
Interest paid		(13,233)	(8,228)	(17)	(60)
<b>Net cash generated from/(used in) operating activities</b>	<b>24</b>	<b><u>10,317</u></b>	<b><u>9,651</u></b>	<b><u>(7,984)</u></b>	<b><u>1,160</u></b>
<b>Cash flows from investing activities</b>					
Receipts from sale of investments in listed companies		57,375	-	-	-
Payments for investments in unlisted companies		(683)	(546)	-	-
Amounts received from related parties		-	-	8,519	838
Payments for property, plant and equipment		(8,430)	(38,925)	(42)	(205)
Proceeds from sale of property, plant and equipment		27	222	14	239
Payments for intangible assets		(36)	(49)	-	-
Payments for investment properties		(48,420)	(67,844)	-	-
Settlement received		-	40,000	-	-
Proceeds from sale of investment properties		-	3,357	-	-
<b>Net cash generated from/(used in) investing activities</b>		<b><u>(167)</u></b>	<b><u>(63,785)</u></b>	<b><u>8,491</u></b>	<b><u>872</u></b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	98,947	-	-
Repayment of borrowings		(6,504)	-	(6)	(3)
<b>Net cash generated from/(used in) financing activities</b>		<b><u>(6,504)</u></b>	<b><u>98,947</u></b>	<b><u>(6)</u></b>	<b><u>(3)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>3,646</b>	<b>44,813</b>	<b>501</b>	<b>2,029</b>
Cash and cash equivalents at the beginning of the year		79,500	34,687	4,229	2,200
<b>Cash and cash equivalents at end of the year</b>		<b><u>83,146</u></b>	<b><u>79,500</u></b>	<b><u>4,730</u></b>	<b><u>4,229</u></b>

These financial statements should be read in conjunction with the accompanying notes.

**WAIKATO RAUPATU LANDS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**1 GENERAL INFORMATION**

The Waikato Raupatu Lands Trust ('Trust' or 'Parent') and its subsidiaries (together referred to as the 'Group') have the following principal activities in New Zealand:

- grant distribution;
- property investment;
- property development;
- hotels;
- fishing; and
- investments.

The Parent is a trust incorporated and domiciled in New Zealand.

These consolidated financial statements have been approved for issue by the Board of Trustees on the 26 October 2012.

The Group's Trustees do not have the power to amend the financial statements once they have been issued.

**Waikato Raupatu Land Settlement**

On 22 May 1995, Waikato-Tainui signed the Deed of Settlement with the Crown's representatives for a full and final settlement of its Raupatu claim to be made to the Waikato Raupatu Lands Trust. This agreement formed the basis for the Waikato Raupatu Claims Settlement Act 1995.

The settlement, being the redress value, is specified as \$170 million. The settlement was realised as follows:

- (a) Te Rapa Airforce Base transferred to Waikato-Tainui in 1993 as an advance on the Settlement (at agreed 1993 market value);
- (b) Crown reimbursement of negotiation and research costs incurred by Tainui Maaori Trust Board being amounts paid from 21 September 1992 totalling \$2.6 million;
- (c) Lands situated in the Waikato-Tainui claim area which were owned by the Crown and selected by Waikato-Tainui (the process is outlined in the Deed of Settlement) at values agreed between the parties using the valuation methodology stated in the Deed of Settlement; and
- (d) Any balance remaining was paid in cash to the Waikato Land Acquisition Trust which transferred the cash to the Waikato Raupatu Lands Trust as and when required to fund the purchase of other lands.

The Lands referred to in (c) above were identified, transfer dates agreed upon and transfer values determined by both parties by 30 November 1996. These Lands were to be returned over a 5-year period from 22 May 1995. In addition, interest was paid by the Crown on the outstanding balance of the redress value.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), International Financial Reporting Standards ('IFRS') and other applicable financial reporting standards as appropriate for public benefit entities.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements include separate financial statements for the Waikato Raupatu Lands Trust as an individual entity and the consolidated Group consisting of the Waikato Raupatu Lands Trust and its subsidiaries. Waikato-Tainui Te Kauhanganui Incorporated is the ultimate controlling party of the Group.

**Historical cost convention**

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of farm and other properties, investment properties, Te Wherowhero investment properties, biological assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss which are carried at fair value.

**2.2 Changes in accounting policy and disclosures**

**(a) New and amended standards adopted by the Group**

There are no NZ IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2011 that have a material impact on the Group.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2011 and not early adopted

The following new and amended standards and interpretations have been issued and are mandatory for the Group's accounting periods beginning on or after 1 January 2012 or later periods and are expected to be relevant to the Group:

- **NZ IAS 1, 'Presentation of items of other comprehensive income' amendment:** The amendments retain the requirement to present profit and loss and other comprehensive income together, but focus on improving how items of other comprehensive income are presented. The main change resulting from the amendments was a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). The amendments did not address which items are presented in other comprehensive income. The Group is yet to assess the full impact of the NZ IAS 1 amendments and intends to adopt the amendments to NZ IAS 1 no later than the accounting period beginning on 1 April 2013.
- **NZ IFRS 9, 'Financial instruments' - classification and measurement:** NZ IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. NZ IFRS 9 has already been early adopted by the Group in the accounting period from 1 April 2009. NZ IFRS 9 has also been issued for financial liabilities, and it retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The standards also results in one impairment method replacing the numerous impairment methods in IAS 39 that arise from the different classification categories. The Group does not expect the standard to have a significant effect and intends to adopt NZ IFRS 9 no later than the accounting period beginning on 1 April 2013.
- **NZ IFRS 10, 'Consolidated financial statements':** NZ IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Parent. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess NZ IFRS 10's full impact and intends to adopt NZ IFRS 10 no later than the accounting period beginning on 1 April 2013.
- **NZ IFRS 11, 'Joint Arrangements':** NZ IFRS 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. NZ IFRS 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The Group is yet to assess NZ IFRS 11's full impact and intends to adopt NZ IFRS 11 no later than the accounting period beginning on 1 April 2013.
- **NZ IFRS 12, 'Disclosures of interests in other entities':** NZ IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess NZ IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on 1 April 2013.
- **NZ IAS 27, 'Separate Financial Statements':** The standard is renamed and is now dealing solely with separate financial statements. Application of this standard by the Group and Parent entity will not affect any of the amounts recognised in the financial statements, but may impact the type of information disclosed in relation to the Parent's investments in the separate Parent entity financial statements.
- **NZ IAS 28, 'Investments in associates and joint ventures':** Amendments to NZ IAS 28 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group is still assessing the impact of these amendments.
- **NZ IFRS 13, 'Fair value measurement':** NZ IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's. The requirements, which are largely aligned between IFRS's and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS's or US GAAP. The Group is yet to assess NZ IFRS 13's full impact and intends to adopt NZ IFRS 13 no later than the accounting period beginning on 1 April 2013.

The following standards and interpretations, which are not yet effective are not expected to be relevant to the Group's operations:

- NZ IFRS 1 Severe hyperinflation and removal of fixed dates for first time adopters 1 July 2011
- NZ IAS 19 Amendments to IAS 19, 'Employee benefits' 1 January 2013
- IFRIC 20 Stripping costs in the production phase of a surface mine 1 January 2013
- Amendment to NZ IAS 12, 'Deferred tax – recovery of underlying assets'

### **(c) Early adoption of standards**

The Group did not early adopt any new or amended standards in 2012.

### **2.3 Critical accounting estimates**

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and judgements are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following are the critical estimates and judgements management has made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in the financial statements.

#### **(a) Fair value of assets and liabilities**

The Group records certain assets and liabilities at fair value in the statement of financial position as follows:

Other receivables (note 15) are valued using discounted cash flow techniques to determine fair value.

Farm and other properties (note 18), investment properties (note 19) and Te Wherowhero title properties (note 20) have been valued by independent valuers as at 31 March 2012 and 31 March 2011 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Biological assets (note 13) comprise livestock and forests. Both are valued by independent valuers using current market prices less point of sale costs (livestock) and expectation value method less point of sale costs (forests).

Other financial assets at fair value through profit or loss (note 16) include shares in unlisted companies held at fair value. The fair value of these shares, in the absence of quoted prices, has been determined using valuation techniques.

Interest rate swaps (note 23) are valued using discounted cash flow techniques.

The determination of fair value for each of the assets and liabilities above requires significant estimation and judgement which have a material impact on the statement of comprehensive income and statement of financial position.

#### **(b) Impairment testing**

Intangible assets with indefinite useful lives being quota (note 17) are required to be tested for impairment at least annually. This requires an estimation of the recoverable amount of the quota based on the higher of value in use or fair value less costs to sell. The determination of the recoverable amount of the quota requires significant estimation and judgement.

### **2.4 Principles of consolidation**

#### **(a) Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### (c) Associates

Associates are all entities over which the Group has significant influence but not control, generally evidenced by holding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 6).

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and the Group's share of post-acquisition revaluation in property, plant and equipment is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in 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 any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (d) Joint ventures

The proportionate interests in income of a jointly controlled operation have been incorporated in the financial statements under the appropriate headings.

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of joint ventures' individual income and expenses, assets and liabilities on a line by line basis with similar items in the Group's financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of the profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it sells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2.5 Functional and presentation currency

Items included in the financial statements of each of the subsidiaries' operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The consolidated financial statements are presented in New Zealand dollars, which is the Parent's functional currency and the Group's presentation currency.

## 2.6 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of Goods and Services Tax (GST), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

### (a) Hotel income

Revenue from hotels comprises amounts earned in respect to services, facilities and goods supplied. Any revenue not recognised, but received by the reporting date, is treated as deposits in advance, and shown as a liability in the statement of financial position.

### (b) Rental income

Rental income is recognised on a straight line basis over the lease term.

### (c) Sales of goods

Sales of goods are recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold. For sections, recognition is on the sale contract becoming unconditional and the title passing. The recorded revenue is the gross amount of the sale.

### (d) Quota lease income

Quota lease income is recognised when the Group has receipted income from the quota lessee. Quota is recognised on a monthly accruals basis.

### (e) Dairy income

Dairy income is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold.

### (f) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### (g) Dividend income

Dividend income is recognised when the right to receive payment is established.

### (h) Government grants

Government grants are assistance provided by the Government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to operating activities of the Group. The Group was eligible for and has received units under the New Zealand Emission Trading Scheme as part of the fisheries allocation for quota owned. The fair value of units received is recognised in the statement of comprehensive income on allocation by the Government to the Group.

## 2.7 Employee benefits

Liabilities are recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave where it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the achievements of agreed key performance indicators, including the achievement of financial budget targets. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Property interests held by a lessee under an operating lease are recognised as part of the carrying amount of the investment property with a corresponding liability at fair value through profit or loss being recorded.

### 2.9 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the rate associated with project related borrowings or the weighted average interest rate applicable to the Group's outstanding borrowings during the year.

### 2.10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### 2.11 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income within expenses.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventory is comprised of section costs and other direct costs using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Biological assets

Biological assets are measured at fair value less estimated point of sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. The fair value of trees is determined annually by independent valuers by calculating the crop expectation and future value discounted back to the present value, based on the rotation age of the crop and the current market prices of the logs. The valuation of Redwood trees is based on the current replacement cost method used for young trees.

### 2.14 Financial assets and liabilities

#### Recognition and measurement

A financial asset or liability is recognised if the Group becomes party to the contractual provisions of the instrument. Regular purchases and sales of financial assets and liabilities are recognised on the trade date, the date on which the Group commits to purchase or sell the asset or liability. A financial asset or liability is recognised initially at its fair value and in the case of a financial asset or liability measured at amortised cost includes transaction costs that are directly attributable to the acquisition or issue of the instrument.

#### Financial assets and liabilities measured at amortised cost

Financial assets and liabilities measured at amortised cost are non derivative financial assets and liabilities which meet the following criteria:

- a) held within a business model whose objective is to hold an instrument in order to collect contractual cash flows; and
- b) the contractual terms of the instrument gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset and liability that is measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the instrument is de recognised, impaired or reclassified and through the amortisation process.

Trade and other receivables are classified as financial assets measured at amortised cost. Trade and other payables and debt instruments are classified as financial liabilities measured at amortised cost.

### **Financial assets and liabilities measured at fair value through profit or loss**

Financial assets and liabilities are measured at fair value unless measured at amortised cost. At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of NZ IFRS 9 'Financial Instruments' that is not held for trading. If the Group makes this election, it shall recognise in profit or loss dividends from that investment when the Group's right to receive payment of the dividend is established in accordance with NZ IAS 18 'Revenue'. The Group may also at initial recognition, designate an instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the instruments or recognising gains and losses on them on different bases.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transaction pricing models refined to reflect the Group's specific circumstances.

A gain or loss on a financial asset or liability that is measured at fair value and is not part of a hedging relationship shall be recognised in profit and loss unless the financial asset is an investment in an equity instrument and the Group has made an irrevocable election to present gains and losses on that investment in other comprehensive income.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Investment property liabilities are classified as financial liabilities measured at fair value through profit or loss. Derivative financial instruments are classified as either financial assets or financial liabilities measured at fair value through profit or loss.

## **2.15 Investments in subsidiaries**

Investments in subsidiaries are valued at cost less impairment in the Parent.

## **2.16 Intangible assets**

### **(a) Computer software**

Separately acquired computer software and licenses at a cost greater than \$10,000 are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight line basis over their estimated useful lives of two years.

Costs under \$10,000 associated with maintaining computer software programmes are recognised as an expense as incurred.

### **(b) Quota**

Separately acquired fishing quota has an indefinite useful life and will generate economic benefits beyond one year. Fishing quota is tested annually for impairment and is carried at cost less accumulated impairment. The useful life is assessed annually to determine whether the indefinite useful life assessment continues to be supportable.

### **(c) Carbon credits**

Intangible assets include carbon credits acquired by way of a Government grant and are initially recognised at fair value at the date of acquisition. Following initial recognition, these intangible assets are carried at cost less any accumulated impairment losses.

Carbon credits are not consumed in the production and are therefore not amortised. They are tested for impairment annually and whenever there is an indication that impairment exists.

The carbon credits are not consumed in the production and the Group is able to either hold the New Zealand Units (NZU) within the carbon register or alternatively trade the NZU's in domestic and international carbon markets.

## **2.17 Property, plant and equipment**

Farm and other properties are comprised of land, buildings and plant held on the farms as well as buildings occupied by Tainui Group Holdings Limited, and are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

of the asset. Land at cost, hotels, development properties, trust and other properties, vehicles, equipment, fixtures and fittings are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of farm and other properties are credited to the revaluation reserve in equity. To the extent that the increase reverses a revaluation decrease previously recognised in the statement of comprehensive income, the increase is first recognised in statements of comprehensive income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of comprehensive income.

Development property and land is not depreciated. Depreciation on other assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Farm and other properties	2.0% - 11.4%
Farm plant and equipment	4.8% - 48.0%
Hotels	1.0% - 50.0%
Trust buildings	2.0% - 21.6%
Plant and equipment	4.8% - 48.0%
Motor vehicles	12.0% - 31.2%
Computer, office equipment, furniture and fittings	9.5% - 50.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in revaluation reserves in respect of those assets to retained earnings.

### 2.18 Investment properties

Investment properties include properties held to earn rental income, and/or for capital appreciation as well as investment properties under construction. A property is also classified as an investment property if it does not have an operating lease in place, but is held with the intention of attaining an operating lease.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined annually by external valuers. Changes in fair value are recorded in the statement of comprehensive income.

### 2.19 Te Wherowhero property

Te Wherowhero title is the mechanism set up to protect the title of lands in the tribal estate. The benefits and the land in Te Wherowhero title are for all Waikato-Tainui and the land cannot be succeeded to, sold, alienated, mortgaged or gifted without adherence to a process to obtain the mandate of the voting beneficiaries or their representatives and unanimous consent of the Custodial Trustees.

Custodians of Te Wherowhero title are the Head of the Kaahui Ariki and two elected successors to the late Sir Robert Te Kotahi Mahuta and the late Tumate Mahuta.

As at 31 March 2012 (and 31 March 2011), the title is protected by the Custodial Trustee - Kiingi Tuheitia. Lands under this title are separately disclosed in note 20.

Te Wherowhero investment property is carried at fair value, representing open-market value determined by external valuers. Changes in fair value are recorded in the statements of comprehensive income.

Te Wherowhero property that is not investment land is not leased and is recorded at historical cost.

## 2.20 Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment losses are recognised first against the revaluation reserves in respect of the impaired asset, and second as an expense in the statements of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment, with the exception of fishing quota, are reviewed for possible reversal of the impairment at each reporting date.

## 2.21 Trade and other payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other accounts payable are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

## 2.22 Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

## 2.23 Current and deferred income tax

The Inland Revenue Department approved the Trust as charitable for the purposes of the Income Tax Act 1994. Accordingly, no income tax is payable.

However some subsidiary and associate entities are taxable. In the instances where an entity is taxable, current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

The Group is not liable for tax on profits or losses from joint ventures as all entities within the Group that are partners of a joint venture through a joint venture agreement have charitable tax status.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the statements of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax or current tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

See note 3 for details of entities that have charitable status.

### 2.24 Statement of cash flows

The statement of cash flows are prepared exclusive of GST. For the purposes of the statement of cash flows, cash and cash equivalents include cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition and disposal of current and non current investments and any other non current assets.

Financing activities are those activities relating to changes in the equity and debt capital structure of the Trust and Group and those activities relating to the cost of servicing the Trust's and Group's equity capital.

### 2.25 Goods and services tax (GST)

The profit and loss component of the statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

## 3 CONSOLIDATION

Subsidiaries:	Charitable status	Operating division	Ownership and voting interest		Balance date
			2012	2011	
Maori Development Corporation Limited	No	Investment	-	100%	31 Mar
MDC Finance Limited	No	Investment	-	100%	31 Mar
MDC Funds Management Limited	No	Investment	-	100%	31 Mar
Boat Harbour Ventures Limited	No	Investment	100%	100%	31 Mar
Raukura Moana Seafoods Limited	Yes	Fisheries	100%	100%	31 Mar
Raukura Whare Limited	Yes	Investment	100%	100%	31 Mar
Ruakura Fee Simple Limited	Yes	Property	100%	-	31 Mar
Ruakura Limited	Yes	Property	100%	-	31 Mar
Tainui Auckland Airport Hotel LP	No	Investment	70%	70%	31 Mar
Tainui Auckland Airport Hotel GP Limited	No	Investment	70%	70%	31 Mar
Tainui Corporation Limited	Yes	Property	100%	100%	31 Mar
Tainui Development Limited	Yes	Property	100%	100%	31 Mar
Tainui Group Holdings Limited	Yes	Investment	100%	100%	31 Mar
TDL No. 1 Limited	Yes	Investment	100%	100%	31 Mar
Te Rapa 2002 Limited	Yes	Property	100%	100%	31 Mar
TGH No. 1 Limited	No	Investment	100%	100%	31 Mar
The Base Limited	Yes	Property	100%	100%	31 Mar
Waikato Raupatu Trustee Company Limited	Yes	Investment	100%	100%	31 Mar
Waikato-Tainui Distributions Limited	No	Investment	100%	100%	31 Mar
Waikato-Tainui Fisheries Limited	No	Fisheries	100%	100%	31 Mar
Waikato-Tainui Koiora Collective LP	No	Investment	100%	100%	31 Mar
Waikato-Tainui Koiora Limited	No	Investment	100%	100%	31 Mar
Waikato-Tainui Te Kauhanganui Incorporated	Yes	Investment	100%	100%	31 Mar
Waikato-Tainui Tribal Authority LP	No	Investment	100%	100%	31 Mar
Waikato Raupatu River Trust	No	Investment	100%	100%	31 Mar
<b>Associates:</b>	<b>Charitable status</b>	<b>Operating division</b>	<b>Interest held</b>		<b>Balance date</b>
			<b>2012</b>	<b>2011</b>	
Hamilton Riverview Hotel Limited	No	Investment	41%	41%	31 Dec

Unincorporated Joint Ventures:	Charitable status	Operating division	Ownership and voting interest		Balance date
Callum Brae Tainui	No	Property	50%	50%	31 Mar
TAG Forestry Joint Venture	No	Property	50%	50%	31 Mar

The subsidiaries, interest in associates and joint ventures with reporting dates other than 31 March have been included based on their actual balances as at 31 March 2012 and not the balances at their respective reporting dates. Hamilton Riverview Hotel Limited has a balance date of 31 December to align with its other shareholders operations.

During the financial year Maaori Development Corporation Limited, MDC Finance Limited and MDC Funds Management Limited were amalgamated with Waikato-Tainui Distributions Limited.

The country of incorporation for all subsidiaries, associates and joint ventures is New Zealand.

The Group's interest in the joint ventures had the following effect on the financial statements:

	Consolidated	
	2012	2011
	\$'000	\$'000
<b>Statement of financial position</b>		
Current assets	2,442	3,599
Non-current assets	210	4,195
<b>Total assets</b>	<b>2,652</b>	<b>7,794</b>
Less current liabilities	245	567
<b>Net assets</b>	<b>2,407</b>	<b>7,227</b>

#### Statement of comprehensive income

Revenues	2,413	3,550
Expenses	(1,252)	(2,005)
<b>Profit before income tax</b>	<b>1,161</b>	<b>1,545</b>

#### 4 REVENUE

	Consolidated		Parent		
	2012	2011	2012	2011	
	\$'000	\$'000	\$'000	\$'000	
	<b>Notes</b>				
Rental income		31,448	24,666	7	110
Hotel income		14,397	-	-	-
Sale of sections		2,409	3,522	-	-
Quota leasing income		1,745	1,814	-	-
Dividends from listed and unlisted investments		1,417	2,000	-	10,500
Dairy income		1,056	1,048	-	-
Other operating gains	13	693	728	-	-
Revenue from the rendering of services		336	226	490	376
Other income		3,438	3,147	3,461	2,741
		<b>56,939</b>	<b>37,151</b>	<b>3,958</b>	<b>13,727</b>

#### 5 EXPENSES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Audit fees paid to Parent and Group auditors	128	146	39	59
Audit related fees	26	-	-	-
Audit fees paid to other auditors	16	-	-	-
Bad debt written off	19	-	5	-
Consultancy fees	2,140	1,882	933	601
Cost of sales	6,973	2,223	80	68
Depreciation and amortisation expense	3,131	1,117	558	644
Direct costs from rental income	1,447	3,375	-	-
Direct costs from investment properties (non-income generating)	425	51	-	-
Director and trustee fees	1,358	1,301	1,078	1,073
Doubtful debts and movement in provision	28	456	16	434
Employee benefits	10,983	6,213	2,750	2,763
Operating lease expenses	99	97	47	36
Other expenses	6,278	6,019	4,009	4,183
	<b>33,051</b>	<b>22,880</b>	<b>9,515</b>	<b>9,861</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 5 EXPENSES CONTINUED

Depreciation and amortisation	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Amortisation and impairment of intangibles	17	220	101	-	-
Computer, office equipment, furniture and fittings	18	407	270	98	132
Farm and other properties	18	167	197	-	-
Hotel	18	1,847	-	-	-
Motor vehicles	18	67	106	43	77
Plant and equipment	18	34	46	36	46
Trust and other properties	18	389	397	381	389
<b>Total depreciation and amortisation</b>		<b><u>3,131</u></b>	<b><u>1,117</u></b>	<b><u>558</u></b>	<b><u>644</u></b>

### 6 INVESTMENTS IN ASSOCIATES

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Investments in associates	<b><u>13,485</u></b>	<b><u>13,151</u></b>	-	-
<b>Carrying value of associates</b>				
Carrying value at beginning of year	13,151	13,012	-	-
Share of net profit of associates	541	139	-	-
Dividend received	(207)	-	-	-
<b>Carrying value at end of year</b>	<b><u>13,485</u></b>	<b><u>13,151</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>The carrying value is comprised of:</b>				
Cost	6,000	6,000	-	-
Share of associate revaluation reserves	7,222	7,222	-	-
Share of associate post acquisition retained earnings	263	(71)	-	-
	<b><u>13,485</u></b>	<b><u>13,151</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

The Group's results of its principal associates, all of which are unlisted and its aggregated assets (including goodwill) and liabilities, are as follows:

	Assets \$'000	Liabilities \$'000	Revenues \$'000	Profit \$'000	Interest held %
<b>2012</b>					
Hamilton Riverview Hotel Limited	46,272	13,688	15,227	1,302	41
<b>2011</b>					
Hamilton Riverview Hotel Limited	48,308	16,527	14,868	336	41

### 7 INCOME TAX

Unrecognised deferred tax balances	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Unused tax losses	2,135	2,186	-	-
Unrecognised deferred tax balances	<b><u>2,135</u></b>	<b><u>2,186</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

The taxable members of the Group have sufficient losses to carry forward to meet any potential income tax liability. The taxable losses are not recorded in the financial statements due to the lack of probability that the losses will be recovered.

As at reporting date there is no current tax expense, tax payable or tax receivable (2011: nil).

## 8 OTHER GAINS - NET

	Notes	Consolidated		Parent	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
Biological assets					
- fair value gains unrealised	13	497	789	-	-
Other debtors					
- gain on fair value measurement	15	2,768	9	-	-
Intangible asset settlement	17	371	105	371	-
Interest rate swaps					
- fair value losses unrealised	23	(3,973)	(4,140)	-	-
Investment properties					
- fair value gains unrealised	19	19,460	6,044	149	51
Investment properties					
- loss on sale		-	(393)	-	-
Property, plant & equipment					
- impairment of land at cost	18	(1,400)	(950)	-	-
Shares in listed companies					
- fair value gains realised		4,050	-	-	-
Shares in listed companies					
- fair value gains unrealised		-	6,750	-	-
Shares in unlisted companies					
- fair value gains unrealised		673	-	-	-
Shares in unlisted companies					
- fair value losses realised		(55)	(1)	-	-
Gain on revaluation of Te Wherowhero title properties	20	4,369	2,577	4,369	2,577
Property, plant and equipment					
- gain/(loss) on disposal					
		11	(24)	11	(24)
		<b>26,771</b>	<b>10,766</b>	<b>4,900</b>	<b>2,604</b>

## 9 GRANTS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Grant expenses during the year comprise of the following:</b>				
Kiingitanga				
Mahinaarangi and Turongo house	2,047	-	2,047	-
Ururangi Trust	1,289	1,177	1,289	1,177
Koroneihana	158	150	158	150
Marae	1,000	950	1,000	950
Education	885	786	840	786
Marae facilities	638	590	638	590
Other	740	706	702	671
	<b>6,757</b>	<b>4,359</b>	<b>6,674</b>	<b>4,324</b>

## 10 RESERVES AND RETAINED EARNINGS

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reserves</b>				
Revaluation reserves (farm and other properties)	11,151	8,279	-	-
Revaluation reserves (trust and other properties)	-	485	-	-
Revaluation reserves (associates)	7,222	7,222	-	-
	<b>18,373</b>	<b>15,986</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 10 RESERVES AND RETAINED EARNINGS CONTINUED

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Revaluation reserve (farm and other properties)</b>					
Balance at beginning of year		8,279	10,968	-	-
Revaluation gain/(loss) during the year	18	2,872	(2,689)	-	-
Balance at end of year		<u>11,151</u>	<u>8,279</u>	<u>-</u>	<u>-</u>
<b>Revaluation reserve (trust and other properties)</b>					
Balance at beginning of year		485	485	-	-
Transfer to retained earnings		(485)	-	-	-
Balance at end of year		<u>-</u>	<u>485</u>	<u>-</u>	<u>-</u>
<b>Revaluation reserve (associates)</b>					
Balance at beginning of year		7,222	7,222	-	-
Balance at end of year		<u>7,222</u>	<u>7,222</u>	<u>-</u>	<u>-</u>

#### (b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balance at beginning of year	533,234	517,354	192,667	190,407
Net profit/(loss) for the year	34,571	15,880	(7,162)	2,260
Transfer from reserves	485	-	-	-
<b>Balance at end of year</b>	<b>568,290</b>	<b>533,234</b>	<b>185,505</b>	<b>192,667</b>

### 11 TRADE AND OTHER RECEIVABLES

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade receivables		2,650	3,300	819	1,150
Property settlements		562	2,781	-	-
Less provision for impairment		(75)	(83)	(7)	(26)
Trade receivables from related parties	14	-	-	-	2,722
Prepayments		1,926	1,062	28	27
GST		-	4,048	-	75
Other receivables		2,004	1,663	-	-
		<u>7,067</u>	<u>12,771</u>	<u>840</u>	<u>3,948</u>

Movements in the provision for impairment of receivables are as follows:

Balance at beginning of year	83	38	26	4
Additional provisions	74	48	24	25
Provision reversals	(82)	(3)	(43)	(3)
<b>Balance at the end of year</b>	<b>75</b>	<b>83</b>	<b>7</b>	<b>26</b>

### 12 INVENTORIES

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Land - sections for sale	4,159	4,617	-	-
Other inventories at cost	51	8	8	8
	<u>4,210</u>	<u>4,625</u>	<u>8</u>	<u>8</u>

The Bank of New Zealand currently holds a registered first mortgage over property situated at Huntington/Gordonton Road, Hamilton. This property is part of the Callum Brae Tainui joint venture.

### 13 BIOLOGICAL ASSETS

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Current</b>					
Balance at beginning of year		843	615	-	-
Additions		160	114	-	-
Changes in fair value	4	693	728	-	-
Decreases due to sales		(614)	(614)	-	-
<b>Balance at end of year</b>		<b>1,082</b>	<b>843</b>	-	-
<b>Non-current</b>					
Balance at beginning of year		2,694	1,905	-	-
Changes in fair value	8	497	789	-	-
<b>Balance at end of year</b>		<b>3,191</b>	<b>2,694</b>	-	-

The current biological assets represent livestock consisting of mixed age sheep, cattle and cows, which are held for dairy and dry stock farming. N Lyons and C Heggie from PGG Wrightson determined the fair value of sheep, cattle and cows at 31 March 2012 (2011: N Lyons and C Heggie from PGG Wrightson). Both valuers provided valuations based on reference to market evidence of current market prices less point of sale costs. At balance date there were 2,864 sheep, 428 cattle and 161 cows (2011: 2,729 sheep, 407 cattle and 99 cows).

The non-current biological assets are comprised of a 374 hectare Pinus Radiata forest planted in 1996 and 1997 and 151 hectares Pinus Radiata forest planted in 2001 and 2002. It is expected that the rotation age for the forest crop will be 27 to 28 years, at which time the crop will be harvested. R H Webster NZIF Registered Valuer valued 374 hectares of the forest crop as at 31 March 2012 (2011: 374 hectares) using the Crop Expectation Value method at a 7.0% (2011: 7%) post-tax discount rate to determine fair value, less point-of-sale costs. R H Webster also valued 270 hectares of Californian Coast Redwoods planted from 2005 to 2007 as at 31 March 2012 (2011: nil) using current replacement cost method used for young trees at a 7.0% compounded rate. Alan Bell NZIF Registered Valuer valued 151 hectares of the forest crop as at 31 March 2012 (2011: 151 hectares) using the discounted future value method at a 10% (2011: 10%) pre-tax discount rate to determine fair value, less point-of-sale costs. The non-current biological assets are held for investment.

All valuers are independent registered valuers not related to the Trust or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the categories of biological assets they have valued.

### 14 RELATED PARTY TRANSACTIONS

#### (a) Parent entity

The Waikato Raupatu Lands Trust is the Parent entity of the Group. Waikato-Tainui Te Kauhanganui Incorporated is the ultimate controlling party. All members of the Group are considered to be related parties of the Trust.

Amounts outstanding between the Parent and the Group are:

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Advances owing by subsidiaries:</b>					
Tainui Group Holdings Limited and subsidiaries		-	-	74,027	74,027
		-	-	<b>74,027</b>	<b>74,027</b>
<b>Advances owing to subsidiaries:</b>					
Tainui Group Holdings Limited		-	-	8,400	-
Waikato Raupatu River Trust		-	-	682	888
Waikato-Tainui Distributions Limited		-	-	1,244	1,300
Waikato-Tainui Koiara Limited Collective LP		-	-	381	-
		-	-	<b>10,707</b>	<b>2,188</b>
<b>Trade and other receivables owing by subsidiaries:</b>					
Tainui Group Holdings Limited	11	-	-	-	2,722
		-	-	-	<b>2,722</b>
<b>Trade and other payables owing to subsidiaries:</b>					
Tainui Group Holdings Limited and subsidiaries	21	-	-	150	-
		-	-	<b>150</b>	-

Transactions between related entities include loans and advances to and from the Parent, certain subsidiaries and associates.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 14 RELATED PARTY TRANSACTIONS CONTINUED

All amounts owing by and to the Trust and Group are repayable on demand and are interest free, other than the advance owing by the Trust to Waikato-Tainui Distributions Limited for which interest is charged daily based on the 90 day bank bill rate. There is no impairment of any related party balances. The amount owing by Tainui Group Holdings Limited and subsidiaries to the Parent is subordinated to the Westpac and BNZ bank loans (see note 22).

Tainui Group Holdings Limited charged the Trust \$0.7m (2011: \$0.7m) for administration services and financial charges. There were no purchases of goods or services from the Group's subsidiaries.

Tainui Group Holdings Limited did not declare a dividend during the year for the year ended 31 March 2012 to Waikato-Tainui Te Kauhanganui Incorporated. However a dividend of \$10.1m from Tainui Group Holdings Limited and \$0.9m from Waikato-Tainui Fisheries Limited was declared on 22 June 2012 in relation to the year ended 31 March 2012 (see note 30). In the year ended 31 March 2011 Tainui Group Holdings Limited declared a dividend of \$10.5m on 31 March 2011 (Waikato-Tainui Fisheries Limited: nil).

There are operating leases in place between the Trust and Tainui Group Holdings Limited for land owned by the Trust where the Tainui Group Holdings Limited has developed and leased properties at The Base and the University of Waikato respectively.

#### (b) Key management and personnel compensation

Key management personnel compensation for the years ended 31 March 2012 and 31 March 2011 is set out below.

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Short term employee benefits	1,629	1,222	234	217
	<u>1,629</u>	<u>1,222</u>	<u>234</u>	<u>217</u>

There are no post employment, other long term employment, termination or share based payment benefits.

#### (c) Directors and trustees fees

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Tainui Group Holdings Limited:</b>				
M Allen	40	41	-	-
M Cockram	40	-	-	-
J Eriksen	-	27	-	-
J Spencer	80	65	-	-
K Wetere	40	33	-	-
<b>Tainui Group Holdings Limited and Waikato-Tainui Te Kauhanganui Inc.:</b>				
R Papa	84	61	44	50
R Schaafhausen	85	83	45	51
<b>Waikato-Tainui Te Kauhanganui Inc.:</b>				
V Hapi	2	5	2	5
C Joe	44	50	44	50
R Mahuta	-	8	-	8
T Maipi	52	66	52	66
T Martin	158	25	158	25
G Miller	50	26	50	26
M Moana-Tuwahangai	64	61	64	61
T Morgan	159	245	159	245
K Porima	51	52	51	52
T Roa	1	2	1	2
P Te Ao	48	55	48	55
R Tukiri	59	66	59	66
J Wilson	44	64	44	45
<b>Waikato-Tainui Te Kauhanganui Inc. representatives:</b>	<u>257</u>	<u>266</u>	<u>257</u>	<u>266</u>
	<b>1,358</b>	<b>1,301</b>	<b>1,078</b>	<b>1,073</b>

## 15 OTHER RECEIVABLES

	Note	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Other receivables	26	15,196	13,428	-	-
Unsecured loan		471	455	471	455
Provision for doubtful receivable		(450)	(434)	(450)	(434)
		<b>15,217</b>	<b>13,449</b>	<b>21</b>	<b>21</b>

Other receivables is comprised of the Waikato Raupatu River Trust co-management debtor receivable (note 26 (iii)). Unsecured loan is comprised of a loan to Horahora Marae. Interest is charged on the loan at 5% and the term of the loan is for a period of 10 years. Due to the uncertainty of the collection of this debt, the loan has been recognised as doubtful.

## 16 OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>At fair value through profit or loss:</b>				
Listed companies	-	53,325	-	-
Unlisted companies	5,385	4,084	-	-
Unlisted company - AFL income shares	12,935	12,935	-	-
	<b>18,320</b>	<b>70,344</b>	<b>-</b>	<b>-</b>

### (a) Listed companies

The shares in listed companies previously comprised of shares held in Ryman Healthcare Limited. In July 2011 Tainui Group Holdings Limited sold its shares in Ryman for \$57.4m or \$2.55 per share.

### (b) Unlisted companies

The fair value of shares in unlisted companies are largely represented by investments in Pioneer Capital Partners LP and Fonterra Co operative Group Limited.

### (c) Unlisted companies - Aotearoa Fisheries Limited (AFL) income shares

The fair value of the AFL income shares is based on a calculation of the equity value of AFL as determined at 31 March 2012. The calculation of equity value considers the average EBIT over the period 2009 to 2012 and uses a market multiple to determine the enterprise value and deducting net debt to derive the equity value of each income share held at 31 March.

## 17 INTANGIBLE ASSETS

Consolidated	Software \$'000	Quota \$'000	NZ Units ETS \$'000	Total \$'000
<b>Balance as at 31 March 2010</b>	279	20,340	-	20,619
Additions	49	-	105	154
Amortisation and impairment	(101)	-	-	(101)
<b>Balance as at 31 March 2011</b>	<b>227</b>	<b>20,340</b>	<b>105</b>	<b>20,672</b>
<b>Total intangible assets at 31 March 2011</b>				
Cost	413	20,340	105	20,858
Accumulated amortisation and impairment	(186)	-	-	(186)
<b>Net book value</b>	<b>227</b>	<b>20,340</b>	<b>105</b>	<b>20,672</b>
<b>Balance as at 31 March 2011</b>	227	20,340	105	20,672
Additions	36	-	371	407
Amortisation and impairment	(146)	-	(74)	(220)
<b>Balance as at 31 March 2012</b>	<b>117</b>	<b>20,340</b>	<b>402</b>	<b>20,859</b>
<b>Total intangible assets at 31 March 2012</b>				
Cost	448	20,340	476	21,264
Accumulated amortisation and impairment	(331)	-	(74)	(405)
<b>Net book value</b>	<b>117</b>	<b>20,340</b>	<b>402</b>	<b>20,859</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 17 INTANGIBLE ASSETS CONTINUED

Parent	NZ Units ETS \$'000	Total \$'000
<b>Balance as at 31 March 2011</b>	-	-
Additions	<u>371</u>	<u>371</u>
<b>Balance as at 31 March 2012</b>	<b><u>371</u></b>	<b><u>371</u></b>
<b>Total intangible assets at 31 March 2012</b>		
Cost	371	371
Impairment	<u>-</u>	<u>-</u>
<b>Net book value</b>	<b><u>371</u></b>	<b><u>371</u></b>

Tainui Group Holdings Limited is deemed a participant in the New Zealand Emission Trading Scheme (ETS) as it is an owner of fishing quota. NZU's relate to 4,191 units that were allocated to the Group by the Ministry for the Environment as part of the fisheries allocation for quota owned. The units were valued at \$7.50 per unit (2011: \$25.00) resulting in an impairment charge to the Group of \$73,342 (2011: nil).

The Parent is deemed a participant in the ETS as it is an owner of forestry land. NZU's relate to 49,511 units that were allocated to the Parent by the Ministry for the Environment as part of the forestry allocation for land owned. The units were recognised at \$7.50 per unit (2011: nil).

Quota Management Systems Limited were contracted as an independent valuer to perform an impairment assessment of the quota assets. Fair value has been assessed with reference to individual fish stock, the valuers knowledge of the market and the Ministry for Primary Industries (formerly Ministry of Fisheries) Quota Monitoring System reports.

### 18 PROPERTY, PLANT AND EQUIPMENT

Consolidated		Farm and other properties	Develop- ment properties	Land at cost	Trust and other properties	Plant and equip- ment	Motor vehicles	Computer, office equipment, furniture & fittings	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 March 2011</b>									
Opening net book value		21,695	6,313	-	9,909	-	-	618	38,535
Additions		69	45,683	-	-	1	-	933	46,686
Disposals		-	-	-	(3)	(16)	(95)	(132)	(246)
Net revaluation decrements	10	(2,689)	-	-	-	-	-	-	(2,689)
Impairment of land at cost	8	-	-	(950)	-	-	-	-	(950)
Depreciation charge	5	(197)	-	-	(397)	(46)	(106)	(270)	(1,016)
<b>Closing net book value</b>		<b><u>18,878</u></b>	<b><u>51,996</u></b>	<b><u>(950)</u></b>	<b><u>9,509</u></b>	<b><u>(61)</u></b>	<b><u>(201)</u></b>	<b><u>1,149</u></b>	<b><u>80,320</u></b>
<b>At 31 March 2011</b>									
Cost		19,917	51,996	4,640	18,031	912	960	2,030	98,486
Accumulated depreciation		(1,039)	-	-	(8,522)	(434)	(684)	(881)	(11,560)
<b>Closing net book value</b>		<b><u>18,878</u></b>	<b><u>51,996</u></b>	<b><u>4,640</u></b>	<b><u>9,509</u></b>	<b><u>478</u></b>	<b><u>276</u></b>	<b><u>1,149</u></b>	<b><u>86,926</u></b>

## 18 PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Notes	Farm and other properties	Development properties	Land at cost	Trust and other properties	Plant and equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Hotel	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 March 2012</b>										
Opening net book value		18,878	51,996	4,640	9,509	478	276	1,149	-	86,926
Additions		205	7,436	-	2	3	19	442	-	8,107
Disposals		(1)	-	-	-	-	(5)	(47)	-	(53)
Net revaluation increments	10	2,872	-	-	-	-	-	-	-	2,872
Impairment of land at cost	8	-	-	(1,400)	-	-	-	-	-	(1,400)
Depreciation charge	5	(167)	-	-	(389)	(34)	(67)	(407)	(1,847)	(2,911)
Reclassification		-	(59,170)	-	-	-	-	-	59,170	-
Transfer from investment properties	19	-	1,360	-	-	-	-	-	-	1,360
<b>Closing net book value</b>		<b>21,787</b>	<b>1,622</b>	<b>3,240</b>	<b>9,122</b>	<b>447</b>	<b>223</b>	<b>1,137</b>	<b>57,323</b>	<b>94,901</b>
<b>At 31 March 2012</b>										
Cost		22,993	1,622	3,240	18,033	915	922	2,352	59,170	109,247
Accumulated depreciation		(1,206)	-	-	(8,911)	(468)	(699)	(1,215)	(1,847)	(14,346)
<b>Closing net book value</b>		<b>21,787</b>	<b>1,622</b>	<b>3,240</b>	<b>9,122</b>	<b>447</b>	<b>223</b>	<b>1,137</b>	<b>57,323</b>	<b>94,901</b>

### PARENT

	Notes	Trust and other properties	Plant and equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 March 2011</b>						
Opening net book value		9,138	539	357	302	10,336
Additions		-	1	-	228	229
Disposals		(1)	(16)	(95)	(127)	(239)
Depreciation charge	5	(389)	(46)	(77)	(132)	(644)
<b>Closing net book value</b>		<b>8,748</b>	<b>478</b>	<b>185</b>	<b>271</b>	<b>9,682</b>
<b>At 31 March 2011</b>						
Cost		15,733	912	734	692	18,071
Accumulated depreciation		(6,985)	(434)	(549)	(421)	(8,389)
<b>Closing net book value</b>		<b>8,748</b>	<b>478</b>	<b>185</b>	<b>271</b>	<b>9,682</b>

	Notes	Trust and other properties	Plant and equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 March 2012</b>						
Opening net book value		8,748	478	185	271	9,682
Additions		-	5	-	37	42
Disposals		(1)	-	(3)	-	(4)
Depreciation charge	5	(381)	(36)	(43)	(98)	(558)
<b>Closing net book value</b>		<b>8,366</b>	<b>447</b>	<b>139</b>	<b>210</b>	<b>9,162</b>
<b>At 31 March 2012</b>						
Cost		15,732	915	684	729	18,060
Accumulated depreciation		(7,366)	(468)	(545)	(519)	(8,898)
<b>Closing net book value</b>		<b>8,366</b>	<b>447</b>	<b>139</b>	<b>210</b>	<b>9,162</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 18 PROPERTY, PLANT AND EQUIPMENT CONTINUED

#### Development properties

Development properties relating to the development of the Novotel Auckland Airport hotel, which was completed in May 2011, have been transferred to a separate hotel category within property, plant and equipment (see also note 22 for ASB Bank security agreement over the hotel assets).

The transfer to development properties relates to a property previously classified as investment property. The property will be developed as the new offices of Tainui Group Holdings Limited, therefore owner occupied, and as such the property has been reclassified to property, plant and equipment.

#### Valuations of farm and other properties

Telfer Young (Waikato) Limited and Curnow Tizard were contracted as independent valuers to value farm and other properties. Fair value has been assessed as the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transaction.

The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable income and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates); and
- comparing market evidence of transaction prices for similar properties.

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2012 is \$20.1m (2011: \$17.3m). The carrying amount that would have been reported for farm properties under the historical cost method is \$9.2m (2011: \$9.0m).

The total value of other properties by Curnow Tizard Limited at 31 March 2012 is \$1.7m (2011: \$1.6m). The carrying amount that would have been reported for other properties under the historical cost method is \$0.9m (2011: \$1.2m).

All valuers are independent registered valuers not related to the Parent or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of farm and other properties they have valued.

### 19 INVESTMENT PROPERTIES

	Notes	Consolidated		Parent	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of year		437,917	367,779	4,156	4,105
Development		48,420	67,844	-	-
Net gain from fair value adjustment	8	19,460	6,044	149	51
Transfer to property, plant and equipment	18	(1,360)	-	-	-
Disposals		-	(3,750)	-	-
<b>Balance at end of year</b>		<b>504,437</b>	<b>437,917</b>	<b>4,305</b>	<b>4,156</b>

#### Valuation basis of investment properties

Investment property valuations were completed as follows:

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$123m and Parent \$0.9m on (31 March 2011: \$116m and Parent: \$0.9m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$261m on 31 March 2012 (31 March 2011: \$98m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

M. J. Snelgrove from Curnow Tizard Limited valued properties at fair value of \$110m and Parent \$3.4m on 31 March 2012 (31 March 2011: \$108m and Parent: \$3.2m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

R. H. Martin from Property Valuations Limited valued properties at fair value of \$2m on 31 March 2012 (31 March 2011: \$2m) using a mixture of market evidence of transaction prices for similar properties and the direct comparison approaches.

R. Peters from Seagar & Partners valued properties at fair value of \$2m on 31 March 2012 (31 March 2011: \$2m) using a mixture of market evidence of transaction prices for similar properties and the direct comparison approaches.

Property under construction valuations were completed as follows:

T. Arnott from CB Richard Ellis Limited valued properties at fair value of nil on 31 March 2012 (2011: \$112m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches. The carrying amount that would have been reported for properties under construction under the historical cost method is nil (2011: \$112m).

All valuers are independent registered valuers not related to the Parent or Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Tainui Group Holdings Limited also incurred work in progress as at 31 March 2012 of \$6m (2011: \$2m) in relation to the property located at The Base.

## 20 TE WHEROWHERO TITLE PROPERTIES

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Investment Property</b>					
Balance at beginning of the year		30,487	27,910	30,487	27,910
Net gain from fair value adjustments	8	<u>4,369</u>	<u>2,577</u>	<u>4,369</u>	<u>2,577</u>
		<b>34,856</b>	<b>30,487</b>	<b>34,856</b>	<b>30,487</b>
<b>Other land</b>					
At cost		<u>1,716</u>	<u>1,716</u>	<u>1,716</u>	<u>1,716</u>
<b>Closing balance</b>		<b><u>36,572</u></b>	<b><u>32,203</u></b>	<b><u>36,572</u></b>	<b><u>32,203</u></b>

For Te Wherowhero title properties held at fair value amounting to \$35m (2011: \$30m), valuations were completed as follows:

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$20m (Parent: \$20m) as at 31 March 2012 (31 March 2011: \$17m and Parent \$17m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$8m (Parent: \$8m) as at 31 March 2012 (31 March 2011: \$7m and Parent \$7m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

M. J. Snelgrove from Curnow Tizard Limited valued properties at fair value of \$7m (Parent: \$7m) as at 31 March 2012 (31 March 2011: \$6m and Parent \$6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

All valuers are independent registered valuers not related to the Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

## 21 TRADE AND OTHER PAYABLES

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables		2,556	6,871	131	164
Grants payable		2,746	2,291	2,746	2,291
Trade payables to related parties	14	-	-	150	-
Accrued expenses		8,728	12,263	560	760
Employee entitlements		896	628	428	375
GST		<u>45</u>	<u>59</u>	<u>45</u>	<u>59</u>
		<b><u>14,971</u></b>	<b><u>22,112</u></b>	<b><u>4,060</u></b>	<b><u>3,649</u></b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 22 INTEREST BEARING LIABILITIES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Secured</b>				
Bank loans	30,300	72,000	-	-
Housing Corporation of New Zealand	5	5	5	5
<b>Total current interest bearing borrowings</b>	<b>30,305</b>	<b>72,005</b>	<b>5</b>	<b>5</b>
Bank loans	149,852	114,650	-	-
Housing Corporation of New Zealand	12	18	12	18
Total non-current interest bearing liabilities	<u>149,864</u>	<u>114,668</u>	<u>12</u>	<u>18</u>
<b>Total interest bearing liabilities</b>	<b><u>180,169</u></b>	<b><u>186,673</u></b>	<b><u>17</u></b>	<b><u>23</u></b>

Tainui Group Holdings Limited holds a multi option credit line facility agreement with Westpac New Zealand Limited for \$75m (2011: \$50m) of which \$50m matures on 15 March 2014 and \$25m matures on 25 July 2015. Borrowings of \$26m of the available facility had been drawn at balance date (2011: \$22.7m).

Tainui Group Holdings Limited holds a Wholesale Term Loan Facility with Westpac New Zealand Limited for \$50m (2011: \$22m) which matures on 27 July 2015. Borrowings of \$50m had been drawn at balance date (2011: \$22m).

Tainui Group Holdings Limited holds a Committed Cash Advances Facility Tranche A Agreement with the Bank of New Zealand for \$75m (2011: \$50m) which matures on 31 July 2016. Borrowings of \$46m of this facility had been drawn at balance date (2011: \$50m).

Tainui Group Holdings Limited holds a Committed Cash Advances Facility Tranche B Agreement with the Bank of New Zealand for \$50m (2011: \$50m) which matures on 22 November 2012. Borrowings of \$30m of the available facility had been drawn at balance date (2011: \$34.7m).

Tainui Auckland Airport Hotel holds a Committed Cash Advance Facility with ASB Bank Limited for \$33m (2011: \$33m) which matures 14 May 2014. Borrowings of \$28m of the available facility had been drawn at balance date (2011: \$17.3m). The ASB Bank has a first and exclusive security agreement over the assets and undertakings of Tainui Auckland Airport Hotel LP and Tainui Auckland Airport Hotel GP Limited.

Tainui Group Holdings Limited and guaranteeing subsidiaries (Tainui Corporation Limited, Tainui Development Limited, TGH No.1 Limited, Raukura Moana Seafoods Limited, The Base Limited and Te Rapa 2002 Limited) have granted to Westpac New Zealand Limited and Bank of New Zealand a charge in and over all present and future assets and present and future rights and interest in any asset as security for the finance facilities.

### Borrowing costs capitalised

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Investment properties	1,649	2,184	-	-
Weighted average capitalisation rate on funds borrowed generally	8.22%	7.67%	-	-

### 23 OTHER FINANCIAL LIABILITIES

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>At fair value through profit or loss</b>				
Interest rate swaps	11,763	7,790	-	-
	<u>11,763</u>	<u>7,790</u>	<u>-</u>	<u>-</u>

The notional amount of interest rate swaps is \$150m with maturity dates that range from 1-10 years (2011: \$139m, maturing between 1-10 years).

## 24 RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Net profit/(loss) for the year		34,552	15,880	(7,162)	2,260
<b>Non cash items:</b>					
Depreciation and amortisation	5	3,131	1,117	558	644
Bad debts written off	5	19	-	5	-
Movement in doubtful debt provision	5	28	456	16	434
Loss on sale of investment properties	8	-	393	-	-
Gain on revaluation of biological assets	13	(1,190)	(1,517)	-	-
Gain on fair value measurement of other receivables	8	(2,768)	(9)	-	-
Allocation of intangible assets	17	(371)	(105)	(371)	-
Gain on shares in listed companies	8	(4,050)	(6,750)	-	-
Gain on shares in unlisted companies - unrealised	8	(673)	-	-	-
Loss on interest rate swaps	8	3,973	4,140	-	-
Share of total profits of associates	6	(541)	(139)	-	-
Gain on revaluation of investment properties	8, 19	(19,460)	(6,044)	(149)	(51)
Impairment of land at cost	8	1,400	950	-	-
Gain on revaluation of Te Wherowhero title properties	8	(4,369)	(2,577)	(4,369)	(2,577)
Other non-cash items in relation to investing and financing activities (Gain)/loss on disposal of property, plant and equipment	8	(11)	24	(11)	24
<b>(Increase)/decrease in current assets:</b>					
Trade and other receivables		3,936	38,332	3,108	78
Trade and other receivables - non-cash fair value gain		2,768	9	-	-
Inventories		415	(1,117)	-	(8)
Biological assets		(239)	(228)	-	-
Biological assets - non cash fair value gain		693	728	-	-
<b>Increase/(decrease) in current liabilities:</b>					
Trade and other payables		(7,141)	6,564	411	380
<b>Other</b>					
Dividend received from associate		207	-	-	-
Settlement received		-	(40,000)	-	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>10,317</b>	<b>9,651</b>	<b>(7,984)</b>	<b>1,160</b>

## 25 FINANCIAL RISK MANAGEMENT

### 25.1 Financial risk factors

Exposure to credit, liquidity and market (currency, interest and price) risks arise in the normal course of the Group's business. The Group has various financial instruments with off-balance sheet risk.

Senior management are required to identify and report major risks affecting the business and develop strategies to mitigate these risks. The board reviews and approves overall risk management strategies covering specific areas.

#### (a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Trust or Group, causing the Trust or Group to incur a loss. The Trust and Group do not have any significant concentrations of credit risk, other than the Co-Management debtor expected from the Crown (see also notes 15 and 26(iii)). The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as shown in the statement of financial position. The Trust and Group do not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions with high credit ratings except for funds lent to a related party and an external entity for which the Trust and Group have appropriate security and guarantees. The Trust and Group further minimise credit exposure by limiting the amount of surplus funds placed with any one financial institution. The Trust and Group do not expect non-performance of any obligations at balance date. There are no material financial assets held by the Trust and Group at balance date which are past due but not impaired.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 25 FINANCIAL RISK MANAGEMENT CONTINUED

#### (b) Market risk

##### (i) Currency

The Group has no exposure to currency risk at balance date.

There are no notional principal or forward foreign exchange contracts at 31 March 2012 (2011: nil).

##### (ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk.

The Group adopts a policy of ensuring that between 25 and 90 per cent of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed contract and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at reporting date and the credit risk inherent in the contract, and are disclosed below. The average interest rate is based on the outstanding balances at the start of the financial year.

##### Sensitivity analysis

As at 31 March 2012, if the 90 day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the Group's profit/(loss) for the year and the equity would have been \$256,996 (2011: \$160,121) higher or lower (parent nil for 2012 and 2011). This movement is attributable to an increase or decrease in the interest expense on floating rate loans and in the interest income from deposits. The sensitivity is higher in 2012 due to the increased level of short term deposit investments and higher interest rates.

##### (iii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group that are classified at fair value through profit or loss. Neither the Group nor the Parent are exposed to commodity price risk.

##### Sensitivity analysis

The table below summarises the impact of increases/(decreases) of the New Zealand equity index on the Group (Parent for 2012 and 2011: nil) and the Group's profit and equity for the year. The analysis is based on the assumption that should the equity indexes increase/(decrease) by 10% (2011: 10%) with all other variables held constant and all the Group's equity instruments move according to the historical correlation with the index.

CONSOLIDATED	Impact on Profit		Impact on Equity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>+ 10%</b>				
Financial assets at fair value through profit or loss	-	5,333	-	5,333
<b>- 10%</b>				
Financial assets at fair value through profit or loss	-	(5,333)	-	(5,333)

Profit for the year would increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss. Equity would further increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss. The Group held shares in listed company, Ryman Healthcare Limited which were sold in July 2011.

### Price risk in relation to Aotearoa Fisheries Limited (AFL) income shares

A movement in the enterprise value of  $\pm 1\%$  would result in a gain/(loss) in the Groups equity interest in AFL income shares of \$0.2m.

The price risk for other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

### (c) Financial risk management strategies relating to agricultural activities

The Group undertakes agricultural activities through its farm operations and forestry land. These operations are exposed to business risks, including the volatility of revenue and valuation of its assets.

The Group utilises the skills of appropriately qualified and experienced farm consultants, farm managers and sharemilkers to mitigate the financial risk relating to farming activities.

The Group utilises the skills of appropriately qualified and experienced forestry consultants and forestry contractors to mitigate the financial risk relating to forestry activities.

### (d) Liquidity risk

Liquidity risk is the risk that the Trust and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Trust and Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Trust and Group's financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

### Maturities of financial liabilities

The tables below analyse the Group and Parent financial liabilities, net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Consolidated - At 31 March 2012

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>							
Trade and other payables	21	14,030	-	-	-	14,030	14,030
Borrowings	22	30,305	38,860	132,012	-	201,177	180,169
<b>Total non-derivatives</b>		<b>44,335</b>	<b>38,860</b>	<b>132,012</b>	<b>-</b>	<b>215,207</b>	<b>194,199</b>
<b>Derivatives</b>							
Derivative financial instrument (outflows)	23	2,430	2,334	4,821	2,178	11,763	11,763
<b>Total derivatives</b>		<b>2,430</b>	<b>2,334</b>	<b>4,821</b>	<b>2,178</b>	<b>11,763</b>	<b>11,763</b>

#### Consolidated At 31 March 2011

##### Non-derivatives

Trade and other payables	21	21,425	-	-	-	21,425	21,425
Borrowings	22	72,005	100,713	23,634	-	196,352	186,673
<b>Total non- derivatives</b>		<b>93,430</b>	<b>100,713</b>	<b>23,634</b>	<b>-</b>	<b>217,777</b>	<b>208,098</b>

##### Derivatives

Derivative financial instrument outflows	23	2,032	1,891	2,904	963	7,790	7,790
<b>Total derivatives</b>		<b>2,032</b>	<b>1,891</b>	<b>2,904</b>	<b>963</b>	<b>7,790</b>	<b>7,790</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (c) Financial risk management strategies relating to agricultural activities continued

	Notes	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
<b>Parent</b>							
<b>- At 31 March 2012</b>							
<b>Non-derivatives</b>							
Creditors and other payables	21	3,587	-	-	-	3,587	3,587
Borrowings	22	6	7	7	-	20	17
Advances		10,707	-	-	-	10,707	10,707
<b>Total non-derivatives</b>		<b>14,300</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>14,314</b>	<b>14,311</b>

<b>Parent</b>							
<b>- At 31 March 2011</b>							
<b>Non-derivatives</b>							
Creditors and other payables	21	3,215	-	-	-	3,215	3,215
Borrowings	22	2	3	5	16	26	23
Advances		2,188	-	-	-	2,188	2,188
<b>Total non-derivatives</b>		<b>5,405</b>	<b>3</b>	<b>5</b>	<b>16</b>	<b>5,429</b>	<b>5,426</b>

### (e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date. The quoted market price used for financial assets held by the Group is the current bid price, with the exception of investment in subsidiaries, joint ventures and associates.

Investment in subsidiaries, joint ventures and associates do not have a quoted market price in an active market and the fair value cannot be reliably measured.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There are no financial liabilities with a carrying value different to their fair value.

### (f) Fair value hierarchy

Disclosure of fair value measurements is made by the level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Balance \$'000
<b>Consolidated - as at 31 March 2012</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Investments in unlisted companies	-	-	5,385	5,385
– Investments in unlisted company (AFL income shares)	-	12,935	-	12,935
<b>Total assets</b>	<b>-</b>	<b>12,935</b>	<b>5,385</b>	<b>18,320</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	11,763	-	11,763
<b>Total liabilities</b>	<b>-</b>	<b>11,763</b>	<b>-</b>	<b>11,763</b>

	Level 1	Level 2	Level 3	Total Balance
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated - as at 31 March 2011</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Investments in listed companies	53,325	-	-	53,325
– Investments in unlisted companies	-	-	4,084	4,084
– Investments in unlisted company (AFL income shares)	-	12,935	-	12,935
<b>Total assets</b>	<b>53,325</b>	<b>12,935</b>	<b>4,084</b>	<b>70,344</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	7,790	-	7,790
<b>Total liabilities</b>	<b>-</b>	<b>7,790</b>	<b>-</b>	<b>7,790</b>

The following tables present the changes in level 3 instruments for the year ended 31 March 2012 and 31 March 2011.

	Trading securities at fair value through profit or loss \$'000	Total balance \$'000
<b>As at 31 March 2011</b>		
Opening balance	4,084	4,084
Gains recognised in profit or loss	618	618
Purchases	683	683
Closing balance	<b>5,385</b>	<b>5,385</b>
<b>Total gains for the period included in profit or loss for assets held at the end of the reporting period</b>	<b>618</b>	<b>618</b>
<b>As at 31 March 2011</b>		
Opening balance	3,538	3,538
Losses recognised in profit or loss	(1)	(1)
Purchases	547	547
Closing balance	<b>4,084</b>	<b>4,084</b>
<b>Total losses for the period included in profit or loss for assets held at the end of the reporting period</b>	<b>(1)</b>	<b>(1)</b>

**(g) Financial instruments by category**

Financial assets as per statement of financial position	Assets at fair value through profit or loss \$'000	Assets at amortised cost \$'000	Total \$'000
<b>Consolidated</b>			
<b>At 31 March 2012</b>			
Financial assets	18,320	-	18,320
Trade and other receivables	-	20,358	20,358
Cash and cash equivalents	-	83,146	83,146
	<b>18,320</b>	<b>103,504</b>	<b>121,824</b>
<b>At 31 March 2011</b>			
Financial assets	70,344	-	70,344
Trade and other receivables	-	21,110	21,110
Cash and cash equivalents	-	79,500	79,500
	<b>70,344</b>	<b>100,610</b>	<b>170,954</b>
<b>Parent</b>			
<b>At 31 March 2012</b>			
Advances	74,027	-	74,027
Trade and other receivables	-	833	833
Cash and cash equivalents	-	4,730	4,730
	<b>74,027</b>	<b>5,563</b>	<b>79,590</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 25 FINANCIAL RISK MANAGEMENT CONTINUED

	Assets at fair value through profit or loss \$'000	Assets at amortised cost \$'000	Total \$'000
<b>Parent</b>			
<b>At 31 March 2011</b>			
Advances	74,027	-	74,027
Trade and other receivables	-	3,867	3,867
Cash and cash equivalents	-	4,229	4,229
	<b>74,027</b>	<b>8,096</b>	<b>82,123</b>
<b>Financial liabilities as per statement of financial position</b>			
	Liabilities at fair value through profit or loss \$'000	Liabilities at amortised cost \$'000	Total \$'000
<b>Consolidated</b>			
<b>At 31 March 2012</b>			
Borrowings	-	180,169	180,169
Derivative financial instruments	11,763	-	11,763
Trade and other payables	-	14,030	14,030
	<b>11,763</b>	<b>194,199</b>	<b>205,962</b>
<b>At 31 March 2011</b>			
Borrowings	-	186,673	186,673
Derivative financial instruments	7,790	-	7,790
Trade and other payables	-	21,425	21,425
	<b>7,790</b>	<b>208,098</b>	<b>215,888</b>
<b>Parent</b>			
<b>At 31 March 2012</b>			
Borrowings	-	17	17
Trade and other payables	-	3,587	3,587
Advances	-	10,707	10,707
	-	<b>14,311</b>	<b>14,311</b>
<b>At 31 March 2011</b>			
Borrowings	-	23	23
Trade and other payables	-	3,215	3,215
Advances	-	2,188	2,188
	-	<b>5,426</b>	<b>5,426</b>

#### 25.2 Capital risk management

The Group's capital is its equity plus debt, which is comprised of retained earnings and other reserves. Equity is represented by net assets. The Trust is subject to the financial management and accountability provisions of the Charities Act 2005, Waikato Raupatu Claims Settlement Act 1995 and the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing the Group's equity is to ensure the Group effectively achieves its objectives and purpose, whilst remaining a going concern in order to provide returns for the Parent and to maintain an optimal capital structure to reduce the cost of capital. The Group has not breached any bank covenants as required by the Bank of New Zealand and Westpac New Zealand Limited during the reporting period (see note 22) (2011: no breach). There are no externally imposed capital requirements at balance date (2011: nil).

	Notes	Consolidated 2012 \$'000	2011 \$'000
Total borrowings	22	180,169	186,673
Less: cash and cash equivalents		<u>(83,146)</u>	<u>(79,500)</u>
Net debt		97,023	107,173
Total equity		<u>595,584</u>	<u>558,520</u>
<b>Total capital</b>		<b><u>692,607</u></b>	<b><u>665,693</u></b>
<b>Gearing ratio</b>		<b>14%</b>	<b>16%</b>

## 26 WAIKATO RAUPATU RIVER SETTLEMENT

On 17 December 2009, a Deed of Settlement (the "Settlement") was made between the Crown and Waikato-Tainui to settle the claim by Waikato-Tainui for the Waikato River.

The Settlement, being the redress value, is specified as \$70m plus \$30m over a period of 28 years. The Settlement is to be realised as follows:

- (i) The Sir Robert Mahuta Endowment (\$20m) is to be applied to support the vision of Sir Robert Mahuta for the Waikato Endowed College at Hopuhopu as an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices and support research management practices on improving the health and well being of the Waikato River and Waikato-Tainui's tribal histories associated with the Waikato River;
- (ii) The River Initiatives fund (\$50m) is to be applied for the purposes of cultural and environment development projects related to the Waikato River, enhancing the restoration and protection of the relationship of Waikato-Tainui with the Waikato River and protecting and enhancing sites of significance, fisheries, flora and fauna; and
- (iii) Co-Management Fund shall be received for the purpose of assisting Waikato-Tainui engage in new co-management arrangements under the Settlement. The Co-Management funding of \$3m shall be received on settlement date with an annuity of \$1m per year for 27 years. The Co-Management funding has been valued based on a discounted cash flow method using the NZ Government Bond coupon rate for bonds maturing in December 2017. The coupon rate applicable is 3.85% as at 31 March 2012 (2011: 5.14%). Co-management funding receivable is \$15.2m (2011: \$13.4m) (see also note 15).

Included in the Waikato Raupatu River Settlement, but excluded from these financial statements is the settlement funding for the Waikato River clean up. The Waikato River Clean Up Trust was established with the Waikato River Authority being the Trustee. The Waikato River Clean Up Trust's objective is the restoration and protection of the health and wellbeing of the Waikato River. Settlement of \$21m will be paid on settlement with an annuity of \$7m per year for 27 years.

## 27 LEASES

Commitments for minimum lease payments/receipts in relation to non cancellable operating leases are payable/receivable as follows:

### (a) Group and Parent as lessee

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	126	154	35	43
Later than one year but not later than five years	115	381	35	78
Later than five years	131	11	9	-
<b>Commitments not recognised in the financial statements</b>	<b>372</b>	<b>546</b>	<b>79</b>	<b>121</b>

There are no options to purchase attached to any lease agreements.

The operating leases that exist between the Parent and Tainui Group Holdings Limited for land owned by the Parent at The Base and University of Waikato are rent free until the first rent review date which is in 2019 and 2022 respectively.

### (b) Group and Parent as lessor

The lease payments receivable from lessees are as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	31,518	30,204	-	-
Later than one year and not later than five years	104,238	108,306	-	-
Later than five years	139,239	149,847	28,280	23,967
	<b>274,995</b>	<b>288,357</b>	<b>28,280</b>	<b>23,967</b>

Operating leases (with Parent and Group as lessor) relate to the investment properties owned by the Parent and Group with a range of lease terms from less than one year through to ninety nine years. Some of the longer term leases have perpetual rights of renewal. All operating lease contracts contain market review clauses and the lessee will usually have an option to renew. The lessees do not have any options to purchase the properties at the expiry of their lease period.

## 28 CONTINGENT LIABILITIES AND GAINS

The Trust and Group had contingent liabilities at 31 March 2012 in respect of:

Raukura Whare Limited has agreed to underwrite certain Housing Corporation of New Zealand mortgages. Raukura Whare Limited is liable for any mortgages which default if total claims exceed \$23.3m. The life of the loan is 20 years. The Trustees believe that the expectation of defaulting mortgages exceeding \$23.3m is remote.

Tainui Group Holdings Limited and guaranteeing subsidiaries (Tainui Corporation Limited, Tainui Development Limited, TGH No.1 Limited, Raukura Moana Seafoods Limited, The Base Limited and Te Rapa 2002 Limited) have granted to Westpac New Zealand Limited and the Bank of New Zealand a charge in and over all present and future assets and present and future rights and interest in any asset as security for the finance facilities (see note 22).

The Trust has first priority security of \$15m over the present and future undertakings, property, assets, revenues and capital of Raukura Moana Seafoods Limited, Tainui Corporation Limited, Tainui Development Limited and Tainui Group Holdings Limited. Each company jointly and severally, unconditionally and irrevocably guarantees to the Trust all secured monies.

The Trustees believe that the expectation of a liability arising due to the guarantees and mortgages in place is remote.

## 29 CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment	2,157	4,496	-	-
Other financial assets	1,440	2,104	-	-
Proportionate interest in joint venture commitments	-	588	-	-
Share of associates' commitments	-	497	-	-
	<b>3,597</b>	<b>7,685</b>	<b>-</b>	<b>-</b>
Investment property	2,298	35,550	-	-
	<b>2,298</b>	<b>35,550</b>	<b>-</b>	<b>-</b>

## 30 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 22 June 2012 Tainui Group Holdings Limited and Waikato-Tainui Fisheries Limited declared a dividend of \$10.1m and \$0.9m respectively in relation to the year ended 31 March 2012.



NOTES



## *Independent Auditors' Report* to the Trustees of Waikato Raupatu Lands Trust

### **Report on the Financial Statements**

We have audited the financial statements of Waikato Raupatu Lands Trust ("the Trust") on pages 39 to 72, which comprise the statements of financial position as at 31 March 2012, the statements of comprehensive income and statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Trust and the Group. The Group comprises the Trust and the entities it controlled at 31 March 2012 or from time to time during the financial year.

### ***Trustees' Responsibility for the Financial Statements***

The Trustees are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Trust and Group's preparation of financial statements that give a true and fair view of the matters to which they relate, 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 Trust and Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We have no relationship with, or interests in, Waikato Raupatu Lands Trust or any of its subsidiaries other than in our capacity as auditors and providers of other assurance services. These services have not impaired our independence as auditors of the Trust and the Group.



## *Independent Auditors' Report*

### *Waikato Raupatu Lands Trust*

#### *Opinion*

In our opinion, the financial statements on pages 39 to 72:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Trust and the Group as at 31 March 2012, and their financial performance and cash flows for the year then ended.

#### *Report on Other Legal and Regulatory Requirements*

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2012:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Trust as far as appears from an examination of those records.

#### *Restriction on Distribution or Use*

This report is made solely to the Trustees, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Trustee those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustee, as a body, for our audit work, for this report or for the opinions we have formed.

*PricewaterhouseCoopers.*

Chartered Accountants

Auckland

26 October 2012



W A I K A T O  
**TAINUI**