



Ngāti Mutunga o Wharekauri


I W I T R U S T

2020 ANNUAL REPORT


MANA WHENUA

MANA TANGATA

MANA MOANA



Wharekauri te moutere	Wharekauri the island
Noninga remu Tāiko e	Where the Tāiko resides
He pā ake ake	Ake ake tree resilience to the winds (people)
Ngana hau aue	Standing against the strong winds
Puhia rā e te hau	Blown by the wind
Uaina e te ua e	Rained on by the rain
Ko Matipo, ko Kopi	Trees safeguard us (our Pou)
Whakamāurutanga e	Place of comfort, provide shelter, protection, to interweave
Korihi te Tui korari	Tui in the flax bush singing
Koe te Weka one e	The Weka upon the earth screeching (clicking)
Ngā mihi whakatau	Acknowledgement settling (welcome)
Maioha e	Heartfelt from the Island, standing representing our people (Iwi)
Whakatau mai ki Te One	Settle here at Te One
Te iti, te rahi e	For the few and the many (everyone)
Ki te takapou whāriki	By the finely woven mat of
Whakamaharatanga e	Remembrance




This Pao was composed by Ngāti Mutunga o Wharekauri Whaea Cathy Thomas, Eileen Cameron, Alison Reriti, Paula Page and Melodie Eruera-Fraser. Their inspiration was our taonga, Wharekauri. This rōpu have a vision for us all to learn and use the Pao as an Iwi, and specifically when we reach settlement. A mihi to these Whaea for composing a beautiful Pao for us all to sing.

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Chase Lanauze: Pages 27 and 32



Mana Whenua

KAITIAKITANGA
OF THE LAND

Directory

FOR THE YEAR END 31 MARCH 2020

Nature of the Business To provide relief of 'poverty' or 'need' of all Ngāti Mutunga o Wharekauri	Beneficiaries Persons defined as Ngāti Mutunga o Wharekauri in the Trust Deed	Date Established 28 September 2004	Address PO Box 50, Waitangi Wharekauri
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TRUSTEES AS AT 31 MARCH 2020



Deena Whaitiri

CHAIR



Monique Croon

DEPUTY CHAIR



Iwiroa Wairua



Melodie Eruera-Fraser



Tessa Horler



Willie Fraser



Arapeta Kamo

AHC DIRECTORS AS AT 31 MARCH 2020



Joseph Thomas

CHAIR



Nicholas Cameron



Tom McClurg

Accountant Sidekick CA, L3 50 Victoria Street, Christchurch Central, Christchurch 8013	Auditor BDO Christchurch Limited, L4 Awly Building, 287-293 Durham Street, Christchurch Central, Christchurch 8013	Solicitor Wynn Williams, L5 Wynn Williams House, 47 Hereford Street, Christchurch Central, Christchurch 8013	Bankers ANZ, 2 Waitangi-Tuku Road, Waitangi, Wharekauri 8942
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Chair's Report

Te Rīpoata o te Tiamana

Ka ketekete te toroa
Ka hakoko te tāiko me to tītī
Ka umere ahau
Tihei mauri ora

What a privilege to present my first Annual Report as chair of the Ngāti Mutunga o Wharekauri Iwi Trust on behalf of my fellow trustees. We have had another incredible year of accomplishments and encourage you to take the time to enjoy the achievements we outline in this report. They really do paint a picture of success and strength.

That success was possible because of the commitment and hard work of my fellow trustees who I mihi to. A mihi to John Kamo who held this chair role during some tough times for the Iwi Trust, and to Iwiroa Wairua for his contribution as chair. We mihi to Monique Croon who, as deputy chair, has provided continuity of leadership particularly through the year in review. To have had her support since becoming chair has been invaluable and hugely appreciated.

It is a reality that our team will change each year, therefore a legacy from previous boards is having a strong governance programme that enhances and strengthens our foundation while looking ahead to succession for our rangatahi. For us to be strong, we need to focus on our strategy for success. We pay tribute to Chris McKenzie and our whānaunga Ward Kamo, who provided us with a governance framework that helped us to refocus our strategic direction as the core part of our kaitiaki role for the social and economic iwi assets.

We are now focussed on delivering our Wharekauri Pā - a physical tohu of our Ngāti Mutunga identity and representation of our Iwi ahi kaa and tino rangatiratanga. Due for completion in 2025, our pā will be our learning centre where the home fires burn, where we gather to kōrero, to share, to learn, to laugh, to cry, and to grow together; weaving and securing our identity for our mokopuna. We are humbled by the clear and ongoing support from our Ngāti Mutunga whānau.

In December 2019 we first heard of the COVID-19 threat and knew that it was something to be taken seriously. We are proud to report that our office was proactively planning for any impacts including a lockdown of our country as a part of our readiness and resilience programme. We thank our wonderful General Manager Gail Amaru and her team for the outstanding preparation work they undertook to ensure that the Iwi Trust would be able to function should the worst hit.

Whānau, we are celebrating 10 years in a row of great returns on our assets. This year is no different as we once again exceeded expectation with our returns. We have been incredibly well supported by the Asset Holding Company chair Joseph Thomas, fellow directors and management. It is their focussed and hard work that puts us in a great position to support our iwi as we head into the new financial year and the recovery from COVID-19 impacts. Kei runga noa atu!

To our toa rangatira Tom McClurg and Hariroa Daymond, we cannot thank you enough for the work you do to hold the line against the continual encroachments on our mana by the Crown. Make no mistake whānau, the Crown is playing a terrible game against our Iwi by trying to ensure our mana whenua is taken from us. That cannot happen without your agreement and we will never surrender our mana over these islands. Ngā mihi nui ki a kōrua.

Whānau, we have had a busy and successful year which would have been more challenging without the extraordinary leadership, integrity and innovation provided by Gail Amaru and our office staff, Mereraina Hemara and Thornton Lanauze-King. There are not enough words to express our appreciation for the work you all do.

In closing, on behalf of the Board, we thank you, our iwi members, for your ongoing support, your continuous feedback and your contributions to the success of our Iwi Trust. Thank you for holding us to account and entrusting us as your mandated Trustee's.

"E tū kahikatea. Hei whakapae ururoa. Awhi mai awhi atu. Tātou tātou e"

"We all help one another and together we will be strong"

Deena Whaitiri
Chair

Group Financial Result

Our financial performance for the year shows that the Group's Net Surplus amounted to **\$1.66** million for the year. This represented a small **\$15k** increase against the previous year. Net equity increased by **\$1.66** million or **5.6%**.

Summary – Asset Profile

	2019-20 \$'000s	2018-19 \$'000s	Movement \$'000s
Working Capital	\$2,458	\$904	\$1,554
Seafood Quota	\$21,434	\$21,434	\$0
Port Nicholson Fisheries Investment	\$1,835	\$2,289	-\$454
AFL Shares	\$414	\$414	\$0
Tai Hekenga Investment	\$2,653	\$0	\$2,653
Cash Investments	\$872	\$3,087	-\$2,215
Property	\$2,010	\$1,902	\$108
Housing NZ Loan	-\$283	-\$300	\$17
Equity (Net Assets)	\$31,392	\$29,730	\$1,662

NMOW GROUP
EQUITY
**\$31
MILLION**

Summary – Financial Performance

	2019 - 20	Budget	2018 - 19
AHC Net Income	\$2,458,564	\$	\$2,415,034
Less Iwi Trust Governance & Operating Expenses	-\$972,155	\$	-\$986,912
Less Iwi Trust Distributions & Pānui Expenses	-\$111,140	\$	-\$123,569
Less Other Costs	\$450	\$	\$12,419
Total	-\$1,082,845	\$	-\$1,098,062
Add Reimbursement of Settlement Expenses	\$286,342	\$	\$330,210
Iwi Trust Group Net Surplus	\$1,662,062	\$	\$1,647,183

NMOW GROUP
NET SURPLUS
**\$1.66
MILLION**

General Manager's Report

Te Rīpoata o te Tumuaki

Toi tū te kupu, toi tū te mana, toi tū te whenua

Kia ora e te whānau

We are proud to present our 2020 Annual Report, which provides an insight into some of what goes on behind the scenes at Ngāti Mutunga o Wharekauri Iwi Trust. We often look outside of our office to our islands taonga, our kaumātua for direction and advice. We would like to acknowledge the passing of the kaumātua we have lost during the year in review; we will miss their input, their mana and the wealth of mātauranga they brought to the iwi kete.

One of the fundamental tasks we have been entrusted with by Trustees and our wider iwi is to uphold the mana whenua and tino rangatiratanga of Ngāti Mutunga o Wharekauri. Having iwi representation on the many boards and panels both on and off island is key to ensuring our mana is upheld and our iwi voice is heard. The Chatham Islands Housing Partnership Trust, on which Paula Page sits for the Iwi Trust, is a shining example of this. Exciting progressions are happening in this space and we can't wait for the construction of five new houses for Wharekauri whānau to be able to call their own.

Equally important to iwi representation is succession building as highlighted in the Ngāti Mutunga o Wharekauri Education and Reo Strategies. The passing of knowledge from our kaumātua to our rangatira underpins the revitalization of our Ngāti Mutungatanga. At the direction of the Trustees, Thornton Lanauze-King sits for the Iwi Trust on the Creative Communities Scheme Assessment Committee. This is an example of an opportunity for our rangatahi to build their governance skills and knowledge and we aim to create more of these opportunities both on and off island. We have been busy devising a Tipu Rangatira programme. Funded by Te Puni Kōkiri and the Ministry of Education, this programme will enable a rōpu Ngāti Mutunga o Wharekauri rangatahi to travel to Pōneke, Tāmaki Makarau and Wharekauri (covid-19 depending) to be exposed to iwi commercial and public sectors and allow them to form relationships with other iwi and rangatira, and to create awareness around the exciting things Māori are doing in leadership roles on-island and across Aotearoa. Developing this programme has been a welcome challenge, and we encourage all eligible rangatahi to take advantage of it and apply when it is advertised.

The revitalization of our Ngāti Mutungatanga is a top priority for the Iwi Trust, and this includes the design and build of a Ngāti Mutunga o Wharekauri Pā complex. Te Ari Prendergast and Nick Dalton of TOA Architects met with our iwi on island and, in particular, formed a real connection with our kaunihera kaumātua during discussions around what this complex should look like. We continued to deliver wānanga both on and off island, including four waiata reo wānanga and our inaugural ngā toi Wharekauri wānanga. It was a pleasure to see so many different whānau during these, and we look forward to seeing you all at future wānanga. We have received Te Aho Ngārahu funding to tell the story of Ngāti Mutunga o Wharekauri, our story. This is a long awaited project and one we are looking forward to working on.

Increasing the visibility of the Iwi Trust has been another work stream for us at the office. We've been delivering more communications to you through social media and pānui. As always, if you aren't receiving our updates please remember to update your information with us so we can ensure you remain connected. Highlighted by this kaupapa, we recognized the importance of developing our Ngāti Mutunga o Wharekauri brand. We have been researching for a tohu that represents our iwi. In line with this, we have also been working to create a new and improved website which will host more information and more resources for you all to access.



Highlights

- Increased office resourcing
- Developed a Pā complex design
- Rūnanga placed into liquidation
- Continued increase in tribal cultural wealth
- Ongoing succession building
- Raised Ngāti Mutunga o Wharekauri visibility
- Upheld the mana and tino rangatiratanga of Ngāti Mutunga o Wharekauri

We were successful in our claim to wind up Te Rūnanga o Wharekauri Rēkohu Incorporated (the old Rūnanga). All of the old Rūnanga assets have been vested in the Iwi Trust including the taonga tuku iho some 60 hectares of land at Rapanui. Having all of our iwi entities in the one whare will provide us with peace of mind.

One of the most exciting changes within the Iwi Trust office has been the increase of staffing. We welcomed Mereraina Hemara who took over the role of office administrator from Thornton Lanauze-King. Thornton remains a valuable part of our team. The additional staff has enabled us to work more efficiently and adequately share the work load we carry. We would like to acknowledge our negotiation team of Tom McClurg and Hariroa Daymond who remain at the negotiation table ensuring our mana is being upheld, ably supported by Tony Tumoana. Our whānaunga Ward Kamo represents Ngāti Mutunga o Wharekauri on the Te Mātāwai – Te Pae Motuhake board and drives the implementation of our Education and Reo strategies.

I mihi to the AHC chair Joseph Thomas, directors and management team as they continue to generate sustainable returns to fund iwi development. I also mihi to past chairs John Kamo and Iwiroa Wairua and current chair Deena Whaitiri for the strong leadership, resounding support and clear direction they have provided our team. Finally, and most important, I thank you, our iwi, for your ongoing engagement and support provided to the team on a regular basis.

Ko te taura whiri, he whiri i te tangata

Gail Amaru
General Manager



Thornton Lanauze-King, Gail Amaru and Mereraina Hemara

Registration Report

Ngāti Mutunga o Wharekauri Iwi Trust Register

2018/19	2019/20
1,307	1329

Ngāti Mutunga o Wharekauri Iwi Trust have a number of avenues that allow our whānau to become fully registered members. Registration forms are readily available at the Iwi Trust office and at any Iwi Trust hui or wānanga that are held and are able to be posted or emailed on request. Members can also register online at our website www.nmow.co.nz/register/form

We encourage our members to update their details and ensure their tamariki are included on their registration forms. Any rangatahi who have turned 18 become eligible to register as an adult member and this is encouraged.

REGISTRATIONS
INCREASED BY

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Settlement Negotiations with the Crown

The year began with a well-attended hui on Pitt Island on 3 April 2019 - special thanks to Glen King and Zin Lanauze for keeping us all safe on a very adventurous return journey. A major topic of discussion at the hui was the future of the Glory grazing licence on DoC land that Te Arawhiti (formerly Office of Treaty Settlements) had announced had been offered for exclusive transfer to Moriori. Ngāti Mutunga o Wharekauri had already given support to the transfer of two smaller areas of Pitt Island to Moriori as customary settlement redress (The Rangiauria Scenic Reserve and the narrow coastal strip from Waipaua Stream to Glory Bay). Ngāti Mutunga o Wharekauri did not support the transfer of the much larger Grazing Licence Area to Moriori but had undertaken to consult the Pitt Island community on that subject and to take community views into account before giving its final feedback to the Crown on that subject.

The hui informed us that the community also had no objection to the exclusive vesting of the two smaller areas above in Moriori, but the clear preference of the community, as communicated to us, was for the status quo ownership and leasing arrangements over the Glory grazing area to be retained. If vesting by DoC was to proceed, the community supported vesting in both Moriori and Ngāti Mutunga o Wharekauri equally. There was no support for vesting in one or other iwi exclusively. We relayed the outcome of this hui to the Crown along with our opposition to exclusive vesting in Moriori. Either the Crown chose to ignore those views or obtained different views from the community to those stated to us. The outcome is that the Crown is proceeding with a process that will eventually vest complete ownership and control of the Glory Grazing Licence area in Moriori.

May 2019 achieved the scheduling of a long-sought after wānanga on Wharekauri history with Te Arawhiti to examine the facts and the implications of the process of annexation applied to Wharekauri. We have maintained that this is a fundamental issue in our negotiations. Ngāti Mutunga o Wharekauri is the only iwi to undergo annexation after the Crown had signed the Treaty of Waitangi. Elsewhere, annexation occurred by the Treaty. This was clearly not the case in Wharekauri and the implication is that the Crown needed to apply the framework of the Treaty and its principles to the process of annexation which the Crown initiated in 1842. There is clear evidence that this was not what happened and that omission is a unique and major special factor that lies at the heart of our claim.

The wānanga was a disappointment. The significance of our careful submissions of evidence was downplayed by officials who were clearly spooked by the entire topic and did not engage with it seriously. This behaviour shows the unsatisfactory reality of the Treaty negotiation process as it is operated. The agenda comprises only what the Crown is prepared to talk about to the extent it wishes to talk about it.

Officials cannot even articulate the exact nature of those concerns, but it is obvious that the Crown and its officials are frightened of the implications of admitting that there were Māori in 1842 who still retained their sovereignty. Of course, the reason for this was that Wharekauri was not part of New Zealand at that time – it was a ‘micro-state’ under uncontested Ngāti Mutunga o Wharekauri sovereignty and had been so since 1836. We were Māori but not New Zealanders – so our position is truly unique and attempts to benchmark our settlement against others are a comparison of apples and oranges.

In spite of these problems, we had sufficient engagement with the Minister for Treaty of Waitangi Negotiations (hon. Andrew Little) that he was able to appreciate that there were problems with the formulaic and inflexible performance of the Te Arawhiti team to the special issues of the Chathams and its twin settlements. To try and find a way through these issues we took the initiative to begin the development of a draft set of Crown acknowledgements that used Māori concepts and language such as ‘mana’ rather than being constrained by the limitations from the English language version of the Treaty of Waitangi. Although these drew on established Settlement Deeds as much as possible, their consideration by the Crown needed a break with the existing process and different Crown personnel who were more open-minded.

A 3-month timeframe to explore this initiative was agreed with discussions to be led on the Crown side by Glenn Webber (Rongomaiwahine/Kahungunu). Our initial understanding was that Glenn Webber was going to replace Dame Fran Wilde as Lead Negotiator, but this was not the case. Notwithstanding the admitted deficiencies in the performance of the Crown negotiation team, the Minister confirmed that they were being retained for both the Moriori and Ngāti Mutunga o Wharekauri negotiations.

This decision raised questions about the relationship between the 'Webber process' and the Crown negotiators that were not clearly answered except that Glenn Webber would report to the Minister at the end of three months. No sooner was the 'Webber process' confirmed however, than the Crown also announced its intention to initial the Moriori Deed of Settlement. We asked that this step be deferred for three months to allow time for the 'Webber process' to occur and (hopefully) for the two Settlements to be integrated and placed on a parallel timeline. This was refused. We sought a High Court ruling to require this delay and this ruling was refused.

As part of the process of finalising its Moriori negotiations the Crown presented us with a proposal to divide surplus Crown properties between Moriori and Ngāti Mutunga o Wharekauri. These properties included property originating from the Hospital Block. We had always maintained that the rights of successors to Mitai Tini had to be addressed properly before any decisions should be made about the Hospital Block. As a consequence, we re-doubled our efforts to obtain a clear statement from Land and Information New Zealand (LINZ) about the rights of successors. This was delivered by LINZ to a hui at Whakamaharatanga Marae in September. Briefly, their current legal interpretation is that Mitai Tini did have successors to his Māori land interests but these successors were not successors to his rights under the Public Works Act.

This was disappointing but then cleared the way for us to advance our fall-back position to the Crown which is that all lands deriving from the Hospital Block should be provided to Ngāti Mutunga o Wharekauri as customary redress. That course of action is the closest in spirit and practicality to the course recommended by the Waitangi Tribunal. To date, the Crown has not accepted our submitted position – merely responding that it has the power to decide whatever it wants.

Meanwhile, the 'Webber process' proceeded through September, October and November. This mainly involved the presentation of historical information, analysis and suggestions for the Agreed Historical Account and Acknowledgements by us. The involvement of John Armstrong, a Te Arawhiti historian, in these meetings

was a breath of fresh air to us. Very good minutes of these meetings were produced by Tony Tumoana and John Armstrong were able to summarise key elements of these into a draft Historical Account which illuminates the background, context and process for the conquest of Wharekauri by Ngāti Mutunga o Wharekauri in a more balanced way than we had experienced previously. Unfortunately, this account only covers the events to the mid-1850s and we have asked for the opportunity to work with John Armstrong to finish the Historical Account.

Although we felt we were listened to within the 'Webber process', its results have been very disappointing. The Minister has since informed us that there will be no change to the quantum offered to us back in 2018. This is \$13m plus \$3m of cultural redress funding outside of the quantum. This compares with \$18m and \$6m for Moriori. Essentially, the Minister is telling us that whatever historical facts and Treaty breach acknowledgements are eventually agreed in our Settlement, they will have no effect on the Settlement redress we are offered by the Crown. This is as illogical as saying that the judgement and sentence of a trial are not going to be a function of the evidence.

It is not a great comfort to observe that many other Treaty Negotiations face similar problems to ours and that it looks as if the Moriori Settlement may be the only Settlement agreed in the three-year term of the current Government. This poor performance is symptomatic of some fundamental attitudinal and operational issues on the Crown side of these negotiations.

Our negotiation year drew to a close under a level 4 Covid-19 lockdown. In March 2020, Te Arawhiti ceased all work on Treaty negotiations as all Te Arawhiti resources were temporarily dedicated to the Government's Covid-19 response. This change caused little loss to the momentum of our negotiations. By that date we had not seen hide nor hair of our Chief Crown Negotiator for 9 months. During 2019/20, Ngāti Mutunga o Wharekauri has accumulated more contemporary Treaty of Waitangi grievances than it has resolved historical grievances. We hope for better times ahead.

I mihi to my fellow negotiator, Hariroa Daymond, to the Settlement Governance Group: Phil Seymour (chair), Nicholas Cameron, Miriama Patuwai, to John Kamo, Monique Croon, Iwiroa Wairua and Deena Whaitiri (current and previous Chair's or Deputy Chair's of the Trust) to Gail Amaru and employees of the Trust along with the Trustees of the Ngāti Mutunga o Wharekauri Iwi Trust. Kia manawanui!

Tom McClurg
Lead Negotiator

Statement of Service Performance

Ngāti Mutunga o Wharekauri Kaupapa

Kei te tipu me tiaki te Ahua, Mana, Tino Rangatiratanga, Mutungatanga, me ngā Taonga Tuku Iho, o Ngāti Mutunga o Wharekauri

Represent the Iwi	Manage the Assets	Distribute Benefits
To represent the collective interest of Ngāti Mutunga o Wharekauri	To hold and manage the assets of the Trust as Kaitiaki of Ngāti Mutunga o Wharekauri for the benefit of all members via the Asset Holding Company (AHC).	To distribute benefits directly or indirectly to Ngāti Mutunga o Wharekauri iwi.

Key Outcome	Output
Treaty of Waitangi Settlement <ul style="list-style-type: none"> Ongoing work with Ngāti Mutunga o Wharekauri whānau to conclude Treaty Settlement negotiations with the Crown 	<ul style="list-style-type: none"> ✓ Ongoing hui with Te Arawhiti officials and negotiators ✓ Facilitated Settlement Governance Group input through the Chair to progress settlement ✓ Ongoing hui with Minister for Treaty of Waitangi Negotiations ✓ 2 Hui-a-iwi held ✓ Engaged with claimants and whānau ✓ Engaged with Hokotehi Moriori Trust
Building Organizational Capacity <ul style="list-style-type: none"> Support the Board with increasing capability by continuing to strengthen our governance programme 	<ul style="list-style-type: none"> ✓ Two-day trustee governance programme completed ✓ Full strategic strategy weekend hui held with trustees ✓ Full strategic direction strategy formulated and approved by trustees ✓ Induction of two new board members completed ✓ Advice and support provided to trustees
Identity of Ngāti Mutunga o Wharekauri <ul style="list-style-type: none"> Ensure the mana and tikanga of Ngāti Mutunga o Wharekauri is maintained and interwoven into the fabric of Wharekauri life Continue to build on the Te Reo and Education Strategies and Implementation plan 	<ul style="list-style-type: none"> ✓ Regular engagement and communications with Kaunihera Kaumātua and Kaumātua on matters of cultural significance ✓ Continued to promote the Pūtea Whanaungatanga, Kaumātua Pūtea Tautoko and Secondary School Boarding Grants ✓ Kaumātua Christmas Lunch held ✓ Co-delivered Te Rā o Waitangi celebrations at Plum Tree ✓ 86 \$500 Kaumātua Pūtea Tautoko Grants awarded ✓ 3 Pūtea Whanaungatanga Grants awarded ✓ 14 Secondary School Boarding Grants awarded ✓ Ongoing work on the Education and Te Reo strategies and implementation plans ✓ Initiated re-branding and website re-development ✓ 4 Waiata Reo wānanga held ✓ 1 Taiaha wānanga held ✓ 1 Whakaairo wānanga held ✓ 1 Rāranga wānanga held ✓ Established COVID-19 response team
Ngāti Mutunga o Wharekauri Pā Marae <ul style="list-style-type: none"> Progress action on the development of a suitable wharenui and marae for Ngāti Mutunga o Wharekauri 	<ul style="list-style-type: none"> ✓ 2 on-island Pā marae wānanga held with architects ✓ 3 Pā marae complex plans drafted ✓ 1 formal Pā marae complex scoping plan produced ✓ 2 Kaunihera Kaumātua hui held with architects ✓ Informal kōrero with Chatham Islands Council regarding Pā marae complex scoping plan ✓ Ongoing relationship with Wharekauri Māori Committee

Effective Communications <ul style="list-style-type: none"> Continue to improve quality and effectiveness of engagement with iwi members 	<ul style="list-style-type: none"> ✓ Increased communications through social networking presence ✓ Increased e-mail communications with whānau ✓ 7 pānui via letters and e-mail ✓ 1 annual report ✓ Continuing hui with whānau and hāpu on and off-island
Representation <ul style="list-style-type: none"> Continue to engage with local and Crown agencies 	<ul style="list-style-type: none"> ✓ Engaged with various on-island entities as follows: <ul style="list-style-type: none"> Chatham Community Focus Trust Chatham Islands Council Chatham Islands Enterprise Trust and Subsidiary Companies Chatham Islands Fisheries Forum Chatham Islands Housing Partnership Trust Chatham Islands Ministry for Primary Industries Chatham Islands Police Creative Communities Scheme Assessment Committee Fire and Emergency New Zealand Fulton Hogan Ha o Te Ora Wharekauri Trust Hokotehi Moriori Trust Land Restoration Group Local schools and kōhanga Moana Pacific Fisheries PAUMAC4, CR6 and BCO4 Tourism Chatham Islands ✓ Lead role in hosting November 2019 Chatham Islands Stakeholders Forum ✓ Ongoing role in supporting and progressing Chatham Islands Housing Partnership Trust ✓ Continued engagement with Paul Eagle, MP for Wharekauri/Chatham Islands and Rongotai ✓ Engaged with Ministers Peeni Henare, Eugenie Sage and Carmel Sepuloni on Wharekauri (and MP's Rino Tirikatene and Joanne Hayes) ✓ Engaged with Dr Charlotte Severne, the new Māori Trustee ✓ Engaged with various crown entities, including but not limited to: <ul style="list-style-type: none"> Accident Compensation Corporation Chatham Islands Stakeholders Forum Department of Conservation Department of Internal Affairs GNS Science Inland Revenue Department Land Information New Zealand Māori Land Court Ministry for Culture and Heritage Ministry for Primary Industries Ministry for the Environment Ministry of Business, Innovation and Employment Ministry of Education Ministry of Justice New Zealand Police Nga Taonga Sound & Vision Te Arawhiti (formerly Office of Treaty Settlements) Te Mātāwai Te Ohu Kaimoana Te Papa Tongarewa Te Puni Kōkiri Te Pūtahitanga o Te Waipounamu Te Tumu Paeroa

	<ul style="list-style-type: none"> ✓ Application with the Court of Appeal to halt the transfer of Taia land from the Department of Conservation heard ✓ There is currently a claim by a former trustee against the Iwi Trust, claiming for the removal of trustees and alleging broad allegations in relation to the trust governance and settlement processes. The former trustee has approached the board to settle the claim. ✓ The Iwi Trust was successful in placing Te Rūnanga o Wharekauri Rēkohu Incorporated into liquidation and its assets distributed to it as originally resolved. ✓ Lodged application with the High Court seeking a three-month delay to the signing of the Mori Deed of Settlement by the Minister for Treaty of Waitangi Negotiations, so that overlapping matters in the Ngāti Mutunga o Wharekauri and Mori settlements could incorporate the findings and advice contained in an impending review of the Ngāti Mutunga o Wharekauri negotiations by Glenn Webber (advisor to the Minister) ✓ Provided appropriate Iwi Trust response to resource management matters including consents and requests for consultation
Tribal Footprint <ul style="list-style-type: none"> • Ensure Ngāti Mutunga o Wharekauri influence as an Iwi is reflected at Crown and iwi to iwi level 	<ul style="list-style-type: none"> ✓ Port Nicholson fisheries now includes 31 iwi of the 57 iwi nationally as partners within the business, either directly or via Iwi Collective Partners ✓ Collective investment opportunities being considered alongside our Taranaki whanaunga and other aligned iwi. The first of these, Tai Hekenga Crown land investment in Wellington, was completed during the year. ✓ AHC is a key participant in the Ngā Tapuwae o Māui deep water profit share agreement between Sealord and Iwi ✓ AHC is one of 26 Iwi and Māori entities invested in Te Puia Tapapa, a large-scale Iwi/ Māori direct investment fund ✓ The settlement process has strengthened connection within Ngāti Mutunga o Wharekauri Iwi ✓ Progressed the opportunity of investing in Island based local governance infrastructure ✓ Continuing interaction with Te Rūnanga o Ngāti Mutunga
Asset Management <ul style="list-style-type: none"> • Continue to work closely with the AHC on growing an on-island economic base 	<ul style="list-style-type: none"> ✓ Continued to work with the AHC on identifying on-island investment opportunities – the proposed new Civic office development is the key investment currently being pursued ✓ Providing 24mt of crayfish, 22mt of pāua, 39mt of blue cod and 62 mt of kina ACE for 32 Ngāti Mutunga o Wharekauri fishing whānau to harvest.



Lois Croon, Hariroa Daymond, Minister of Conservation Hon. Eugenie Sage, Iwiroa Wairua and Gail Amaru at Whakamaharatanga Marae

Pā Design

Since the original Pā Tangaroa whare burned in the 1920's our tupuna have always harboured a desire that a pā and whare be re-established so it's with pleasure that some 100 years later we now arrive at a point where we can achieve that.

In January 2020 Nick Dalton and Te Ari Prendergast of TOA Architects presented their final concept plans for our Ngāti Mutunga pā. This presentation was the culmination of effort that took real form in 2018.

Our kaumātua and our people have been calling for real action to move this concept forward. We heard and we have responded. The concept designs are the result of a number of consultation hui with our whānau both on Wharekauri and in Aotearoa.

We are excited by the plans before us. The concept revolves around the original Pā Tangaroa focus. The various iterations show a strong focus on kōura as the build narrative. We are a fishing based people and the strong focus on Pā Tangaroa reflects that. Equally however, we are also a strong agricultural Iwi and this will need to be pulled into our thinking.

We need to reiterate these are not final drawings and nor have any names been settled on. There is still much mahi to be done to engage our whānau particularly around:

- Site
- Size and scope
- Whakairo
- Kowhaiwhai
- Tukutuku
- Management

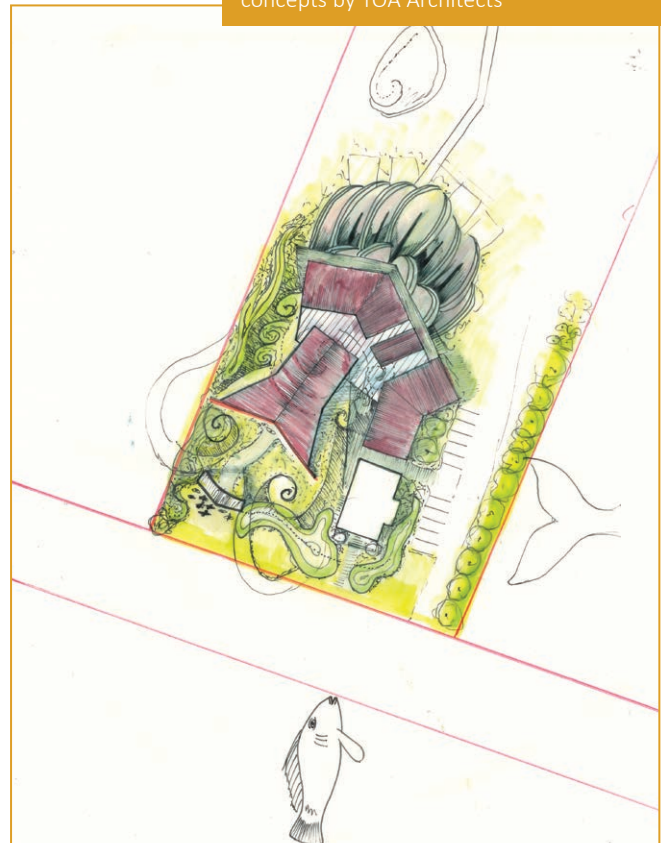
The Trustees, at the March 2020 strategic planning hui, set a realistic goal of 2025 to have our Pā complex completed and there is much work to be done between now and then.

Our Asset Holding Company has been advised to begin developing a funding plan to help bring our aspiration to fruition. This will entail an investment focus to build our development pūtea using a combination of Iwi assets and government grants to enable us to reach our goal.

The full plans are available on our website and we urge you to check them out and come back to us with your views. In the meantime we are planning our next steps including coming to you to discuss.



Ngāti Mutunga o Wharekauri Pā design concepts by TOA Architects



Whānau at Pā design hui

Readiness and Resilience

In October 2019, Kristie-Lee Thomas (GNS Science), Prof. David Johnston (Massey University) and Lucy Kaiser (Kai Tahu, GNS Science/Massey), travelled to Wharekauri to deliver a hui on tsunami, Wharekauri's past, our risk today and our readiness. The rōpu also visited the wahi tapu site Tupuangi Pā. The discussions on the day included kōrero on past tsunamis that have occurred on Wharekauri in 1868, 1877, 1924, 1946, 1947 and 1960. They also lead kōrero around how our whānau can be ready should an event like this happen again.

In line with this kaupapa of being resilient and prepared, our trustees took part in the on-island delivery of the co-ordinated incident management system (CIMS) course, in levels 2 and 4. This course is New Zealand's national

incident framework and is a valuable incident management tool for those involved in managing emergency situations, and will enable our trustees to develop readiness and resiliency. Our General Manager has been a practitioner of the CIMS 4 model for some years. This training enabled our iwi leaders to respond to our iwi and communities needs when the impacts of COVID-19 arrived on our shores.

Minister Peeni Henare visited Wharekauri in December 2019 and the Iwi Trust met with him to discuss civil defence, whānau ora, youth and settlement matters. The Minister opened the Ha o Te Ora Wharekauri Trust's transitional housing during his visit.



Iwiroa Wairua, Hon Peeni Henare (Minister of Civil Defence, Whānau Ora and Youth), Deena Whaitiri and Gail Amaru



Map of Wharekauri showing where the 1868 tsunami hit

Te Rā o Waitangi 2020

Te Rā o Waitangi 2020 took place once again on the beautiful shores of Te Whanga Lagoon at Plum Tree, a site with special significance to our Wharekauritanga. Organized in a collaborative effort by the Chatham Community Focus Trust and the Iwi Trust, the day was a success and full of whānau, fun and sunshine.

Previous chair Iwiroa Wairua started the day off with an opening kōrero, which was followed by a beautiful barbecued kai. A mihi to Steve Harris for manning the spatula, and to the Den kitchen for their delicious salads. After kai, whānau made the most of the lake and we were lucky to have Nick Cameron and Val Croon bring their jet skis so our tamariki (and some of the gamer parents!) could have a go on the biscuit. We had our annual Te Rā o Waitangi quiz so young and old could test their knowledge, and this was won by a team made up of our deputy chair Monique Croon and Natasha Croon. Sheree Gay of Chatham Community Focus organized a great scavenger hunt for our tamariki, with clues in both Te Reo and English so they could test their skills. The prizes they took home were fantastic, made up of local crafts, tasty treats and Te Rā o Waitangi themed puzzles.

Once again this day would not be possible without the funding support from Manatū Taonga, Ces Lanauze and her team at Chatham Community Focus especially Sheree Gay who worked tirelessly to pull the event together, and the Goomes family for letting us all access Plum Tree. A mihi to all involved, and we look forward to seeing you all there in 2021.



Whānau enjoying kai and sunshine on the shores of Te Whanga



Tamariki finding the final treasure in the scavenger hunt

Translocation of the White Faced Storm Petrel



Glen King and
Ardor Lanauze-
Ogilvie viewing the
manu

The second phase of translocating white-faced storm petrel chicks from Rangatira Island, Wharekauri to Mana Island, Porirua took place in February 2020. This project was initiated by Friends of Mana Island, with support from Department of Conservation, Ngāti Mutunga o Wharekauri Iwi Trust, Hokotehi Moriori Trust and Ngāti Toa Rangatira. This three year project began in 2019 with the transfer of 48 chicks, and will reach its last phase in 2021 with the goal of establishing a self-sustaining species on Mana Island.

A team travelled to Rangatira Island to locate and measure the chicks, hand-picking chicks that met the weight and wing span criteria to make the journey to the mainland. The chicks were transferred by boat from Rangatira Island to Owenga in boxes. They were flown to Wellington the next day and then transferred to Mana Island by helicopter. The chicks were housed in artificial burrows and fed sardine smoothies for three weeks until they were able to fledge and fly from the island.

Aunty Kathy Daymond was front and centre during this process ensuring our taonga were looked after. We also had our previous chair Iwiroa travel as a kaitiaki of our manu, and had Ngāti Mutunga whanau there waiting for our taonga to arrive in Pōneke.



Whaea Kathy Daymond and Iwiroa Wairua in
Owenga

Mana Tangata

HONOUR
OUR TUPUNA



Kaumātua Christmas Lunch

Our annual Kaumātua Christmas Lunch took place at Whakamaharatanga Marae in December and was, once again, well attended. The day began with an opening kōrero from previous Chair Iwiroa Wairua which was followed by kai and whanaungatanga. A mihi to Hotel Chathams for the delicious Christmas spread, and to Iwiroa for complimenting this with fresh kaimoana.

We were very privileged to have tamariki from Te One Kura come across to perform waiata for our kaumātua including our island taonga, 'the Chatham Islands song'. A big thank you to these tamariki and their music teacher Kellie Gregory-Hunt for taking the time to share your talents with our kaumātua. It was really appreciated.



Alfred Johanson, George Day and Melodie Eruera-Fraser



Kaumātua enjoying the tamariki's performance



Mereraina Hemara, Jacqui Southcombe, Thornton Lanauze-King and Deena Whaitiri

For another year running, Jacqui Southcombe was an invaluable help to make this event a success. A big mihi to her for her huge contribution and to her tamariki, Brody and Shylar, for keeping our kaumātua entertained with their cheeky yarns.

Finally, thank you to all kaumātua that attended. It is always a pleasure to sit and reminisce with you all and it really is you that make this day a success for us.

Pūtea Whanaungatanga Grants

The Pūtea Whanaungatanga Grant has three strategic goals: to build the cultural knowledge and participation of Ngāti Mutunga o Wharekauri, to encourage and grow the cultural practices of Ngāti Mutunga o Wharekauri, and to encourage the cultural leadership of Ngāti Mutunga o Wharekauri.

This year a total of three Pūtea Whanaungatanga grants were awarded, totalling \$15,000.00

Trescia Lawson: Hīkoi to Aunty Katey Ruddick's Birthday

Whāia te iti kahurangi ki te tūohu koe me he maunga teitei.

(Seek the treasure you value most dearly, if you bow your head, let it be to a lofty mountain).

A milestone for our Aunt and an occasion to be treasured by us all. Tears of aroha, pride and total respect ran down the faces of us all as the lady of the day our gracious and beautiful Aunt Katey Ruddick made her entrance into a hall full of whānau.

As sharp as a pin she linked with ease the whakapapa of who was who and where we all fitted.

Names not heard of for such a long time, brought tears to her eyes. Reconnecting with Uncle Ron was such an emotional moving moment. In an instant it bought to mind those who have gone before and the very reason of why we were here today.

Whanaungatanga was rife as we all made links with one another. Whānau travelled from all corners of Aotearoa and from overseas.

The local Catholic Priest spoke of Aunty Katey's strong faith in the Lord. The Mayor of Te Kuiti was also present and spoke with great respect of our Aunt.



Matua Ron Seymour and Aunty Katey Ruddick



Whānau celebrating Aunty Katey's birthday

Time spent with whānau has always been important for Aunty Katey, which was evidenced in a DVD timeline of whanau time, camping holidays, horse riding and other social events over the years was shown.

Idolized by her 3 daughters and many mokopuna who all spoke of Aunty Katey's strong work ethic.

Supporting her children and mokopuna to work hard and keep busy.

Our whānaunga and MC for the day, Ward Kamo, kept the proceedings of the day flowing and the whānau entertained with his time management skills and the ability to tell yarns.

On behalf of Deb Goomes, Pauline Seymour, Uncle Ron and myself we humbly thank the Ngāti Mutunga o Wharekauri Iwi Trust for the funding given through the Pūtea Whanaungatanga Grant. Without this funding it would have been very difficult if not impossible for us to attend this very auspicious milestone.

Ngā mihi,
Trescia Lawson

Keri and Elizabeth Day: Te One School Kapa Haka Trip

From the 25th August to 31st August 2019, our 24 tamariki from Te One School travelled to Invercargill to perform kapa haka at the 10th Anniversary Murihiku Polyfest.

Our two tutors, Wharengaro and Jolene Tapara-Kurei, and Te One School staff members Brian Dunn, Eve Sutherland and Sam Calder also travelled with the group. We stayed at the Coachmans Inn, making us close and handy to the Polyfest venue.

Mr Dunn, who used to live in Southland, had connections with the festival organizers and with this connection and the Southland hospitality we were treated like royalty, even given VIP treatment! The little group of tamariki from Wharekauri were the talk of the town.

Our tamariki went to the festival to watch other groups perform. There were all age groups, from pre-school through to elderly people. It was also lovely to experience the Pasifika culture, and seeing other groups with different kapa haka ability gave our tamariki confidence.

On the day of our performance our tamariki looked beautiful and sang like angels. They were accompanied by a huge support crew who had travelled hours to watch. When our tamariki finished their performance, we were humbled that a haka was performed to them. They really were treated like some of Southlands own. During their performance there wasn't a dry eye in the supporter's crew. Our hearts overflowed with pride. They represented our home, our Chatham Islands magnificently!

We got to visit many places during our visit including the Calvary Rest Home where we performed for our kaumātua Thelma Henderson who used to live on Wharekauri. The residents thoroughly enjoyed this time we shared with them.



Our Wharekauri tamariki ready to perform in Invercargill

On 29th August we visited Bluff Hill, Stirling Point and Bluff School. Here we were welcomed with a pōwhiri and shared time in the classroom and playground. A game of netball was organized for anyone keen. We then went to Te Rau Aroha Marae, which was outstanding. This was very important to quite a few of our tamariki as this place is part of their whakapapa. We were treated to a very special pōwhiri and had some amazing history lessons and then offered a huge kai. It is a beautiful place to visit.

Our tamariki had an extremely positive experience in Invercargill and Bluff. All of their hard work practising with Whare and Jolene really paid off. They treated the places we visited and people we met with respect and truly represented our home with pride. We would like to thank Ngāti Mutunga o Wharekauri iwi Trust for aiding us in this opportunity.

Nā,
Keri and Elizabeth Day.



Libby Thomas, Lordaez-Red Fonoti and Madison Chandler

Secondary School Boarding Grants

Our secondary school boarding grants remain an important funding stream for our Wharekauri whānau, and some on the mainland, to send their tamariki to boarding school. These grants tie in to our focus on education, and our history as Ngāti Mutunga o Wharekauri needing to travel to access education.

During the year in review 14 grants, totalling \$10,500.00, were awarded to assist whānau in sending tamariki to boarding school.

Jorja Tuanui



Jorja passed NCEA level three endorsed with merit for 2019. She achieved level one art endorsed with excellence. Jorja was also selected to exhibit artwork as a Māori student for the Ringa Toi Students Exhibition, which is a national celebration showcasing student success within Toi Māori at excellence level. The exhibition shows students working towards achieving NCEA levels one to three in an array of art forms, including weaving, carving, printmaking and fashion/textiles. Her artwork was exhibited in Wellington. Her work was a dry-point intaglio print on handmade cotton paper. Dry-point is a printmaking technique in which an image is incised into a plate with a hard-pointed needle of sharp metal.



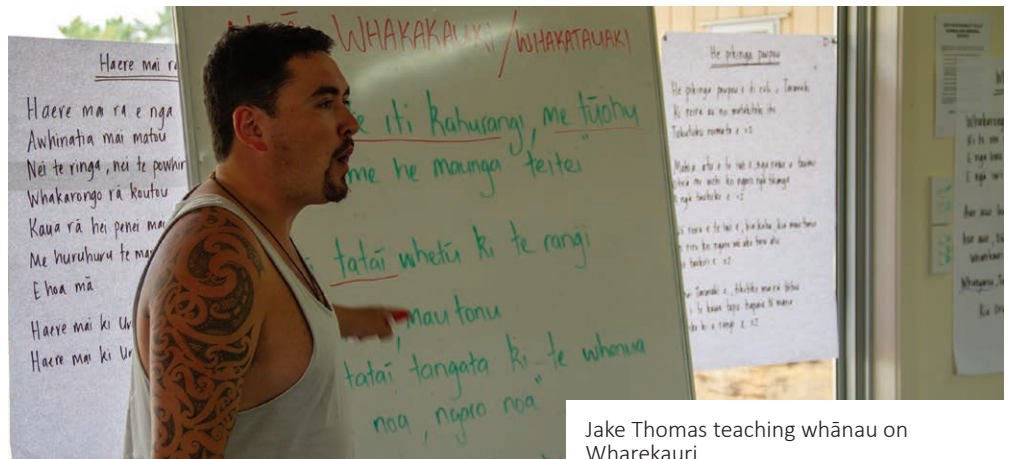
Kaumātua Pūtea Tautoko Grants

At the end of the Iwi Trust's 2018 AGM, then chair John Kamo announced the Kaumātua Pūtea Tautoko grant, a \$500 contribution to all registered Ngāti Mutunga o Wharekauri beneficiaries that are aged 65 years or older. This grant allows us to give back to our Kaumātua and recognize the contribution that they have made for their whānau and iwi.

This year we awarded a total of 86 Kaumātua Pūtea Tautoko grants totalling \$43,000.00, what a breakthrough for our Iwi!

Waiata Reo Wānanga

With the support of Te Mātāwai and its subsidiary entity, Te Pae Motuhake, our series of waiata reo wānanga continued, taking place in Ōtautahi, Pōneke and two in Wharekauri. These wānanga are so very important as they continue our goal of revitalizing both our reo and our Ngāti Mutungatanga. Wharekauri's own Jake Thomas and our Ngāti Mutunga ki Urenui whānaunga Te Waka Ruapounamu McLeod continued in tutoring our wānanga, which really did make it all the more special.



Jake Thomas teaching whānau on Wharekauri

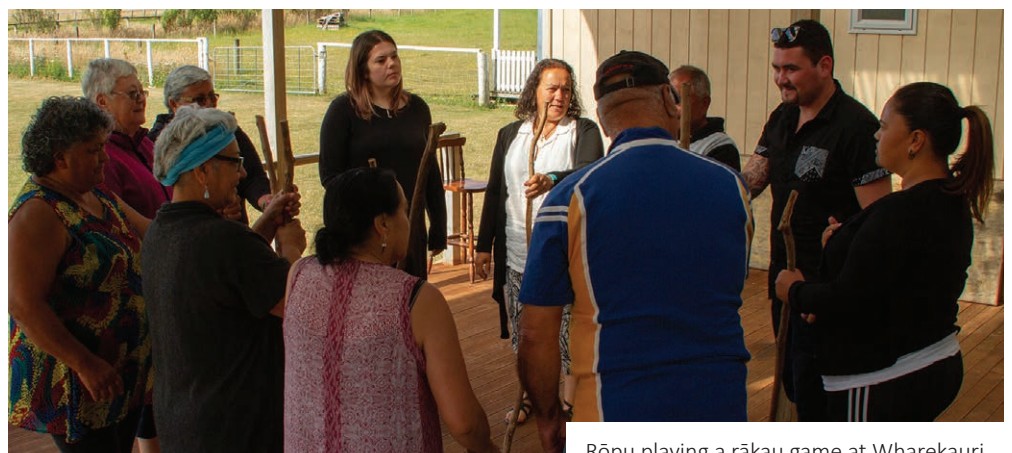
Our Pōneke noho wānanga was in April at the Hikoikoi Wellington Tenth's Trust. It was a great gathering of whānau with over 20 in attendance. The Ōtautahi wānanga took place in May at Rehua Marae. We had over 40 whānau attend for the hui. It was a great day of whānaungatanga, kōrero and learning.



Helen Shaw, Cathy Thomas and Judeen Waitiri demonstrating the actions to waiata

Our last two wānanga were held on Wharekauri in May and July at Whakamaharatanga Marae. It was lovely to see some new faces at these wānanga, including three generations of one whānau!

A mihi goes to our tutors, Jake and Te Waka. Thank you for sharing your knowledge with us all and for helping all those who attended build on their reo. Trustee Melodie Eruera-Fraser also deserves acknowledgement as she leads our learning, attending every one of these wānanga and encouraging others to do so as well. A mihi to you Mel, you really are a driver for these wānanga.



Rōpu playing a rākau game at Wharekauri

Ngā Toi Wharekauri Wānanga

In January we held our inaugural Ngā Toi Wharekauri Wānanga, in partnership with the New Zealand Māori Arts and Crafts Institute (NZMACI). This wānanga was led by Eraia Kiel, a familiar face to our Wharekauri whānau, and his tohunga rāranga and whakāiro practioners. Over the course of the weekend, Whakamaharatanga Marae was an absolute hub of activity and it was fantastic to see so many whānau call in, some for the whole weekend and some just for the day, but everyone that visited took away some new knowledge around ngā toi.

Whānau learnt about traditional carving (whakāiro) including the best materials to use and viewed demonstrations. At the back of the marae our tama built on their taiaha skills. It was great to see some of the older boys visit us at Whakamaharatanga to visit Eraia, who taught them all taiaha when they were at Te One and Kaingaroa Kura. Inside the marae our whaea learnt rāranga skills from master weavers. Our taonga Whaea Kathy Daymond along with kui Hariroa Daymond and kui Lois Croon have been working on a Ngāti Mutunga o Wharekauri korowai and to have skilled weavers to learn new skills from was invaluable. Whānau brought in their own projects from home and we were so lucky to view some ataahua rāranga and other works that were shared with the rōpu.

Inside the kitchen, our helpers and staff worked hard to ensure our manuhiri were well fed. A special mihi goes to Wharengaro Tapara-Kurei who helped so much behind the scenes with meals. We'd also like to acknowledge everyone who dropped of kaimoana for our manuhiri while they were here - so to Floyd Prendeville, Valentine Croon and Stephen Page - thank you for ensuring we all ate like kings over the weekend!

This wānanga was just the beginning for us exploring ngā toi, and we mihi to everyone that took part and shared in the learning with us. A big thank you to New Zealand Māori Arts and Crafts Institute and Eraia Kiel for making this wānanga possible for us here on Wharekauri!



Harry Luger, Ashton Fraser, Sasha Croon, Tane O'Neil, Eraia Kiel, Brody Fraser, Eraia Kiel Jnr and Valentine Croon Jnr



Eraia Kiel Jnr, Valentine Croon Jnr Jnr, Jakobi Winter and Brody Fraser



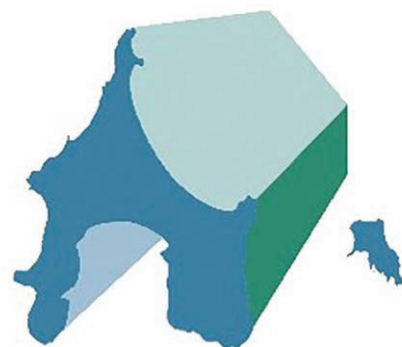
Abby Biltcliff, Simone Croon, Natasha Croon and Eileen Cameron watching the whakāiro demonstration



Hariroa Daymond, Whaea Kathy Daymond and Debbie Goomes weaving with the rāranga masters

Chatham Islands Housing Partnership Trust

Following on from the creation of the Chatham Islands Housing Solutions document in 2014, the Chatham Islands Housing Partnership Trust (CIHPT) was formally established in 2017. Previous chair Paula Page really drove this kaupapa for Wharekauri, and we mihi to her for her hard mahi in this space. CIHPT is governed by one representative from the four on-island stakeholders: Ngāti Mutunga o Wharekauri Iwi Trust (NMoWIT), Hokotehi Moriori Trust (HMT), Chatham Islands Council (CIC) and Chatham Islands Enterprise Trust (CIET). The Trustees are Paula Page (NMoWIT), Tony Blackett (HMT), Keri Day (CIC) and Toni Gregory-Hunt (CIET). Alexander McKinnon of Koau Capital Partners provides management support and advice to the Trust. The Iwi Trust continues to provide CIHPT with advice and administration services.



CIHPT has been working towards three goals since its formation; to provide training and education, to work on the Sandstone project, and to develop a shared equity scheme to make housing on Wharekauri affordable.

The first cohort of Šorted Kainga Ora, a course developed by Te Puni Kokiri and the Commission for Financial Capability, was delivered on Wharekauri in November. The course was made available to thirty whānau who learnt useful tools to help towards achieving the goal of home ownership and financial security such as tackling debt, learning to budget and preparing for the future.

Deena Whaitiri was contracted by CIHPT as the facilitator and navigator of the programme. Due to the impact of covid-19, some whānau are yet to complete the course.

The wānanga had some very positive feedback from those who attended, such as:

'This is a course that everyone on Wharekauri should do, especially the younger ones.'

'If only I knew then what I know now, I would be in a better financial position.'

A huge mihi to Deena for her work in this space. The skills our whānau walked away with will be invaluable in helping them prepare for their lives ahead. CIHPT are hoping to secure funding for a second delivery of this course and we encourage anyone who can to get involved.

CIET donated two hectares of land at Sandstone to CIHPT, which will be used to build five 3-bedroom houses on. The land closest to the road will be utilized first as it requires less civil work. Only whānau that participated in Šorted Kainga Ora will be eligible to apply for access to one of the five shared equity homes. Eligibility for this scheme is still being finalized, but it is exciting times ahead whānau!





Mana Moana

PEOPLE OF THE SEA

AHC Chair's Report

The 2019-20 financial year will be remembered for the start of the Covid-19 global pandemic which has caused, and continues to cause, serious health, social, and economic impacts across the world. We are now potentially heading for a period of severe and prolonged downturn and recession. These are concerning times on many fronts for us all.

Notwithstanding the substantial financial impact that Covid-19 delivered over the final quarter of the financial year, I am pleased to report, on behalf of my fellow directors, another successful financial year for the Ngāti Mutunga o Wharekauri Asset Holding Company Ltd (the AHC).

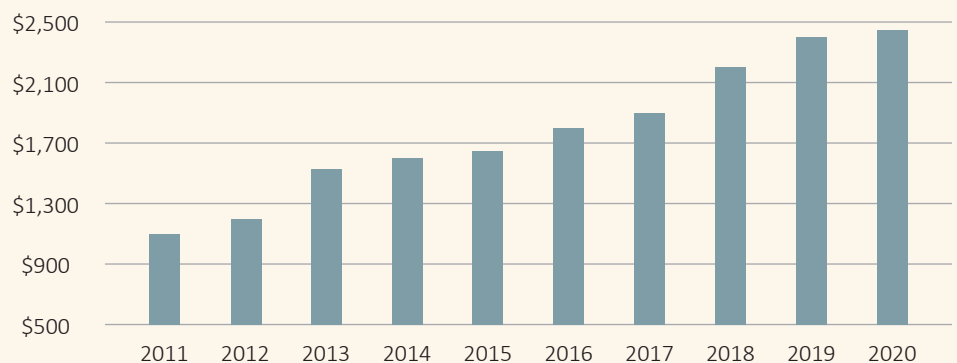
The AHC's 2019-20 *Net Profit Before Distribution* to Ngāti Mutunga o Wharekauri Iwi Trust (Iwi Trust) amounted to \$2.458m, an increase of \$43k or 2% compared to last year's \$2.415m. The year on year improvement was largely driven by a significant value gain from the AHC's Tai Hekenga investment. Excluding this gain, AHC's *Operating Profit* fell \$585k / 24% on last year, almost all of which was the direct impact of Covid-19 to its crayfish earnings.

This financial result highlights the importance of having a well balanced and diversified portfolio of investments. The Tai Hekenga investment is a quality investment with strong historic and cultural whenua connections for NMoW. The AHC remains committed to investing in the Chatham Islands economy and contributing to the economic well-being and growth of the community through quota ownership and other commercially viable investment opportunities such as the proposed Civic Office facilities / investment.

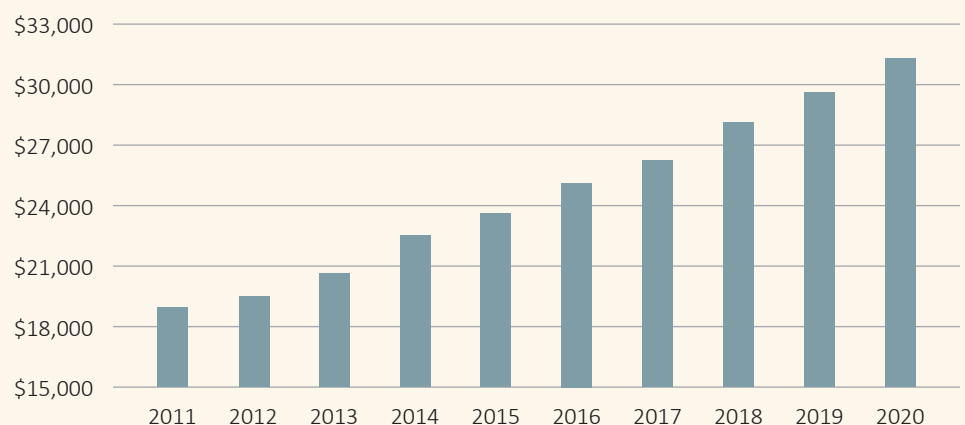
A *Pre-Distribution Return on Equity* of 8.1% was achieved, down marginally on last year's 8.4%. After accounting for distributions to the Iwi Trust of \$660k, AHC's equity increased \$1.798m or 6.1%.

The 2019-20 financial year was the tenth successive year of both profit and equity growth. Since 2010-11, the AHC's profit has grown by an average 8.0% pa with equity increasing from approximately \$19m 10 years ago to \$31m today, the \$12m equating to an average 5.2% pa growth rate.

10 Year AHC Net Profit Growth



10 Year Group Equity Growth



I summarise below the material matters and highlights for the year.

Port Nicholson Fisheries Investment

With around 95% of NZ's crayfish sold live to China, our investment in the crayfish processing and export business Port Nicholson Fisheries LP (PNFLP) was hit extremely hard by Covid-19. China sales ceased almost overnight in late January when Wuhan emerged as the epicentre of the outbreak. Management moved promptly to scale back PNFLP's operating costs as much as possible and shift the sales focus to developing a larger domestic sales channel and frozen tail markets into the USA, both at significantly lower price points than those secured in the pre-Covid-19 China market.

As part of the necessary cost cutting measures, PNFLP sought, and received unanimous limited partner support for, a 25% reduction in limited partner ACE prices from those set at the start of the fishing year. For AHC, this amounted to a circa \$200k negative profit impact.

The measures taken enabled PNFLP to generate a \$2.1m Net Surplus, AHC's share being \$105k. This equates to a circa \$150k shortfall against PNFLP's 2019-20 budget.

Port Nicholson Facilities LP (*Facilities LP*), the asset owning entity for the Port Nicholson Fisheries group, delivered a circa \$197k Net Surplus. AHC's share is \$65k, down circa \$165k on Facilities LP's budget.

The combined impact to AHC from the ACE earnings reduction and PNFLP and Facilities LP profit downgrades as a result of Covid-19 was circa \$515k reduced profit.

The 2020-21 financial year is likely to be a difficult one for the NZ crayfish sector. China exports have resumed however there remains heightened nervousness and uncertainty, both of which have combined to result in a 35-40% sale price reduction when compared to the same point last year. This will inevitably result in lower earnings for all sectors of the value chain, including our NMoW fishers and to the AHC itself. A second wave of Covid-19 through China and, in particular, to key crayfish markets of Shanghai, Beijing and Guangzhou would be catastrophic to the PNFLP business. We can only hope that China continues to manage the virus well as it has to date and that a vaccine will be developed in the very near future.

Once again I take the opportunity to thank Grant Absalom (CEO of PNFLP) and staff, particularly Pete Lanauze, Shannon Peni and the wider Wharekauri based team, and PNFLP's Wharekauri based fishers for all their excellent work, particularly during these unprecedented and challenging times.



NMoW Fisher Support

Through 2019-20, AHC provided support to 32 NMoW fishers / divers by way of access to ACE for the four key Wharekauri based inshore species, i.e. 39mt of blue cod, 24mt of crayfish, 22mt of paua and 61mt of kina. The market value of this quota is approximately \$37m of the AHC's total quota base of \$44m. In addition, the AHC's longline ACE was allocated to Wharekauri based operation, Waitangi Seafoods Ltd.

Overall, in excess of 85% of the AHC's quota by value is harvested by Wharekauri based NMoW fishers and fishing companies. One of the AHC's key objectives is to provide as much support as it can to Wharekauri based operations, hence we are very pleased with this outcome. Further, the vast majority of the remaining 15% of quota by value is deep sea which is committed through to Sealord under the multi-year profit share agreement. Sealord is 50% owned by Iwi.

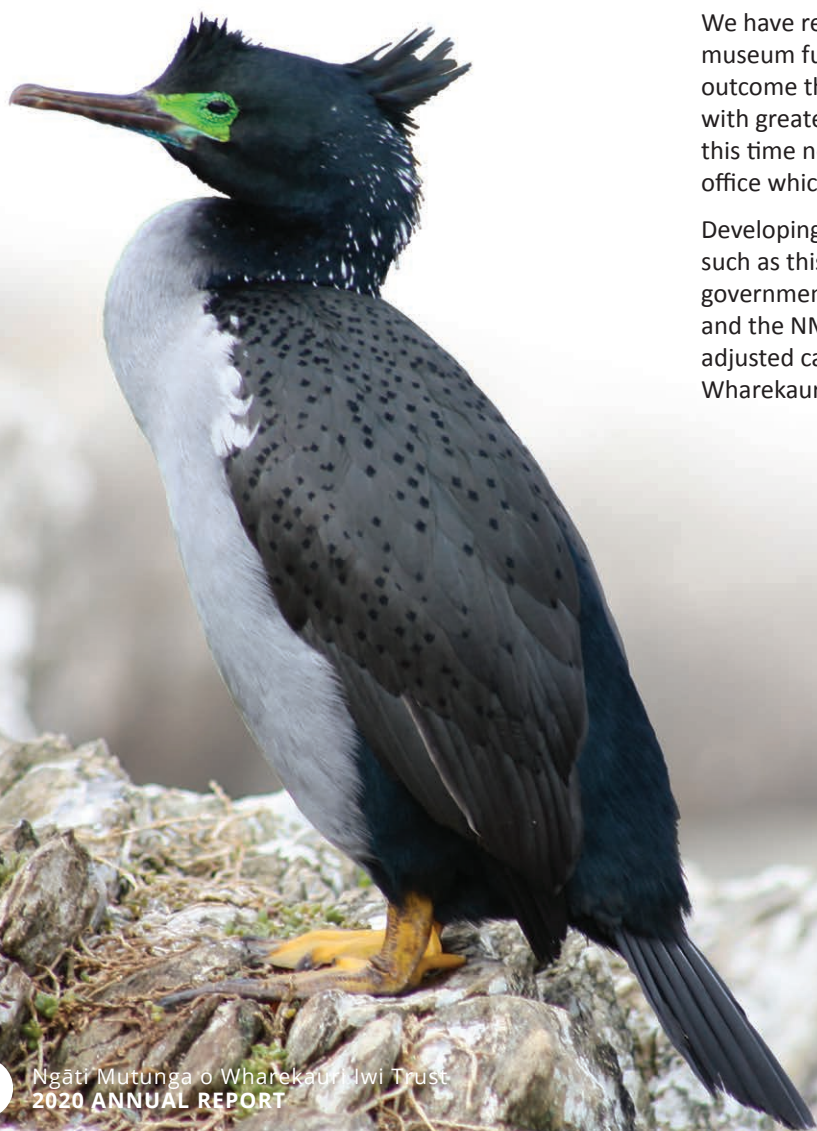
Chatham Islands Council & Chatham Islands Enterprise Trust Office Development

We continue to pursue the opportunity to develop and own new Civic offices in Waitangi. As reported last year, the proposal is for the AHC to invest and build the offices then lease these back to the Chatham Islands Council (CIC) and the Chatham Islands Enterprise Trust on a long (30+ year) term lease. These leasing arrangements are still being finalised with potential tenants. The Chatham Island Museum would also be included in the development however this will be funded by way of government grants that are being secured by the CIC.

Good progress was made through the first half of 2019-20 with the overall design finalised and full development costs assessed and presented to the AHC by its contracted development manager, Apollo Projects. Unfortunately progress then stalled as the Museum Trust and the CIC pursued avenues to secure funding to cover the museum development cost shortfall. Level 3 and 4 covid-19 lockdown then followed bringing all progress to an immediate halt.

We have recently received confirmation that the residual museum funding has now been secured. This is an excellent outcome that will allow the parties to progress the opportunity with greater certainty and speed. We hope to be in a position this time next year to report on the construction phase of the office which, all going to plan, we expect to be well advanced.

Developing and owning an infrastructure type property asset such as this with a large component of local and central government backed funding support will deliver to the AHC and the NMoW, a high quality investment with strong, risk adjusted cash returns. It will also provide a great asset to the Wharekauri community.



Tai Hekenga – Crown Land Investment

We have reported in previous Annual Reports that a collective of Taranaki Whānui entities has been established to partner the post settlement governance entity Taranaki Whānui ki te Upoko o Te Ika, known as The Port Nicholson Block Settlement Trust (PNBST), to exercise PNBST's Treaty settlement rights to purchase a portfolio of Crown land assets in central Wellington. These are high quality lands that will be acquired and leased back to the Crown on long term agreements at premium lease rates, delivering immediate and excellent risk adjusted returns to the Taranaki Whānui investors over a long term period.

In addition to the AHC, the Taranaki Whānui collective includes the commercial entities of Ngaruahine, Taranaki Iwi, Te Atiawa, Ngāti Mutunga (Urenui), Ngāti Ruanui, Ngā Rauru and Ngāti Maru. Parininihi ki Waitotara are also part of the collective.

AHC's investment commitment is \$2m of the collective's total investment pool of \$71m. With debt, the total investment will be approximately \$127m.

Significant progress was made through 2019-20 with \$84m of Crown land acquired, as follows:

Crown Entity	Date Acquired	Total Value
Ministry of Education	September 2019	\$50m
Ministry of Justice	December 2019	\$25m
Kiwi Rail	March 2020	\$9m
Total		\$84m

Since 2019-20 year end, a further \$37m of property has been acquired from the Department of Internal Affairs (June 2020). This increased the total investment to \$121m funded \$71m by way of equity and \$50m of debt. All the AHC's capital commitment has been called up.

Only the Thorndon School now remains to be acquired. This is expected to be later this calendar year. The value is approximately \$6m.

Telfer Young completed the 31 March 2020 year end independent valuations for all properties acquired through the financial year. These valuations resulted in a material uplift in value of approximately 30% with the AHC's share being \$630k on its \$2m initial investment. There is expected to be further value increases for the Department of Internal Affairs and Thorndon School properties that will be accounted for in the 2021 financial year.

With central government as tenant, Tai Hekenga is a rare and high quality investment that has already delivered significant value for the AHC and Taranaki Whānui investors, with strong earnings locked in for many years to come.

I wish to thank my fellow directors Tom McClurg, Nick Cameron and Andrew Harrison for their continued high quality expertise, practical experience and commitment they bring to the AHC, which at times is well above typical directorship duties. Andrew resigned in May 2019 after 9 years on the AHC board as an executive director. During this time, Andrew worked tirelessly in the interests of Ngāti Mutunga o Wharekauri, and helped lay much of the foundation that we work from and continue to build on today. Ngā mihi ki a koe Andrew.

I also take the opportunity to thank Richard Coleman and the team at Koau Capital Partners for their valued support, guidance and hard work as our management team. Much of the AHC's success is the result of the strong governance and management team we have in place to protect and grow Iwi assets on behalf our Ngāti Mutunga whānau.

Finally I acknowledge and thank the Iwi Trust trustees and management for their continued support for, and clear direction to, the AHC. The robust framework, strategic direction and controls under which the AHC operates ensures that Iwi assets continue to be very well governed and managed.

The 2020-21 financial year will be challenging as we move through Covid-19 and into some likely strong economic headwinds. However, the AHC's Balance Sheet is strong and, with its current mix of assets and investments, we believe we are in good shape to withstand any downturn and still deliver earnings at a level that continues to enable distributions to the Iwi Trust and ongoing reinvestment back into growing the AHC portfolio. Our drive remains as strong as ever to work hard and diligently for our NMoW whānau and deliver results that you can be proud of, in the interests of current and future generations.

Financial Performance

The following table summarises AHC's financial performance for the 2019-20 financial year against the previous four years.

	2019-20 \$'000s	2018-19 \$'000s	2017-18 \$'000s	2016-17 \$'000s	2015-16 \$'000s
Seafood Income	\$1,928	\$2,501	\$2,273	\$1,914	\$1,803
Investment Income	\$56	\$112	\$136	\$186	\$151
Property Income	\$71	\$39	\$35	\$31	\$45
Tai Hekenga Income	\$62				
AHC Gross Operating Income	\$2,067	\$2,651	\$2,445	\$2,131	\$1,999
Less AHC Overheads	\$223	\$223	\$247	\$206	\$210
Less Depreciation	\$13	\$13	\$13	\$13	\$14
AHC Net Operating Income	\$1,830	\$2,415	\$2,184	\$1,912	\$1,776
Tai Hekenga Valuation Gain	\$628				
AHC Net Surplus	\$2458	\$2,415	\$2,184	\$1,912	\$1,776



Exodus working around Rangiauria

Investments

Annual earnings from AHC's fisheries based investments through 2019-20 decreased by \$573k (23%) on last year to \$1.93m.

The following summary highlights the key year on year comparatives:

- Crayfish income decreased circa \$709k (49%), the direct result of the Covid-19 impact during the final quarter of the year.
- Pāua ACE income increased circa \$34k (5%) on the back of a stronger NZD equivalent average market sale price.
- Deep water and scampi ACE combined to generate a circa \$88k (22%) increase in income.
- Aotearoa Fisheries Ltd dividend increased circa \$8k (67%).

Cash Investments

Earnings from cash investments decreased approximately \$56k (50%) compared to last year, primarily the result of a lower interest rate environment and the need for the AHC to hold higher levels of cash in its call account to fund key investments (Tai Hekenga) and support the Iwi Trust's Treaty Claim costs.

The AHC's term deposit portfolio balance closed the year at \$2.3m, a decrease of \$1.7m from the \$4.0m closing balance at the end of the 2018-19 financial year.

Property Investments

Earnings from property investments fell circa \$18k (46%) on last year's income to \$39k. This was the result of increased R&M spend through the year, \$23k higher than 2018-19. All AHC properties remained fully tenanted throughout 2019-20.

Tai Hekenga

2019-20 was the first year of earnings for Tai Hekenga. Operating earnings (land rental payments) of \$62k were received which, when annualised, equates to a 6.2% return on the \$2m investment.

In addition to operating earnings, a further \$628k value increase was realised for the AHC resulting in a total \$690k return against its investments through 2019-20.

Overheads

The AHC's overheads remained on par with last year. AHC's Overheads to Gross Income remains within its target of 10-12% range (considered to be the sector norm). The AHC costs are diligently managed to minimise overheads.

	2019-20 \$'000s	2018-19 \$'000s	2017-18 \$'000s	2016-17 \$'000s	2015-16 \$'000s
Gross Income	\$2,067	\$2,651	\$2,445	\$2,131	\$1,999
Overheads	\$237	\$236	\$260	\$219	\$223
Overheads to Gross Income Rate	11%	9%	11%	10%	11%

Financial Performance compared to Budget

The AHC's 2019-20 Annual Plan budgeted a Net Surplus Before Distribution for the year of \$2.212m. The final Net Surplus Before Distribution for the year of \$2.458m is a \$246k (11%) improvement on budget primarily due to the significant value gain from the AHC's Tai Hekenga investment.

Financial Position

The following table summarises the AHC's financial position as at 31 March 2020 year end.

	2019-20 \$'000s	2018-19 \$'000s	Movement \$'000s
Working Capital	\$2,421	\$703	\$1,717
Seafood Quota	\$21,434	\$21,434	\$0
Port Nicholson Fisheries Investment	\$1,835	\$2,289	-\$454
AFL Shares	\$414	\$414	\$0
Cash Investments	\$872	\$3,087	-\$2,216
Property	\$1,967	\$1,885	\$81
Tai Hekenga Investment	\$2,652	\$0	\$2,652
Housing NZ Loan	-\$283	-\$300	\$17
AHC Equity (Net Assets)	\$31,312	\$29,514	\$1,798

The AHC's equity increased \$1.798m (6.1%) through the financial year, equating to the AHC Net Surplus (post Iwi Trust distributions).

Of the \$31.3m Net Assets, \$21.4m (68%) are held within seafood quota. This quota is held at cost in the financial statements however an independent broker provided a market valuation of \$44.1m as at 31 March 2020, \$22.7m (106%) greater than the quota value recorded at cost of \$21.4m.

The market valuation of quota owned is detailed in the table below split between Settlement and Non-Settlement quota.

	Settlement Quota \$'000s	Non-Settlement Quota \$'000s	Total Quota \$'000s
Blue Cod	\$1,428	\$210	\$1,638
Crayfish	\$17,100	\$5,671	\$22,771
Kina	\$124	\$216	\$340
Pāua	\$4,882	\$7,150	\$12,032
Other	\$7,298		\$7,298
Total	\$30,831	\$13,246	\$44,077

Comparative Performance Metrics and Benchmarking

Comparative Performance Metrics

The key AHC financial returns are highlighted in the table below with comparisons shown against the previous four years:

	2019-20	2018-19	2017-18	2016-17	2015-16
Fishing Assets Return on Investment	8.1%	10.4%	10.6%	10.2%	9.9%
Cash Deposits Operating Return on Investment	2.0%	4.5%	3.6%	3.3%	3.8%
Property Operating Return on Investment	1.3%	2.1%	2.0%	1.7%	2.5%
Tai Hekenga Operating Return on Investment	6.2%				
Total Operating Return on AHC Equity	6.1%	8.4%	8.1%	7.5%	7.3%
Tai Hekenga Capital Return on Investment	31.0%				
Total Return on AHC Equity	8.1%	8.4%	8.1%	7.5%	7.3%
Increase in AHC Equity	6.1%	6.4%	6.1%	5.5%	5.2%
Trust Distribution to AHC Net Income	36.1%	26.1%	27.5%	28.8%	31.0%

Operating Return on AHC Equity fell from 8.4% last year to 6.1% in 2019-20, attributable to the impact of Covid-19 on the AHC's revenue from crayfish assets / investments. The value gain on the Tai Hekenga properties lifted the Total Return on AHC Equity to 8.1% and only marginally short of last year's result.

Averages over the last 5 years for the four key performance indicators above (*Operating Return on Equity, Total Return on Equity, Increase in Equity and the Distribution Rate*) are:

- 7.5% Operating Return on AHC Equity
- 7.9% Total Return on AHC Equity
- 5.9% Increase in AHC Equity
- 29.9% Distribution Rate

The AHC's 2019-20 Total Return on AHC Equity and Increase in AHC Equity outperformed the 5 year average. Covid-19's impact on the AHC's Operating Income resulted in Operating Return on AHC Equity and Distribution Rate falling short of the 5 year average. Note, the Distribution Rate of 36.1% remains under the maximum 40% rate recorded in the group's Statement of Investment Policies and Objectives (SIPO).

The above metrics continue to compare favourably to sector averages (as assessed by ANZ Bank), maintaining the AHC's position as one of the top performing iwi commercial entities across New Zealand.

Benchmarking

(i) Fisheries Investments

The table below compares the income generated from the AHC's fisheries based investments to two industry benchmarks:

- The FishServe database which provides the average industry ACE trade values for all fishstocks across the applicable fishing year; and
- An independent quota broker's assessed ACE values based on the broker's knowledge of the market and what arms-length buyers were willing to pay for the ACE.

	AHC Result	Blue Bk Value	Broker Value	Variance AHC to Blue Bk		Variance AHC to Broker	
	(\$'000s)	(\$'000s)	(\$'000s)	(\$'000s)	(%)	(\$'000s)	(%)
ACE Trading	\$2,103	\$2,142	\$2,308	-\$39	-1.8%	-\$205	-8.9%

The AHC's returns from its fisheries based assets underperformed the ACE trade market by circa 2-9%. Again, the result was almost solely due to the impact of covid-19 on the return on crayfish assets. All other fisheries sectors within the AHC portfolio were largely on par with market.

(ii) Cash Deposit Investments

The table below compares the AHC's cash deposit investment performance to the weighted average 6 month Term Deposit rates through the period 1 April 2019 to 31 March 2020 as supplied by the Reserve Bank of New Zealand. Given the average term of the AHC's cash investments is around 6 months, the 6 month RBNZ interest rate index is the appropriate benchmark.

	AHC Result	RBNZ	Variance	
	(\$'000s)	(\$'000s)	(\$'000s)	(%)
Cash Investments	\$56	\$80	-\$24	-30.5%

The AHC's average interest rate against its cash investments fell short of industry average at 2.0% versus 2.9%. The AHC's average term deposit rate for the year was 2.8%, on par with market average, with the higher cash held on call account being the driver of the overall sub-par result. The reasons for higher levels of cash being held on call account are detailed earlier.

(iii) Property

There is almost no relevant information available against which to meaningfully assess the performance of the AHC's Wharekauri based property portfolio. The metrics which drive property investment returns are unique and quite different on Wharekauri compared to that of mainland NZ, eg. initial investment/build cost, demand, alternative supply options, etc., and hence it is difficult to draw accurate comparisons.

(iv) Tai Hekenga

Tai Hekenga properties are tenanted by government entities, hence the risk of rental default is essentially nil. Given this, the 6.2% *Operating Return on Investment* achieved through 2019-20 is considered an excellent yield and well above market. This was confirmed via the recent Telfer Young independent valuation which assessed the market yield for these types of investment properties at 4.8%. This led to the substantial increase in valuation.

Progress Toward Objectives

The following table summarises the AHC's objectives for the 2019-20 financial year and the AHC's performance and progress against each of these.

Annual Objective	Progress Update
<p>Actively participate as influential leaders with committee representation on the key Wharekauri based Commercial Stakeholder Organisations, specifically:</p> <ul style="list-style-type: none"> • PĀUAMAC4 (continue current representation); • CRAMAC6 (continue current representation via PNF); • Chatham Islands Finfish Association (continue current representation); and • National Kina Stakeholder Group (secure new representation) 	<p>Ongoing</p> <p>Nick Cameron is the AHC's representative on PĀUAMAC4 and CIFA.</p> <p>Grant Absalom is the AHC's representative on CRAMAC6.</p>
<p>Lead and support appropriate fishery management and sustainability decisions and plans for all key Wharekauri inshore fisheries – implementation of the PAU4 Fisheries Management Plan being the most critical for FY20.</p>	<p>Ongoing</p> <p>PAU4 Fisheries Management Plan approved and signed off by Minister for Primary Industries.</p>
<p>Monitor and pursue the development of new commercial fisheries resources around Wharekauri and position Ngati Mutunga for maximum quota allocation benefit.</p>	<p>Ongoing</p>
<p>Identify, investigate and pursue the acquisition of additional high value Wharekauri based quota subject to the market providing attractive opportunities.</p>	<p>Ongoing</p> <p>Unsuccessfully tendered for 2.5mt of BCO4 quota (July 2019)</p>
<p>Lead, influence and drive the completion and implementation of the finfish limited partnership structure and operation with AFL and HMT.</p>	<p>Ongoing</p>
<p>Continue to develop and enhance the Port Nicholson Fisheries investment and pursue further CRA6 quota acquisitions and/or ACE partnerships.</p>	<p>Ongoing</p> <p>PNFLP supply from CRA6 now at 205mt – 60% of TACC.</p>
<p>Assist and support PNF with their significantly increased CRA6 operation to ensure it is a success for PNF, Island fishers and the wider Wharekauri economy.</p>	<p>Ongoing</p> <p>AHC management continue to work closely with PNFLP management.</p>
<p>Progress the opportunity to develop and implement a paua profit sharing structure and operation allowing AHC to participate across the full value chain.</p>	<p>Ongoing</p> <p>Ongoing discussions with AFL regarding the opportunity to establish a full profit sharing model.</p>
<p>Oversee performance of Ngā Tapuwāe o Māui (Sealord deep sea profit share) agreement and continue to lead, influence and enhance value through the relationship.</p>	<p>Ongoing</p> <p>Performance exceeded budget for FY20.</p>
<p>Complete a review of the NMoW Fisher ACE Allocation Policy prior to the commencement of the 2019-20 fishing year.</p>	<p>Ongoing</p>
<p>Continue to monitor longer term Wharekauri agriculture opportunities, eg – sheep dairying, and develop relationships with agri-business experts / operators.</p>	<p>Ongoing</p>

Assess and, if deemed economically viable, develop concepts for Wharekauri based small business opportunities.	Not yet completed
Continue to expand networks, resource and reach to ensure AHC builds its position as key investment body and force on Wharekauri.	Ongoing
<p>Subject to:</p> <p>(i) All areas of concern (particularly the potential impact to fisheries and other environmental aspects) highlighted previously by the Wharekauri community being suitably addressed and mitigated; and</p> <p>(ii) An advantageous investment option for AHC (and other Wharekauri community entities) agreed</p> <p>Consider a potential investment in CRP.</p>	<p>Ongoing</p> <p>AHC executed HOA with CRP that requires CRP to engage with NMoW at the earliest stage should it pursue marine consent, provide full information on the application, receive advice on how best to engage with the wider Chathams community and collaborate on “developing a CRP Marine Consent application that meets the environmental, economic, social and cultural objectives of both parties individually and together.</p>
Invest a minimum \$450k of the \$1.5m commitment to Te Puia Tapapa (Pan-Māori Investment Fund) through FY20.	<p>Ongoing</p> <p>TPT investigated 2 investment opportunities through FY20. No investment capital called.</p>
With prudent investment opportunities likely to be realised over the next 12-18 months, AHC will continue to manage its surplus funds within the term deposit investment strategy ensuring interest rates and the balance between On-Call and 15 Month (maximum) investment terms are optimised.	<p>Ongoing</p> <p>\$2.3m on short term (3-12 month) term deposits.</p>
Ensure effective property and tenancy management of existing residential properties.	Ongoing
Provide commercial support and leadership to the Wharekauri Housing Strategy and influence the implementation of the recommended initiatives. This may involve AHC taking on a contracted property development role for CIHPT.	<p>Ongoing</p> <p>Wharekauri wide housing strategy document has been executed by CIET, CIC, HMT and NMoW.</p>
Continue to work alongside the Trust Board to develop closer relationships with CIET, CIC and HMT to putting collective Wharekauri weight behind community infrastructure solution negotiations.	Ongoing
Finalise Tai Hekenga land investment opportunity in Wellington CBD and, subject to satisfactory final Business Case, budget to invest \$2m.	<p>Progressing</p> <p>Investment opportunities through the MoE, MOJ and Kiwi Rail were finalised through FY20. Department of Internal Affairs completed post FY20 year end. Thorndon School remains the only outstanding property investment to complete.</p>
Present the Decision Paper to AHC and Iwi Trust for the final decision point to progress (or not) to execution of the Construction and Lease Agreement for the new CIC and CIET office development. On the basis the decision is made to progress, AHC budget, AHC budget to invest circa \$4.0m (including land cost) with the development fully completed prior to the end of the 2019-20 financial year.	<p>Ongoing</p> <p>Delayed due to Museum funding shortfall and Covid-19. Museum funding secured post FY20 year end. Project restarted with Apollo updating the Design & Feasibility Report.</p>

Statutory Compliance

There have been no sales or exchanges of fish quota. Note that no sales or exchanges were allowed under the Māori Fisheries Act 2004 until a period of two years from recognition (28 September 2005) had passed. These restrictions ceased to apply from 29 September 2007.

No Settlement Quota interests have been registered against the quota shares or income shares, nor has there been any registered interest by way of caveat or mortgage raised against the settlement quota shares or income shares.

The Directors have overseen the governance of the fisheries activities of the AHC. There have been general discussions with other Mandated Iwi Organisations regarding opportunities to work together in a manner that benefits all parties, key outcomes being the Port Nicholson Fisheries acquisition and current iwi deep water initiative with Sealord. Other initiatives will be pursued in the future, particularly with regards pāua and finfish.

The AHC continues to comply with all internal policies as ratified by the NMoWIT, including the NMoW Fisher ACE Allocation Policy, Delegated Authorities Policy, and Interests Policy.

Ngā mihi,

Joseph Thomas
Chair, NMoWIT AHC



Consolidated Group Financial Statements

For the year ended 31 March 2020

Statement of Financial Performance

	Notes	Group	2020 \$ Iwi Trust	AHC	Group	2019 \$ Iwi Trust	AHC
Revenue							
Revenue from seafood ACE		2,097,070	-	2,097,070	2,668,294	-	2,668,294
Dividend from Aotearoa Fisheries Limited		19,064	-	19,064	11,441	-	11,441
AHC dividend <i>(eliminated on consolidation)</i>		-	660,000	(660,000)	-	630,000	(630,000)
Project grant revenue	1	121,726	121,726	-	40,537	40,537	-
Interest revenue		54,833	4	54,829	82,256	143	82,113
Revenue from property		65,082	-	65,082	63,700	-	63,700
Administration services income <i>(eliminated on consolidation)</i>		-	10,000	(10,000)	-	10,000	(10,000)
Rent expense <i>(eliminated on consolidation)</i>		-	(8,133)	8,133	-	(7,200)	7,200
Tai Hekenga LP- operating income		62,391	-	62,391	-	-	-
Other revenue	8	287,039	286,342	696	376,840	337,210	39,630
Total revenue		2,707,205	1,069,939	1,637,265	3,243,068	1,010,690	2,232,378
Expenditure							
Direct seafood expenses	3	187,911	-	187,911	188,998	-	188,998
Commercial expenses	4	213,258	-	213,258	212,773	-	212,773
Property expenses		52,591	-	52,591	32,283	-	32,283
Iwi Trust project expenses	2	121,276	121,276	-	28,118	28,118	-
Iwi Trust governance expenses	5	98,233	98,233	-	159,176	159,176	-
Employee related costs		186,913	186,913	-	189,074	189,074	-
Other Iwi Trust operating expenses	6	680,355	680,355	-	643,751	643,751	-
Iwi Trust grants and donations made	7	68,500	68,500	-	75,668	75,668	-
Iwi Trust election & publication expenses		42,640	42,640	-	47,901	47,901	-
Depreciation	11	21,869	8,525	13,345	18,144	4,854	13,290
Total expenditure		1,673,547	1,206,442	467,105	1,595,885	1,148,541	447,344
Other gains and (losses)							
Investment revaluations	10	628,404	-	628,404	-	-	-
Total other gains and (losses)		628,404	-	628,404	-	-	-
Surplus / (deficit)		1,662,062	(136,502)	1,798,564	1,647,183	(137,851)	1,785,034

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Notes	Group	2020 \$ Iwi Trust	AHC	Group	2019 \$ Iwi Trust	AHC
Assets							
Current assets							
Cash at bank and on hand		1,509,794	82,802	1,426,991	150,219	16,857	133,362
Accounts receivable	9	1,297,251	789,889	507,363	1,081,935	543,932	538,003
GST receivable/(payable)		(7,975)	20,583	(28,559)	22,494	25,473	(2,980)
Investment accounts	10	871,578	-	871,578	3,087,346	-	3,087,346
Total current assets		3,670,648	893,275	2,777,373	4,341,993	586,262	3,755,732
Non-current assets							
Property, plant, and equipment	11	580,122	43,186	536,936	527,604	16,699	510,905
Work in progress	12	156,682	-	156,682	101,082	-	101,082
Te One housing		1,273,180	-	1,273,180	1,273,180	-	1,273,180
Seafood quota	14	21,434,232	-	21,434,232	21,434,232	-	21,434,232
Port Nicholson Fisheries		1,834,671	-	1,834,671	2,289,071	-	2,289,071
Investment in shares – Aotearoa Fisheries Limited		414,160	-	414,160	414,160	-	414,160
Tai Hekenga LP Partners Capital	10	2,652,491	-	2,652,491	-	-	-
Total non-current assets		28,345,538	43,186	28,302,352	26,039,329	16,699	26,022,630
Total assets		32,016,187	936,461	31,079,725	30,381,322	602,960	29,778,362
Liabilities							
Current liabilities							
Accounts payable		219,595	113,028	106,567	266,654	90,371	176,283
Grants unspent	13	104,286	104,286	-	67,124	67,124	-
Housing New Zealand loan- current portion		17,300	-	17,300	17,300	-	17,300
Total current liabilities		341,181	217,314	123,867	351,078	157,495	193,583
Non-current liabilities							
NMOW Iwi Trust/AHC inter-entity account <i>(eliminated on consolidation)</i>		-	638,787	(638,787)	-	228,601	(228,601)
Housing New Zealand loan		282,567	-	282,567	299,867	-	299,867
Total non-current liabilities		282,567	638,787	(356,219)	299,867	228,601	71,266
Total liabilities		623,748	856,100	(232,352)	650,945	386,096	264,849
Net assets		31,392,439	80,361	31,312,078	29,730,377	216,864	29,513,513
Equity							
Trust capital	16	14,805,361	(840,619)	15,645,980	14,805,361	(840,619)	15,645,980
Accumulated surplus / <i>(deficit)</i>	16	16,587,078	920,980	15,666,097	14,925,016	1,057,483	13,867,533
Total equity		31,392,439	80,361	31,312,077	29,730,377	216,864	29,513,513

The accompanying notes form part of these financial statements.

Statement of Cashflows

	2020 \$	2019 \$
Cash flows from operating activities		
Receipts from customers and other revenue	2,805,576	1,702,145
Project grant revenue received	108,888	31,350
Payments to suppliers and employees	(2,298,951)	(1,345,424)
Iwi Trust grants and donations received	(68,500)	(75,668)
Net cash flow from operating activities	547,013	312,403
Cash flows from investing activities		
Investment income received	2,070	82,256
Investment in term deposits	2,258,102	(1,024,928)
Investment in Tai Hekenga LP	(1,948,163)	-
Funds received from Port Nicholson Fisheries	641,861	499,260
Purchase of property, plant, equipment and intangibles	(74,388)	(19,534)
CIC & CIET office development spend	(49,620)	(190,348)
Net cash flow from investing activities	829,863	(653,294)
Cash flows from financing activities		
Loan repayments	(17,300)	(17,300)
Net cash flow from financing activities	(17,300)	(17,300)
Net (decrease)/increase in cash and cash equivalents	1,359,576	(358,194)
Cash and cash equivalents at the beginning of the year	150,217	508,410
Cash and cash equivalents at the end of the year	1,509,793	150,217

Statement of Accounting Policies

ACCOUNTING POLICIES APPLIED

Reporting Entity

These financial statements have been prepared for the consolidated operations of the Ngāti Mutunga o Wharekauri Iwi Trust (the “Trust”), including its wholly owned subsidiary Ngāti Mutunga o Wharekauri Asset Holding Company Limited.

Basis of Preparation

The Board has elected to apply *PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-for-profit)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Tier 2 PBE Accounting Standards applied

The preparation of these consolidated financial statements is in accordance with the requirements of PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements (Not-for-profit).

Because of the nature of its assets, the Ngāti Mutunga o Wharekauri Iwi Trust has opted to apply the following public benefit entity financial reporting standards relating to financial instruments:

- PBE IPSAS 28 Financial Instruments: Presentation
- PBE IPSAS 29 Financial Instruments: Recognition and Measurement
- PBE IPSAS 30 Financial Instruments: Disclosures

These PBE standards have been applied because the Trust considers the resulting information to be more relevant to the users of the financial statements.

Other than the application of those standards noted above, the Trust has not applied any additional Tier 2 Accounting Standards in preparing these financial statements.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

INVESTMENTS IN SUBSIDIARIES

Consolidation Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority 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 consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants received

Grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

ACE revenue

ACE sales revenue is recognised at the time of sale as the ownership is transferred and AHC has no ability to on sell.

Port Nicholson Fisheries (PNF) is the exception, as ACE and corresponding revenue is booked quarterly as and when it is sold to PNF.

Where profit share arrangements are in place that revenue is booked as it is declared.

Sales of goods

Sales are recognised when the product is sold to the customer and invoiced.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Expenses

Expenses are recognised as they are incurred once an obligation is established.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Receivables

Debtors are recorded at the lower of original face value or expected realisable value.

Investments

Investments, except for the Tai Hekenga Limited Partnership are measured at cost.

The Trusts Investment in Tai Hekenga Limited Partnership is initially recorded at cost. Subsequently, gains on property held by the Tai Hekenga Limited Partnership are recorded at fair value in accordance with Tier 2 PBE Standards.

If it appears that the carrying amount of an investment will not be recovered; it is written down to the expected recoverable amount.

Quota

Quota shares owned are recorded at cost and subject to annual impairment reviews.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

Depreciation is provided on a diminishing value (DV) basis using rates set by the Inland Revenue Department as follows:

Building:	up to 30% DV
Plant & Equipment:	up to 50% DV
Office equipment:	7.2% - 80.4% DV
Motor vehicles:	30% DV

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

Income tax

The Trust has been granted Charitable status by the Inland Revenue Department and is therefore exempt from income tax.

Financial Instruments

Financial instruments are the cash on hand and at bank, investments, and amounts payable to sundry creditors.

Description and classification of financial instruments

Financial reporting standards require financial instruments to be classified by their characteristics:

- **Loans and receivables**

These are any cash on hand, bank account balances, and any receivables. They are financial assets of fixed or determinable amounts that are not quoted in an active market. Bank accounts and cash are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

- **Financial assets “available for sale”**

The Trusts Investment in Tai Hekenga Limited Partnership is considered an Available for Sale financial asset. This asset is initially recorded at cost. Subsequently, gains on property held by the Tai Hekenga Limited Partnership are recorded at fair value in accordance with Tier 2 PBE Standards. The fair value is determined by reference to independent property valuation. Changes in fair value are recognised in other comprehensive revenue and expenses and presented in the Investment revaluation

- **Financial liabilities**

These are payables or sundry creditors. They are short-term and therefore of a fixed amount.

Recognition of financial instruments

The Trust recognises financial instruments when it enters the contract that establishes the financial asset or liability.

The Trust derecognises financial assets when the contractual rights to cash flows from the asset expire (the asset matures) or are transferred to someone else (the asset is sold). It derecognises financial liabilities when they are paid.

No financial liabilities have been offset against financial assets.

CHANGES IN ACCOUNTING POLICIES

There were no significant changes to accounting policies during the period.



Sheep being loaded onto the old ship at Waitangi Wharf prior to its upgrade

Notes to the Performance Report

1. Iwi Trust Project Grant Revenue

	2020 \$	2019 \$
Housing Projects	3,134	2,380
Reo Projects	118,593	38,157
Total project grant revenue	121,726	40,537

All grants/ funding recorded as revenue do not have any conditions attached that were not fully satisfied at balance date.

2. Iwi Trust Project Expenses

	2020 \$	2019 \$
Education strategy	(450)	450
Housing Project	3,134	2,380
Reo Project	118,593	25,288
Chatham Islands Housing Partnership	-	-
Total Iwi Trust project expenses	121,276	28,118

3. Direct Seafood Expenses – Asset Holding Company

	2020 \$	2019 \$
Quota Holder Levy	107,051	110,558
PNF Cray Management Fee	36,000	31,000
SeaFic Commodity Levy	29,938	29,627
Other	14,923	17,814
Total seafood expenses	187,911	188,998



4. Commercial Expenses – Asset Holding Company

	2020 \$	2019 \$
Accounting Fees	15,999	14,749
Audit Fees	4,357	4,807
Bad Debts	-	503
Directors Fees	36,000	36,000
Asset Management Fees	136,074	131,952
Legal, Advisory and Project Fees	3,021	5,805
Travel and Accommodation	2,063	8,731
Other Commercial Expenses	15,744	10,226
Total Commercial Expenses	213,258	212,773

5. Iwi Trust Governance Expenses

	2020 \$	2019 \$
Travel and Accommodation- Trustees	6,833	31,075
Trustee Fees	84,611	82,533
Advisory	781	24,237
Settlement Governance Group	130	15,835
Other Governance Expenses	5,877	5,495
Total Governance Expenses	98,233	159,176

6. Iwi Trust Operating Expenses

	2020 \$	2019 \$
Accounting Fees	35,450	29,696
Audit Fees	5,500	5,250
Legal, Advisory and Project Fees	251,241	182,439
Management Fees	14,979	10,640
Negotiations expenses	286,342	330,644
Other Trust Operating Expenses	86,843	85,082
Total Operating Expenses	680,354	643,751

7. Iwi Trust Grants and Donations Made

	2020 \$	2019 \$
Secondary School Boarding Grant	10,500	15,750
Tautoko Kaumatua	43,000	39,000
Putea Whanaungatanga	15,000	20,918
Total Grants & Donations made	68,500	75,668

8. Other Revenue

	2020 \$	2019 \$
Mandating reimbursements	287,039	330,727
Other Revenue	-	46,113
Total Other Revenue	287,039	376,840

9. Accounts Receivable

Accounts receivable includes \$699,370 owing from Te Arawhiti. This is for negotiations expenses reimbursement invoiced and unpaid to date. Te Arawhiti has detailed that payment will be made against negotiation expenses once 'Agreement in Principle' is reached.

10. Investment Accounts

	2020 \$	2019 \$
Canterbury Mortgage Trust *	25,842	51,389
ANZ Term Deposits	756,303	3,029,000
NZS-Iwi Investment Fund	-	6,957
Te Puia Tapapa Investment Fund	89,433	-
Total Investment Accounts	871,578	3,087,346

* The Group received a partial repayment of the Canterbury Mortgage Trust investment amounting to \$15,552. Canterbury Mortgage Trust advised an increase in the carrying value of the investment by \$29,402 in the statement for the year ended 31 March 2020.

The Asset Holding Company entered into the Tai Hekenga Limited Partnership during the period with total Partner's capital of \$2,652,491. Operating income earned during the period \$62,391. Tai Hekenga LP reported a property revaluation gain during the period, of which \$628,404 was allocated to the Asset Holding Company.

Tai Hekenga Limited Partnership Investment

	2020 \$	2019 \$
Capital Introduced	2,013,111	-
Share of Profit	62,089	-
Gain on Investment	628,404	-
Less Distributions	(51,113)	-
Total Tai Hekenga Limited Partnership Investment	2,652,491	-

11. Property, Plant, And Equipment

	Land \$	Buildings \$	Plant & equipment \$	Motor Vehicles \$	Office equipment & software \$	Total \$
2019						
Book value at 1 April	170,377	321,423	17,061	11,359	5,995	526,214
Additions/disposals	-	13,652	5,882	-	-	19,534
Depreciation	-	(11,508)	(2,517)	(2,726)	(1,393)	(18,144)
Book value at 31 March	170,377	323,566	20,426	8,633	4,602	527,604
Cost	170,377	495,870	24,374	19,161	48,697	758,479
Accumulated Depreciation	-	(172,303)	(3,948)	(10,528)	(44,095)	(230,874)
Book value at 31 March	170,377	323,566	20,426	8,633	4,602	527,605
2020						
Book value at 1 April	170,377	323,566	20,426	8,633	4,602	527,604
Additions/disposals	-	33,873	5,502	-	35,013	74,388
Depreciation	-	(10,864)	(3,521)	(2,072)	(5,413)	(21,869)
Book value at 31 March	170,377	346,576	22,408	6,561	34,202	580,122
Cost	170,377	529,743	29,876	19,161	83,710	832,867
Accumulated Depreciation	-	(183,167)	(7,468)	(12,600)	(49,508)	(252,743)
Book value at 31 March	170,377	346,576	22,408	6,561	34,202	580,123

During the period the Iwi Trust received a High Court ruling to liquidate Te Rūnanga o Wharekauri Rēkohu Incorporated. As a part of liquidation, North Waitangi 8942 Sec 2 Blk XV Te Whanga SD Te One Farm Settlement was transferred to the Iwi Trust and recognised at cost, being \$nil. This property includes land & buildings valued at \$325,000 & \$15,000 respectively by the Chatham Islands Council. The lease associated with this property was transferred to the Asset Holding Company and rental income was received for three months in the current period.

12. Work In Progress

Work in progress represents expenditure to date on the Chatham Islands Council and Chatham Islands Enterprise Trust office development. Ngāti Mutunga o Wharekauri Asset Holding Company Ltd will own the building and lease to the Chatham Islands Council and the Chatham Islands Enterprise Trust.

13. Grants Unspent

		2020 \$			
	Provider	Opening Grants Unspent	Grants Received	Grants Spent	Closing Grants Unspent
Mitai Tini- repair funding	Ministry of Business, Innovation and Enterprise- Social Housing Unit	8,407	30,000	(1,135)	37,272
Chatham Islands Housing Development	Te Puni Kokiri	8,147	-	(3,134)	5,013
Reo	Te Matawai	16,705	101,888	(118,593)	(0)
Whanau Ora Navigator	Te Putahitanga O Te Waipounamu Gp Limited	35,000	-	(35,000)	-
COVID-19 Manaaki Navigator- repurposed from Whanau Ora	Te Putahitanga O Te Waipounamu Gp Limited	-	35,000	-	35,000
COVID-19 response	Te Puni Kokiri	-	20,000	-	20,000
Tipu Rangatira	Te Puni Kokiri	-	7,000	-	7,000
Total		68,259	193,888	(157,862)	104,285

		2019 \$			
	Provider	Opening Grants Unspent	Grants Received	Grants Spent	Closing Grants Unspent
Mitai Tini- repair funding	Ministry of Business, Innovation and Enterprise- Social Housing Unit	10,787	-	(2,380)	8,407
Chatham Island Housing Development	Te Puni Kokiri	8,147	-	-	8,147
Reo	Te Matawai	-	54,862	(38,157)	16,705
Whanau Ora Navigator	Te Putahitanga O Te Waipounamu Gp Limited	35,000	-	-	35,000
Total		53,934	54,862	(40,537)	68,259

14. Seafood Quota

Seafood quota is recorded at its cost value of \$21,434,232, in accordance with Trust's accounting policy (2019: \$21,434,232).

During the period the Iwi Trust received a High Court ruling to liquidate Te Rūnanga o Wharekauri Rēkohu Incorporated. As a part of liquidation, 395,080 shares of blue cod ACE and 3,000 shares of jack mackerel ACE were transferred to the Asset Holding Company at nil cost. The value of these shares was assessed in the quota valuation below.

As determined by independent broker valuation, the market value of quota as at 31 March 2020 was **\$44,077,447** (2019: \$42,144,333).

15. Impairment Review Of Assets

There was no impairment of assets during the year (2019: Nil).

The Trustees have reviewed the carrying value of shares in Aotearoa Fisheries Limited, taking account of the 2009 independent valuation of AFL and believe that no impairment is required. This is consistent with the prior year.

16. Equity

	2020 \$	2019 \$
Trust Capital		
Opening balance 1 April	14,805,361	14,805,361
Movements during the year	-	-
Closing balance 31 March	14,805,361	14,805,361
Accumulated surplus/ (deficit)		
Opening balance 1 April	14,925,016	13,205,606
Prior period correction- Grants spent	-	72,227
Adjusted opening balance 1 April	14,925,016	13,277,833
Surplus/ (deficit) for the year	1,662,062	1,647,183
Closing balance 31 March	16,587,078	14,925,016
Total Equity	31,392,439	29,730,377

17. Commitments

The Trustees have not entered into any agreements to commit material amounts of Trust capital to any purpose which is not reflected or disclosed in these financial statements (2019: The Group entered into a \$1 million commitment to the Māori Fund and a \$2 million commitment to the Wellington land investment).

18. Contingent Liabilities

Ngāti Mutunga o Wharekauri Iwi Trust has the following claims currently in progress:

1. There is a claim by a former Trustee against Ngāti Mutunga o Wharekauri Iwi Trust claiming for the removal of Trustees and alleging broad allegations in relation to Trust governance and settlement processes.

The Trustees do not foresee that this claim will result in a liability to the Trust.

The Trustees are not aware of any other contingent liabilities existing as at 31 March 2020 (2019: Nil).

17. Related Party Transactions

During the year, there were a number of related party transactions which are summarised and disclosed below. All related party transactions were transacted on a “best person for the role” and “arm’s length” basis and managed in accordance with the Interests Policy of Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd. Where the transaction involved a Trustee or Director or a company of which a Trustee or Director were an owner or Director, these Trustees or Directors declared a conflict of interest and were not involved in the decision-making process.

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd paid Trustee and Director fees and/or wages to beneficiaries of Ngāti Mutunga o Wharekauri Iwi Trust. Total Trustee/ Director remuneration was \$84,912 for the Iwi Trust, and \$36,000 for the Asset Holding Company (2019: \$82,533 and \$36,000 respectively). Funds payable to Directors and Trustees at year end totaled \$16,300 for the Iwi Trust and \$8,545 for the Asset Holding Company (2019: \$18,164 and \$4,695 respectively).

Members of the Settlement Governance Group are reimbursed for their attendance at meetings in accordance with Iwi Policy. No meetings were held during the year and so no fees paid (2019: \$15,835).

At balance date SGG members owe \$9,276 to the Trust for meeting fees overpaid in the prior year.

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd entered into transactions with related parties. These transactions included ACE sales and grants paid and were completed on the same basis as external party transactions. This is consistent with prior year.

These transactions include the following and are stated exclusive of GST unless otherwise indicated:

- Sold kina ACE to Nicholas Cameron for \$5,184 (2019: \$3,974). Sold pāua ACE to Moana NZ who then allocated a portion of it to Nicholas Cameron to dive. Nicholas Cameron is a Director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd.
- Sales of longline ACE for \$47,500, kina ACE for \$3,190 and blue cod ACE for \$2,463 to Waitangi Seafoods (2007) Limited during the year (2019: \$45,000, \$3,250 & nil respectively). Joseph Thomas is director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd and a related party to Waitangi Seafoods Limited via his brother Pita Thomas who is a Shareholder and Director of Waitangi Seafoods Limited.
- Sold kina ACE to Peter Fraser for \$5,184 (2019: \$3,974). Sold pāua ACE to MoanaNZ who then allocated a portion of it to Peter Fraser to dive. Peter is the partner of Monique Croon, Deputy Chair of Ngāti Mutunga o Wharekauri Iwi Trust.
- Sold blue cod ACE to Darrell Fraser for \$1,705 (2019: \$1,733). Sold crayfish ACE to Port Nicholson Fisheries who then allocated a portion of it to Darrell Fraser to fish. Darrell is the son of Melodie Eruera-Fraser, Trustee of Ngāti Mutunga o Wharekauri Iwi Trust.
- Sold kina ACE to Quintin Horler for \$1,650. Sold pāua ACE to MoanaNZ who then allocated a portion of it to Quintin Horler to dive. Quintin is the husband of Tessa Horler who was appointed a Trustee of Ngāti Mutunga o Wharekauri Iwi Trust in September 2019.
- Thomas McClurg is a Director of both Toroa Strategy and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd. Thomas is also the Ngāti Mutunga o Wharekauri Asset Holding Company Ltd appointed representative on the various Port Nicholson Fisheries Boards. Payment for services provided to the Asset Holding Company, including Director Services for the Asset Holding Company and Port Nicholson Fisheries, totaling \$30,000 (2019: \$31,000) were made during the year. Funds payable to Toroa Strategy at year end was \$10,810 (2019: \$2,875). Toroa Strategy Limited also received fees for Treaty Settlement work performed by Thomas during the period amounting to \$141,043 (2019: \$148,477). This \$141,043 is fully recoverable from the Office of Treaty Settlements and therefore cost neutral to Ngāti Mutunga o Wharekauri Iwi Trust.
- Andrew Harrison, a Director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd up to May 2019, is also a Director of Koau Capital Partners. Transactions to the value of \$166,074 (2019: \$248,662) were paid to Koau Capital Partners during the period. \$47,335 (including GST) was outstanding at year end (2019: \$14,506). Koau Capital Partners’ fees relate to its management contract for Ngāti Mutunga o Wharekauri Asset Holding Company Ltd and other services. That management contract was approved and in place prior to Andrew Harrison being appointed as Director of Ngāti Mutunga o Wharekauri Asset Holding Company Ltd.
- Jake Thomas has assisted with the delivery of Waiata Reo Wānanga for the Ngāti Mutunga o Wharekauri Iwi Trust. Jake is the son of Joseph Thomas who is a director of the Ngāti Mutunga o Wharekauri Asset Holding Company.

- In the current year a \$750 secondary school boarding grant was provided to a close relative of Arapeta Kamo, Trustee of the Ngāti Mutunga o Wharekauri Iwi Trust (2019: A close relative of Deputy Chair Monique Croon & Trustee Melodie Eruera-Fraser received \$750 secondary school boarding grants.)
- During the current year, Ngāti Mutunga o Wharekauri Iwi Trust board approved Kaumātua Grant distributions of \$500 to all registered Iwi members over the age of 65. The Iwi Trust paid out 86 grants in accordance with this motion toward the end of the financial year (2019: 78).

Given the size of the Chatham Islands the majority of Trustees are related parties in that fishing ACE is sold to relatives and related entities of most Trustees. Importantly, processes have been put in place to ensure that related party transactions are carried out on an arms-length basis. The processes in place ensure that market prices are paid for ACE sold and that quantum of ACE allocated is fair. This is consistent with prior years.

Ngāti Mutunga o Wharekauri Asset Holding Company Ltd holds a number of Investments with which transactions were entered into during the year. These included:

- Ngāti Mutunga o Wharekauri Asset Holding Company Ltd has an investment in Port Nicholson Fisheries and it also sells fishing ACE to them. \$602,876 was received in ACE revenue during the period (2019: \$767,683). Port Nicholson Fisheries is an entity in which the Ngāti Mutunga o Wharekauri Asset Holding Company has an investment. There were distributions from Port Nicholson Fisheries totaling \$619,463 for the 2020 year (2019: \$639,304). The investment is valued at \$1,819,364 at year end (2019: \$2,118,934).
- Aotearoa Fisheries Ltd is a related party to the entity. No ACE revenue received during the year (2019: nil). A dividend totaling \$15,057 was received from this entity during the 2020 year (2019: \$11,441). No amounts are outstanding at year end (2019: Nil).

During the year, Ngāti Mutunga o Wharekauri Iwi Trust paid grants totaling \$15,000 (2019: \$15,750). These grants were paid from the distribution fund, Te Pūtea Whanaungatanga. Some relatives and related entities of Trustees benefited from the receipt of these grants. Application and approval of these grants is carried out on an arms-length basis.

Ngāti Mutunga o Wharekauri Iwi Trust received no management fees from an associate, the Chatham Islands Housing Partnership Trust (2019: \$5,333). Ngāti Mutunga o Wharekauri Iwi Trust is the Settlor of the Chatham Islands Housing Partnership Trust and holds a 25% shareholding in Chatham Islands Housing Partnership Trust Limited which is the Trustee of the Chatham Islands Housing Partnership Trust. Deena Whaitiri, a Trustee of Ngāti Mutunga o Wharekauri Iwi Trust, was contracted to the Chatham Island Housing Partnership Trust during the period as Navigator for Šorted Kainga Ora.

There is nothing receivable from the Chatham Islands Housing Partnership Trust at year end (2019: \$19,021).

Ngāti Mutunga o Wharekauri Iwi Trust and Ngāti Mutunga o Wharekauri Asset Holding Company Ltd operates an Interests Policy and maintains a comprehensive interests register of its Directors, Management and Trustees to ensure all interests are declared and the process for dealing with these are clearly understood. This includes any Director who has an interest abstaining from that particular decision making.

18. Trustee & Director Remuneration

	2020 \$	2019 \$	2018 \$
Trustees			
Croon, Monique (Deputy Chair)	12,996	12,996	9,984
Eruera-Fraser, Melodie	9,984	9,984	9,984
Fraser, Willie- <i>appointed Apr 19</i>	9,984	-	-
Horler, Tessa- <i>appointed Sept 19</i>	4,992	-	-
Kamo, Arapeta	9,984	4,992	-
Kamo, John (Chair)- <i>ceased Sept 19</i>	10,998	21,996	17,496
Siaosi, Patricia- <i>ceased Oct 18</i>	-	4,992	832
Tuuta, Stephen- <i>ceased Nov 18</i>	-	7,605	9,984
Wairua, Iwiroa- <i>appointed Chair Oct 19, resigned as Chair Mar 20</i>	15,990	9,984	9,984
Whaitiri, Deena- <i>appointed Chair Mar 20</i>	9,984	9,984	832
	84,912	82,533	76,750
Directors AHC			
Cameron, Nicholas	12,000	12,000	15,190
McClurg, Thomas	12,000	12,000	12,000
Thomas, Joseph	12,000	12,000	12,000
	36,000	36,000	39,190
Total Trustee & Director Remuneration	120,912	118,533	115,940

The Directors Ngāti Mutunga o Wharekauri Asset Holding Company Ltd are:

- Andrew Harrison (resigned May 19)
- Joseph Thomas
- Nicholas Cameron
- Thomas McClurg

21. Fishing Operations

The Trust undertook pāua fishing operations prior to obtaining Mandated Iwi Organisation (MIO) status with Te Ohu Kaimoana. There have been no fishing operations undertaken by the Trust after recognition of MIO status which occurred 28 September 2005.

22. Events After Balance Date

Other than the notes below there were no other significant events after balance date which would have a material effect on the financial position or performance reflected in the 2020 Performance Report.

At the reporting date a number of cases of a new virus, COVID-19 (which is also known as Coronavirus), had been reported in the Wuhan province of China. The Trust undertakes all of its activities in New Zealand and does not source any products from overseas. The Asset Holding Company received a large reduction in profit share from Port Nicholson Fisheries due to the downturn in international seafood exports, particularly to China during the period January to March 2020.

Subsequent to the reporting date, COVID-19 became widespread globally. As a result, the World Health Organization announced that the outbreak should be considered a pandemic. The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of all non-essential businesses and the cancellation of all public events) in a bid to halt, or at least slow, transmission of the virus. At the time of signing the financial statements, there is uncertainty about how much further economic activity will fall and how long the period of reduced economic activity will last. In addition, at the date of signing the financial statements, a four-week lockdown of all non-essential businesses and organisations ordered by the New Zealand Government has just ended, but considerable trading restrictions remain.

The Trustees have assessed the likely impact of COVID-19 on the Group and have concluded that, for the 12 months from the date of signing the financial statements, COVID-19 will not impact the ability of the Group to continue operating. That conclusion has been reached because:

- The Trust's primary source of income is a distribution from the Asset Holding Company. The Asset Holding Company is funded by a portfolio of investments and the annual forecast shows the following:

ACE management and fishing net income expected to reduce by \$450,000 compared to prior year.

Net investment income expecting to be \$57,000 down on prior year due to expected loan to fund the CIC/CIET office development.

Net rental income expected to be up by \$15,000 due to the new lease income from the property brought over from Te Rūnanga o Wharekauri Rēkohu Incorporated.

Port Nicholson Block income expected to be up by \$89,000.

Overall the Group net surplus is expected to be down by \$438,000 compared to prior year. Although this is a significant reduction, the Asset Holding Company's expected net surplus for the FY21 year is 335% the required distribution to the Iwi Trust.

- The Trust receives grants from various government agencies and delivers project objectives using these funds. Where appropriate the Trust will negotiate for repurpose of funds to COVID-19 support initiatives.



**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF NGATI MUTUNGA O WHAEKAURI IWI TRUST**

Report on the Performance Report

Opinion

We have audited the performance report of Ngati Mutunga o Wharekauri Iwi Trust ("the Trust"), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2020, the statement of financial position as at 31 March 2020, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2020;
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 31 March 2020, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter

We draw attention to Note 22 to the financial statements, which describes the effects of COVID-19 on the Company's operations. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Trust which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the trustees are responsible on behalf of the Trust for assessing the Trusts ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

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

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we Report to

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

BDO Christchurch.

BDO Christchurch
Christchurch
New Zealand
25 June 2020

Glossary

ACE	Annual Catch Entitlement. This the catch right, which gives the holder the right to take a certain weight of a fishstock during a fishing year.
AHC	Ngāti Mutunga o Wharekauri Iwi Trust Asset Holding Company. A subsidiary company of the Iwi Trust.
AIP	Agreement in Principal, first step in Treaty Settlement Process.
CIC	Chatham Islands Council.
CIET	Chatham Island Enterprise Trust.
CIFA	Chatham Islands Finfish Association.
CIHPT	Chatham Islands Housing Partnership Trust.
CRAMAC6	Crayfish Management Action Committees to engage in regional issues and to develop projects appropriate to the fishery.
Distribution Activities	How the Iwi Trust distributes monies to support Iwi and whanau activities.
DOC	Department of Conservation.
HMT	Hokotehi Moriori Trust.
Net Equity	The total value of the Iwi Trust's assets after its liabilities have been deducted.
Operating Net Surplus	Revenue after operating expenses have been deducted.
PAUAMAC4	Pāua Management Action Committees to engage in regional issues and to develop projects appropriate to the fishery. Te Arawhiti
PNFLP	Port Nicholson Fisheries Limited Partnership.
Return On Equity	This is the amount of net (after costs are deducted) income as a percentage of the shareholders' equity. It is a profit measure.
TACC	Total Allowable Commercial Catch. The total quantity of fish stock that the commercial fishing industry can catch in a given year.
Te Arawhiti	The Office for Māori Crown Relations (formerly Office of Treaty Settlements (OTS))



Notes





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