



Waikato River  
Authority

Annual Report 2014



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# Vision

## for the waikato river

Our vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

**Tooku awa koiora me oona pikonga  
he kura tangihia o te maataamuri.  
The river of life, each curve  
more beautiful than the last.**

These words form part of the vision and are taken from the maimai aroha, or lament, by Kiingi Taawhiao, the second Maaori King, in which he recorded his adoration for the Waikato River and the significance of the river as a treasure for all generations. These visionary words inspire the actions that will be necessary to restore the health and wellbeing of the Waikato River.

# Report

## of the Co-chairs

**The 2013 – 2014 year has been especially important for the Waikato River Authority in large part due to the development and strengthening of significant partnerships for the benefit of the Waikato River.**

Foremost among these partnerships has been the establishment of the Waikato River Restoration Forum, bringing together industry, iwi as well as central and local government. This strategic river leadership group has come together under the guidance of the Authority to facilitate greater collaboration, working jointly on major clean-up projects, and with an overall strategic approach to the task of restoring the Waikato River catchment.

The Authority was also instrumental in forming an Economic Impact Joint Venture during the year. The Joint Venture has been involved in developing a model to provide information on the economic impacts of freshwater policy targets both nationally and for the Waikato region.

The Waikato River Authority was also very encouraged to see the start of the Waikato Regional Council's Healthy Rivers Plan process in the past year. The Authority sits on the project steering group Te Roopuu Hautuu with River iwi and the Council.

Another strategically important step forward during the past year has been the work carried out on a Waipa Catchment Plan. This project, conducted by the Waikato Regional Council in

partnership with the Maniapoto Māori Trust Board and with support funding from the Authority, not only provides a prioritised plan for environmental restoration of the Waipa catchment but it may also be used as a blueprint for similar planning work to be carried out across the whole of the Waikato River catchment.

The review and updating of the Authority's Funding Strategy for clean-up projects has also been a significant milestone this year. The latest strategy sees a more directive approach around clean-up priorities. As with many new funding agencies, the Waikato River Authority after an establishment phase of 3 years has now signaled a move from a broad all encompassing approach to the setting of more targeted and focused priorities. We are pleased to see this progression.

During the year the Authority made decisions for its third funding round. This saw 33 projects receive funding of nearly \$5.5 million. Two of the biggest projects to be funded are both in the lower Waikato River catchment, the most degraded area of the river. The first of these projects is the major riverbank clearance of exotic and pest plants north of Huntly. The Tainui



In presenting this 4th Annual Report of the Waikato River Authority we again acknowledge the support and commitment from the five Waikato River iwi and the special working relationship between the Authority and the Waikato Regional Council.

Development Authority together with the Kaneae Kakariki Trust is undertaking the project. The second project is another multi year initiative by NIWA and the Waikato-Tainui Endowed College regarding tuna (eel) restoration in the lower river. We are looking forward to these major projects making a positive impact on the health and wellbeing of the river.

In presenting this 4th Annual Report of the Waikato River Authority we again acknowledge the support and commitment from the five Waikato River iwi and the special working relationship between the Authority and the Waikato Regional Council. Working together ensures that the challenging task of cleaning up the Waikato River is achievable.

As the Waikato River Clean-up Trust, the body responsible for the allocation of funding for projects, was formed at the same time as the Waikato River Authority (which is the sole trustee of the Waikato River Clean-up Trust), this Annual Report therefore includes the affairs of both the Clean-up Trust and the Authority.

Teena koutou, teena koutou, teena koutou katoa.



**Tukoroirangi Morgan**  
CO-CHAIR



**Hon John Luxton**  
CO-CHAIR



# Highlights

## Formation of the Waikato River Restoration Forum

- » A strategic Waikato River leadership group has been established under the guidance of the Waikato River Authority to facilitate greater collaboration between industry, central and local government and iwi organisations for the benefit of the Waikato and Waipa Rivers. The Forum will work together on major projects to improve the health and wellbeing of the rivers and encourage a coordinated and planned approach to restoration activities.

## Changes to the board

- » The Waikato River Authority announced three new board members during the year following the retirement of two iwi and one Crown representative. The new board members are Vanessa Eparaima (Raukawa) and Weo Maag (Maniapoto) along with a new Crown appointee Traci Houppapa. See pages 8 and 9 for a full profile of all the Authority board members.

## Waipa River catchment field trip

- » A highlight for the Waikato River Authority during the year was a full day's field trip to the Waipa River catchment. It was one of the most comprehensive study trips undertaken by the Waikato River Authority which saw board members travel from the confluence of the Waipa and Waikato Rivers at Ngaruawahia to the Waipa River's headwaters at Pekepeke. The board was able to observe the scale of challenges faced in the Waipa catchment and the opportunities to address these challenges and improve this catchment. The trip was well supported by the Waikato Regional Council with an informative commentary on the issues and opportunities within the catchment.

## Economic Impact Joint Venture

- » This joint venture brings together the Waikato River Authority, Dairy NZ, central government (Ministry for Primary Industries and Ministry for the Environment), and the Waikato Regional Council. The joint venture is developing a model to inform on the economic impacts arising from future freshwater policy options that may be under consideration. The work provided supporting information for the new National Objectives Framework for freshwater, and will be an important tool in developing the Healthy Rivers Plan for the Waikato and Waipa rivers. The joint venture was chaired by the Waikato River Authority's Chief Executive.

## Healthy Rivers: Plan for Change/Wai Ora: He Rautaki Whakapaipai

- » Waikato and Waipa River iwi and Waikato Regional Council's process to work with stakeholders to

develop changes to the regional plan to help restore and protect the health of the Waikato and Waipa Rivers got underway during the 2012 – 2013 year. Development of the plan change is of major importance to the Waikato and Waipa Rivers, as the regional plan must give effect to the Vision and Strategy, which the Authority oversees. The Authority sits on the project steering group Te Roopuu Hautuu with River iwi and the Waikato Regional Council.

## 3rd Funding round completed

- » Five and a half million dollars was allocated to Waikato River catchment projects as part of the Authority's third funding round. Thirty-three projects were funded. After three and a half years of operation, the Waikato River Authority has funded 108 projects of which 28 are fully completed. In total a 97.5% rate of successful funding outcomes has been achieved with the remainder of funds (\$432,550) returned to the Authority as circumstances meant projects did not proceed.

## Investment Fund

- » The Waikato River Authority's goal of creating a long-term investment fund to be used to support river clean-up activities at the end of the Crown's 30-year funding commitment is well on track. The fund grew by \$1.5 million during the year and currently stands at just over \$40 million.

## Ripple Effect

- » The Waikato River Authority participated extensively in the development of a community focused website showcasing environmental projects in the region. The website [www.makearipple.co.nz](http://www.makearipple.co.nz) is open to any organisation or individual to profile projects. All Waikato River Authority funded projects from 2011, 2012 and 2013 are now mapped on the site.

## Website

- » There has been further development and improvement to the Waikato River Authority's website [www.waikatoriver.org.nz](http://www.waikatoriver.org.nz) during the year. Of particular significance has been an increase in the amount of on-line tools and resources available to individuals and organisations undertaking catchment related clean-up projects.

## New premises

- » The Authority moved to a new stand-alone home in August 2013. After the evaluation of the business case the board decided to purchase an office building at 21 Rostrevor Street near the Waikato River in Hamilton's central business district.

# Looking Ahead

A total of  
**108**  
PROJECTS

\$**16.1**  
MILLION

Funding round  
**2014**  
▼  
**\$5.5 million**  
allocated to  
**33 projects**

Funding round  
**2013**  
▼  
**\$5 million**  
allocated to  
**30 projects**

Funding round  
**2012**  
▼  
**\$5.6 million**  
allocated to  
**46 projects**

## 5 – 15 Year Restoration Plan

- » The Waikato River Restoration Forum is anticipated this year to provide its support for the development of a medium term restoration action plan for the Waikato River catchment. The Forum, chaired by the Waikato River Authority's Chief Executive, will provide the impetus for greater integration and coordination of river restoration. The development of a 5 – 15 year restoration plan will be central to this work.

## Online applications

- » The 2014 -2015 Funding Round will see further improvements to the Waikato River Authority's funding procedure with the introduction of an exclusively web-based process. The electronic funding application process will provide greater simplicity for applicants and allow more accurate and comprehensive gathering of project information by the Waikato River Authority. The improved process will also allow more efficient monitoring of projects.

## 5-year report to Crown and River iwi

- » A significant milestone will be reached for the Waikato River Authority in the coming year when it prepares its 5-year report to Crown and river iwi. The report is required by the Waikato River Authority's enabling legislation and will address the effectiveness and achievements of the Waikato River Authority.

## Waikato River Report Card

- » The development and deployment of 'Report Cards' to enable effective monitoring of the Waikato and Waipa Rivers will be undertaken in the year ahead. The project will bring together a range of data sets at various points across both the Waikato and Waipa rivers to establish a comprehensive and authoritative 'score' for the health and wellbeing of the Waikato River.

## Completion of 4th funding round

- » The 4th funding round of the Waikato River Authority will take place in the coming year, with up to \$7m again available to fund restoration and protection initiatives within the Waikato River catchment.

## Capacity and capability

- » Development of a new WRA operational management system will take place during the 2014 – 2015 year. Technology improvements in the area of 'cloud' data storage and access will ensure better security, improved governance support, and a more efficient and effective operation for the Waikato River Authority.

# Funding recipients 2013/2014

ORGANISATION	APPROVED MAXIMUM	PROJECT
Waikato-Tainui College	\$851,500.00	Waikato-Tainui College, NIWA and WRRT are funded to undertake a major tuna restoration project in the lower Waikato River catchment. A three year project including development of a tuna restoration plan for the Waikato River, habitat restoration, eel transfers, and improvements in fish passage. Collating Waikato-Tainui maatauranga o te tuna.
Willow and alder management New Zealand Landcare Trust & WRRT	\$49,800.00	Development of a guideline for willow and alder management within the catchment, agreed across interested parties.
Mangapu River restoration Waikato Regional Council & Maniapoto Maori Trust Board	\$46,428.00	Undertaking riparian re-toration on the Mangapu River.
Kaniwhaniwha Stream Waikato Regional Council & Nga Uri a Maahanga	\$48,877.00	Kaniwhaniwha Stream Riparian Restoration.
Mangaonua Stream restoration Ngaati Haua Mahi Trust	\$184,000.00	Mangaonua Stream Gully System Restoration – pest plant removal and replanting.
Lower Mangapiko Stream Care	\$42,766.00	Mangapiko Stream Restoration – stock exclusion and riparian restoration.
Maniapoto Stream Hillcrest Ngaati Haua Mahi Trust	\$165,380.00	Mangaone Stream Riparian Restoration – plant pest removal and replanting.
Wetland restoration Te Toke Te Toke Ahu Whenua Trust	\$131,675.00	Restoration of a major wetland within the Te Toke Forest.
Provision of trees for planting South Waikato Environmental Initiatives	\$17,569.20	Provision of trees to supply riparian margin restorations in the South Waikato District.
Lower Waipa River riparian project Whaingaroa Harbourcare	\$233,460.00	Fencing and planting of riparian areas in the Lower Waipa River.
Evaluation of koura in hydro lakes NIWA	\$98,540.00	Strategic evaluation of koura populations in the upper Waikato – gaining an understanding of what impacts are causing much reduced koura populations in the hydro lakes.
Maniapoto Fisheries Plan Maniapoto Maori Trust Board	\$83,260.00	Development of the Maniapoto Fisheries Plan.
Restoration from Willows Opus International Consultants	\$49,300.00	Trialling restoration methods to move riparian vegetation from willows to indigenous plants using Western science and Maatauranga Maori.
Lake Ngaroto planting and pest fish removal Waipa District Council	\$131,890.40	Lake Ngaroto – undertaking riparian planting & pest fish reduction programmes.
GIS toolbox GHD Limited	\$71,760.00	Providing the WRA with a GIS Toolbox to allow evaluation of proposed and ongoing projects, and impacts on the catchment.
Mangati Stream restoration Stuart Muir	\$49,130.00	Restoration of inanga spawning habitat on the Mangati Stream, lower Waikato.
River ride and planting Ngaruawahia south Waikato Rivercare	\$160,383.95	Riverride-Rivercare – restoration through plant pest removal and replanting of a 1400m length of riparian area alongside the Te Awa River Ride at Ngaruawhia
Hamilton Gully Restoration Hamilton City Council	\$50,000.00	Supporting restoration of Hamilton City streams and gullies through, provision of eco-sourced plants, providing seminars and information to landowners, and promotion of restoration activities.
Cambridge Meadow Walk Cambridge Tree Trust	\$15,000.00	Supporting the Cambridge Tree Trust in ongoing riverside planting activities at Cambridge.



ORGANISATION	APPROVED MAXIMUM	PROJECT
<b>Kainui Wetland Restoration 3 Way Charitable Trust</b>	\$37,731.50	Kainui Wetlands Restoration – pest plant removal and replanting with native plant species.
<b>Cambridge linkage Te Awa River Ride Charitable Trust</b>	\$235,000.00	Riparian protection and planting aspects of the Te Awa River Ride – Cambridge section.
<b>Karapiro Gully restoration Waipa DC &amp; Ngaati Hau Mahi Trust</b>	\$300,000.00	Fencing, pest plant removal and revegetation of the Karapiro Gully to reduce sedimentation loads to the Waikato River.
<b>Summary of restoration projects New Zealand Landcare Trust</b>	\$50,000.00	Capturing the extent of the restoration work being undertaken within the Waikato River catchment.
<b>Wairere Stream enhancement – Maniapoto</b>	\$115,000.00	Wairere Streams and Maniapoto Caves Enhancement – riparian and wetland protection and restoration associated with a site of cultural significance.
<b>Aka Aka inanga spawning Toro Atu Charitable Trust</b>	\$280,000.00	Inanga Spawning Habitat Restoration – through plant pest removal, recountouring and replanting in the lower Waikato River.
<b>Kimihia Stream and Lake Solid Energy &amp; Waahi Wahaui Trust</b>	\$138,792.00	Kimihia Restoration Project – protection and replanting of Lake Kimihia.
<b>Lower Waikato peat lakes Conservation Volunteers NZ</b>	\$100,000.00	Healthy Habitats Waikato – Empowering Local Communities. Providing support for volunteer groups and individuals taking part in river restoration activities.
<b>Maniapoto Environmental Plan Maniapoto Maori Trust Board</b>	\$175,000.00	Undertaking a review of the Maniapoto Environmental Management Plan.
<b>Manaki Taiao: Vegetation management Tainui Development Authority</b>	\$1,200,000.00	A major riverbank clearance of exotic and pest plants between Huntly and Rangiriri Bridge. Together with the Kaneae Kakariki Trust the project will initially see approximately six kilometres of riverbank cleared and replanted over two years.
<b>Mangawara Stream Wetland Landcare Research Ltd</b>	\$200,000.00	Mangawara Stream Wetland & Riparian Project – protection and restoration of a wetland.
<b>River restoration and access at Otorohanga Otorohanga District Council</b>	\$100,000.00	Otorohanga Waterways and Streams – restoration of wetlands within Otorohanga.
<b>Lake Waikare shore planting Nikau Farm Estate Trust</b>	\$68,800.00	Nikau Farm Estate Trust Riparian Project – fencing and planting of lake margin.
<b>Lake Mangakaware improvement Waipa District Council</b>	\$41,400.00	Lake Mangakaware – Improving the quality of inflowing catchment water through the use of silt traps on major inflows.

# Waikato River Authority

## our Board



**Hon John Luxton** QSO  
Co-Chair, Crown appointee

John was a Member of Parliament from the Waikato Region for 1986-2002. He has farming and business interests in the Waikato and now serves as a professional Company Director.

As a Cabinet Minister for nine years he held a number of portfolios including Lands, Forestry, Agriculture and Maori Affairs. He is a graduate of Massey University – B.Agr. Sc., M.Mangt.. His career prior to becoming an MP involved farming and International Consulting. He is currently Chairman of DairyNZ Incorporated and until recently was a director of the Landcare Crown Research Institute. John also chaired the Waikato economic strategy governance group.

**Tukoroirangi Morgan**  
Co-Chair, Iwi appointee

Tukoroirangi is from Waikato-Tainui and his hapuu are Ngati Makirangi and Ngati Mahuta.

His professional career includes secondary school teaching, television journalism and in 1996 he was elected Member of Parliament for Te Taihauauru electorate. Tukoroirangi was the former Chairman of Te Arataura – the executive board of Waikato-Tainui Te Kauhanganui Incorporated and Chief negotiator for the outstanding Waikato-Tainui treaty claims. He resigned from both positions in April 2012.

His current responsibilities include:

- Co-Chair of the Waikato River Authority
- Chair of Tainui Development Authority
- Member of the Iwi leaders forum
- Kahui Ariki Representative:
  - Waikato Tainui Tribal Executive – Te Arataura
  - Waikato Tainui Tribal Parliament – Te Kauhanganui.

**Roger Pikia**  
Dep Co-Chair/ Chair Investment Committee

Roger is the chair of the Investment Committee on the Waikato River Authority.

Roger is of Te Arawa and Tainui descent. He is Chair of the Te Arawa River Iwi Trust and is the inaugural Chief Executive Officer of Te Arawa Group Holdings (TAGH), the commercial arm of Te Arawa. Roger was previously a business consultant with a range of commercial clients. This included consultancy work for the New Zealand government in United Nations climate change forums across Europe. Roger has a background in the primary sector having spent five years as a senior manager with AgResearch. His interests include the dairy, sheep and beef industries.

Roger continues to serve as a Chairman and Trustee of Māori land trusts which hold interests in the geothermal and agribusiness sectors.

**Jenni Vernon** MNZM JP  
Dep Co-Chair Crown appointee

Jenni farms in partnership with her husband on a drystock farm at Waingaro.

Jenni is currently working as the strategic planning and resource management team leader for the Waikato District Council. She has a MMS Hons (1st Class)

Jenni sits on the New Zealand Geographic Board and is a Trustee for the Nuffield Farming Trust. She is also accredited as a hearings commissioner 'chair' for RMA processes.

Previously she held the position of chairman of Environment Waikato, National president of the Young Farmers Clubs (NZ) and sat on the University of Waikato Council. In 1985 she was awarded a Kellogg Leadership Scholarship and in 1994 a Nuffield Scholarship.

**Peter Buckley**  
Crown appointee

Peter is a councillor and past chair of the Waikato Regional Council that has broad-ranging responsibilities for the economic, environmental, social and cultural well-being of the Waikato region.

Peter was first elected to the council to represent North Waikato-Hauraki in 2007.

Prior to his election to the Regional Council, Peter had 25 years involvement with Waikato Federated Farmers. His leadership positions at branch and regional level culminated in him holding the presidency before becoming council chairman.

Peter has also been heavily involved in his local community working with schools, sports clubs, support trusts and veterinary clubs. He has dairy farmed in partnership with Judi for 41 years at Island Block. Peter is the Regional Chairman of the Waikato Medical Research Foundation and is also a member of the Future Proof Committee.



**Weo Maag**  
Iwi appointee

Weo is a tribal member of Maniapoto and is a current trustee of their Iwi authority, Maniapoto Maori Trust Board. He was an inaugural member of the Guardians Establishment Committee (forerunner to the WRA) and was also a negotiator for Nga wai o Maniapoto (Waipa River) Act 2012. Weo has a particular focus on the sustainable use of land and water, and improving economic and environmental performance specifically on Ahuwhenua Trusts (Maori land). He is currently a Trustee and a committee member of several entities and has a diploma in Agribusiness, and is also a certified Resource Management Act hearings commissioner. Weo lives in Te Kuiti.

**Alan Livingston** ONZM  
Crown appointee

Alan is a sitting councillor on the Waikato Regional Council after completing four terms as the Mayor of Waipa District Council. In addition he completed two terms as a Waipa councillor. He is a Crown appointee to the Waikato River Authority and was a Crown appointee to the Authority's forerunner the Guardians Establishment Committee.

He is a graduate of Lincoln University with a B Agri Com in valuation and farm management.

For the past 30 years Alan has been a sheep and beef farmer at Te Pahu. He is a life member of the QEII Trust and a covenanter of two bush blocks plus smaller bush areas which have been fenced and retired. He is a former Trustee of the Maungatautari Ecological Island Trust with which he has continuing involvement.

Alan is the co-chair of Waikato Regional Council's Healthy River: Wai Ora Committee and also a member of the Future Proof Committee and a Trustee of Sport Waikato and a director of Magic Netball.

**Traci Houpapa** MNZM JP  
Crown appointee

Traci specialises in strategic and economic development, advising public and private sector clients throughout New Zealand. Traci's work takes her to both marae and boardroom settings.

Traci is an experienced company director, and holds a number of directorships and Ministerial appointments. She is the first female chairman of the Federation of Maori Authorities representing a mainly primary sector asset base valued at around \$8 billion, and the deputy chair of the State Owned Enterprise LandCorp Farming Limited. Traci also chairs Te Uranga B2 Incorporation, a Maori owned farming entity and the National Advisory Council for the Employment of Women, an advisory council to the Minister of Women's Affairs. She holds governance roles on Nga Pae O Te Maramatanga, Diverse NZ Inc, the Rural Broadband Initiative National Advisory Committee, Strada Corporation and the Beef+Lamb Wool Levy Group.

Traci has an MBA from Massey University, and is a Member of the Order of New Zealand, a Justice of the Peace, and a Marriage Celebrant.

**Vanessa Eparaima**  
MNZM  
Iwi appointee

Vanessa (Raukawa, Tuwharetoa) is the Raukawa Settlement Trust Executive Chairperson, Chairperson of the Raukawa Charitable Trust, and a Director of Raukawa Iwi Development Ltd. She is the Chairperson of Kakano (a six member Iwi collective which holds a shareholding in Kaingaroa Timberlands), a Director of CNI Iwi Holdings and the Co-Chair of CNI Iwi Land Management. Vanessa was recently appointed the New Zealand Order of Merit for services to Maori. She is a business consultant, company director and former chief executive in the tourism sector. Vanessa sits on a range of business and not-for-profit boards.

She is a passionate advocate for Maori, the community and for environmental issues. She has a strong history of working with the wider community, kaumātua, iwi chairs, Ministers, Members of Parliament and numerous stakeholders to achieve positive outcomes for the communities she serves.

Vanessa is married to Ngarepo and is the proud mother of three young adults.

**Heemi Biddle**  
Iwi appointee

Waikato iti, e rere mai na nga maunga tapu e tu kau atu ki te hau Tonga.

Putā atu ki a Waikato Runga, ka rere ka puta ki te whatu i te korowai tapu ko Taupo Moana. Ara te ia e ā atu ki a Waikato-nui me tōna ki; 'He piko, he taniwha, he piko, he taniwha'. Anei te mana o te wai.

Heemi is of Ngati Tuwharetoa descent and can whakapapa to Ngati Tahu, Te Arawa, Ngati Raukawa, Ngati Tuhoie and other hapu and iwi of the Central North Island.

His career has seen him involved in a number of industries including forestry, tunnelling, security, education, banking and more recently geothermal energy development.

He has a NZ Certificate in Forestry, Bachelor of Business Studies degree majoring in finance and he has completed professional governance training in both Australia and New Zealand. He is a current member of the Tuwharetoa Maori Trust Board and other current involvements include:

- Chairman Tauhara Middle 15 Trust
- Opepe Farm Trust
- Lake Taupo Forest Trust
- Lake Rotoaira Forest Trust
- Ngati Tuwharetoa Fisheries
- Tuwharetoa Hapu Forum.

# Summary of attendance

## Attendees 11 July 2013 – Waikato River Clean-up Trust

Hon. John Luxton | Tukoroirangi Morgan | Alan Livingston | Jenni Vernon | John Kaati | Peter Buckley | Roger Pikia | Sally Strang | Stephanie O’Sullivan | Heemi Biddle | John Kaati

*Apologies received from:* None

## Attendees 12 September 2013 – Waikato River Clean-up Trust

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Alan Livingston | Heemi Biddle | Peter Buckley | John Kaati | Sally Strang | Stephanie O’Sullivan

*Apologies received from:* None

## Attendees 18 October 2013 – Investment Committee

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Alan Livingston\* | Heemi Biddle | Sally Strang

*Apologies received from:* None

## Attendees 23 October 2013 – Waikato River Clean-up Trust

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Peter Buckley | Weo Maag\*\* | Sally Strang | Stephanie O’Sullivan

*Apologies received from:* Alan Livingston | Heemi Biddle

## Attendees 23 October 2013 – Waikato River Authority AGM

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Peter Buckley | Weo Maag\*\* | Sally Strang | Stephanie O’Sullivan

*Apologies received from:* Alan Livingston | Heemi Biddle

## Attendees 12 December 2013 – Waikato River Clean-up Trust

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Peter Buckley | Weo Maag | Sally Strang | Vanessa Eparaima\*\*\*

*Apologies received from:* None

## Attendees 13 February 2014 – Investment Committee

Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Alan Livingston | Heemi Biddle

*Apologies received from:* Hon John Luxton

## Attendees 27 February 2014 – Waikato River Clean-up Trust

Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Heemi Biddle | Alan Livingston | Peter Buckley | Weo Maag

*Apologies received from:* Hon John Luxton | Vanessa Eparaima | Traci Houpapa\*\*\*\*

**Attendees 10 April 2014 – Investment Committee**

Tukoroirangi Morgan | Jenni Vernon | Alan Livingston | Heemi Biddle

*Apologies received from:* Hon John Luxton | Roger Pikia

**Attendees 29 April 2014 – Waikato River Clean-up Trust**

Hon John Luxton | Jenni Vernon | Alan Livingston | Heemi Biddle | Peter Buckley  
| Weo Maag | Vanessa Eparaima

*Apologies received from:* Tukoroirangi Morgan | Roger Pikia | Traci Houpapa

**Attendees 30 April 2014 – Waipa River Fieldtrip**

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon | Heemi  
Biddle | Alan Livingston | Peter Buckley | Weo Maag | Traci Houpapa

*Apologies received from:* Vanessa Eparaima

**Attendees 8 May 2014 – Investment Committee**

Hon John Luxton | Tukoroirangi Morgan | Roger Pikia | Jenni Vernon  
| Alan Livingston | Heemi Biddle

*Apologies received from:* None

**Attendees 12 June 2014 – Waikato River Clean-up Trust**

Hon John Luxton | Tukoroirangi Morgan | Heemi Biddle | Alan Livingston  
| Peter Buckley | Weo Maag | Traci Houpapa

*Apologies received from:* Roger Pikia | Jenni Vernon | Vanessa Eparaima

\* Alan Livingston invited as an observer prior to replacing Sally Strang on Investment Committee

\*\* Weo Maag replaced John Kaati as iwi appointee from Maniapoto

\*\*\* Vanessa Eparaima replaced Stephanie O'Sullivan as iwi appointee from Raukawa

\*\*\*\* Traci Houpapa replaced Sally Strang as a Crown appointee

# Waikato River Authority

**Independent Auditor's Report** to the readers of  
Waikato River Authority's financial statements for  
the year ended 30 June 2014

AUDIT NEW ZEALAND  
Māori Arotake Aotearoa

The Auditor-General is the auditor of Waikato River Authority (the Authority). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Authority on her behalf.

We have audited the financial statements of the Authority on pages 14 to 25, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

## Opinion

In our opinion the financial statements of the Authority on pages 14 to 25:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Authority's:
  - financial position as at 30 June 2014; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 September 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Authority and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Authority's financial statements that fairly reflect the matters to which they relate. We consider internal control 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 Authority's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Authority;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Responsibilities of the Authority**

The Authority is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Authority's financial position, financial performance and cash flows.

The Authority is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Authority is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Authority's responsibilities arise from the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010.

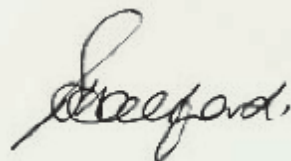
#### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010.

#### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Authority.



B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

## Statement of Comprehensive Income for the period ended 30 June 2014

	Note	2014	2013
<b>Revenue</b>			
Government grants	5	910,000	910,000
Finance income		14,502	29,505
<b>Expenses</b>			
Grant to trust	5	(910,000)	(910,000)
Personnel costs	7	(12,478)	(10,285)
Operating	6	(334,391)	(347,282)
<b>Surplus / (Deficit) for the period</b>		<b>(332,367)</b>	<b>(328,062)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(332,367)</b>	<b>(328,062)</b>

## Statement of Financial Position as at 30 June 2014

	Note	2014	2013
<b>Assets</b>			
Cash and cash equivalents	8	143,731	455,926
Trade and other receivables	9	23,414	2,662
<b>Total current assets</b>		<b>167,145</b>	<b>458,588</b>
<b>Total assets</b>		<b>167,145</b>	<b>458,588</b>
<b>Equity</b>			
Retained Earnings	10	117,744	450,111
<b>Total equity</b>		<b>117,744</b>	<b>450,111</b>
<b>Liabilities</b>			
Trade and other payables	11	49,401	8,477
<b>Total current liabilities</b>		<b>49,401</b>	<b>8,477</b>
<b>Total liabilities</b>		<b>49,401</b>	<b>8,477</b>
<b>Total equity and liabilities</b>		<b>167,145</b>	<b>458,588</b>



**Tukoroirangi Morgan**  
CO-CHAIR

30 September 2014.



**John Luxton**  
CO-CHAIR

The accompanying notes form part of these financial statements.



**Statement of Changes in Equity** for the period ended 30 June 2014

	Retained earnings	Total Equity
Balance as at 1 July 2012	778,173	778,173
<b>Total comprehensive income for the period</b>		
Surplus/ (Deficit) for the period	(328,062)	(328,062)
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>(328,062)</u>	<u>(328,062)</u>
<b>Balance at 30 June 2013</b>	<u>450,111</u>	<u>450,111</u>
Balance as at 1 July 2013	450,111	450,111
<b>Total comprehensive income for the period</b>		
Surplus/ (Deficit) for the period	(332,367)	(332,367)
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>(332,367)</u>	<u>(332,367)</u>
<b>Balance at 30 June 2014</b>	<u>117,744</u>	<u>117,744</u>

**Statement of Cash Flows** for the period ended 30 June 2014

	Note	2014	2013
<b>Cash flows from operating activities</b>			
Cash provided from:			
Government grants		910,000	910,000
Interest income received		15,597	40,610
		<u>925,597</u>	<u>950,610</u>
Cash applied to:			
Payments to suppliers and employees		(1,237,792)	(1,288,317)
<b>Net cash flows from operating activities</b>	16	<u>(312,195)</u>	<u>(337,707)</u>
<b>Cash flows from investing activities</b>			
Cash applied to:			
Acquisition of Investments		-	(764,883)
		<u>-</u>	<u>-</u>
<b>Net cash flows from investing activities</b>		<u>-</u>	<u>(764,883)</u>
<b>Net increase/(decrease) in cash, cash equivalents, and bank overdrafts</b>		<u>(312,195)</u>	<u>427,176</u>
Cash, cash equivalents, and bank overdrafts at the beginning of the year		455,926	28,750
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	8	<u>143,731</u>	<u>455,926</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements for the period ended 30 June 2014

### 1 Reporting entity

The Waikato River Authority has been established by virtue of the provision of section 22(1) of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and section 23 (1) of the Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010. These financial statements have been prepared in accordance with the schedule 5 of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

The Waikato River Authority has been established to restore and protect the health and wellbeing of the Waikato River for future generations. Accordingly the Waikato River Authority has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements were approved by the Trustees on 30 September 2014.

### 2 Basis of preparation

#### a) Statement of compliance

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

#### b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### c) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Waikato River Authority's functional currency.

#### d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Significant accounting policies

#### a) Financial instruments

##### i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in term deposits, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through Statement of Comprehensive Income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Authority becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Authority's contractual rights to the cash flows from the financial assets expire or if the Authority transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Authority commits itself to purchase or sell the asset.

Financial liabilities are derecognised if the Authority's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

*Instruments at fair value through profit or loss*

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Authority manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in statement of comprehensive income.

*Trade receivables*

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses.

*Trade payables*

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

b) *Leased assets*

Leases in terms of which the Authority assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Authority's balance sheet.

c) *Impairment*

The carrying amounts of the Authority's assets, are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

i) *Impairment of loans and receivables*

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

The recoverable amount of the Authority's loans and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had

the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the statement of comprehensive income.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

d) *Revenue*

Revenue is measured at the fair value of the consideration received or receivable.

i) *Government grants*

Grants received from the government are the primary source of funding to the Authority and are restricted for the purposes of the Authority meeting its objectives as specified in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. Government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

ii) *Interest*

Interest income is recognised using the effective interest method.

e) *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

f) *Finance income and expenses*

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Authority's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of discount on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets (except for trade receivables).

g) *Income tax*

In accordance with section CW 41(5)(a) of the Income Tax Act 2007 the Waikato River Authority has been granted exemption from income tax as outlined in section 32(5) of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Authority has been granted charitable status by the Charities Commission and is registered as a charity.

h) *Goods and Service Tax*

The entity is not registered for GST purposes and therefore the financial statements have been prepared on a GST inclusive basis.

i) *Standards, amendments and interpretations issued that are not yet effective and have not been early adopted*

Standards amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Authority, are:

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Authority is classified as a Tier 2 reporting entity and it will be required to apply Public Benefit Entity Accounting Standards (PAS) with reduced disclosure requirements. These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Authority expects to transition to the new standards in preparing its 30 June 2015 financial statements.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

**4 Determination of fair values**

A number of the Authority’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**5 Government grants**

	2014	2013
Government grant received	910,000	910,000
	910,000	910,000

The Crown provides \$910,000 directly to the Waikato River Authority to cover reasonable operational costs for the Waikato River Authority and the Waikato River Clean-Up Trust. The Authority has received and recognised this revenue and has decided to fund \$910,000 worth of operational expenses of the Trust.

Accordingly, these transactions have been recognised in the Statement of Comprehensive Income. The payment of Trust expenses has been recorded as a grant payment to the Trust.

The 2013 comparative information has been adjusted for consistency with no impact on total comprehensive income. There are no unfulfilled conditions and other contingencies attached to the subsidies or grants recognised.

**6 Operating expenses**

	Note	2014	2013
<i>Operational expenses include:</i>			
Accounting fees		38,301	42,792
Audit Fees - current year		15,488	11,788
Audit fees - last year		3,163	-
Consultants fees		120,868	117,307
Trustees' fees	17	8,279	9,760
Trustees' and governance expenses	17	683	2,148
Operating leases	14	3,974	3,896
Other operating expenses		143,635	159,591
		<u>334,391</u>	<u>347,282</u>

**7 Personnel Costs**

	2014	2013
Staffing wages	12,478	10,285
	<u>12,478</u>	<u>10,285</u>

**8 Cash and cash equivalents**

	2014	2013
Bank balances	143,732	49,027
Term deposit	-	406,899
Cash and cash equivalents in the statement of cash flows	<u>143,732</u>	<u>455,926</u>

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

**9 Trade and other receivables**

	2014	2013
Prepayments	23,230	1,215
Interest accrual	184	1,279
Other trade receivables	-	168
	<u>23,414</u>	<u>2,662</u>

**Fair value**

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

**10 Equity**

The Waikato River Authority's capital is its equity which comprise retained earnings. Equity is represented by net assets.

The Waikato River Authority manages its revenues, expenses, assets, liabilities and general financing dealings prudently. The Waikato River Authority's equity is largely managed as a by-product of managing income, expenses, assets, liabilities, and compliance with the board's instructions.

The objective of managing the Waikato River Authority's equity is to ensure that the Waikato River Authority effectively achieves its goals and objectives for which it has been established.

**11 Trade and other payables**

	2014	2013
Other trade payables	40,813	2,439
Non-trade payables and accrued expenses	8,588	6,038
	<u>49,401</u>	<u>8,477</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of trade and other payables approximates their fair value.

**12 Financial instruments**

Exposure to currency, interest rate and credit risk arises in the normal course of the Authority’s business.

a) *Credit Risk*

Credit risk is the risk that the counterparty to a transaction with the Authority will fail to discharge its obligations, causing the Authority to incur a financial loss. The Authority is exposed to credit risk through the normal trade credit cycle and advances to third parties. No collateral is required in respect of financial assets.

Reputable financial institutions are used for investing and cash handling purposes.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

b) *Market Risk*

i) *Foreign Currency Risk*

Foreign currency risk is the risk that the value of the Authority’s assets and liabilities will fluctuate due to changes in foreign exchange rates. The Authority has no current exposure to foreign currency risk.

ii) *Interest Rate Risk*

Interest rate risk is the risk that the value of the Authority’s assets and liabilities will fluctuate due to changes in market interest rates. The Authority is exposed to interest rate risk primarily through its cash balances.

c) *Interest rate risk*

	Balance	2014 Maturity date	Effective interest rate
Term Deposit	-		
	<u>-</u>		

	Balance	2013 Maturity date	Effective interest rate
Term Deposit	406,899	19/07/13	3.00%
	<u>406,899</u>		

d) *Sensitivity analysis*

In managing interest rate risk the Authority aims to reduce the impact of short-term fluctuations on the trust’s earnings by investing in short term deposits. Over the longer-term, however, permanent changes in interest rates will have an impact on profit. A decrease in interest rates of one percent would reduce interest income by Nil (2013: \$4,069).

e) *Credit quality of financial assets*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2014	2013
COUNTERPARTIES WITH CREDIT RATINGS		
AA-	143,732	455,926
	<u>143,732</u>	<u>455,926</u>

 f) *Classification and fair values*

	Note	Loans and receivables 2014	Other amortised cost 2014	Total carrying amount 2014	Fair value 2014
<b>Financial assets</b>					
Trade and other receivables	9	23,414	-	23,414	23,414
Cash and cash equivalents	8	143,731	-	143,731	143,731
Total current financial assets		<u>167,145</u>	<u>-</u>	<u>167,145</u>	<u>167,145</u>
Total financial assets		<u>167,145</u>	<u>-</u>	<u>167,145</u>	<u>167,145</u>
<b>Financial liabilities</b>					
Trade and other payables	11	-	49,401	49,401	49,401
Total current financial liabilities		<u>-</u>	<u>49,401</u>	<u>49,401</u>	<u>49,401</u>
Total financial liabilities		<u>-</u>	<u>49,401</u>	<u>49,401</u>	<u>49,401</u>

	Note	Loans and receivables 2013	Other amortised cost 2013	Total carrying amount 2013	Fair value 2013
<b>Financial assets</b>					
Trade and other receivables	9	2,662	-	2,662	2,662
Cash and cash equivalents	8	455,926	-	455,926	455,926
Total current financial assets		<u>458,588</u>	<u>-</u>	<u>458,588</u>	<u>458,588</u>
Total financial assets		<u>458,588</u>	<u>-</u>	<u>458,588</u>	<u>458,588</u>
<b>Financial liabilities</b>					
Trade and other payables	11	-	8,477	8,477	8,477
Total current financial liabilities		<u>-</u>	<u>8,477</u>	<u>8,477</u>	<u>8,477</u>
Total financial liabilities		<u>-</u>	<u>8,477</u>	<u>8,477</u>	<u>8,477</u>



### 13 Capital management

The Authority's equity comprises retained earnings.

The Authority is not subject to any externally imposed capital requirements.

The Authority's policies in respect of capital management and allocation are reviewed regularly by the Board.

There have been no material changes in the Authority's management of capital during the period.

### 14 Operating leases

*Leases as lessee*

Non-cancellable operating lease rentals are payable as follows:

	2014	2013
Not later than one year	3,974	3,974
Later than one year and not later than five years	4,968	8,942
Later than five years	-	-
	<u>8,942</u>	<u>12,916</u>

The Authority leases equipment under an operating lease. The lease runs for a period of 4 years.

The Authority does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Waikato River Authority by any of the leasing arrangement.

### 15 Capital commitments

As at 30 June 2014, the Authority had no capital commitments (2013: Nil).

### 16 Reconciliation of the profit for the period with the net cash from operating activities

Note	2014	2013
<b>Profit/(Loss) for the period</b>	(332,367)	(328,062)
Adjustments for:		
Change in trade and other receivables	(20,752)	9,722
Change in trade and other payables	40,924	(19,367)
	<u>20,172</u>	<u>(9,645)</u>
Net cash from operating activities	<u>(312,195)</u>	<u>(337,707)</u>

**17 Related parties**

Transactions with key management personnel including Trustees

Key management personnel compensation comprised:

	Note	2014	2013
<b>Trustee fees</b>			
- H Biddle	Iwi appointee	456	1,368
- P Buckley	Crown appointee	798	912
- A Livingston	Crown appointee	456	912
- Hon. J Luxton	Crown appointee	1,278	1,825
- T Morgan	Iwi appointee	1,278	1,095
- S O'Sullivan	Iwi appointee	342	912
- R Pikia	Iwi appointee	798	912
- S Strang	Crown appointee	342	684
- J Vernon	Crown appointee	798	1,140
- W Maag	Iwi appointee	684	-
- T Houpapa	Crown appointee	1,049	-
	6	8,279	9,760
<b>Trustee expenses</b>			
- H Biddle		22	892
- P Buckley		83	-
- A Livingston		22	-
- T Morgan		102	480
- S O'Sullivan		-	159
- R Pikia		176	454
- S Strang		-	86
- J Vernon		142	77
- W Maag		82	
- T Houpapa		54	-
	6	683	2,148
Total paid to trustees		8,962	11,908
Consultants		69,311	69,000
<b>Total key management personnel compensation</b>		<b>78,273</b>	<b>80,908</b>

Key management personnel have not entered into any transactions with the Authority other than the above.

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured.

No provision has been required, nor any expenses recognised for impairment of receivables, for any loans or other receivables to related parties (2013: Nil)

**18 Contingent liabilities**

Waikato River Authority is in discussions with Waikato-Tainui Te Kauhanganui Incorporated regarding a rental payment due for the office space that the Authority occupied prior to the purchase of the Rostrevor Street property. This will not be payable until the 2015 year if this results in a payment.

**19 Subsequent events**

As at 30 June 2014, the Authority had no subsequent events to disclose (2013: Nil)

# Waikato River Clean Up Trust

**Independent Auditor's Report** to the readers of  
Waikato River Clean-up Trust's financial statements  
for the year ended 30 June 2014

AUDIT NEW ZEALAND  
Māori Arotake Aotearoa

The Auditor-General is the auditor of Waikato River Clean-up Trust (the Trust). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

We have audited the financial statements of the Trust on pages 28 to 51, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

## Opinion

In our opinion the financial statements of the Trust on pages 28 to 51:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's:
  - financial position as at 30 June 2014; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 September 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Responsibilities of the Trustees**

The Trustees are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's financial position, financial performance and cash flows.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

The Trustees' responsibilities arise from the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010.

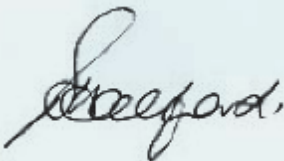
#### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010.

#### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

## Statement of Comprehensive Income for the period ended 30 June 2014

	Note	2014	2013
<b>Revenue</b>			
Settlement funds	*	-	-
Other income	5	1,236,547	1,042,667
Finance income	6	6,996,953	7,516,136
<b>Expenses</b>			
Operating	7	(1,265,164)	(891,621)
Depreciation	13	(24,049)	(7,219)
Amortisation	14	(22,987)	(17,240)
Grant payments	8	(4,049,324)	(3,579,085)
Surplus/(Deficit) for the period		2,871,976	4,063,638
Other comprehensive income		312,713	208,860
Total comprehensive income for the period		3,184,689	4,272,498

\* Subject to the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 the Trust is to receive settlement funds of \$210,000,000 over 27 years (24 years remaining). Additional settlement funds of \$10,000,000 will be received over 27 years (23 years remaining) years under the Nga Wai o Manipoto (Waipa River) Act 2012. Refer to note 11 for further details.

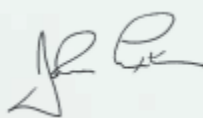
The accompanying notes form part of these financial statements.

**Statement of Financial Position** As at 30 June 2014

	Note	2014	2013
<b>Assets</b>			
Cash and cash equivalents	9	1,239,128	1,524,428
Trade and other receivables	10	172,375	121,593
Funding receivable	11	6,922,174	6,922,174
GST		340,773	334,043
Other financial assets	12	15,723,181	15,211,587
<b>Total current assets</b>		<b>24,397,631</b>	<b>24,113,825</b>
Funding receivable	11	85,671,833	87,510,047
Property, plant and equipment	13	911,426	10,642
Intangible assets	14	12,000	22,987
Other financial assets	12	23,934,210	19,237,212
<b>Total non-current assets</b>		<b>110,529,469</b>	<b>106,780,888</b>
<b>Total assets</b>		<b>134,927,100</b>	<b>130,894,713</b>
<b>Equity</b>			
Trust funds	15	132,501,412	129,316,723
<b>Total equity</b>		<b>132,501,412</b>	<b>129,316,723</b>
<b>Liabilities</b>			
Trade and other payables	16	558,196	235,018
Provisions	17	1,867,492	1,342,972
<b>Total current liabilities</b>		<b>2,425,688</b>	<b>1,577,990</b>
<b>Total liabilities</b>		<b>2,425,688</b>	<b>1,577,990</b>
<b>Total equity and liabilities</b>		<b>134,927,100</b>	<b>130,894,713</b>



**Tukoroirangi Morgan**  
CO-CHAIR  
30 September 2014



**John Luxton**  
CO-CHAIR

**Statement of Changes in Equity** for the period ended 30 June 2014

	Revaluation reserves	Retained earnings	Total Equity
Balance as at 1 July 2012	-	125,044,225	125,044,225
<b>Total comprehensive income for the period</b>			
Surplus/ (Deficit) for the period	-	4,063,638	4,063,638
Other comprehensive income	208,860	-	208,860
<b>Total comprehensive income for the period</b>	208,860	4,063,638	4,272,498
<b>Balance at 30 June 2013</b>	<b>208,860</b>	<b>129,107,863</b>	<b>129,316,723</b>
Balance as at 1 July 2013	208,860	129,107,863	129,316,723
<b>Total comprehensive income for the period</b>			
Surplus/ (Deficit) for the period	-	2,871,976	2,871,976
Other comprehensive income	312,713	-	312,713
<b>Total comprehensive income for the period</b>	312,713	2,871,976	3,184,689
<b>Balance at 30 June 2014</b>	<b>521,573</b>	<b>131,979,839</b>	<b>132,501,412</b>



**Statement of Cash Flows** for the period ended 30 June 2014

	Note	2014	2013
<b>Cash flows from operating activities</b>			
Cash provided from:			
Settlement funds		7,666,000	8,333,000
Capital gain on sale of investment		-	25,494
GST		454,574	239,986
Interest income received		997,771	1,271,946
Rent received		2,500	-
Dividend income received		216,846	25,999
		<u>9,337,691</u>	<u>9,896,425</u>
Cash applied to:			
Payments to suppliers		(251,545)	(38,819)
Grant payments		(3,763,285)	(2,523,388)
Capital loss on sale of investments		(108,364)	-
		<u>5,214,497</u>	<u>7,334,218</u>
<b>Net cash flows from operating activities</b>	21	<u>5,214,497</u>	<u>7,334,218</u>
<b>Cash flows from investing activities</b>			
Cash provided from:			
Disposal of investments		3,857,527	-
		<u>3,857,527</u>	<u>-</u>
Cash applied to:			
Purchase of Investments		(8,507,324)	(10,838,591)
Purchase of fixed assets		(850,000)	-
		<u>(5,499,797)</u>	<u>(10,838,591)</u>
<b>Net cash flows from investing activities</b>		<u>(5,499,797)</u>	<u>(10,838,591)</u>
<b>Net increase/(decrease) in cash, cash equivalents, and bank overdrafts</b>		(285,300)	(3,504,373)
Cash, cash equivalents, and bank overdrafts at the beginning of the year		1,524,428	5,028,801
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	9	<u>1,239,128</u>	<u>1,524,428</u>

The Trust has recognised revenue of \$910,000 from the Waikato River Authority to cover operational expenditure. This revenue was received by payment of Trust expenditure up to the amount of \$910,000. Therefore this amount is not reflected above in the Statement of Cashflows.

## Notes to the Financial Statements for the period ended 30 June 2014

### 1 Reporting entity

The Waikato River Clean up Trust has been established by virtue of the provision of section 32 (2) of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and section 33 (2) of the Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010. These financial statements have been prepared in accordance with schedule 6 of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. Further legislation has been enacted on the 5th of April 2012 and the Trust has to meet its obligations in accordance with the Nga Wai o Maniapoto (Waipa River) Act 2012 from the Acts establishment.

The Waikato River Clean up Trust has been established to restore and protect the health and wellbeing of the Waikato River for future generations. Accordingly the Waikato River Clean up Trust has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements were approved by the Trustee on 30 September 2014.

### 2 Basis of preparation

#### a) Statement of compliance

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

#### b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except where modified by the revaluation of certain financial instruments.

#### c) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Waikato River Clean up Trust's functional currency.

#### d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Significant accounting policies

#### a) Financial instruments

##### i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in term deposits, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through Statement of Comprehensive Income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets

expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Trust commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the trust's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### *Fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Trust includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

#### *Instruments at fair value through profit or loss*

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the trust manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in statement of comprehensive income.

#### *Trade receivables*

Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses.

#### *Trade payables*

Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

### b) *Impairment*

The carrying amounts of the Trust's assets, are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

#### i) *Impairment of loans and receivables*

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

The recoverable amount of the trust's loans and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the statement of comprehensive income.

ii) Impairment of property, plant and equipment

Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation reserve in equity for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

c) Revenue

i) Government grants

Settlement grants received from the government are the primary source of funding to the Trust. Government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Settlement grants are measured at the present value of the revenue expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the settlement grants due to the passage of time is recognised in "finance income".

Grants received from the government are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. Government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds

if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is measured with reference to the project milestones.

iii) Interest

Interest income is recognised using the effective interest method.

d) *Finance income and expenses*

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Trust's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of discount on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets (except for trade receivables).

e) *Grant expenditure*

Grants are those grants awarded if the grant application meets the specified criteria and have been approved by the board. These are recognised as expenditure based on the deliverables and timeframe set out in the signed funding deeds.

All grants (over and under \$50,000) will be recognised as an expense when a milestone is met, including a provision for costs incurred between milestones. Grants that are not recognised are recorded as funding commitments.

f) *Property, plant and equipment*

Property, plant, and equipment consists of the following asset classes: office equipment, furniture & fittings, buildings and land.

The assets classes are measured at cost, less accumulated depreciation and impairment losses.

*Additions*

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

*Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

*Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

*Depreciation*

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Office equipment	1.5 to 5.7 years	17.5%-67%
Building	14.2 to 50 years	2%-7%
Furniture and fittings	9.5 years	10.5%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

*g) Intangible assets*

*Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

*Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Management software	2.5 years
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*h) Impairment of property, plant, and equipment and intangible assets*

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would, if deprived of the asset, replace its remaining service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

*i) Provisions*

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

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in "finance costs".

*j) Income tax*

In accordance with schedule 5 of Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 the trust has been granted exemption from income tax. Income tax Act 2007 section CW 41 specifies non business income will exempt for tax. The trust has been granted charitable status by the Charities Commission and is registered as a charity.

*k) Goods and Service Tax*

All items are stated exclusive of GST except for receivables and payables, which are presented on a GST inclusive basis.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

*l) Critical accounting estimates and assumptions*

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*i) Settlement funds and funding receivable*

Refer to note 11

- m) *Standards, amendments and interpretations issued that are not yet effective and have not been early adopted*

Standards amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Trust, are:

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Trust is classified as a Tier 2 reporting entity and it will be required to apply Public Benefit Entity Accounting Standards (PAS) with reduced disclosure requirement. These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Trust expects to transition to the new standards in preparing its 30 June 2015 financial statements.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

#### **4 Determination of fair values**

A number of the trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### *NZ Bonds*

NZ bonds are recognised at amortised cost. The fair value of the NZ bonds is \$5,302,683 (2013: \$1,316,495). Fair value has been determined using quoted market bid prices from independently sourced market information for NZ bond prices.

##### *Listed shares*

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market.



**5 Other income**

	2014	2013
Operating grant received by Waikato River Authority	910,000	910,000
Lease income	1,156	1,156
Rent received	2,500	-
Dividends received	216,846	35,763
Grants received from Waikato River Authority	106,045	95,748
	<u>1,236,547</u>	<u>1,042,667</u>

The Crown provides \$910,000 directly to the Waikato River Authority to cover reasonable operational costs for the Waikato River Authority and Waikato River Clean Up Trust. All funds were used to cover operational costs of the Waikato River Clean Up Trust.

There are no unfulfilled conditions and other contingencies attached to the grants recognised.

**6 Finance income**

	2014	2013
Interest on term deposits and investments	1,277,531	1,057,897
Unwind discount on funding receivable	5,827,786	6,432,745
Capital gain on sale of investments	(108,364)	25,494
	<u>6,996,953</u>	<u>7,516,136</u>

**7 Operating expenses**

	Note	2014	2013
<i>Operational expenses include:</i>			
Accounting fees		53,943	50,647
Auditors fee - current year		17,500	10,250
Auditors fee - last year		6,820	-
Consultants fees		857,162	527,379
Trustees' fees	22	41,695	40,228
Trustees' and governance expenses	22	9,319	7,584
Other operating expenses		278,725	255,533
		<u>1,265,164</u>	<u>891,621</u>

**8 Grant payments**

	2014	2013
Tauranganui Marae	-	(4,000)
Cambridge Primary School	-	16,500
Dairy NZ Limited	270,318	207,682
GHD Limited	(7,899)	70,174
Hamilton City Council	5,122	69,566
National Wetland Trust of NZ Inc	38,826	429,377
NZ Landcare Trust	49,707	55,435
Raukawa Charitable Trust	135,483	159,355
Kanae Kakariki Trust	-	260,870
Tonkin Taylor & Mangakotukutuku Stream Care Group	-	122,000
Tuwharetoa Maori Trust Board	208,992	29,000
Waikato Regional Council	74,638	86,232
Waikato River Care - Lower Waikato River Enhancement	25,366	133,199
Waikato-Tainui College for Research and Development	(8,496)	86,956
Waikato-Tainui Te Kauhanganui	113,000	197,594
Waikato-Tainui Te Kauhanganui, Waahi Whaanui Trust	240,217	116,304
Waipa District Council	83,929	113,348
Solid Energy NZ Ltd & Waahi Whanui Trust	61,886	16,435
Trees for Survival Trust	2,758	121,084
Waahi Whanui Trust	6,154	33,846
Lower Mangapiko Stream Care Group	10,458	17,292
Waikato River Trails Trust	144,458	163,886
Te Awa River Ride Charitable Trust	306,348	316,675
Ngaati Haua Mahi Trust	242,529	185,323
He Kura ki Waikato Trust	(4,386)	21,930
Waikato University	5,869	33,260
Nga Uri a Maahanga	17,981	17,769
Dairy NZ & Boffa Miskell	9,029	7,223
Whaingaroa Harbourcare Inc	173,492	89,531
Waahi Pa	6,296	32,182
Department of Conservation	21,609	5,775
Waikato District Council	8,695	34,782
Te Arawa River Iwi Trust	135,714	65,155
Lower Waikato River Enhancement Society Inc	6,211	11,180
Ngaati Tahu-Ngaati Whaoa Runanga Trust	37,681	49,276
Tauhara North No 2 Trust	19,826	66,957
NIWA-Waikato Raupatu River Trust	531,480	72,855
3 Way Charitable Trust	28,178	-
Cambridge Tree Trust	12,174	-
Conservation Volunteers NZ	64,964	-

Landcare Reseach Ltd	132,036	-
Maniapoto Maori Trust Board	57,391	-
NIWA	76,096	38,850
NZ Landacre Trust and WRRRT	11,854	
Nikau Farm Estate Trust	59,826	
Opus International Consultants Ltd	17,543	
Otorohanga District Council	39,651	-
Pukeroa Hanganatiki A55 Trust	39,655	-
South Waikato District Council	15,278	-
SMP Muir	42,722	23,427
Tainui Development Authority	140,325	-
Te Toke Ahu Whanua Trust	35,319	-
Toro Atu Charitable Trust	156,891	-
Waikato Regional Council, Maniapoto Trust	7,663	-
Waikato Regional Council, Nga Uri a Maahanga	12,184	-
Waikato Rivercare, Te Awa River Ride Trust	4,000	-
Waikato-Tainui College	122,283	-
Queen Elizabeth II National Trust	-	4,800
	<u>4,049,324</u>	<u>3,579,085</u>

**9 Cash and cash equivalents**

	2014	2013
Bank balances	1,239,127	1,524,428
Cash and cash equivalents in the statement of cash flows	<u>1,239,127</u>	<u>1,524,428</u>

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

**10 Trade receivables**

	2014	2013
Prepayments	419	-
Other trade receivables	171,956	121,593
	<u>172,375</u>	<u>121,593</u>

**Fair value**

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

**11 Funding receivable**

	2014	2013
Current	6,922,174	6,922,174
Non-current	85,671,833	87,510,047
	<u>92,594,007</u>	<u>94,432,221</u>

Under the terms of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010, the Trust is to receive \$7,000,000 each year over the next 24 years in settlement funding. This revenue has been recognised upfront and the related receivable has been discounted back at 6.0% which is the treasury risk-free discount rate at settlement. The funding receivable of \$168,000,000 has been discounted by \$80,147,497 to provide for the present value of \$87,852,503.

Under the terms of the Nga Wai o Maniapoto (Waipa River) Act 2012, the Trust is to receive \$1,333,333 in year one and \$333,333 each year after over the next 24 years in settlement funding. This revenue has been recognised upfront and the related receivable has been discounted back at 4.69% which is the treasury risk-free rate at balance date of 30 June 2012. The funding receivable of \$8,000,000 has been discounted by \$3,258,496 to provide the present value of \$4,741,504.

**12 Other financial assets**

	2014	2013
<i>Current investments</i>		
Term deposits with maturities of 4-12 months	8,142,473	12,445,104
Portfolio call accounts	2,278,025	1,449,988
NZ Bonds (includes capital notes)	5,302,683	1,316,495
Total current investments	<u>15,723,181</u>	<u>15,211,587</u>
<i>Non-current investments</i>		
Listed shares in Australasian Equities	3,939,378	1,977,410
Listed shares in International Equities	4,954,571	2,863,099
International speciality funds	570,882	226,134
PIE Cash Funds	<u>14,469,379</u>	<u>14,170,569</u>
Total non-current investments	<u>23,934,210</u>	<u>19,237,212</u>
Total other financial assets	<u>39,657,391</u>	<u>34,448,799</u>

**Fair value***Term deposits*

The carrying amount of term deposits approximates their fair value.

*Listed shares*

Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

*Portfolio call accounts*

Portfolio call accounts are recognised at fair value. The fair value of the portfolio call accounts are determined by reference to published current bid price quotations in an active market.

*Bonds*

Bonds are recognised at fair value. The fair value of the bonds are determined by reference to published current bid price quotations in an active market.

*Speciality and cash funds*

Speciality and cash funds are recognised at fair value. The fair value of the speciality and cash funds are determined by reference to published current bid price quotations in an active market.

*Fair value hierarchy disclosures*

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

*Impairment*

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

**13 Property, plant and equipment**

	Buildings	Land	Furniture & Fittings	Office equipment	Total
<b>Cost or valuation</b>					
Balance at 1 July 2013	-	-	-	22,188	22,188
Additions	542,497	314,077	32,781	35,478	924,833
Disposals	-	-	-	-	-
Balance at 30 June 2014	542,497	314,077	32,781	57,666	947,021
<b>Accumulation depreciation and impairment losses</b>					
Balance at 1 July 2013	-	-	-	11,546	11,546
Depreciation expense	9,928	-	1,661	12,460	24,049
Elimination of disposal	-	-	-	-	-
Balance at 30 June 2014	9,928	-	1,661	24,006	35,595
<b>Carrying amounts</b>					
At 30 June 2013 and 1 July 2013	-	-	-	10,642	10,642
At 30 June 2014	532,569	314,077	31,120	33,660	911,426

*Impairment*

There have been no impairment losses recognised or reversed for property, plant and equipment (2013: Nil).

*Work in progress*

The total amount of property, plant and equipment in the course of construction is Nil (2013: Nil)

*Restrictions*

There are no restrictions over the title of property, plant and equipment. No property, plant and equipment are pledged as security for liabilities.

**14 Intangible assets**

	Management software	Work in progress	Total
<b>Cost or valuation</b>			
Balance at 1 July 2013	43,100	-	43,100
Additions	-	12,000	12,000
Disposals	-	-	-
Balance at 30 June 2014	43,100	12,000	55,100
<b>Accumulation amortisation and impairment losses</b>			
Balance at 1 July 2013	20,113	-	20,113
Amortisation charge	22,987	-	22,987
Elimination of disposal	-	-	-
Balance at 30 June 2014	43,100	-	43,100
<b>Carrying amounts</b>			
At 30 June 2013 and 1 July 2013	22,987	-	22,987
At 30 June 2014	-	12,000	12,000

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

**15 Equity**

The Waikato River Clean up Trust's capital is its equity which comprise retained earnings. Equity is represented by net assets.

The Waikato River Clean up Trust manages its revenues, expenses, assets, liabilities and general financing dealings prudently. The Waikato River Clean up Trust's equity is largely managed as a by-product of managing income, expenses, assets, liabilities, and compliance with the board's instructions.

The objective of managing the Waikato River Clean up Trust's equity is to ensure that the Waikato River Clean up Trust effectively achieves its goals and objectives for which it has been established.

**16 Trade and other payables**

	2014	2013
Trade payables due to related parties	-	-
Other trade payables	548,696	223,496
Non-trade payables and accrued expenses	9,500	11,522
	558,196	235,018

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of trade and other payables approximates their fair value.

**17 Provisions**

	2014	2013
<i>Grant provisions</i>		
Opening balance	1,342,972	67,478
Additional provisions made	1,680,609	1,327,972
Amount used	(1,100,626)	(48,478)
Unused amounts reversed	(55,463)	(4,000)
Closing balance	<u>1,867,492</u>	<u>1,342,972</u>
Current	1,867,492	1,342,972
Non-current	-	-
Total provisions	<u>1,867,492</u>	<u>1,342,972</u>

**Grant provisions**

The board approved these payments during the period. The current portion are grants that will be paid out in the next financial year and non current portion represents payments expected to occur in 2015.

**18 Financial instruments**

Exposure to currency, interest rate and credit risk arises in the normal course of the Trust’s business.

a) *Credit Risk*

Credit risk is the risk that the counterparty to a transaction with the trust will fail to discharge its obligations, causing the trust to incur a financial loss. The trust is exposed to credit risk through the normal trade credit cycle and advances to third parties. No collateral is required in respect of financial assets.

Reputable financial institutions are used for investing and cash handling purposes.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

b) *Market Risk*

i) *Foreign Currency Risk*

Foreign currency risk is the risk that the value of the trust’s assets and liabilities will fluctuate due to changes in foreign exchange rates. The trust has exposure to currency risk from non NZ dollar denominated assets. As a result of these activities, exposure to currency risk arises. The Trust manages these risks by a fund manager in accordance with the boards directions

ii) *Interest Rate Risk*

Interest rate risk is the risk that the value of the trust’s assets and liabilities will fluctuate due to changes in market interest rates. The trust is exposed to interest rate risk primarily through its cash and term deposit balances.

iii) *Price Risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive income. The price risk arises due to market movements in listed shares.

c) *Interest rate risk*

	Balance	2014 Maturity date	Effective interest rate
Term Deposit	1,000,000	20/07/14	4.05%
Term Deposit	1,031,488	20/08/14	4.07%
Term Deposit	1,030,973	20/09/14	4.08%
Term Deposit	1,018,842	20/10/14	4.11%
Term Deposit	1,000,000	18/11/14	4.65%
Term Deposit	1,000,000	20/01/15	4.50%
Term Deposit	1,000,000	20/02/15	4.50%
Term Deposit	1,061,170	20/03/15	4.50%
	<u>8,142,473</u>		

	Balance	2013 Maturity date	Effective interest rate
Term Deposit	1,000,000	20/10/13	4.20%
Term Deposit	1,000,000	26/11/13	4.21%
Term Deposit	2,000,000	26/08/13	4.19%
Term Deposit	1,000,000	20/02/14	4.01%
Term Deposit	1,000,000	20/12/13	3.93%
Term Deposit	2,000,000	26/07/13	4.15%
Term Deposit	2,000,000	05/01/14	4.25%
Term Deposit	1,000,000	20/09/13	4.10%
Term Deposit	1,000,000	26/11/13	4.25%
Term Deposit	445,104	15/08/13	2.66%
	<u>12,445,104</u>		

d) *Sensitivity analysis*

In managing interest rate risk the trust aims to reduce the impact of short-term fluctuations on the trust's earnings by investing in short term deposits. Over the longer-term, however, permanent changes in interest rates will have an impact on profit. A decrease in interest rates of one percent would reduce interest income by \$81,425

e) *Credit quality of financial assets*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2014	2013
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>		
Cash at bank, bonds and term deposits		
AA	342,317	344,849
AA-	11,006,357	14,071,661
A+	717,573	624,821
A-	1,378,908	244,696
	<u>13,445,155</u>	<u>15,286,027</u>



f) *Contractual maturity analysis of derivative financial liabilities*

The Trust relevant maturity groupings for financial liabilities based on the remaining balances at balance date of \$548,996 (2013: \$235,018) are due to mature in less than 1 year.

g) *Classification and fair values*

	Note	Loans and receivables 2014	Available for sale 2014	Other amortised cost 2014	Total carrying amount 2014	Fair value 2014
<b>Financial assets</b>						
Funding receivable	11	85,671,833	-	-	85,671,833	85,671,833
Other financial assets	12	-	23,934,210	-	23,934,210	23,934,210
<b>Total non-current financial assets</b>		<b>85,671,833</b>	<b>23,934,210</b>	<b>-</b>	<b>109,606,043</b>	<b>109,606,043</b>
Cash and cash equivalents	9	1,239,128	-	-	1,239,128	1,239,128
Trade and other receivables	10	172,375	-	-	172,375	172,375
Funding receivable	11	6,922,174	-	-	6,922,174	6,922,174
Other financial assets	12	8,142,473	7,580,708	-	15,723,181	15,723,181
<b>Total current financial assets</b>		<b>16,476,150</b>	<b>7,580,708</b>	<b>-</b>	<b>24,056,858</b>	<b>24,056,858</b>
<b>Total financial assets</b>		<b>102,147,983</b>	<b>31,514,918</b>	<b>-</b>	<b>133,662,901</b>	<b>133,662,901</b>
<b>Financial liabilities</b>						
Trade and other payables	16	-	-	558,196	558,196	558,196
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>	<b>558,196</b>	<b>558,196</b>	<b>558,196</b>
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>558,196</b>	<b>558,196</b>	<b>558,196</b>
	Note	Loans and receivables 2013	Available for sale 2013	Other amortised cost 2013	Total carrying amount 2013	Fair value 2013
<b>Financial assets</b>						
Funding receivable	11	87,510,047	-	-	87,510,047	87,510,047
Other financial assets	12	19,237,212	19,237,212	-	19,237,212	19,237,212
<b>Total non-current financial assets</b>		<b>87,510,047</b>	<b>19,237,212</b>	<b>-</b>	<b>106,747,259</b>	<b>106,747,259</b>
Cash and cash equivalents	9	1,524,428	-	-	1,524,428	1,524,428
Trade and other receivables	10	121,593	-	-	121,593	121,593
Funding receivable	11	6,922,174	-	-	6,922,174	6,922,174
Other financial assets	12	12,445,104	2,766,483	-	15,211,587	15,211,587
<b>Total current financial assets</b>		<b>21,013,299</b>	<b>2,766,483</b>	<b>-</b>	<b>23,779,782</b>	<b>23,779,782</b>
<b>Total financial assets</b>		<b>108,523,346</b>	<b>22,003,695</b>	<b>-</b>	<b>130,527,041</b>	<b>130,527,041</b>
<b>Financial liabilities</b>						
Trade and other payables	16	-	-	235,018	235,018	235,018
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>	<b>235,018</b>	<b>235,018</b>	<b>235,018</b>
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>235,018</b>	<b>235,018</b>	<b>235,018</b>

**19 Capital management**

The Trust's equity comprises retained earnings.

The Trust is not subject to any externally imposed capital requirements.

The Trust's policies in respect of capital management and allocation are reviewed regularly by the Board.

There have been no material changes in the Trust's management of capital during the period.

**20 Capital commitments**

As at 30 June 2014, the Trust had no capital commitments (2013: Nil).

**21 Reconciliation of the profit for the period with the net cash from operating activities**

	2014	2013
<b>Profit/(Loss) for the period</b>	2,871,976	4,063,638
Adjustments for:		
Depreciation	24,049	7,219
Amortisation	22,987	17,240
Forex loss	-	7,835
Change in trade and other receivables	1,759,222	2,104,540
Change in trade and other payables	323,177	84,767
Change in Provisions	524,520	1,275,494
Change in GST	(6,729)	(220,648)
Items reclassified to investing activities	(304,705)	(5,867)
	2,342,521	3,270,580
<b>Net cash from operating activities</b>	5,214,497	7,334,218

**22 Related parties**

*Transactions with key management personnel including Trustees*

Key management personnel compensation comprised:

		2014	2013
Trustee fees			
- H Biddle	lwi appointee	4,788	4,104
- P Buckley	Crown appointee	3,306	2,280
- J Kaati	lwi appointee	1,140	1,368
- A Livingston	Crown appointee	4,332	2,280
- Hon. J Luxton	Crown appointee	5,658	8,760
- T Morgan	lwi appointee	7,651	7,300
- S O'Sullivan	lwi appointee	798	2,052
- R Pikia	lwi appointee	3,762	2,280
- S Strang	Crown appointee	2,166	3,648
- J Vernon	Crown appointee	4,674	6,156
- W Maag	lwi appointee	2,508	-
- V Eparaima	lwi appointee	912	-
		41,695	40,228

Trustee expenses		
- H Biddle	3,272	2,380
- P Buckley	549	-
- J Kaati	364	364
- A Livingston	388	-
- T Morgan	1,582	1,838
- S O'Sullivan	-	505
- R Pikia	1,018	807
- S Strang	343	687
- J Vernon	813	1,003
- W Maag	673	-
- V Eparaima	317	-
	<u>9,319</u>	<u>7,584</u>
Total paid to trustees	51,014	47,812
Consultants	366,080	276,000
Total key management personnel compensation	<u>417,094</u>	<u>323,812</u>

Key management personnel have not entered into any transactions with the Trust other than the above.

Key management personnel include the Trustees and Chief Executive. No Post-employment, Termination and Other long-term benefits have been supplied to key management personnel.

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured.

The Trust has made total grant payments to Dairy NZ of \$386,500 (\$156,500 2013 and \$230,000 2014), this is from the total grants approved in 2012 of \$595,652 (funding round 1). During the 2013 year additional grants were approved of \$16,252 to Dairy NZ & Boffa Miskell (funding round 2), this project has now been paid in full and completed. John Luxton a member of the Trust board is also the Chairman for Dairy NZ.)

The Trust has made total grant payments to Waikato Regional Council of \$73,913 (funding round 1), this has now been paid in full and the project is completed. During the 2013 year additional grants were approved of \$86,957 (funding round 2), no funds have been aid to date. During the 2014 year additional grants were approved of \$40,373 and \$42,502 for Waikato Regional Council & Manipoto Trust and Waikato Regional Council & Nga Uri a Maahanga respectively, no funds have been made in relation to these two grants. Peter Buckley a member of the Trust board is also the Councillor for Waikato Regional Council.

The Trust has made total grant payments to Te Arawa River Iwi of \$52,609 (paid in prior years), this is from the total grants approved in 2012 of \$85,588 (funding round 1), this project is now completed and closed. During the 2013 year additional grants were approved of \$153,478 (funding round 2), funds of \$42,444 have been paid out on this grant during the year. Roger Pika a member of the Trust board is also the Chair of the Te Arawa River Iwi Trust.

The Trust has made total grant payments to Waikato University of \$39,130, this is from the total grants approved in 2013 of \$39,130 (funding round 2), this project is now completed and paid in full. No funds were approved or paid in the 2012 year to Waikato University. Jenny Vernon a member of the Trust board was also a member of the Waikato University Council but has since left the role.

The Trust has made total grant payments to Tainui Development Authority of \$180,562, this is from total grants approved in 2014 of \$1,200,000. Tukoroirangi Morgan a member of the Trust board is also the shareholder and director of the Tainui Development Authority.

The Trust has approved total grant payments to Waipa District Council of \$120,434 for 2013 (funding round 2), with total payments made of \$32,386.88. In 2012 total grants approved totalled \$104,348 with payments made of \$81,038 (funding round 1). Alan Livingston a member of the Trust board is also the former Mayor on the Waipa District Council.

The Trust has approved grants payments to Tuwharetoa Maori Trust Board of \$252,174 for 2012 (funding round 1), total payment of \$145,811 have been contributed to this grant (2013: Nil), Heemi Biddle a member of the Trust board is also a member of the Tuwharetoa Maori Trust board.

These Trust board members have not been involved in the assessment of these applications.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2013: Nil).

### 23 Funding Commitments

#### Grants

The Waikato River Clean Up Trust has funding commitments relating to grant applications for following funding recipients.

	2014	2013
Dairy NZ	117,652	387,970
National Wetland Trust of New Zealand Inc	53,536	92,362
NZ Landcare Trust	60,337	66,565
Raukawa Charitable Trust	53,660	189,143
Tuwharetoa Maori Trust Board	14,182	223,174
Waikato Regional Council	-	74,638
Waikato River Care- Lower Waikato River Enhancement Society Inc	189,087	214,453
Waikato-Tainui Te Kauhanganui	-	113,406
Waikato-Tainui Te Kauhanganui, Waahi Whaanui Trust and Genesis Power	173,478	413,696
Waipa District Council	27,506	111,435
Solid Energy NZ Ltd & Waahi Whanui Trust	4,287	66,174
Trees for Survival Trust	3,986	6,743
Waahi Whanui Trust	-	6,154
Waikato River Trails Trust	121,176	265,635
Te Awa River Ride Charitable Trust	-	118,108
Waikato University	-	5,869
Nga Uri a Maahanga	13,750	31,731
Dairy NZ & Boffa Miskell	-	9,029
Waahi Pa	-	6,296
Department of Conservation	130,227	151,836
Waikato District Council	-	8,695
Te Arawa River Iwi Trust	7,826	143,541
Lower Waikato River Enhancement Society Inc	39,974	46,185
Ngaati Tahu-Ngaati Whaoa Runanga Trust	-	37,681

Tauhara North No 2 Trust	-	19,826
NIWA-Waikato Raupatu River Trust	1,281,846	1,813,326
3 Way Charitable Trust	4,632	-
Cambridge Tree Trust	870	-
Conservation Volunteers NZ	21,993	-
GHD Limited	27,717	-
Hamilton City Council	2,609	17,392
Landcare Research Ltd	41,877	-
Lower Mangapiko Stream Care Group	30,188	3,458
Maniapoto Maori Trust Board	167,183	-
NIWA	9,591	-
NZ Landcare Trust & WRRT	31,450	-
Ngaati Haua Mahi Trust	151,092	89,812
Opus International Consultants Ltd	25,326	-
Otorohanga District Council	47,306	-
Pukeroa Hangatiki Minerals Blocks	60,346	-
Tainui Development Authority	886,468	-
Te Toke Ahu Whenua Trust	79,181	-
Toro Atu Charitable Trust	86,587	-
Waikato Regional Council & Maniapoto Trust	32,710	-
Waikato Regional Council & Nga Uri a Maahanga	30,318	-
Waikato Rivercare & Te Awa River Ride	135,464	-
Waikato-Tainui Endowed College	618,152	-
Whaingaroa Harbourcare Inc	69,719	59,061
	<u>4,853,289</u>	<u>4,793,394</u>

Grants approved may include multiple grant applications/projects to make up total included.

#### 24 Subsequent events

As at 30 June 2014, the trust had no subsequent events to disclose (2013: Nil).

# Notes



