



W A I K A T O
TAINUI

PUURONGO-AA-TAU O
WAIKATO-TAINUI 2015

Cover image: This pou haki resides at Hopuhopu. It was unveiled on 21 December 2014 to commemorate the 20th anniversary of the signing of the Raupatu claim Heads of Agreement between Waikato-Tainui and the Crown.

HE MAIMAI AROHA

Aituaa, Aituere, Aitukikini, Aituwhakatika tumu nui e! Pari nui e!

Me kapo kau ake raa i te rehu o te tai.

I te ao i te poo i te tai whati nui, haakiri ana mai ngaa reo aroha.

Ngaa mokopuna e maimoa kau ana e.

Me peewhea raa, me peewhea raa.

Piikarikari ana ngaa taringa ki ngaa reo paaoho mai i ngaa ngaru o aake aake.

Whakaraawhiti te tirohanga ki te taitamawahine, ka mawhiti mai ki te taitamataane.

Te motu raa ia e tuungia nei te ururua kia ritorito ai te tupu o te harakeke.

Teeraa te pikinga mai o Matariki ki te tara ki Taupiri.

E kawe mai nei i te aunui i te auroa o nanahi raa.

Kia panuku ake ki ngaa raa o apoopoo.

Ko te poo ki te poo ka tau!

Ko te ao ki te ao ka whanatu!

Tihe mauri ora



In loving memory of

HARRY TE WHEROWHERO WAIKAI

19 MARCH 1947 - 19 MARCH 2015

TOOIA TE WAKA KI TOONA UUNGA, KI TOONA TAUNGA, KI TOONA TAKOTORANGA KI UTA E
E TE IWI, TEENA TAATOU KATOA.

TEENEI KA NOHO KA HIHIRI TE NGAAKAU O TE TANGATA KI TE MAHI E TAKOTO MAI NEI.
KO TE TOI TUPU, KO TE TOI ORA, KO TE TOI TEERA I WHANAKE MAI I HAWAIKI.
TOOTOOKIA KIA PARA I TE HUARAHI O HAERE AKE NEI.
KIA MAAORI AI TE HAERE ATU, KIA MAAORI AI TE HOKINGA MAI.
KIA TAE TIKA MAI KI TE TONGIKURA.
MEHEMEEA HE MAHI PAI MOO TE TANGATA, MAHIA!

WHAKATAU MAI KIA WHAKAATANGIA I TE TAU KUA MAHUE!

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HE KUPU NAA TE KIINGI

Whakataka to Hau ki te Muri

Whakataka to Hau ki te Tonga

Kia makinakina i Uta

Kia mataratara i Tai

Kia hii ake ana te Ata-kura

He tio, he huka, He Hauhunga

He Paki-o Hewa

E aku tuupuna, e aku whakamarumaruru, he tangi, he mihi, he tuku whakamoemiti mo koutou ki te Kaihanga, Naana nei nga mea katoa.

Tenei te tuku mihi atu ki a taatou ngaa kanohi ora o ngaa tuupuna me nga maatua, te whakatupuranga i waihotia hei whakatutuku i ngaa wawata o raatou maa. Kia a koutou e noho mai na i oo taatou papanekehanga, i oo taatou papakaainga, i oo taatou pae marae o roto o Tainui Waka whaanui. Teena koutou katoa.

Me mihi ki te hunga kua okioki i runga i ngaa marae maha.

E Kara e Erima koutou ko Mauriora ko Te Uruhinahina, koutou nga Rangatira o te Ao Maaori kua kapohia e te Ringa kaha o Aitua tatuu iho ki ngaa mate huhua, mai te ihu ki te kei o tooku waka o Tainui. Haere i te ata haapara, haere e koro maa, e kui maa, haere ki te ukaipoo, ki ngaa tuupuna maatua e moe mai naa i te aroaro o lo-matua-kore.

Ahako ngaa aupiki, auheke o te waa, kei roto i te kotahitanga o te whakaaro ka puta, ka ora ai taatou. Ma te Atua taatou katoa hei manaaki.

Paimarire.

Kiingi Tuheitia



ABOUT WAIKATO-TAINUI
KO WAI TAATOU

***Ko Mookau ki runga
 Ko Taamaki ki raro
 Ko Mangatoatoa ki waenganui.
 Pare Hauraki, Pare Waikato
 Te Kaokaoroa-o-Paatetere.***

*Mookau is above
 Taamaki is below
 Mangatoatoa is between.
 The boundaries of Hauraki, the boundaries of Waikato
 To the place called 'the long armpit of Paatetere'.*

WE ARE DEFINED BY OUR LAND,
 our river, our history and the Kiingitanga.

WE ARE PROUD PEOPLE,
 each of us descended from the intrepid voyagers who crossed the ocean to land the Tainui waka on the shores of Kaawhia in the 13th century. Led by Hoturoa, these tupuna left Rangiataea to discover a new land rich in fertile soils and abundant wildlife, bordered by a plentiful supply of kaimoana.

WE ARE OUR RIVER, OUR RIVER IS US.
 The Waikato River represents the mana and mauri of Waikato-Tainui and is a living entity, a mauri that is an inseparable part of our whakapapa and identity. The return of our tupuna awa in 2008 guaranteed its restoration and the protection of its health and wellbeing for future generations.

WE ARE THE KIINGITANGA,
 a responsibility undertaken more than 150 years ago on behalf of all iwi to uphold mana motuhake, empower all Maori and promote unity amongst all people.

Today, Waikato-Tainui has a membership of just over 67,000 descendants. Our iwi is young with almost two-thirds of our members aged under 40 years. And we are mobile. While the majority of our members live within the tribal boundary, many are located throughout Aotearoa and across the world.





TE WHAKAKITENGA

Our vision is inspired by Kiingi Taawhiao:

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

I shall build my house from the lesser known trees of the forest.
The support posts shall be mahoe and patetee, and the ridge pole of hiinau.
My people will be nourished by the rengarenga and strengthened by the kawariki.

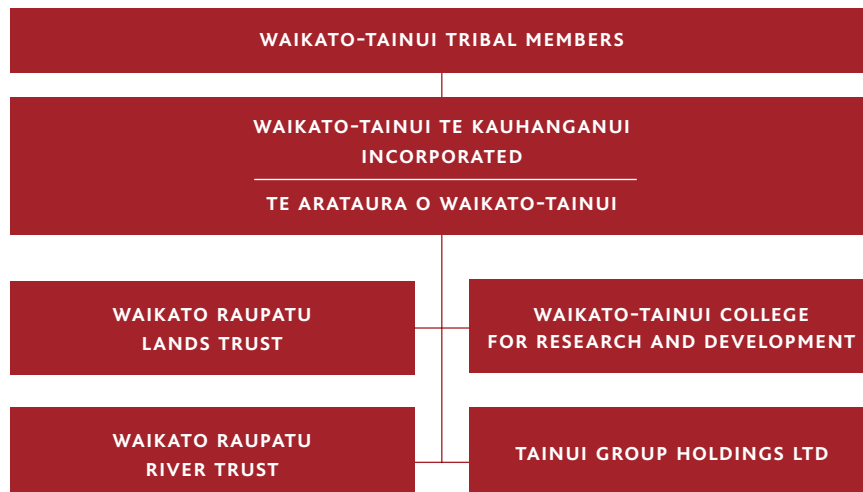
TE AHUNGA

Our purpose is captured in the words of Princess Te Puea:

KIA TUPU, KIA HUA, KIA PUAWAI

TO GROW, TO PROSPER, TO SUSTAIN.

TOO TAATOU WHARE



NET OPERATING PROFIT

\$26.1M
\$28.6M*



SOCIAL

Careers website launched.
www.waikatotainuicareers.co.nz

\$2.8 million distributed for education, including \$1.6 million for tertiary education grants.



CULTURAL

\$15 million one-off grant distributed to 66 Marae for development purposes.

Collective Marae insurance scheme launched.

BANK DEBT TO TOTAL ASSETS

23%
20%*

TOTAL REVENUE

\$82.6M
\$69.8M

TE TAU
KUA
MAHUE

HE WHAATORONGA

NET PROFIT

\$83.3M
\$70.9M

DIVIDEND FROM TGH AND WTF TO WRLT

\$12.5M
\$13.9M



SOCIAL

Graduation of second MBA cohort from Waikato-Tainui College for Research & Development.

Financial literacy workshops offered.

DISTRIBUTIONS

\$22.3M
\$6.1M



ENVIRONMENT

Tai Tumu, Tai Pari, Tai Ao Environment Strategy – Winner of the New Zealand Planning Institute Best Practice Award: Strategic Planning and Guidance.

Digital app, River Rush – Toku Awa Koiora, launched.

TOTAL ASSETS

\$1.2B
\$1.0B*



COMMERCIAL

Diversified investments strategy advanced with the acquisition of shareholdings in Genesis Energy and Go Bus.

2015
& 2014

YEAR IN REVIEW
AT A GLANCE

*The figures on this page are the consolidated results for Waikato-Tainui. Some of these figures vary from 2014 figures due to a change in accounting policy (refer to note 2.2 on page 55 of this Annual Report).

MAXINE MOANA-TUWHANGAI

TAA TE HEAMANA O TE KAUHANGANUI

Teeraa a Matariki kua moiri kei runga

*E wheerikoriko mai raa i te uma o Ranginui
e tuu iho nei*

*Kia tiaho mai toou maaramatanga ki runga
ki a Tuuheitia*

*Te hiiringa o te mana whenua, te hiiringa
o te mana tangata*

*Arahina aku raukura, aku piki taniwha
i te ara tiatia*

*I maringi ai aku roimata, i hotuhotu
ai taku manawa*

Horahia oo painga ki runga ki ngaa whenua

*Kia makuru ai te puna kai, kia noho aahuru
ai te puna tangata*

*Rangitaamirotia ngaa herenga waka ki
runga o Waikato*

*I hua ai te koorero he piko, he taniwha,
he piko, he taniwha*

*Manaakitia taku reo poowhiri e mihi
nei ki ngaa huihuinga iwi*

*E koro maa, e kui maa, whakatau mai,
whakatau mai raa*

This Annual Report is published in the 20th calendar year since our Treaty of Waitangi claim was settled and justice and apology were achieved.

While some may argue that the monetary and asset settlement was insufficient redress for what our people suffered, our reality today is that we have been able to move on from our mamae to design a hopeful, more positive future for our whaanau, hapuu and iwi.

In recognition of the settlement, tribal leaders of the day published the 1995 Annual Report in a pack that included copies of the settlement documents. This year we have mirrored that approach. I hope you will enjoy the enclosed commemorative booklet which chronicles the settlement and the progress made since that time.

In this Annual Report you will read about the gains made across a wide range of development initiatives. While there is always much more to be done, we are making good progress to deliver benefits for our marae and members.

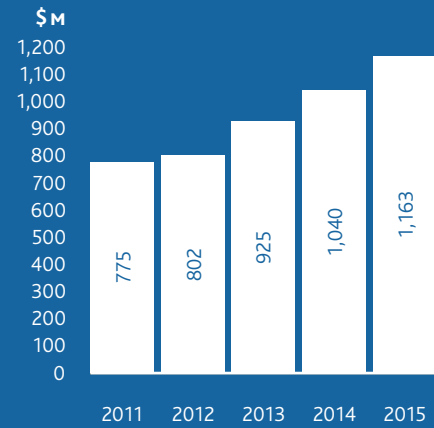
NGAA MAHI ME NGAA KAWENGA

Role And Responsibilities

Continued tribal prosperity depends on Te Kauhanganui providing high level strategic direction, clear and relevant priorities, and close monitoring of operational performance.

Whakatupuranga 2050, our 50-year blueprint for success, articulates and guides our long-term aspirations and it is the responsibility of Te Kauhanganui to ensure that those aspirations are realised. To be successful we must be sure that the objectives of Whakatupuranga 2050 and the needs

WRLT TOTAL ASSETS
CONSOLIDATED RESULTS



of our people remain aligned. Te Kauhanganui has identified a need for improved strategic alignment and, accordingly, a review of the objectives of Whakatupuranga 2050 is underway. This review will ensure currency and relevance, and will clarify our priorities for the next five years.

Effectively monitoring performance is among our most important responsibilities. Te Kauhanganui is seeking options for a clear, strategically-aligned reporting dashboard that will significantly enhance our oversight capability. I look forward to the introduction of the new reporting template this year.

EFFECTIVELY MONITORING PERFORMANCE IS AMONG OUR MOST IMPORTANT RESPONSIBILITIES.

The Governance and Representation Review highlighted the need for better clarity of our role and responsibilities. This clarity is assisting the House to operate with increasing effectiveness and I commend the members for their willingness to engage and preparedness to make decisions in the best interests of our iwi.

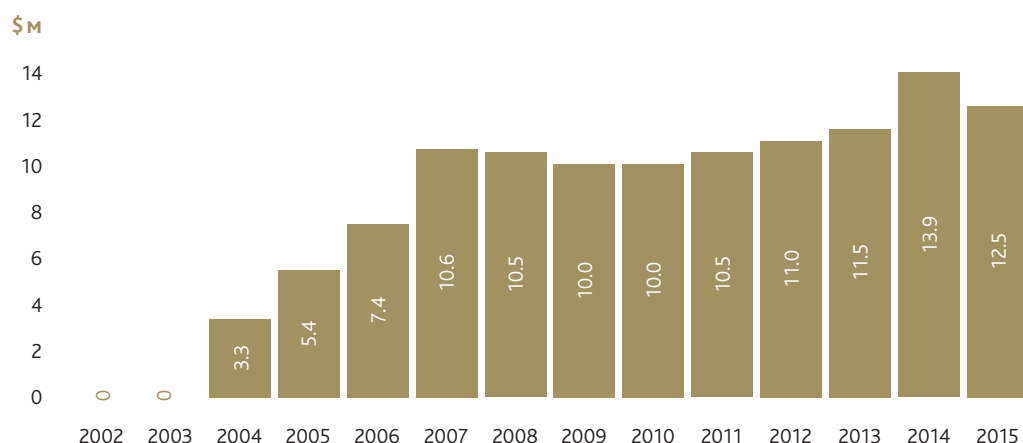
The outcome of the Governance and Representation Review is the Marae Model, a new governance structure which will be formally approved for adoption this year. I look forward to the change-up in performance that will result and thank the review team, led by Nanaia Mahuta and Sir Henry van der Heyden, for ensuring a high level of consultation so that tribal members had the opportunity to be informed.

TE MAHI POOTI O TE KAUHANGANUI
Te Kauhanganui Elections

In 2014, marae elections were held in February to select representatives for the 2015-2017 term. We welcomed 68 new members from 46 marae. To those members who did not return, on behalf of Te Kauhanganui, thank you for your service.



DIVIDENDS FROM TGH + WTF



Triennial elections in February 2015 concluded with the confirmation of officers for Te Kauhanganui, members of Te Arataura, and the Negotiator role. An inaugural election for an Appointments Committee was also held. I was humbled to be returned as Chairman for a second term and was pleased to see Te Whakahawea Rapana re-elected as Deputy Chairman and to welcome Glen Tootill as Secretary. I want to make special acknowledgement of Ani Capper for her service to Te Kauhanganui as a member and Secretary.

Two changes were made to membership of Te Arataura with the elections of Tahī-o-Hurāe Rangīawha and Patience Te Ao. Long-serving members Kingi Porima and Sonny Wilson retired and I thank them for their commitment, dedication and support. The full list of Te Arataura members is available on page 20 and 21 of this report.

Tom Roa was re-confirmed as Negotiator to lead the settlement of outstanding claims on our behalf, and an Appointments Committee with responsibility for appointing tribal directors was established. Inaugural members are Denis Holland, Tahī-o-Hurāe Rangīawha, Patience Te Ao, Maungarongo Tito, Robert Tukiri and Ratauhinga Turner.

NGAA KEREEME

Claims

During the year we witnessed the settlement of the Ngaati Haaua and Ngaati Koroki Kahukura claims. We were pleased to provide support to our whanaunga through the settlement process and congratulate them on this achievement.

NGAA WHAKAHOAHOA

Relationships

Kiingi Tuheitia recently reminded us of the rightness in sharing our good fortune by offering help to other iwi. Our 132-year battle for justice and 20 years in post-settlement development have amassed a vast store of experience, insights and knowledge that we can look to share so others may benefit.

The Tainui Waka Alliance and Iwi Chairs Forum are two kaupapa that we are committed to. We have established partnerships with Maaori and corporate organisations, such as our secondment arrangement with Ngaai Tahu and our Memorandum of Understanding with Te Arawa, and lend significant support through our kaumaatua who travel on our behalf to tautoko kaupapa across the nation.

TE MAHI PAKIHI

Commercial

We are all aware of the necessity for our commercial activities to be profitable. Tainui Group Holdings (TGH), like Te Kauhanganui, aspires to greater, more profitable results. We must support that whakaaro and I endorse the new diversification strategy Sir Henry van der Heyden and his team are pursuing.

TGH is reporting solid financial progress in a year that has seen initial steps towards expanding our investment portfolio under the diversification strategy. Through its efforts consolidated revenues and profit are up, however, the dividend is slightly down on last year. Consolidated asset value is now

\$1.2 billion. Much of the success of TGH to date can be attributed to its CEO Mike Pohio. We said farewell to Mike this year after eight years at the helm and on behalf of Te Kauhanganui I extend my deepest thanks, appreciation and best wishes to him.

KUA MATE

During the year we lost a long-serving member of Te Kauhanganui. Hemoata Mary (Ollie) Kara of Maungatautari Marae was a founding member of Te Kauhanganui and her loss is deeply felt. Takoto mai moe mai raa e te rangatira.

NGAA WHAKAMIHI

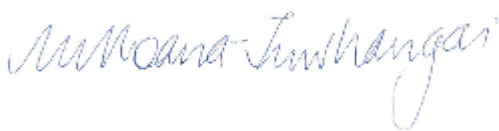
Acknowledgements

The 2015 financial year has served to consolidate our progress and there are many people to acknowledge. Thank you to the members of Te Kauhanganui, in particular those who serve on Te Arataura and commit many personal hours to that role. Thank you to our chairmen – Rahui Papa, Sir Henry van der Heyden, John Heremia, and Sir John Goulter – and to management and staff who continue to diligently serve the iwi.

I also make special acknowledgement to kaumaatua who serve on Te Kauhanganui. There is no replacement for the life experience that they bring to the House and I am grateful for the richness of that wisdom.

I remain guided and inspired by the words of Kiingi Korokii: 'Mehemea he mahi pai moo te taangata, mahia!' It is my privilege to work for the people.

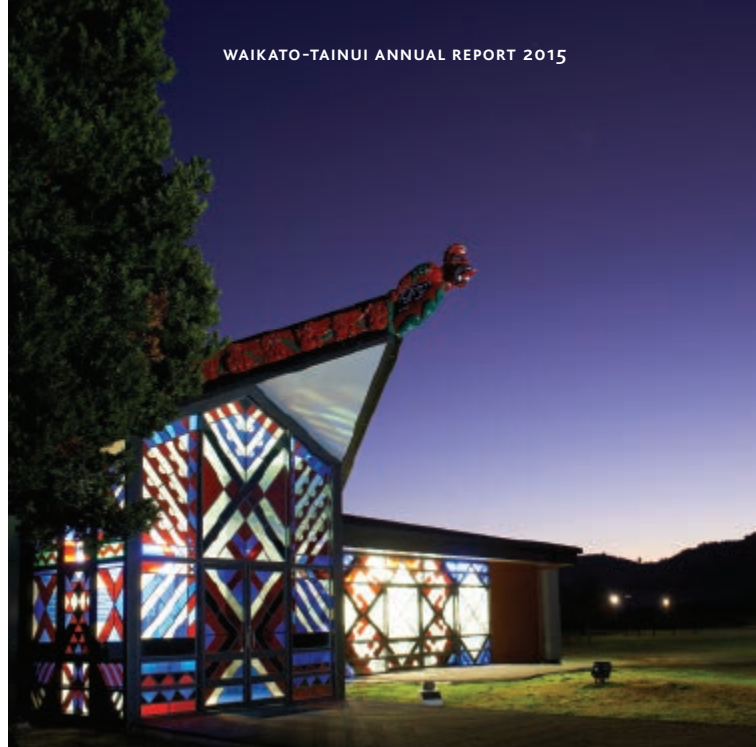
Pai marire.



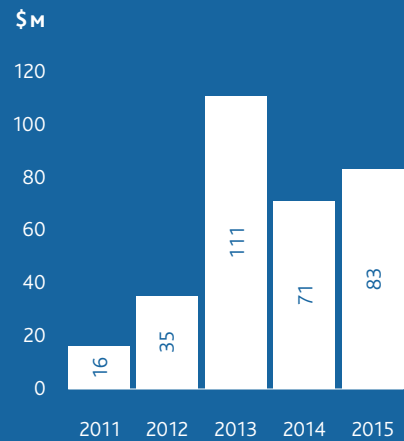
Maxine Moana-Tuwhangai

Chairman

Te Kauhanganui



WRLT NET PROFIT
CONSOLIDATED RESULTS



ACKNOWLEDGEMENTS

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TE PUURONGO AA TE ARATAURA

*Kia amo tiitoki ake taku reo
whakamoemiti ki te rangi hei
okiokinga moo taatou*

*Kia hapuu nga manaaki ki
a Kiingi Tuheitia hei korowai
moona, moo te iwi*

*Aue e te whiu o mate e kaikini
nei, e ngau kino i te tau o
te ate e*

*E te iti, e te rahi, nei noa te mihi
o te ngaakau*

*Teena koutou, teena
taatou katoa.*

Waikato-Tainui is a successful tribal organisation with a commitment to achieving prosperity for its people, an impressive asset base, and a future that is bright. This year, the 20th anniversary of our Raupatu settlement, has been an occasion to reflect on the determination and hard work of our tuupuna to achieve settlement and to always remember that their efforts see us in the fortunate position we are all in today.

As your tribal organisation we are committed to honouring the memory of our tuupuna by working for the benefit of members to effect positive change. On behalf of Te Arataura, management and staff, we are pleased to present this overview of the activities of the Waikato Raupatu Lands Trust and the Waikato Raupatu River Trust for 2015.

KAUPAPA MATUA Priorities

Education, housing, employment and training, the environment and developing beneficial partnerships are the strategic initiatives that we have prioritised over this past year and we are reporting progress within each category.

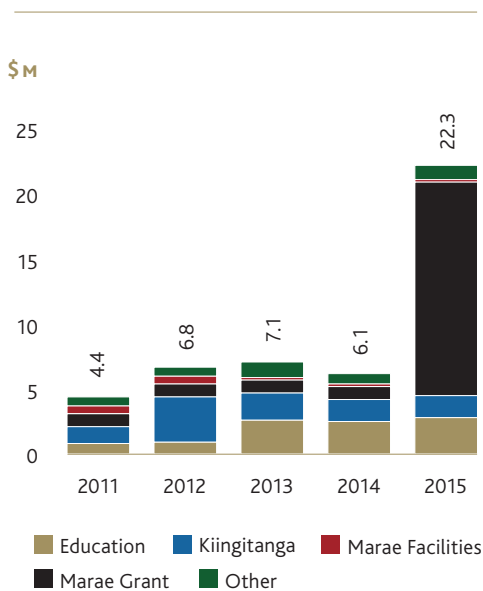
Education leads our social development portfolio and during the year we advanced development of our Education Plan, Ko Te Mana Maatauranga, which articulates the aspirations our people hold for whaanau, hapuu and iwi as lifelong learners. Mai i te koopuu o te whaea ki te koopuu o te whenua.

Emerging areas requiring more support lead directly to raising living standards and enabling prosperity. Supporting our people to be job ready, creating pathways into employment, and assisting members to become home owners are the priorities.

Home ownership is a goal held by many of our members and the challenges they face are acknowledged in our newly-developed Housing Strategy. The strategy calls for significantly increased activity and we will be expanding our resource capacity as a result.

Implementation of our environmental plan – Tai Tumu, Tai Pari, Tai Ao – continues and this year we were honoured to receive the New Zealand Planning Institute Best Practice Award for Strategic Planning and Guidance. Our plan is hailed as inclusive, innovative and creating transformational change for the environment.

DISTRIBUTIONS





EDUCATION PLAN

Education leads our social development portfolio and during the year we advanced development of our Education Plan, Ko te Mana Maatauranga, which articulates the aspirations our people hold for whaanau, hapuu and iwi as lifelong learners.

Marae have an important role as kaitiaki of our culture and heritage. Supporting them is fundamental and this year we have introduced an insurance scheme and paid out an additional grant totaling \$15 million to support development initiatives.

This year we have distributed \$22.3 million to fund social development programmes and activities, including the Kiingitanga, education, marae, and kaumaatua health and wellbeing. This compares to \$6.1 million last year and includes the \$15 million marae grant.

The Operations Reports on pages 22 to 41 outlines the year’s achievements in detail.

WHAKAHOAHOA

Relationships

As our tribal fortunes have grown, so too has the opportunity to develop meaningful relationships with organisations whose outcomes align with ours. Across both Trusts we have a total of 13 accords and a growing number of Memoranda of Understanding. We have agreements with iwi, communities and local organisations that see the tribe working to achieve local solutions for local issues. These written agreements confirm working partnerships to deliver tangible results, such as employment opportunities for members.

With a range of entities within the tribal group, internal relationships are also important and we encourage collaboration across all the tribal entities to ensure activities align with the goals of Whakatupuranga 2050. We want to facilitate joint opportunities, identify alignment to ensure we are maximising resources and budget spend, and support each entity to be successful. We are one team with a single forward direction in mind.

WHANAKETANGA

Progress

Good, solid progress has been achieved this year. The stabilising economic environment in 2015 has helped to ensure our commercial activities continued to return revenue. Concurrently, our social development and



environment programmes were advanced and new strategic kaupapa were moved forward. Valuable external partnerships were forged, existing relationships consolidated, and our profile as a high-performing and influential Maaori organisation grown.

Each of the Strategic Initiatives targeted for 2015 have either been achieved or significantly advanced, placing us well on the way to fulfilling our three-year goals as outlined in the Strategic Objectives framework on page 13 of this report.

TUTUKITANGA

Performance

Our focus has been on continuing to consolidate our progress over the 2015 year and, at the same time, to push forward in some specific areas. The Governance and Representation Review is one example of where we are forging ahead in new directions.

These new directions will give us more return on investment and are intended to drive our performance to greater levels. A new results-based accountability framework will enable us to report in a clear and meaningful way and respond to growing expectations and demands of tribal members to deliver more.

RAUTAKI WHAANUI

Broader Strategy

We understand our value as a contributor to New Zealand Inc and the benefits we bring to partnerships. We are continually monitoring external developments, seeking to collaborate with others for enhanced partnership

outcomes, ensuring the delivery of Treaty settlement commitments, and looking for new opportunities.

Among the Government-related initiatives we currently seek are input into Local Government reform in Waikato; formal accords with the ministries of Education, Science, Technology and Innovation, Tourism and the Treasury; active involvement in regional economic development; direct support for Whaanau Ora; transfer of the Waikato river title; and a mandate for direct negotiations in the Taamaki and West Coast Harbour settlements. We view these kaupapa as important contributors to our ongoing success.

NGAA WHAKAMIHI

Acknowledgements

Ki te kotahi te kaakaho ka whati, ki te kaapuia, e kore e whati. This tongikura by Kiingi Taawhiao epitomises the partnerships we have within and outside of our tribal organisation which have contributed to our success. By binding together we are able to present an unbreakable force immune to vulnerability.

We acknowledge Kiingi Tuheitia, the members of Te Kauhanganui, and the members of Te Arataura for their loyalty and commitment to continually strive for our people.

Management and staff are the hands and hearts to fulfil the dreams of yesterday to see a better tomorrow. Your dedication and drive, your passion and purpose provide a stable ship to charge through the waves of challenge.


To our external partners and collaborators: our collective goodwill and willingness to work together coupled with our united goal of progress will achieve the aspirations of the iwi, community, region and nation.

We extend our humble appreciation to the trustees, directors and staff of Ururangi Ltd, Tainui Group Holdings, The Waikato-Tainui College for Research and Development as well as the members of Te Ope Koiora.

Finally, all our efforts have been geared toward the Marae and people. The notes of support and the opportunities to discuss and debate have led to even more benefits for the people. Ngaa mihi nui ki a koutou.

Ahakoaa ngaa whiu o te waa, ka ara a Waikato-Tainui i te rua. Kia mau ki te ora o te Iwi! Kia mau ki te ora o te tangata! Purutia, taawhia kia ita!

Paimarire.



Rahui Papa

Chairman

Te Arataura o Waikato-Tainui



Parekawhia Mclean

Chief Executive Officer

*Waikato Raupatu Lands Trust
& Waikato Raupatu River Trust*

STRATEGIC OBJECTIVES 2016

NGAA WHAAINGA MATUA

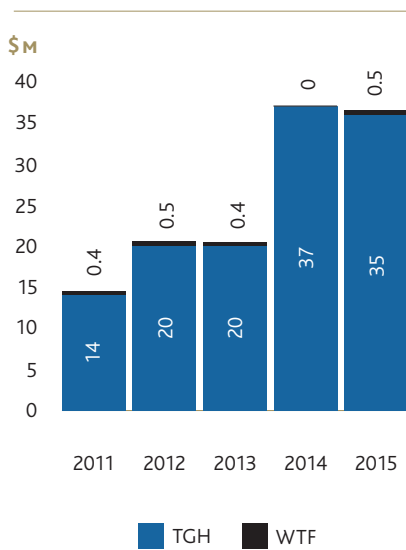
The framework below outlines the strategic approach that we are taking to achieve the high level goals and aspirations of Whakatupuranga 2050. It also highlights a number of strategic initiatives to be accomplished over the next three years.

KIINGITANGA	TRIBAL IDENTITY	TRIBAL SUCCESS	SOCIAL & ECONOMIC WELLBEING
TE ARATAURA STRATEGIC PRIORITIES 2016-2018			
EMPOWERING OUR PEOPLE	STRENGTHENING RELATIONSHIPS	TRIBAL PRIDE	
TE ARATAURA OUTCOMES – ONE TEAM, ONE DIRECTION			
HEALTH AND WELL-BEING	EDUCATION AND TRAINING	EMPLOYMENT	
Tribal members are healthy and active. The health and wellbeing of our Tuupuna Awa is restored.	Tribal members are well educated, qualified and prepared to engage at all levels of society.	Tribal members are benefitting from the development of targeted employment opportunities.	
CULTURE		TRANSFORMING OUR WHARE	
Tribal reo, tikanga and heritage is preserved for future generations.		Governance structures and constitutional arrangements support tribal development.	
STRATEGIC INITIATIVES 2016-2018			
Governance and representation review completed.	Outstanding claims progressed in collaboration with Waikato-Tainui marae and hapuu.	Tribal housing initiative in place. Financial education and information workshops available to whaanau, hapuu and marae.	
Rangatahi and Taurahere strategy implemented. Annual rangatahi leadership camps initiated.	Hopuhopu redevelopment stage two initiated.	Waikato-Tainui diversification investment strategy meeting Shareholder requirements.	
Sustainable employment and training opportunities made available to tribal members. Relationships with partners result in employment.	Marae asset management plan in place.	Native Nursery and Koi Carp initiatives fully operational. Lake Waikare restoration project completed. Tai Tumu, Tai Pari, Tai Ao Iwi Environmental Plan being implemented. Waikato River fisheries bylaws being monitored.	
Waikato-Tainui Games, Matariki, Rangatahi Summit, and Te Tira Hoe held. Events to mark the first 20 years since settlement of the Raupatu claim completed.	Ko te mana maatauranga the Waikato-Tainui education plan being implemented.	'One team, one direction' culture and capability embedded across the Waikato-Tainui group. Results based accountability scorecard with signposts developed and used to report progress.	

SIR HENRY VAN DER HEYDEN AND CHRIS JOBLIN

TE PUURONGO AA TAINUI GROUP HOLDINGS

\$M NET OPERATING PROFIT - TGH + WTF

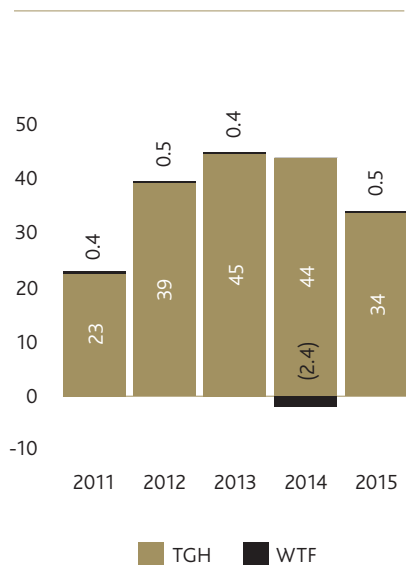


In the 2015 financial year Tainui Group Holdings (TGH) achieved solid financial progress. It also took the next steps as a kaitiaki of the economic wealth of the tribe's 67,000 members - by moving towards a more diversified basket of investments so the tribe does not have 'all its eggs in one kete'.

In the 20th year since the Raupatu settlement agreement between Waikato-Tainui and the Crown, it is pleasing to report another year of solid results from the commercial assets of the tribe. During the year TGH has also taken early steps to build on its foundations as a property investor by moving into a broader spread of active investments in high-returning businesses.

Leadership Award for outstanding business has highlighted the pioneering role of Waikato-Tainui as the first major iwi to settle with the Crown in 1995 and its efforts since to grow the tribe's wealth. As we look ahead, our diversification strategy is our springboard for the future. The steps now underway will determine the success of TGH as an inter-generational investor, not just in the immediate term, but right through to 2050.

\$M NET PROFIT/(LOSS) - TGH + WTF



TGH has also invested in its team to support a more diversified future and notched up the rezoning of our land holding at Ruakura. This has resulted in considerable gains in the value of this strategic land holding.

The continuing push to diversify investments over the year ahead will support the objectives of Waikato-Tainui Whakatupuranga 2050. It will enable TGH to generate more cash, more employment opportunities and to grow the tribal estate by investing in the primary sector.

Winning the Aotearoa New Zealand Maori Business

TE RAARANGA TAHUNA Financial performance

TGH and Waikato-Tainui Fisheries (WTF) made sound financial progress during the 2015 year. The two companies achieved a combined net operating profit of \$35.6 million. Revenue increased 19% to \$82.1 million. A key contributor to this movement was the consolidation of Hamilton Riverview Hotel Limited's full year's performance as we purchased Accor Hotels' shares



NET OPERATING PROFIT

TGH and Waikato-Tainui Fisheries (WTF) made sound financial progress during the 2015 year. The two companies achieved a combined net operating profit of \$35.6 million.

FINANCIAL PERFORMANCE SUMMARY – TGH AND WTF

AT A GLANCE	2015	2014*
NET OPERATING PROFIT	\$35.6M	\$36.8M
NET PROFIT	\$34.3M	\$41.7M
REVENUE GROWTH	19%	11%
TOTAL ASSETS	\$876M	\$823M
EQUITY	\$537M	\$529M
DIVIDEND	\$12.5M	\$13.9M
RETURN ON EQUITY	6%	8%
RETURN ON ASSETS	4%	5%
BANK DEBT TO TOTAL ASSETS	31%	26%

**Note that these amounts vary from what was published in 2014 due to a change in accounting policy. See note 2.2 on page 55 of this Annual Report.*

in Novotel Tainui and Ibis Tainui hotels in May 2014.

The net profit for TGH and WTF was \$34.3 million, down 18% from 2014. Net profit is a combination of net operating profit, finance costs and unrealised gains or losses, including revaluations of assets. Unrealised gains in investment properties were 57% less than the prior year’s gains.

TGH and WTF paid a combined dividend of \$12.5 million this year a 10% decrease from the prior year’s dividend of \$13.9 million. In 2014, WTF had the benefit of passing the \$1.9 million bonus issue it received from its investment in Aotearoa Fisheries Limited to its shareholder Waikato-Tainui Te Kauhanganui Incorporated (WTTKI) – a benefit that has not been repeated in 2015. The total dividends paid to WTTKI since TGH’s inception are \$125 million, which has been used to support the tribal objectives for Waikato-Tainui.



Sir Henry van der Heyden (left) and Chris Joblin



TOTAL ASSETS 2015

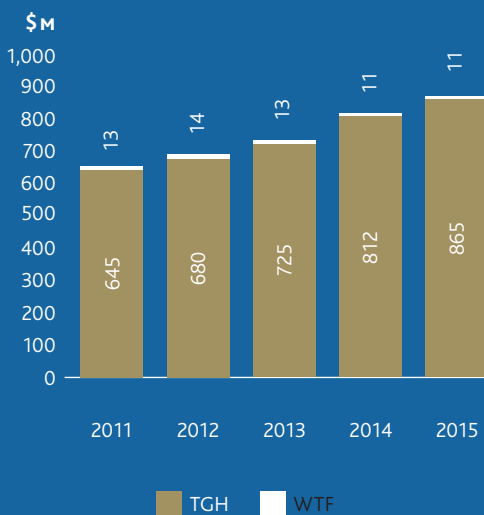
As at 31 March the value of total assets was \$876 million, up \$53 million from the same time last year. This reflects the diversified investments in Genesis Energy and GoBus.

As at 31 March the value of combined total assets was \$876 million, up \$53 million from the same time last year. This reflects the diversified investments in Genesis Energy and Go Bus.

The return on equity was 6%, down from 8% in 2014. This result was influenced by unrealised investment property gains which were not repeated at the prior year's levels.

Total debt currently represents 31% of total assets, which compared to 26% last year. However, total bank debt excluding the hotels is \$224 million or 26% of total assets. TGH's policy is that debt (excluding the hotels) cannot exceed more than 30%.

TOTAL ASSETS - TGH + WTF



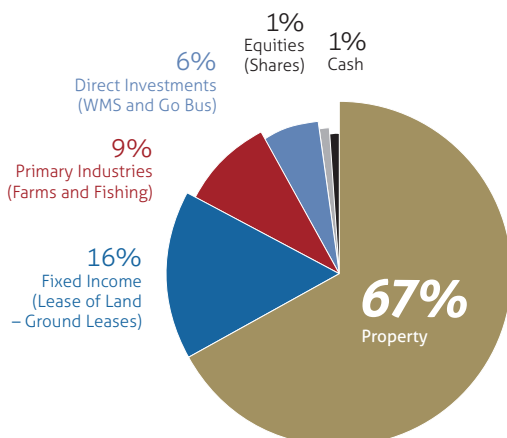
NGEETEHI ATU MAHI

Covering Other Bases

After 15 years of investing primarily in property, this year saw a shift in focus towards investing in medium-to-large private businesses that have a strong local presence and potential for significant growth.

TGH's purchase of a 33% stake in Waikato Milking Systems (WMS) in March 2014 in partnership with Ngaai Tahu and Pioneer Capital was an early example of this diversification strategy in action. WMS is a proven, fast-growing business serving the dairying sector with a range of technology solutions bringing greater productivity to the milking sheds of both New Zealand and the world.

PORTFOLIO ASSET ALLOCATION - TGH AND WTF



When the Government floated 49 per cent of Genesis Energy in April 2014, TGH purchased 5.4 million shares and the share price performed strongly through to financial year's end. Genesis Energy has long standing roots in the Waikato and a close relationship with Waikato-Tainui through its ground lease on the Huntly power station and the former Meremere power station.



FREEING UP CAPITAL FROM EXISTING BUILDING DEVELOPMENTS WILL CONTINUE TO BE A FOCUS IN THE YEAR AHEAD.

TGH followed this in August by investing in Go Bus, a national bus operator with a strong market position in major centres throughout the country. TGH once again teamed up with Ngaai Tahu in this purchase, opting to buy a third, with Ngaai Tahu holding the remaining shares.

Freeing up capital from existing building developments will continue to be a focus in the year ahead. The funds freed up through this will be re-invested in higher returning areas and to expand our primary sector investments to generate more jobs for Waikato-Tainui tribal members.

TGH has also been very engaged in the wider life and well-being of the Tribe. It has worked closely with Te Arataura to align strategic priorities and has supported other arms of the tribe with, for example technical expertise for the review of Governance and Representation and other social and environmental projects.

We would like to acknowledge and pay tribute to long serving employees Mike Pohio (CEO) and Nathan York (General Manager Property) who left TGH during the year after helping it establish a strong platform for the future.

The employee team at TGH is also thanked for their support and understanding during a year of considerable change. TGH looks forward to building on our collaborative work with the Office of the Kiingitanga and all the arms of Waikato-Tainui in the year ahead.



ACKNOWLEDGEMENTS

We would like to acknowledge and pay tribute to long serving employees Mike Pohio (CEO) and Nathan York (General Manager Property) who left TGH during the year after helping it establish a strong platform for the future.



TGH Staff at the Tuurangawaewae Marae Poukai - 18 March 2015

Sir Henry van der Heyden
Chairman

Chris Joblin
Acting Chief Executive Officer

JOHN HEREMIA AND DR. SARAH-JANE TIAKIWAI

TE PUURONGO AA WAIKATO-TAINUI COLLEGE FOR RESEARCH AND DEVELOPMENT

The College has had another busy year, culminating with the approval from Te Kauhanganui in March 2015 for the Colleges Trust to receive the Sir Robert Mahuta Endowment.

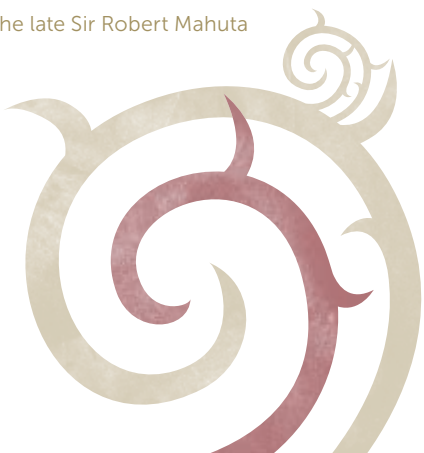
This endowment, negotiated as a special provision tagged to the College as a part of the Waikato River settlement, will enable the College to better meet the objectives outlined in the Endowment provisions, namely research related to the Waikato River including its environment, our Maatauranga, cultural knowledge and traditional practices as well as management practices that enhance the restoration of the River for future generations. We look forward to being able to focus on this once the Endowment transfer process is completed on 1 April 2016. We are especially delighted to have received the acknowledgment and support from Te Kauhanganui in this, the 20th year since the Raupatu settlement was signed.

In 2014, the College celebrated the graduation of its second MBA cohort. The development of our future leaders has always been a key focus area for us and the MBA programme is one key this programme that enables this to happen. Another area of focus for leadership

development has been in the area of governance. The tribal Governance and Representation Review has been supported by research undertaken by the College. We also extended our tribal relationships and alongside Ngaai Tahu, we delivered the Takituu governance training programme for our senior and emerging leaders who are in governance roles across our respective organisations. The programme was lead again by Professor Stephen Cornell from the University of Arizona and Sir Tipene O'Regan provided some valuable insights and reflections in regard to post-settlement governance challenges. We also brought together a panel of Ngaai Tahu and Waikato-Tainui rangatahi. Many of our strategic plans are developed with them in mind, so we wanted to provide an opportunity for our rangatahi to speak directly to our senior leaders and governors. We look forward to extending these collaborative relationships and programme opportunities in the future.

"NO RESEARCH WITHOUT
DEVELOPMENT AND NO
DEVELOPMENT WITHOUT
RESEARCH"

- The late Sir Robert Mahuta





CELEBRATING SUCCESS

Last year, the College celebrated the graduation of its second MBA cohort. The development of our future leaders has always been a key focus area for us and the MBA programme is one key programme that enables this to happen.

The governance area has provided an opportunity for us to demonstrate how we, as the tribe’s research and academic arm, can bring together research and programme delivery in ways that are directly useful for our tribe. This reinforces the emphasis our founder, the late Sir Robert Mahuta, placed on there being “no research without development and no development without research”.

One of our challenges has always been and continues to be making ourselves relevant to our people. We cannot be everything to everyone and nor do we seek to be. We are committed to supporting delivery on the objectives of Whakatupuranga 2050 and thus serving the tribe in our growing area of strength, that being in research and focused programme delivery that supports tribal aspirations. For us, that is about growing our leaders, growing our governance capacity and capability and setting a solid foundation for the success of our future generations.

We are grateful for the continued support of our patron, Kiingi Tuheitia, Te Kauhanganui, our tribal members and relationships and networks that extend nationally and internationally.

John Heremia
Chairman
Waikato Endowed Colleges Trust

Dr. Sarah-Jane Tiakiwai
Academic Director



OUR GOVERNORS

NGAA POUPOU



MAXINE MOANA-TUWHANGAI

Waikato-Tainui Te Kauhanganui Inc
Chairman – Te Kauhanganui
Mookai Kainga Marae



TOM ROA

Waikato-Tainui Te Kauhanganui Inc
Negotiator & Te Arataura
Puurekireki Marae



TUKOROIRANGI MORGAN

Kaahui Ariki Representative
Te Arataura
Te Hoe o Tainui



HOKI-MAI CHONG

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Rereteewhioi Marae



TIPA MAHUTA

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Waahi Paa



MARAE TUKERE

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Tuurangawaewae Marae



SIR HENRY VAN DER HEYDEN

Tainui Group Holdings Ltd
Chairman



MIKE ALLEN

Tainui Group Holdings Ltd
Director



MATTHEW COCKRAM

Tainui Group Holdings Ltd
Director



NANAIA MAHUTA

Waikato Endowed Colleges Trust
Trustee
Waahi Paa



TAARINGAROA NICHOLAS

Waikato Endowed Colleges Trust
Trustee
Ngaati Haua



SHANE SOLOMON

Waikato Endowed Colleges Trust
Trustee
Tuurangawaewae Marae



KAYE TURNER

Waikato Endowed Colleges Trust
Trustee
Ngaati Maahanga



TE WHAKAHAWEA RAPANA

Waikato-Tainui Te Kauhanganui Inc
Deputy Chairman – Te Kauhanganui
Wahi Paa



GLENN TOOTILL

Waikato-Tainui Te Kauhanganui Inc
Secretary – Te Kauhanganui
Mookai Kainga Marae



RAHUI PAPA

Waikato-Tainui Te Kauhanganui Inc
Chairman – Te Arataura
Poohara Marae



RUKUMOANA SCHAAFHAUSEN

Waikato-Tainui Te Kauhanganui Inc
Deputy Chairman – Te Arataura
Rukumoana Marae



TAHI-O-HURAE RANGIAWHA

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Mootakotako Marae



HEMI RAU

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Te Kotahitanga Marae



PAKI RAWIRI

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Te Awamaarahi Marae



PATIENCE TE AO

Waikato-Tainui Te Kauhanganui Inc
Te Arataura
Tauranganui Marae



JOANNA PERRY

Tainui Group Holdings Ltd
Board Advisor



JOHN HEREMIA

Waikato Endowed Colleges Trust
Chairman
Ngaai Tuuhoe



BENTHAM OHIA

Waikato Endowed Colleges Trust
Deputy Chairman
Te Ati Awa



GORDON CHESTERMAN

Waikato Endowed Colleges Trust
Trustee



SIR JOHN GOULTER

Ururangi Ltd
Chairman



TRACI HOUPAPA MNZM JP

Ururangi Ltd
Director
Waikato Maniapoto

The Waikato-Tainui tribal authority is governed by Te Kauhanganui, which appoints 10 of its members to the executive committee, Te Arataura, to direct and monitor the activities of the Waikato Raupatu Lands Trust and the Waikato Raupatu River Trust. The Head of the Kaahui Ariki appoints a representative to Te Kauhanganui and Te Arataura. The Waikato-Tainui College for Research and Development (Waikato Endowed Colleges Trust), the Office of the King (Ururangi Ltd) and Tainui Group Holdings Limited each report to their own respective boards.

OPERATIONS REPORT

PUURONGO WHAKAHAERE

CLAIMS

NGAA KEEREME

The Claims unit is responsible for monitoring the implementation of settled claims and advancing those still outstanding.

Our claim against the Crown regarding the dispute over the amount owed to us under the Relativity clause of the Waikato-Tainui Raupatu Claims Settlement Act continues. A first round of arbitration has been conducted and a second round is underway.

During the year we were pleased to achieve resolution of our pre-commencement aquaculture interest in the Waikato East region. A number of outstanding fisheries issues with neighbouring iwi still exist, however, and we remain focused on working to resolve these in traditional fashion.

Our West Coast harbours claim remains active and positive steps are being made towards achieving a collective approach with local marae.

Further work is required and we are continuing to prioritise engagement with marae as the first step in this process.

In partnership with the Waikato-Tainui College for Research and Development, we were also pleased to complete the Taamaki Report, which documents our interests in the Taamaki-Makaurau region and will be used as a resource to support the ongoing resolution of our outstanding claims and interests in that rohe.

And during the year we successfully secured a \$1.8 million 3-year work programme with the Department of Conservation under the Waikato River Settlement Accords to enhance the mana whakahaere of Marae. This funding will enable pest eradication training, fencing of significant areas, cultural harvesting of taonga species and the better management of conservation lands.



MARAE MANA WHAKAHAERE

During the year we successfully secured a \$1.8 million 3-year work programme with the Department of Conservation under the Waikato River Settlement Accords to enhance the mana whakahaere of marae.

COMMERCIAL

TE MAHI PAKIHI

Tainui Group Holdings (TGH) has worked hard during the 2015 financial year to ensure it has the people, structure, and finances to deliver the benefits of diversification for Waikato-Tainui.

The team has undergone some change this year with the departure of experienced leaders Mike Pohio and Nathan York, though overall staff numbers remain at 35 people. TGH's values of Mahitahi, Kaiitiakitanga, Manaakitanga and Pono me te Tika have proved invaluable touchstones at a time of change.

In January 2015, TGH welcomed a new General Manager of Property, Dean Shields, bringing with him a proven track record in managing property throughout all the stages in the property investment cycle – developing, operating and divesting.

In support of this we have made changes to the structure of the team within The Base – reflecting how The Base is moving from a development phase to more of an operational one – and setting up The Base on a more autonomous, self-managed basis with less reliance on external suppliers for example, around leasing.

Within the business, we have restructured our debt so that a number of TGH's assets are no longer used as security and hence better protected from risk. We have also restructured operating subsidiaries so that we are set up in the most transparent and tax efficient way to deliver on our diversification strategy.

TGH is actively supporting wider tribal initiatives to create jobs for Waikato-Tainui people. In mid-January 2015 Kingi Wetere was hired in the new role of Employment Opportunities Manager at TGH to maximise work opportunities from the business investments, networks and partnerships of TGH. Kingi is working in close partnership with staff at the Waikato Raupatu Lands Trust, the Waikato Raupatu River Trust, training providers, government agencies, the Ministry of Social Development and business partners to achieve this, with a number of promising developments already underway by financial year's end.

After resigning as CEO in January 2015, Mike Pohio finished up in mid-April after eight years with TGH. This included leading signature projects such as the development of The Base, the award winning Novotel Auckland Airport Hotel, and securing a zoning change for land at Ruakura.

In more recent times Mike was instrumental in forming TGH's new strategy to diversify its investments beyond its strengths in property. A comprehensive search process is now in progress to find a successor for Mike. Chris Joblin, who has been Chief Financial Officer since 2009, is currently the Acting CEO of TGH.

\$12.5M

DIVIDEND WAS PAID FROM TGH
TO FUND TRIBAL ACTIVITIES





TGH bought a 33% stake in Waikato Milking Systems in March 2014

THE BASE AND TE AWA

The Base and Te AWA continue to offer Waikato’s most dynamic shopping experience with continuing high pedestrian counts of almost 5 million for the year and average occupancy of 96%. Significant new tenant signings in the year to 31 March 2015 included Insight Eyecare, Mad Mex and AMI Insurance. In early 2015 changes have been made to clarify team roles and build up the capability for the independent management of the The Base including bringing the leasing function in house.

WAIKATO MILKING SYSTEMS

WMS is a specialised dairy systems and technology company based in Hamilton. The company has a team of 120 and it exports its range of rotary platforms and sensory technologies to more than 30 countries.



WAIKATO MILKING SYSTEMS

The company exports its range of rotary dairy platforms to more than 30 countries.





Go Bus – TGH acquired a one third share in Go Bus in August 2014

TGH purchased a third of the business in March 2014, with Ngaai Tahu Capital and Pioneer Capital also holding a third share each. Since being acquired the company has outperformed its earnings forecasts and it has been significant how international sales have made up for a drop in local orders in the face of lower global dairy commodity prices.

GO BUS

Go Bus, which operates urban, school and charter services, is a market leader in the Waikato and in cities such as Tauranga and Christchurch.

TGH partnered with Ngaai Tahu in August 2014 to purchase the formerly Australian-owned company. TGH purchased a third and Ngaai Tahu bought the remaining shares. During the 2015 calendar year and will be contesting major tender rounds in the larger urban centres offering the potential to significantly increase the scale of its business.

ROKOKAURI RESIDENTIAL DEVELOPMENT

TGH's joint venture with David Lugton and Malcolm McDonald to develop Rotokauri is tracking well, with 49 sections completed to date. 700 sections will be developed over the next two decades, providing space for up to 20,000 people to live.



Expressing our identity – entrance statement at Rotokauri residential development

NGAA WHAKAHAERE HOTEERA

Hotel Operations

TGH's three hotels – Novotel Tainui Hamilton, Ibis Tainui and the Novotel Tainui Auckland Airport – have continued to enjoy generally high occupancy rates and TGH is considering options to optimise the value from these holdings in the year ahead. The two Hamilton hotels have installed free charging docks for electric vehicles as part of their ongoing commitment to sustainability.



RUAKURA

In September 2014 the Board of Inquiry convened by the Environmental Protection Authority approved the rezoning of around 500 hectares of Ruakura land owned by TGH from 'rural' to employment and residential – a key foundational step for the long term, 50 year re-development of this area to a live, work and play community incorporating a logistics hub.

Since the favourable planning decision, TGH has been working with the Hamilton City Council to enshrine the changes in the Operative District Plan as well as the Proposed District Plan and is expecting to lodge the first resource consents for light industrial usage later this year.

TAUTOKO I TAA KIRIKIROA MAHI MOO TE AWA
Supporting The City's River Vision

Mayor Julie Hardaker and the Hamilton City Council have outlined an exciting vision to incorporate the Waikato River as an integral part of the city's day-to-day life. To support this vision TGH has donated a strip of land adjoining the river, to enable the joining-up of a proposed walkway.

Re-zoned – land at Ruakura was approved for rezoning to employment and residential



TGH'S VALUES OF MAHITAHĪ, KAIITIAKITANGA, MANAAKITANGA AND PONO ME TE TIKA HAVE PROVED VALUABLE TOUCHSTONES AT A TIME OF CHANGE.



IN SEPTEMBER 2014 THE BOARD OF INQUIRY CONVENED BY THE ENVIRONMENTAL PROTECTION AUTHORITY APPROVED THE REZONING OF THE 500 HECTARES OF RUAKURA LAND OWNED BY TGH FROM 'RURAL' TO 'EMPLOYMENT AND RESIDENTIAL.'



LEADERSHIP PROGRAMME

The College and the River Trust also combined to develop an environmental leadership programme for primary and secondary school students, drawing directly from the environment strategy Tai Tumu, Tai Pari, Tai Ao.

EDUCATION

MAATAURANGA

For the education team, much of 2014-15 has centered on the initial work to develop a new tribal education plan. Launched June 2015, the plan is led by the principle that whaanau is at the heart of lifelong learning and that Waikato-Tainui will support all members to access educational opportunities throughout their lifetime.

The process to develop the plan has been robust and comprehensive, as would be expected for any strategy that seeks to engage minds, capture the aspirations of the people, and achieve a step-change. Consultation hui with tribal members, waananga, background research of previous tribal strategies and studies, presentations to the education sector, an environment scan, and research into 21st century education have been undertaken to acquire the information and the perspectives required.

Named Ko te Mana Maatauranga, the plan embodies the hopes, dreams and aspirations of our iwi. It is a strategy that seeks to uplift our people and empower them to pursue meaningful pathways, be committed to Kiingitanga, grounded in our tikanga, fluent in our reo and connected to our marae and whakapapa.

PUUTEA MAATAURANGA

Education Funding

Each year hundreds of tribal members and groups receive grants, scholarships and sponsorships to support their education. More than \$1 million has been distributed this year to 699 recipients:

- 586** Waikato-Tainui Tertiary Education Grants
- 71** Tumate Mahuta Memorial Scholarships
- 12** Doctoral Scholarships
- 13** Maatauranga and Maatauranga Toi Grants
- 17** Sponsorships supporting cultural kaupapa

TE WHANAKE AMOKURA

Nurturing Leadership and Success

During the year the Waikato-Tainui College for Research and Development and the Waikato Raupatu Lands and River Trusts joined forces to host a summer internship programme at Hopuhopu. The programme offers participants valuable work experience in an academic environment and is designed to advance research that will be useful in the ongoing development of tribal, cultural, environmental, social and economic initiatives.

The internships are available to students who wish to develop qualitative and/or quantitative research skills, and who are enrolled in upper undergraduate level, postgraduate or Masters study. This year's interns and their research topics were:

- Manawa Huirama – Whakapapa of Freshwater
- Morgan Renata – Waikato-Tainui Urupa Strategy
- Stacey Solomon – Taonga Tuku Iho
- Marree Sylva – Ownership to Freshwater



The College and the River Trust also combined to develop an environmental leadership programme for primary and secondary school students, drawing directly from the environment strategy Tai Tumu, Tai Pari, Tai Ao.

The programme is aimed at building awareness amongst rangatahi of the importance of protecting and restoring the environment and to stimulate their interest into learning more about resource and environmental management. It is designed to complement the science curriculum already offered in schools. To date, 60 rangatahi have undertaken the programme.

Participants leave the programming having gained a basic understanding of our tribal history and Tai Tumu, Tai Pari, Tai Ao; inspired to pursue resource and environmental management as a pathway of learning; and with the leadership potential to be champions for the environment.

THIS WORKSHOP GAVE US THE OPPORTUNITY TO WORK ONE-ON-ONE WITH A CONSULTANT OVER SIX WEEKS. AS A WHAANAU WE NOW HAVE A BETTER UNDERSTANDING OF THE VALUE OF MONEY AND HOW WE CONTROL MONEY NOT MONEY CONTROLLING US. THIS WORKSHOP NEEDS TO BE NZQA-RECOGNISED BECAUSE IT CAN CREATE A PATHWAY TO A BETTER FUTURE FOR WHAANAU.

Whitiara Whaanau

Ngaati Mahuta, Ngaati Makirangi

Whaanau Financial Literacy workshop participants



THESIS: TRIBAL INVESTMENT IN SUSTAINABLE CULTURAL TOURISM

Planning for the Future Well-being of Waikato-Tainui along the Waikato River.

Case studies at Te Awamaarahi, Tuurangawaewae and Maungatautari Marae.



I am currently midway through a 3-year fulltime PhD at the University of Waikato. The Doctoral scholarship has enabled me to conduct my research to the best of my ability and is supporting me with the everyday costs of living as a mother and student. I aim to complete a PhD of the highest quality for the benefit of my people. Should Waikato-Tainui consider investing in sustainable cultural tourism in the future, I would be honoured and privileged to dedicate my time, research and expertise gained from this research to support the tribe to develop sustainable cultural tourism; that is, to create long-term employment for the people, preserve our culture, care for the natural environment, and in time help bring money to the tribe.

Mei Cooper

Ngaati Aamaru

Doctoral Scholarship recipient





THE CADETSHIP IS AN AWESOME OPPORTUNITY. I WOULD RECOMMEND IT TO ANYONE. YOU LEARN SO MUCH AND GET VALUABLE EXPERIENCE. MAKE SURE YOU'RE WILLING TO LEARN, MAKE SURE YOU'RE WILLING TO LISTEN, AND THAT WILL HOLD YOU IN GOOD STEAD TO SUCCEED.

Paula Rewi
Ngaati Mahuta
Waikato-Tainui/BNZ Cadet 2014



THE CADETSHIP HAS MEASURED UP TO BE EVERYTHING THAT I EXPECTED AND MORE. IT HAS OPENED UP A LOT OF OPPORTUNITIES FOR ME. I'M EXCITED FOR THE FUTURE.

Kumeroa Pihama
Ngaati Mahanga
Waikato-Tainui/BNZ Cadet 2014

EMPLOYMENT

TE WHAI MAHI

A strategy to leverage existing relationships with corporate companies and Crown agencies to create employment opportunities is achieving positive results.

In a year we have supported the direct employment of more than 90 tribal members into jobs and have a range of cadetships and apprenticeships in place, including but not limited to BNZ, Aurecon, Sealord and Mighty River Power.

With 50 percent of Maaori boys leaving school without any qualification, placing rangatahi into on-the-job training roles is imperative. We acknowledge the efforts of Aurecon in this space and congratulate them on winning the Tomorrow's Workforce Award by the Equal Employment Opportunity

Trust's Diversity Awards NZ, in partnership with Ngaai Tahu and Waikato-Tainui.

WHAARANGI ARAMAHI
Careers Website

Our employment efforts took a step further this year with the launch of a careers website www.waikatotainuicareers.com where partner organisations can post vacancies alongside our own. Through the website we offer full recruitment services all aimed at securing positions for suitably qualified tribal members. Our intention is to grow and develop these services to help secure long-term, meaningful employment opportunities for tribal members.

PAAKIHI ITI
Small Business

Business ownership presents a real opportunity for Maaori,

many of whom have a natural flair for business, to generate their own employment opportunities and in August 2014 we announced a partnership with SODA Inc to foster Maaori business growth and acumen.

SODA Inc is Hamilton's business incubator, helping pioneering entrepreneurs to start-up, succeed and grow their businesses. Through the partnership tribal members are offered scholarships to learn about how start-ups work, including business model generation and pitching business ideas to potential investors and customers.

Through SODA Inc, internship events are also available to link up Waikato-Tainui university graduates with potential employment opportunities.

HOPUHOPU REDEVELOPMENT

TE WHAKAHOUTANGA O HOPUHOPU

The Te Kauhanganui Debating Chamber underwent a makeover in 2014.

Prompted by leaky building issues, corrective work included the replacement of the roof and external walls. At the same time the chamber was also installed with a new air-conditioning unit and new floor coverings, and received a re-paint. During the refurbishment, carvings were removed for maintenance work and a paint refresh. The building was re-dedicated and opened for use again in November last year.

The rebuild was completed as part of the first stage of a wider redevelopment of the Hopuhopu complex. Other tasks included an investigation into existing site infrastructure issues and feasibility into future anticipated building projects.



THE WORK EXPERIENCE ALLOWED ME TO HAVE AN INSIGHT INTO THE CONSTRUCTION INDUSTRY AND THIS OPPORTUNITY HAS MADE ME EVEN MORE INTERESTED IN GOING INTO CARPENTRY OR PROJECT MANAGEMENT.

Leilynd Rawiri
Te Kaharoa-Aramiro Marae
Te Kauhanganui Chambers rebuild work experience.





SUSTAINING FISHERIES POPULATION & HABITAT

New bylaws which recognise the cultural significance of our freshwater fisheries have been introduced as a means to sustain the population and habitat of taonga species.



ENVIRONMENT

TE TAI AO

A funky app to engage tamariki in the environment, a New Zealand first in freshwater fisheries bylaws, and strong representation on a wide range of environment groups are among the environment highlights for 2014-2015.

Our award-winning environment strategy – Tai Tumu, Tai Pari, Tai Ao – is implemented by the Waikato Raupatu River Trust and sets environmental enhancement as the key priority. Giving a net benefit back to the environment and ensuring a safe, healthy river drive our activities.

TOKU AWA KOIORA *River Rush*

Easily one of our most popular initiatives, River Rush – Tooku Awa Koiora, is a digital game developed to educate tamariki about environmental issues affecting our waterways and the cultural significance of our Tupuna Awa. Exploring key themes including water quality, pollution, customary activities

and native flora and fauna, River Rush follows the journey of characters Tama, Poppy and Nanny Wai as they travel along the river completing a series of quests. River Rush is available as a free app and is compatible on all mobile devices.

NGAA TURE HAO IKA *Fisheries Bylaws*

New bylaws which recognise the cultural significance of our freshwater fisheries have been introduced as a means to sustain the population and habitat of taonga species.

Developed by our River Trust team, the seven bylaws are the first of their kind for an iwi and focus on sustainable fishing practices, support for native eel

migration, the implementation of traditional management plans, and the protection and recognition of waahi tapu.

Waikato River is home to fisheries which are considered to be taonga as they sustain our way of life both physically and spiritually. As such, we have an inherent obligation to care for the fisheries taonga gifted to us by our tuupuna. The bylaws, which include seasonal raahui and increases to minimum sizes caught, are necessary to ensure these taonga are safeguarded for current and future generations.

WHAKAKANOHU *Representation*

Tai Tumu, Tai Pari, Tai Ao promotes a coordinated and



OUR AWARD-WINNING ENVIRONMENT STRATEGY - TAI TUMU, TAI PARI, TAI AO - IS IMPLEMENTED BY THE WAIKATO RAUPATU RIVER TRUST AND SETS ENVIRONMENTAL ENHANCEMENT AS THE KEY PRIORITY.



collaborative approach to natural resource and environmental management, and its success requires that we participate on major local and national environment bodies. We are directly involved in the following roopu:

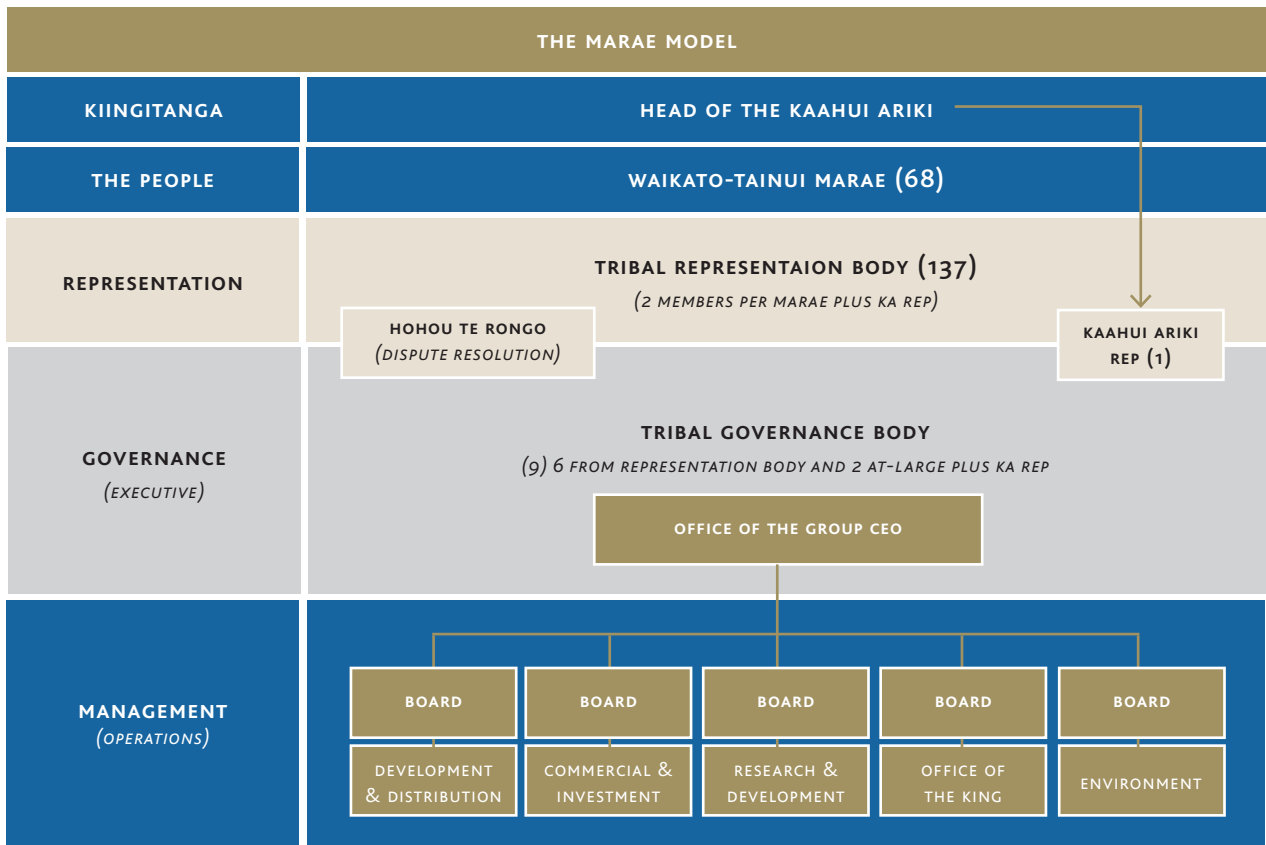
- Iwi Leaders Group – Freshwater
- Land and Water Forum
- Healthy Rivers Water Quality Plan Change
- Hamilton City Council – Waikato River Plan Committee
- Hamilton Sustainability Forum
- Auckland Council Spatial Plan Steering Group
- Future Proof Technical Committee
- National Iwi Steering Group – Aquaculture Settlement
- Waikato River Care



EDUCATING TAMARIKI

River Rush – Tooku Awa Koiora, is a digital game developed to educate tamariki about environmental issues affecting our waterways and the cultural significance of our Tupuna Awa.





GOVERNANCE AND REPRESENTATION REVIEW

TE AROTAKE WHAKAHAERE

In February 2013 Kiingi Tuheitia initiated a review of our governance and representation structure to find a new, more efficient and effective way to deliver better outcomes.

Since then hui-aa-iwi, research, several rounds of consultation hui, and workshops have been undertaken to identify suitable structure options. In 2014 two options were presented to tribal members via a ballot process and were presented to Te Kauhanganui for consideration. The ballot revealed the Marae Model as the clear preference and in November 2014 Te Kauhanganui confirmed its adoption subject to confirmation of rule changes. The process to approve rule changes to give effect to the Marae Model is progressing.

A primary goal of the review was to develop a structure with clarified roles and responsibilities between Te Kauhanganui and Te Arataura. The Marae Model has also adopted an innovative approach to resolving disputes with a greater emphasis on tikanga - this is referred to as 'Hohou te Rongo'.

Throughout the review there has been a high level of consultation to engage tribal and Te Kauhanganui members in determining the next steps. Tribal members are acknowledged for their participation in the review and the informed and insightful feedback received. We are confident that this feedback, which has been considerable, is reflected in the Marae Model.

HOUSING

TE WHAI WHARE

Efforts to support our whaanau into home ownership have increased, beginning with a survey to identify the housing aspirations of our people and the obstacles preventing or delaying home ownership.

More than 2,500 members responded to the survey and this data has been used to inform the development of the Waikato-Tainui Housing Strategy for implementation in 2015.

TE TUHINGA TAHUA
Financial Literacy

Our partnership with BNZ to deliver financial literacy workshops has supported tribal members who aspire to purchase a house by increasing their money management knowledge and demystifying the property purchasing process. During the year over 150 tribal members signed up for the programme, which will be expanded in 2015-2016 along with specific home ownership workshops.

TIKANGA HOKO TUATAHI
RFR Opportunity

The Right of First Refusal (RFR) clause within our Raupatu settlement provides an opportunity for members to purchase ex-state houses owned by the Crown. This clause was a key element of our settlement as a reflection of the principle 'I riro whenua atu, me hoki whenua mai' and is a valuable way for members to enter the housing market. Available properties are advertised on the tribal website and members can register for email notification on the website's housing page.



THE RFR CLAUSE

The Right of First Refusal (RFR) clause within our Raupatu settlement provides an opportunity for members to purchase ex-state houses owned by the Crown.



I WAS SICK OF GETTING KICKED OUT OF RENTAL PROPERTIES THAT WERE SELLING AND CONSTANTLY HAVING TO MOVE WITH MY FIVE KIDS SO AS SOON AS I FOUND OUT ABOUT RFR (THE RIGHT OF FIRST REFUSAL) I GOT IN TOUCH WITH WAIKATO-TAINUI. THE HOUSES AREN'T MODERN OR FLASH BUT IT'S AWESOME KNOWING THAT MY HOUSE IS MINE AND I CAN DO WHATEVER I WANT TO IT WHENEVER I WANT.

Te Uru and Jackie Jones
Homeowners



IDENTIFYING WAYS TO IMPROVE THE WELLBEING OF OUR YOUNG PEOPLE

Holding annual rangatahi events

Encouraging participation at poukai

Establishing a youth facility

Supporting their reo Maaori uptake



YOUTH

RANGATAHI

Rangatahi are the future of Waikato-Tainui. They are our succession plan and it is in all our interests to ensure that the leaders of tomorrow are being nurtured and prepared.

This is the whakaaro behind the support we give to rangatahi initiatives. In 2013 participants at our biennial Rangatahi Summit were invited to identify ways in which Waikato-Tainui could improve the wellbeing of our young people and how to involve them in rangatahi development and tribal activities. Suggestions included holding annual rangatahi events, encouraging participation at poukai, establishing a youth facility, and supporting their reo Maaori uptake.

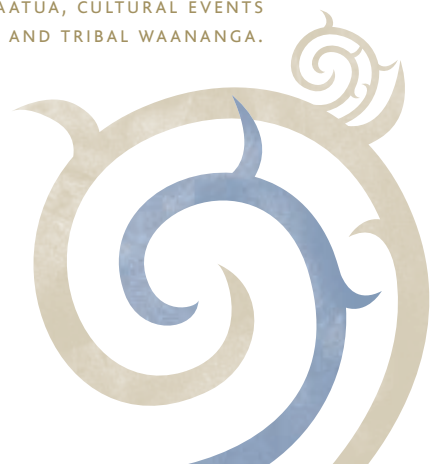
Since then leadership waananga and school holiday programmes have been held, a dedicated rangatahi space has been made available at all poukai, discussions are continuing regarding a potential dedicated facility at Hopuhopu, a booklet promoting reo Maaori has been produced, and communication with rangatahi via social media and internet technology has been increased.



RANGATAHI ARE THE FUTURE OF WAIKATO-TAINUI. THEY ARE OUR SUCCESSION PLAN AND IT IS IN ALL OUR INTERESTS TO ENSURE THAT THE LEADERS OF TOMORROW ARE BEING NURTURED AND PREPARED.

\$1.1M

TO SUPPORT POUKAI,
KAUMAATUA, CULTURAL EVENTS
AND TRIBAL WAANANGA.



KIINGITANGA

In 2014-2015 we provided the following support to acknowledge our commitment to the Kiingitanga:



EVENTS

POUKAI, KORONEIHANA,
TUURANGAWAEWAE REGATTA



PAI MARIRE

WORKSHOPS THROUGHOUT
WAIKATO AND IN WELLINGTON



RAUPATU COMMEMORATION
ANNIVERSARY OF THE HEADS
OF AGREEMENT SIGNING,
UNVEILING OF NEW POU HAKI,
EXHIBITION

\$1.7M

TO SUPPORT
KIINGITANGA ACTIVITIES

OFFICE OF THE KING
ANNUAL GRANT



150-YEAR COMMEMORATION
OF THE WAIKATO LAND
WARS EXHIBITION



HORAHORA MARAE TRUSTEES VALUE THE WORKSHOPS, SERVICE AND SUPPORT AVAILABLE FROM WAIKATO-TAINUI AS WE HAVE BENEFITTED FROM THE QUALITY INFORMATION AVAILABLE IN OUR QUEST FOR FUNDING AND FURTHER EDUCATION FOR WHAANAU.

Jenny Galpin

Ngati Hikairo/Te Whanau o Ruataupare Marae
Funding workshop participant

MARAE

Several major initiatives were undertaken to benefit Marae. Leading the year was a one-off financial grant for each of the 66 Marae following a decision by Te Kauhanganui to dispense a portion of the first \$70 million relativity payment.

Each Marae received a base grant of \$150,000 and an additional per capita grant based on total membership, for a total distribution of \$15 million. The grant is intended to support facilities projects and other marae based development programmes.

TE INIHUA MARAE

Marae Insurance Package

Accessing adequate and affordable insurance is a nationwide issue for marae that has proven to be a difficult challenge to overcome. This year we were pleased to launch a

unique marae insurance package offering comprehensive cover at no cost.

The insurance package covers marae for damage to buildings and contents, loss or damage to taonga or items of cultural significance, lost revenue due to interruption of commercial activities, public liability for damages to a third party or personal injury, and statutory liability. The scheme not only supports marae financially but also safeguards them for future generations. As at 31 March 2015, 59 marae had signed up to the scheme.

PUKENGU MARAE

Upskilling Marae

A series of workshops aimed at supporting Marae trustees and committee members have been offered to Marae this year. The Marae Development and Treasurers' workshops were very popular. These workshops provided the tools to manage finances, secure funding for large capital builds, and operating structures (Charities, GST and Maaori Reservation). Subject matter covered planning, governance, tips on securing funding, project management, tax and charitable status,



Poukai at Owairaka Marae - 10 March 2015

managing relationships and conflicts, accounts processing, banking reconciliation, preparation of annual accounts, and auditing.

Additionally, through the work of the Waikato Raupatu River Trust, we have been involved in staging funding and business competency development workshops to support applications from Marae for Waikato River Clean Up Trust, local council and Government contracts.

WHANAUNGATANGA
Engagement

One of our goals is to effectively communicate with marae and this year we have worked hard to ensure that marae have an unencumbered communications

pathway to us so that, as needs arise, we are able to respond. This year the marae team has directly engaged with 140 marae committee members/ trustees across 25 marae with numerous other engagements via our other tribal entities. We are committed to continuing a high level of communication and engagement.

\$16.7M

IN ANNUAL, FACILITIES AND DEVELOPMENT GRANTS TO 66 MARAE





THIS IS THE ONGOING CHALLENGE AND ASPIRATION FOR THE COLLEGE - THAT ITS WORK IS CONNECTED, RELEVANT AND WILL BEAR FRUIT.

RESEARCH AND DEVELOPMENT

TE RANGAHAU HEI WHANAKE

Whakatupuranga 2050 has identified the importance of research in contributing to tribal success. This is the role of the College: to undertake research that informs and contributes to tribal advancement.

The link between research and development is a key component of the College's work and we focus on areas of research that can contribute directly to tribal development objectives. In this way our research can be connected to training programmes delivered by ourselves and other entities across the tribal group. Key areas that the College has been involved in include undertaking research to support:

- The tribal governance and representation review;
- Outstanding claims;
- The development of the tribe's new education plan; and
- Our science and maatauranga knowledge around the Waikato River.

Our research work in the governance area has contributed to the delivery of governance training for our Te Kauhanganui and Te Arataura members. Our science and maatauranga knowledge work contributed to the co-development and co-delivery of Tai Tumu Tai Pari Tai Ao, an environmental leadership programme for tribal rangatahi together with the Waikato Raupatu River Trust.

The College has also undertaken research to contribute to the Whakatupuranga 2050 objective of tribal identity and integrity. Working with our researchers across our tribal region, the project He Whakaoranga Ka Puta Ka Ora, sought to identify how tribal connectedness contributes to our sense of wellbeing.



We are also building our tribal database of research scholars. The tribe has supported many of our researchers over the years through education grants and scholarships. We provide an opportunity to reconnect our researchers from across the motu back to the tribe through Te Taarere aa Taawhaki – our annual seminar series.

In 1983, the Tainui Report was published and continues to be a critical piece of research in thinking about our development. Sir Robert Mahuta, one of the co-authors of that report and the Founder of the College, hoped that the Tainui Report would bear fruit for the tribe who contributed to the research. This is the ongoing challenge and aspiration for the College – that its work is connected, relevant and will bear fruit.



TRIBAL IDENTITY & INTEGRITY

The College has also undertaken research to contribute to the Whakatupuranga 2050 objective of tribal identity and integrity. Working with our researchers across our tribal region, the project He Whakaoranga Ka Puta Ka Ora, sought to identify how tribal connectedness contributes to our sense of wellbeing.



WAIKATO-TAINUI MANAGEMENT AND STAFF 2015
NGAA KAIMAHI O WAIKATO-TAINUI



MEETING ATTENDANCE

TE TAENGA KI NGAA HUI

	MEMBER	BOARD		GROUP AUDIT & RISK		HUMAN RESOURCE		DISTRIBUTIONS		GROUP INVESTMENT	
		ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE
TE ARARAURA O WAIKATO-TAINUI	RAHUI PAPA	14	14	-	-	4	4	-	-	-	-
	TIPA MAHUTA	10	14	2	3	-	-	-	-	2	3
	TOM ROA	9	14	-	-	-	-	-	-	-	-
	HEMI RAU	14	14	-	-	-	-	11	11	1	3
	KINGI PORIMA***	10	11	-	-	4	4	-	-	1	3
	RUKUMOANA SCHAAFHAUSEN	13	14	3	3	-	-	-	-	3	3
	SONNY WILSON***	8	11	-	-	-	-	8	11	-	-
	MARAE TUKERE	10	14	-	-	4	4	11	11	1	3
	PAKI RAWIRI	10	14	2	3	-	-	-	-	1	3
	HOKI-MAI CHONG	13	14	2	2	-	-	-	-	1	3
	TUKOROIRANGI MORGAN*	8	14	-	-	-	-	-	-	1	3
	TAHI-O-HURAE RANGIAWHA**	2	2	-	-	-	-	-	-	-	-
	PATIENCE TE AO**	2	2	-	-	-	-	-	-	-	-
JOANNA PERRY****	-	-	3	3	-	-	-	-	2	3	

*Kaahui Ariki Representative **Newly elected to Te Artaura 21 Feb 2015

Completed full Te Araraura Term and did not seek re-election *Board Advisor and resigned 22 June 2015

	MEMBER	BOARD		GROUP INVESTMENT		AUDIT		REMUNERATION & NOMINATION	
		ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE
TAINUI GROUP HOLDINGS	SIR HENRY VAN DER HEYDEN	12	12	1	3	1	1	5	5
	MIKE ALLEN	10	12	2	3	1	1	5	5
	MATTHEW COCKRAM	11	12	2	3	1	1	5	5
	HEMI RAU	10	12	1	3	-	-	-	-
	PAKI RAWIRI	11	12	1	3	-	-	-	-
	JOANNA PERRY*	11	12	2	3	1	1	-	-

*Board Advisor and resigned as of 22 June 2015

WAIKATO-TAINUI TE KAUHANGANUI INCORPORATED

MARAE	NAME	ATTENDED	POSSIBLE
AARUKA	MORRIS TUAUPIKI	1	4
	TOM MOKE	0	4
	VACANT	0	0
AOTEAROA	MOTUNAU KOPA	4	6
	KURAIARANGI KOPA	5	6
	JOHN KOPA	5	6
HIIONA	RODNEY WHANGA-KATIPA	1	2
	TANIA MARTIN	1	2
	VACANT	-	-

MARAE	NAME	ATTENDED	POSSIBLE
HORAHOA	CHARLES TUMAI	4	6
	TAIPU MOANA	5	6
	KARYN MCRAE	6	6
HUKANUI	LES SUNNEX	6	6
	VACANT	-	-
	IHIPERA SWEET	2	2
KAHOTEA	TAWHIRI TANIRAU	2	2
	GEORGE KIMURA	2	2
	PETULA TE AURIMA	4	6

MARAE	NAME	ATTENDED	POSSIBLE
KAI A TE MATA	TE AOMARAMA MAAKA	5	6
	PADDY WILSON	2	2
	TERI WHAIAPU	2	2
KAITUMUTUMU	HORI AWA	6	6
	RORE (CHAS) PAKI	5	6
	NORMAN HILL	6	6
MAKAURAU	EDWINA PIRIHI	1	2
	CHRISTOPHER WHAANGA	5	6
	VACANT	-	-
MAKETUU	MAEA MARSHALL	6	6
	TANIA BIDOIS	2	2
	WILLIAM KERR	4	6
MANGATANGI	DAVID GRAHAM	2	2
	WARAHI PAKI	6	6
	TAMARA TAKA	6	6
MANGATOATO	MAKERE ROA	2	2
	KATHRYN MCCLINTOCK	1	2
	VACANT	-	-
MATAHURU	ANNA (ANNE) HAENGA	2	2
	KATHLEEN NIKAU	1	2
	TAWERA NIKAU	2	2
MAUNGATAUTARI	TAIAPA KARA	4	6
	PERA KARA	5	6
	KATRINA MIDDLEMISS-VANO	5	6
MAUREA	VINCENT HAPI	2	2
	BRAD TOTOREWA	4	6
	RAYMOND (MOKO) KUMAR	5	6
MOOKAI KAINGA	CLINTON RICKARDS	4	6
	MAXINE MOANA-TUWHANGAI	6	6
	GLENN TOOTILL	6	6
MOOTAKOTAKO	MORGAN KINGI	2	2
	CLAUDINE WAITERE	6	6
	TAHI-O-HURAE RANGIAWHA	2	2
NGAA HAU E WHAA	KIRI WILSON	5	6
	SONNY PARATA	4	6
	ROSEMARIE WALKER	2	6
NGAA TAI E RUA	KAWITI TUPAEA	2	2
	RANGIAMOHIA BROWN	2	2
	TANYA SAVAGE	2	2
NGAATIRA	DAVID THOMPSON	5	6
	RACHAEL O'CONNOR	6	6
	KYLE AMOPIU	2	2
OOKAPU	JAMES MAHARA	5	5
	PEARL COMERFORD	4	5
	MARGARET HUNAPO	4	5

MARAE	NAME	ATTENDED	POSSIBLE
OOKAREA	ELSIE DAVIS	6	6
	KAY DAVIS	2	2
	DAWN HOROMONA	3	6
OOMAERO	PANEKUHUKUHU ANDERSON	2	2
	PARE KOKIRI	2	2
	MORRIS RUA	4	6
OORAEROA	SALLY KOIA	2	2
	MAUNGARONGO TITO	1	2
	ROSALIE ELLIS	5	6
OOWAIRAKA	BEVERLY HENDERSON	1	2
	NYRA HENDERSON	0	2
	RAEHA TAINGAHUE	4	6
PAARAAWERA	VACANT	-	-
	WARREN MCGRATH	4	6
	PUHI MAURIOHOHO	6	6
POIHAKENA	MARLEINA TE KANAWA	4	6
	VICKI MOKE-GHARBAL	4	6
	AUBREY TE KANAWA	1	2
POOHARA	NORMA TAUTE	5	6
	RAHUI PAPA	6	6
	LEON MATEHUIRUA	1	2
PUKEREWA	MARY THOMPSON	3	6
	NGAPAKI WHARE	4	6
	ERUERA WHARE	3	6
PUUKAKI	BROWNIE RAUWHERO	1	2
	KAREN WILSON	4	6
	DAVID WILSON	2	6
PUUREKIREKI	THOMAS ROA	2	4
	RUA TANIWHA	4	6
	SHARLENE HENRY	2	2
RAAKAUNUI	JACKSON TAKIARI	2	2
	STACEY KERAPA	2	2
	PAULA MCQUEEN	5	6
RAUNGAITI	RANGIPAREA KING	2	2
	RANGITIONGA KAUKAU	4	6
	AMANDA EMERY	2	6
RERETEWHIOI	MURRAY-CRAIG MCQUINN	2	2
	MIKI-TAE TAPARA	1	2
	HOKIMAI CHONG	6	6
RUKUMOANA	JOHN TE MARU	5	6
	RUKUMOANA SCHAAFHAUSEN	5	6
	AMIRIA WIKAIRA	4	6
TANIWHA	SAMUEL TOKA	5	6
	KURATOMAIRANGI TOKA	5	6
	JACKIE COLLIER	5	6

MARAE	NAME	ATTENDED	POSSIBLE
TAUHEI	RATAUHINGA TURNER	6	6
	TE KARAHAU TE AMO	5	6
	RAEWYN HOPA	6	6
TAUPIRI	JOESPH BARTON	2	2
	CHRISTOPHER GEORGE	2	6
	DONALD TURNER	6	6
TAURANGANUI	WIREMU KIHU	4	6
	PATIENCE TE AO	6	6
	STEVEN LEWIS	2	2
TE AAKAU	JULIANA MATENGA	4	6
	RUHE MATENGA	6	6
	RANGIWHANGAI RUPAPERU	2	2
TE AWAMAARAHU	SHIRLEY CLARK	2	2
	PAKI RAWIRI	5	6
	KANDU NGATAKI	2	2
TE HOE O TAINUI	MICK WILSON	6	6
	MICHAEL WILSON	5	6
	MANIA CLARKE	1	2
TE ITI O HAUAA	VACANT	-	-
	VACANT	-	-
	VACANT	-	-
TE KAHAROA	SHARON ENOKA	0	2
	MAKERETA TURINUI	5	6
	TEINA HAKARAIA	1	2
TE KAURI	WILLIAM (BILL) TAKEREI	5	6
	LEON WHAREKURA	4	6
	JOCELYN BERRYMAN	2	2
TE KOORAHU	GEORGE TE PUHI	2	2
	SANDRA GRANT	5	6
	VACANT	-	-
TE KOTAHITANGA	DENIS HOLLAND	5	6
	HEMIMATENGA RAU	4	6
	ROBERT CLARK	6	6
TE OHAAKI	BARRY MAIPI	1	1
	TAITIMU MAIPI	6	6
	MIKE PAKI	1	1
TE PAPA O ROTU	HEMI (JIM) RAUWHEREO	2	2
	ROBERT HAMIORA	6	6
	MILTON NGARUHE	2	2
TE PAPATAPU	BUNNY MOKE	6	6
	LEEANA SHORTLAND	6	6
	REWIRI WAKA	6	6
TE POHO O TANIKENA	ALLAN MARSHALL	5	6
	MARTIN PARANIHI	1	2
	BRENT MARSHALL	2	2

MARAE	NAME	ATTENDED	POSSIBLE
TE PUEA	ALBERT RIVERS	3	6
	LUKE TAI RAKENA	2	2
	JOHN HETA	2	2
TE TIHI O MOERANGI	SONNY MAHI	2	2
	MACKY HOROTINI	5	6
	NGAWAITANGIRUA HOROTINI	6	6
TE TOKANGANUI A NOHO	VACANT	-	-
	VACANT	-	-
	VACANT	-	-
TIKIRAHU	TE ATARANGIKAAHU TE AO	2	2
	TIMI TAHAPEHI	2	6
	AROHA WARA	1	2
TUURANGAWAEWAE	PIRITATA KIRKWOOD	6	6
	MARAE TUKERE	6	6
	MARRIN HAGGIE	2	2
UMUPUIA	SANDRA TUREI	2	2
	LUCY STEEL	4	6
	VACANT	-	-
WAAHI	TUKAROTO MAHUTA	5	6
	TIPA MAHUTA	5	6
	TE WHAKAHAWEA RAPANA	6	6
WAIKARE	ROBERT TUKIRI	6	6
	VIVIENNE DE THIERRY-PINNY	6	6
	JUNE HEREWINI	1	2
WAIKERI	JAMES MOKE	6	6
	TAHI ROBERTS	6	6
	MERE ROBERTS	6	6
WAIMAKARIRI	JENNIFER HETA	6	6
	LINDA RAUPITA	4	6
	WARREN RAUPITA	2	2
WAIKARU	TE KURATAEWHAKAEA (SONNY) MATENGA	1	2
	JEFFREY GREEN	6	6
	RANGIMARIE TAHANA	5	6
WAIKAPA	METO (DIGGER) HOPA	6	6
	ROGER PIKIA	2	2
	MICHELLE BARKER	1	2
WAITII	RANGI HEMOPO	2	2
	ARLIN RANDELL	5	6
	AVALON THOMPSON	2	2
WERAROA	VACANT	-	-
	VACANT	-	-
	VACANT	-	-
WHAATAAPAKA	TED NGATAKI	5	6
	VINNY KINGI	6	6
	TE AWAMARAHI KINGI	6	6

FINANCIAL STATEMENTS

RAARANGI TAHUA

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WAIKATO RAUPATU LANDS TRUST DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2015

Date of establishment	10 November 1995
Trustee	Waikato-Tainui Te Kauhanganui Incorporated
Auditor	PricewaterhouseCoopers Private Bag 92162, Auckland 1142
Banks	Bank of New Zealand Westpac Banking Corporation
Postal Address	P O Box 648, Hamilton 3240
Telephone	+64 7 858 0430
Facsimile	+64 7 858 0431
Website	www.waikatotainui.com

WAIKATO RAUPATU LANDS TRUST STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Revenue	3	82,582	69,832
Other income	3	1,435	3,627
Total income	3	84,017	73,459
Expenses	4	(57,957)	(44,816)
Net operating profit for the year		26,060	28,643
Finance costs – bank loans		(17,124)	(13,594)
Finance income – short term deposits		7,655	6,528
Share of profit of investments accounted for using the equity method		1,407	1,060
Other gains – net	5	14,650	31,848
Settlement revenue	6	69,901	20,943
Grant expense	8	(22,347)	(6,136)
Net profit before tax		80,202	69,292
Income tax credit	7	3,066	1,582
Net profit for the year		83,268	70,874
Profit is attributable to:			
Equity holders of Waikato Raupatu Lands Trust		81,872	69,453
Non-controlling interest	30	1,396	1,421
		83,268	70,874
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of farm and owner occupied properties	9	821	3,070
Other comprehensive income for the year		821	3,070
Total comprehensive income for the year, net of tax		84,089	73,944
Total comprehensive income for the year is attributable to:			
Equity holders of Waikato Raupatu Lands Trust		82,693	72,523
Non-controlling interest		1,396	1,421
		84,089	73,944

WAIKATO RAUPATU LANDS TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
EQUITY			
Retained earnings	9	837,794	755,012
Revaluation reserves	9	14,344	13,523
		852,138	768,535
Non-controlling interest	30	9,423	15,189
Total equity		861,561	783,724
ASSETS			
Current assets			
Cash and cash equivalents		176,959	171,470
Trade and other receivables	10	13,969	9,136
Inventories	11	574	3,067
Biological assets – livestock	12	2,492	824
Total current assets		193,994	184,497
Non-current assets			
Other receivables	14	87,163	29,770
Other financial assets	15	37,640	24,008
Investments in joint ventures	30	44,390	22,189
Intangible assets	16	21,039	20,910
Biological assets – forestry	12	5,148	4,364
Property, plant and equipment	17	140,737	139,500
Investment properties	18	581,826	564,914
Te Wherowhero title properties	19	51,891	50,083
Total non-current assets		969,834	855,738
Total assets		1,163,828	1,040,235
LIABILITIES			
Current liabilities			
Trade and other payables	20	26,487	36,406
Interest bearing liabilities	22	4,460	-
Other financial liabilities	23	1,635	1,355
Total current liabilities		32,582	37,761
Non-current liabilities			
Trade and other payables	21	-	452
Interest bearing liabilities	22	263,634	211,422
Deferred tax liabilities	7	-	3,183
Other financial liabilities	23	6,051	3,693
Total non-current liabilities		269,685	218,750
Total liabilities		302,267	256,511
Total net assets		861,561	783,724



Rahui Papa – CHAIRMAN
26 June 2015



Rukumoana Schaafhausen – DEPUTY CHAIRMAN
26 June 2015

WAIKATO RAUPATU LANDS TRUST STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

Consolidated	Notes	Attributable to equity holders of the Group				
		Revaluation reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance as at 1 April 2013		17,675	678,337	696,012	8,675	704,687
Comprehensive income						
Net profit for the year		-	69,453	69,453	1,421	70,874
Other comprehensive income Items that will not be reclassified to profit or loss						
Gain on revaluation of farm and owner occupied properties	9	3,070	-	3,070	-	3,070
Total other comprehensive income		3,070	-	3,070	-	3,070
Total comprehensive income		3,070	69,453	72,523	1,421	73,944
Tainui Auckland Airport Hotel distribution		-	-	-	(821)	(821)
Acquisition of subsidiary	25	-	-	-	5,914	5,914
Transfer from associate to subsidiary	9	(7,222)	7,222	-	-	-
Balance as at 31 March 2014		13,523	755,012	768,535	15,189	783,724
Balance as at 1 April 2014		13,523	755,012	768,535	15,189	783,724
Comprehensive income						
Net profit for the year		-	81,872	81,872	1,396	83,268
Other comprehensive income Items that will not be reclassified to profit or loss						
Gain on revaluation of farm and owner occupied properties	9	821	-	821	-	821
Total other comprehensive income		821	-	821	-	821
Total comprehensive income		821	81,872	82,693	1,396	84,089
Tainui Auckland Airport Hotel distribution		-	-	-	(1,214)	(1,214)
Acquisition of non-controlling interest – Hamilton Riverview Hotel	25	-	910	910	(5,948)	(5,038)
Balance as at 31 March 2015		14,344	837,794	852,138	9,423	861,561

WAIKATO RAUPATU LANDS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from customers		80,437	70,434
Proceeds from settlement		13,500	11,000
Payments to suppliers and employees		(52,363)	(43,881)
Payments to grant recipients		(19,160)	(5,806)
Interest received		7,655	6,526
Interest paid		(17,124)	(13,594)
Net cash generated from operating activities		12,945	24,679
Cash flows from investing activities			
Payments for other financial assets (investment in listed companies)		(7,190)	-
Payments for other financial assets (investment in unlisted companies)		(593)	(3,917)
Receipts from sales of other financial assets		-	108
Dividends received from investments in other financial assets		896	240
Payments for investment in joint venture – Go Bus and Waikato Milking Systems		(25,570)	(13,059)
Receipts from joint ventures dividends		2,173	-
Amounts paid to related parties		(1,214)	(821)
Payments for property, plant and equipment		(3,521)	(2,414)
Payments for intangible assets		(259)	(251)
Payments for investment properties		(14,200)	(10,769)
Proceeds from sale of investment properties		1,350	2,984
Payment for investment in subsidiary (investment in hotels)		(16,000)	-
Net cash used in investing activities		(64,128)	(27,899)
Cash flows from financing activities			
Proceeds from borrowings		56,672	21,281
Repayment of borrowings		-	(5,742)
Acquisition of subsidiary net cash acquired	25	-	2,293
Net cash generated from financing activities		56,672	17,832
Net increase in cash and cash equivalents		5,489	14,612
Cash and cash equivalents at the beginning of the year		171,470	156,858
Cash and cash equivalents at end of the year		176,959	171,470

WAIKATO RAUPATU LANDS TRUST STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Reconciliation of profit for the year to net cash inflow from operating activities			
Net profit for the year		83,268	70,874
Non-cash items:			
Depreciation, amortisation and impairment	4	5,390	4,025
Bad debts written off	4	37	32
Movement in doubtful debt provision	10	97	43
Amortisation of capitalised lease incentives		340	297
Share of total profits of joint ventures		(1,407)	(853)
Other gains – net		(15,582)	(31,884)
Movement in relativity settlements receivable	6, 14	(57,401)	(20,943)
Other non-cash items in relation to investing and financing activities		893	(715)
Other gains on acquisition of subsidiary		-	(3,049)
(Increase)/decrease in current assets (excluding subsidiary and joint venture acquisition):			
Trade and other receivables		(4,834)	6,564
Trade and other receivables – non-cash fair value gain		1,090	3,808
Inventories		2,493	(6,899)
Biological assets		(1,668)	(255)
Biological assets – non-cash fair value gain		539	545
Increase in current liabilities (excluding subsidiary and joint venture acquisition):			
Trade and other payables		586	3,122
Other			
Dividend received from associate		-	207
Dividends received from investments in other financial assets		(896)	(240)
Net cash inflow from operating activities		12,945	24,679

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1 GENERAL INFORMATION

The Waikato Raupatu Lands Trust (the 'Trust') and its subsidiaries (together referred to as the 'Group') is the leading tribal organisation responsible for developing and implementing initiatives which improve iwi outcomes in the areas of education and training, employment, tribal preservation, marae development, health and well-being, and environmental and resource management.

The Trust manages tribal affairs, implements the tribe's development strategy, and makes distributions for education, health and wellbeing, marae, social and cultural development.

Tainui Group Holdings Limited, a subsidiary and commercial arm of the Trust, manages a diversified portfolio of investments in fixed income, direct investments, equities, primary industries and properties.

The Trust is incorporated and domiciled in New Zealand.

These consolidated financial statements have been approved for issue by Te Arataura on 26 June 2015.

Te Arataura does not have the power to amend the financial statements once they have been issued.

Waikato Raupatu Land Settlement

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

The initial settlement, being the redress value, totalled \$170 million.

As part of the Deed of Settlement, a relativity clause is provided, which allows for further settlement redress. The payment of further settlement from the Crown was triggered in the financial year ended 31 March 2013, when all Treaty settlements since 1994 exceeded \$1 billion. The amount of \$70 million was received in December 2013 upon first claim under the relativity clause. Further to this in December 2014 an amount of \$12.5 million was received as a result of the arbitration process which followed the first claim. The next claim can be made in 2017 and five yearly thereafter, no settlement is payable after 2044. Refer to note 2.3(a) and 2.10 for further details on accounting policy for relativity settlement, and to note 6 and 14 for further details on amounts recognised.

Waikato Raupatu River Settlement

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

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

- (a) The Sir Robert Mahuta Endowment (\$20m) is to be applied to support the vision of Sir Robert Mahuta for the Waikato Endowed College at Hopuhopu as an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices and support research management practices on improving the health and well-being of the Waikato River and Waikato-Tainui's tribal histories associated with the Waikato River;
- (b) The River Initiatives fund (\$50m) is to be applied for the purposes of cultural and environment development projects related to the Waikato River, enhancing the restoration and protection of the relationship of Waikato-Tainui with the Waikato River and protecting and enhancing sites of significance, fisheries, flora and fauna; and
- (c) Co-Management Fund shall be received for the purpose of assisting Waikato-Tainui engage in new co-management arrangements under the Settlement. The Co-Management funding of \$3m shall be received on settlement date with an annuity of \$1m per year for 27 years. In 2014, \$10m was advanced, reducing the annuity receipt from 27 years to 17 years (see also note 14).

Included in the Waikato Raupatu River Settlement, but excluded from these financial statements is the settlement funding for the Waikato River clean up. The Waikato River Clean Up Trust was established with the Waikato River Authority being the Trustee.

The Waikato River Clean Up Trust's objective is the restoration and protection of the health and wellbeing of the Waikato River. \$21m was paid with an annuity payable to the Waikato River Authority of \$7m per year for 27 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards for Public Benefit Entities (NZ IFRS PBE) and other New Zealand standards and pronouncements that have authoritative support within New Zealand to be applied by not-for-profit public benefit entities that apply NZ IFRS PBE. A new Accounting Standards Framework (incorporating a Tier structure and a separate suite of accounting standards for PBEs) has been issued by the External Reporting Board (XRB). The full impact of new Accounting Standards Framework is yet to be determined by the Group. The Group will have to prepare its financial statements in accordance with the PBE Standards for the first time for the annual period ending 31 March 2016.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. See notes 2.2 and 31 for details on changes in accounting policy.

2.1 Basis of preparation

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

Statutory base

The financial statements of the Group have been prepared in accordance with the Charities Act 2005.

Historical cost convention

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

2.2 Changes in accounting policy, disclosures and comparatives

Due to the change in the Accounting Standards Framework for PBEs, new NZ IFRSs and amendments to existing NZ IFRSs do not apply to PBEs as the XRB has effectively frozen, as at 1 July 2011, the financial reporting requirements for PBEs until PBEs transition to the PBE Standards. Accordingly, no disclosure has been made about new or amended NZ IFRSs that exclude PBEs from their scope.

Change in accounting policy

The Trust changed its accounting policy for accounting for interests in joint ventures. NZ IAS 31 (PBE) provides for all joint ventures to be equity accounted. The Group's strategy is to invest for the short term in joint venture activities, hence the move to equity accounting provides reliable and more relevant information about the effect of such transactions. The impact of this change in accounting policy is provided in note 31.

2.3 Critical accounting estimates

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

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Relativity settlement

Relativity is the mechanism under which further settlement is recognised (see note 1 for further details). The receipt of funds from the Crown will be settled on a five yearly basis.

The calculation of future receivable amounts requires significant judgment and estimation. The Group uses its judgment to determine the value of the undisputed portion of all Treaty settlements and makes assumptions based on information available such as Crown's statements, individual Treaty Settlement Deeds and other financial information. For the year ended 31 March 2015, the Group has determined those undisputed and reliably measured portions of Treaty settlements made are only settlements paid in cash, and therefore has recognised a relativity settlement receivable on that basis.

It should be noted that given the complex nature of the relativity settlement and ongoing disputes with the Crown, actual relativity settlement payments will likely deviate, perhaps substantially, from amounts recorded. Any changes in the estimates will be recorded in the accounting period in which they become known.

(b) Fair value of assets and liabilities

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

Farm and owner occupied properties (note 17), investment properties (note 18) and Te Wherowhero title properties (note 19) are stated at fair value. The fair values have been determined by independent valuers as at 31 March 2015 and 31 March 2014 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Biological assets (note 12) comprise livestock and forests. Both are fair valued by independent valuers using current market prices less point of sale costs (livestock) and expectation value method less point of sale costs (forests).

Other financial assets at fair value through profit or loss (note 15) include shares in listed and unlisted companies held at fair value and call option agreements for property. The fair value of shares in unlisted companies and call option agreements, in the absence of quoted prices, has been determined using valuation techniques.

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

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

(c) Impairment testing

Intangible assets with indefinite useful lives (note 16) are required to be tested for impairment at least annually. This requires an estimation of the recoverable amount of the quota based on the higher of value in use or fair value less costs to sell. The determination of the recoverable amount of the quota requires significant estimation and judgement.

2.4 Principles of consolidation

(a) Subsidiaries

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent

liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

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

(b) Transactions with non-controlling interests

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

(c) Joint arrangements

The Group has applied NZ IAS 31 to all joint ventures. Under NZ IAS 31 investments in joint ventures are classified as either jointly controlled assets, joint operations or jointly controlled entities depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint ventures and determined them to be jointly controlled entities. Jointly controlled entities are accounted for using the equity method.

Under equity method of accounting, interests in jointly controlled entities are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in jointly controlled entities equals or exceeds its interest in the jointly controlled entity (which includes any long term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains or transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

2.5 Functional and presentation currency

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

2.6 Revenue recognition

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

(a) Hotel income

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

(b) Rental income

Rental income is recognised on a straight line basis over the lease term. Lease incentives which are offered to tenants as an inducement to enter into non-cancellable operating leases are recognised as current prepayments and non-current lease fitout contributions and are subsequently amortised over the term of the lease as a reduction of rental income.

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Sales of goods

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

(d) Quota lease income

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

(e) Dairy income

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

(f) Interest income

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

(g) Dividend income

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

(h) Emission Trading Scheme Allocation

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

2.7 Employee benefits

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

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

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

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

2.8 Leases

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

2.9 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

2.10 Relativity settlement

Relativity is the mechanism under which further settlement is recognised (see note 1 for further details).

The Crown annually prepares statements of all Treaty Settlements made up to 30 June of each respective year. Under the Deed of Settlement the Trust is entitled to claim for relativity settlement from the Crown every five years until 2044. The first claimed was made in 2012, the next year of claim entitlement is 2017.

The impact of Relativity Settlement on the Group's financial statements can be broken down into three distinct components:

Disputed Relativity Settlements in relation to initial claim to 30 June 2012

The Trust is pursuing a claim for further amounts based on interpretations within the Deed. No further amount has been accrued due to the level of uncertainty and any receivable being contingent on agreement being reached. This meets the definition of a contingent asset (see note 27). The quantum of the amount is not disclosed as it is not able to be reliably measured.

Relativity receivable for Treaty Settlements made between 1 July 2012 and 30 June 2014

As at the end of each financial year the Trust estimates the relativity receivable based on the relativity mechanism formula and the most recent Crown statement. The amount is calculated solely on portions of Treaty Settlements made by the Crown (i.e. paid in cash) that are undisputed and can be reliably measured. Due to the level of uncertainty, judgments involved, and limited information available, no revenue is recognised in relation to disputed and unmeasurable portions of Treaty Settlements made (i.e. settled through properties or other assets).

Relativity receivables for Treaty Settlements made post 1 July 2014

No relativity receivables have been recognised in the period 1 July 2014 to 31 March 2015 in relation to Treaty Settlements made after the most recent Crown statement has been received. There is no Crown statement for that period confirming the amount of Treaty Settlements made, hence the amount of any relativity receivable cannot be reliably measured.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.12 Trade and other receivables

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

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

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

2.13 Inventories

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

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Biological assets – livestock and forestry

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

2.15 Financial assets and liabilities

Recognition and measurement

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

Financial assets and liabilities measured at amortised cost

Financial assets measured at amortised cost are financial assets which meet the following criteria:

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

Financial liabilities are measured at amortised cost unless they meet the definition of a financial liability measured at fair value through profit or loss below.

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

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

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

Financial assets and liabilities measured at fair value through profit or loss are financial assets or liabilities held for trading or on initial recognition have been designated as held at fair value. A financial asset or liability is classified as held for trading if acquired principally for this purpose. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets and liabilities in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

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

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

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

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

Impairment of financial assets

(a) Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

Evidence of impairment may include indication that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Call option agreements are assessed annually for impairment and any impairment is recognised in the statement of comprehensive income.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.16 Intangible assets

(a) Computer software

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

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

(b) Quota

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

(c) Carbon credits

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

The carbon Group is able to either hold the New Zealand Units (NZU) within the carbon register or alternatively trade the NZU's in domestic and international carbon markets.

Carbon credits are not consumed in the production and are therefore not amortised. The NZU's are not amortised but are tested for impairment on an annual basis or when indicators of impairment exist.

2.17 Property, plant and equipment

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

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and buildings (hotels), tribal properties, vehicles, equipment, fixtures and fittings are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Tribal properties comprise of buildings located at Hopuhopu, reserve lands and a residential property in Pukawa.

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

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

• Computers	2 – 6 years
• Farm buildings	50 years
• Hotels (buildings)	50 – 100 years
• Hotels (other assets)	3 – 33 years
• Office equipment, furniture and fittings	1 – 17 years
• Other buildings	100 years
• Plant and equipment	1 – 14 years
• Vehicles	2 – 11 years

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

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

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

2.18 Investment properties

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

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

2.19 Te Wherowhero properties

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

Te Wherowhero investment properties comprise of properties located at Kawhia, Onewhero, 192 The Terrace in Wellington, Hopuhopu, The Base and the University of Waikato, Hamilton. Te Wherowhero investment properties are carried at fair value, representing open-market value determined by external valuers. Changes in fair value are recorded in the statements of comprehensive income.

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

As at 31 March 2015 (and 31 March 2014), the title is protected by the Custodial Trustee – Kiingi Tuheitia. Lands under this title are separately disclosed in note 19.

Custodians of Te Wherowhero title are the Head of the Kaahui Ariki and two successors who are yet to be elected.

2.20 Impairment of non-financial assets

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

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

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

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax 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 passage of time is recognised as interest expense.

2.22 Trade and other payables

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

2.23 Interest bearing liabilities

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

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

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Current and deferred income tax

The Inland Revenue Department approved the Trust as charitable for the purposes of the Income Tax Act 1994.

However some entities within the Group are taxable. In the instances where an entity is taxable, current tax is calculated by using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Accordingly no tax is payable by the Trust. See note 30 for details of entities that have charitable status.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax in respect of property, plant and equipment had been assessed in 2014 on the basis of the asset value being realised through sale. This has been reversed in 2015 (see note 7)

2.25 Statement of cash flows

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

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

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

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

2.26 Goods and services tax (GST)

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

3 TOTAL INCOME

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Revenue			
Rental income		35,247	35,469
Amortisation of capitalised lease incentives		(340)	(297)
Hotel income		37,928	27,946
Fishing income		1,611	1,241
Dairy income		889	1,408
Other revenue		7,104	3,941
Revenue from rendering of services		143	124
		82,582	69,832
Other income			
Dividends from listed investments		415	32
Dividends from unlisted investments		481	1
Other operating gains – livestock	12	539	545
Other gains		-	3,049
		1,435	3,627
Total income		84,017	73,459

4 EXPENSES

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Expenses included in the statement of comprehensive income			
Employee benefits		19,864	15,107
Repairs and maintenance		5,116	4,492
Depreciation	17	4,978	4,002
Food expenses (hotels)		2,881	2,132
Consultancy fees		2,850	4,581
Land Cost		2,389	-
Advertising and marketing		2,334	1,842
Rates		2,049	2,027
Management fees (hotels)		2,009	1,474
Electricity		1,601	1,304
Director and trustee fees	13	1,129	1,051
Operating leases		323	202
Amortisation	16	227	85
Impairment/(impairment reversal)	16	185	(62)
Other fees paid to auditor		174	101
Audit fees paid to Group auditors		164	115
Bad debt written off		37	32
Audit fees paid to other auditors		25	22
Doubtful debts and movement in provision		(106)	43
Other expenses		9,728	6,266
		57,957	44,816

Other fees paid to the auditor consists of treasury and taxation services for the Group.

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

5 OTHER GAINS – NET

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Investment properties fair value gains unrealised	18	8,007	12,706
Shares in listed companies fair value gains/(losses) unrealised		3,336	(469)
Shares in unlisted companies fair value gains/(losses) unrealised		2,762	(2,306)
Gain on revaluation of Te Wherowhero title properties	19	1,808	9,821
Other gain on fair value measurement	14	1,090	3,808
Biological assets fair value gains unrealised	12	679	204
Shares in listed companies – fair value gains realised		398	-
Property, plant and equipment gain on disposal		(368)	-
Investment properties realised loss on sale		(424)	(130)
Interest rate swaps fair value gain/(losses) unrealised		(2,638)	8,214
		14,650	31,848

6 RELATIVITY SETTLEMENT

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Relativity settlement – cash received		12,500	-
Relativity settlement – accrued during the year	14	57,401	19,000
Other settlement		-	1,943
		69,901	20,943

Relativity is the mechanism under which further settlement is recognised (see note 1 for details and note 2.3(a) and 2.10 on accounting policy for relativity settlement). During the year ended 31 March 2015 the Crown paid the Trust \$12.5m (2014: nil) for previously disputed amounts under the mechanism.

The relativity settlement revenue accrued during the year will not be settled until 2017.

7 INCOME TAX

	Consolidated	
	2015 \$'000	2014 \$'000
(a) Income tax expense		
Profit subject to income tax	418	1,221
Income tax at 28%	117	342
Deferred tax reversal	(3,183)	-
Tax refund on bonus issue	-	(1,924)
Income tax credit	(3,066)	(1,582)
(b) Tax credits available for use in subsequent reporting periods		
Maori authority tax credits	134	32
	134	32
Movements		
Balance at 1 April	32	1,956
Maori authority credits attached to dividends received	102	-
Bonus issue distribution	-	(1,924)
Balance at 31 March	134	32

The tax credit account represents the Group's consolidated income tax group. The Maori authority tax credits of \$1.9m were surrendered and cash was paid in 2014.

(c) Unrecognised deferred tax balances

Unused tax losses	2,042	2,043
Unrecognised deferred tax balances	2,042	2,043

Due to the charitable status of the entities within the Group the profit subject to income tax is lower than profit before tax in Statement of Comprehensive Income. The taxable members of the Group have sufficient losses to carry forward to meet any potential income tax liability. The taxable losses are not recorded in the financial statements due to the lack of probability that the losses will be recovered.

(d) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Property, plant and equipment	-	3,183
Net deferred tax liability	-	3,183

Deferred tax is in respect of Hamilton Riverview Hotel Limited's property plant and equipment which has been assessed on the basis of the asset value being realised through sale. Following the change in treatment of profits earned by Hamilton Riverview Hotel, it is expected that the deferred tax liabilities will not be payable in the future, hence the deferred tax liability has been derecognised (see note 30).

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

8 GRANT EXPENSE

	Consolidated	
	2015 \$'000	2014 \$'000
Grant expenses during the year comprise of the following:		
Kiingitanga		
- Ururangi Trust	1,625	1,558
- Koroneihana	100	100
Education	1,588	1,267
Waikato Endowed Colleges Trust	1,203	1,209
Marae	16,510	1,000
Marae facilities	214	164
Other	1,107	838
	22,347	6,136

During the year, Waikato-Tainui Te Kauhanganui Incorporated approved the special distribution of \$15m in marae grants, which is in relation to the Relativity income received in prior years.

9 RESERVES AND RETAINED EARNINGS

	Consolidated	
	2015 \$'000	2014 \$'000
(a) Revaluation reserves		
Farm and owner occupied properties	14,344	13,523
	14,344	13,523

	Consolidated	
Notes	2015 \$'000	2014 \$'000
Farm and owner occupied properties		
Balance at beginning of year	13,523	10,453
Revaluation gain during the year	17 821	3,070
Balance at end of year	14,344	13,523

	Consolidated	
Notes	2015 \$'000	2014 \$'000
Associates		
Balance at beginning of year	-	7,222
Derecognition of associate revaluation reserve	25 -	(7,222)
Balance at end of year	-	-

Nature and purpose of reserves

Farm and owner occupied properties reserve recognises the change in fair value of properties held in this category. Associates revaluation reserves comprises of the Group's share of revaluation of property, plant and equipment in associate entity, Hamilton Riverview Hotel. On 16 October 2013, TGH Property Limited purchased an additional 41% shares in Hamilton Riverview Hotel Limited, taking its total shareholding to 82%, and as a result, this company has been reclassified from an associate to a subsidiary (see notes 25 and 30). Accordingly, the associate revaluation reserve balance has been derecognised and transferred to retained earnings.

(b) Retained earnings

Movements in retained earnings were as follows:

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Balance at beginning of year		755,012	678,337
Net profit for the year		81,872	69,453
Derecognition of associate revaluation reserve	25	-	7,222
Acquisition of non-controlling interest – Hamilton Riverview Hotel Limited		910	-
Balance at end of year		837,794	755,012

10 TRADE AND OTHER RECEIVABLES

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Trade receivables		4,952	5,912
Property settlements		1,515	-
Less provision for doubtful debt		(350)	(253)
Trade receivables from related parties	13	4,041	-
Income tax receivable		1,023	1,000
Prepayments		1,424	1,303
GST		483	10
Other receivables		881	1,164
		13,969	9,136

	Consolidated	
	2015 \$'000	2014 \$'000
Movements in the provision for doubtful receivables are as follows:		
Balance at beginning of the year	253	211
Additional provisions	281	167
Provision reversals	(184)	(125)
	350	253

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

11 INVENTORIES

	Consolidated	
	2015 \$'000	2014 \$'000
Land – sections for sale	407	2,975
Inventories at cost – food and beverage	167	92
	574	3,067

12 BIOLOGICAL ASSETS

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Current – Livestock			
Balance at beginning of year		824	835
Additions		1,844	144
Decreases due to sales		(715)	(700)
Changes in fair value	3	539	545
Balance of fair value at the end of the year		2,492	824
Non-current – forestry assets			
Balance at beginning of year		4,364	4,112
Additions		105	48
Changes in fair value	5	679	204
Balance of fair value at the end of the year		5,148	4,364

The livestock consists of mixed age sheep, cattle and cows, which are held for dairy and dry stock farming. M Gaustad from PGG Wrightson determined the fair value of sheep, cattle and cows at 31 March 2015 and 31 March 2014. The valuation is based on reference to market evidence of current market prices less point-of-sale costs.

The forestry assets are comprised of Pinus Radiata forest planted from 1996 to 1997, 150 hectares Pinus Radiata forest planted from 2001 to 2002 and Californian Coast Redwoods planted from 2005 to 2007. It is expected that the rotation age for the Pinus Radiata crop will be 25 years and 34 years for the Californian Coast Redwoods, at which time the crop will be harvested. The forests are valued using the Crop Expectation Value method. The non-current biological assets are held for investment. All non-current biological assets were valued by P Silcock from NZ Forestry Limited at 31 March 2015 and 31 March 2014.

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

13 RELATED PARTY TRANSACTIONS

(a) Related entities transactions

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

Amounts outstanding with related parties are:

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Trade and other receivables owing from related parties:			
Joint ventures	10	4,041	-
		4,041	-
Trade and other payables owing to related parties:			
Joint ventures	20	46	-
		46	-

All amounts owing by and to the Trust and Group are repayable on demand and are interest free, other than the advance owing by the Trust to Waikato-Tainui Distributions Limited for which interest is charged daily based on the 90 day bank bill rate. There is no impairment of any related party balances.

In 2014 the Trust moved into the premises located at 4 Bryce Street, Hamilton. This property is classified as property plant and equipment (see note 17). The Waikato Raupatu River Trust occupy the premises at 20 Alma Street, Hamilton. The property is classified as investment property due to a majority of this property being leased to third parties.

During the course of the 2014 year, Rotokauri Development Limited sold a property in Rotokauri, Hamilton to an employee of Tainui Group Holdings Limited. The property was sold at auction for \$0.5m and was on an arms length basis.

During the year, Raukura Moana Seafoods Limited transferred quota valued at \$0.6m to Raukura Moana Sealord Limited Partnership which was priced at market rates (2014: \$0.6m).

(b) Key management and personnel compensation

Key management personnel compensation for the years ended 31 March 2015 and 31 March 2014 is as follows:

	Consolidated	
	2015 \$'000	2014 \$'000
Salaries and other short term employee benefits	3,880	2,227
	3,880	2,227

WAIKATO RAUPATU LANDS TRUST
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

13 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Directors and trustees fees

	Consolidated	
	2015 \$'000	2014 \$'000
Tainui Group Holdings Limited:		
M Allen	47	43
M Cockram	47	40
J Perry (Board advisor)	47	40
H W Rau*	47	40
P Rawiri*	47	40
H van der Heyden	94	80
Te Arataura and Officers of Waikato-Tainui Te Kauhanganui Inc.:		
A Capper	29	30
H Chong	40	25
T T A S Mahuta	55	48
M Moana-Tuwhangai	50	29
T B Morgan*	45	45
R Papa	65	53
K M Porima	39	40
T J Rangiawha	1	-
W Rapana	30	24
H W Rau*	40	48
P Rawiri*	40	40
T Roa	87	69
R Schaafhausen	44	40
B Takerei	-	1
P Te Ao	1	-
G Tootill	1	-
T P T M Tukere	40	40
J Wilson	39	40
Waikato-Tainui Te Kauhanganui Inc representatives	154	196
	1,129	1,051

* Directors and trustees who are represented on both Tainui Group Holdings Limited and Te Arataura.

14 OTHER RECEIVABLES (NON-CURRENT)

	Consolidated	
	2015 \$'000	2014 \$'000
Relativity settlement receivable	76,401	19,000
Co-management settlement receivable	9,546	9,455
Other receivables	264	607
Provision for doubtful receivable	(264)	(450)
Lease fitout contribution	1,216	1,158
	87,163	29,770

Relativity is the mechanism under which further settlement is recognised (see note 1 for details and note 2.3 (a) and 2.10 on accounting policy for relativity settlement). A relativity settlement receivable of \$76m has been recognised at 31 March 2015 (2014: \$19m) based on the Group's accounting policy. The receivable is not to be settled until 2017.

The Co-management settlement receivable is comprised of the Waikato Raupatu River Trust Co-management settlement receivable. The Co-Management settlement receivable has been valued based on a discounted cash flow method using the annual swap rates for the relative term. The swap rates applied range from 3.56% to 3.75% (2014: 3.63% to 5.08%). The Co-Management funding settlement provided that an annuity of \$1m be provided for 27 years effective from 2010. During the 2014 year, \$11m was received for the Co-management debtor, which included the annuity of \$1m plus an advance of \$10m, reducing the settlement period by 10 years.

15 OTHER FINANCIAL ASSETS

	Consolidated	
	2015 \$'000	2014 \$'000
Categorised as at fair value through profit or loss:		
Call option agreement – property	-	647
Listed companies	12,881	1,957
Unlisted companies	14,238	10,883
Unlisted company – AFL income shares	10,521	10,521
	37,640	24,008

(a) Listed companies

The fair value of shares in listed companies is the investment in Genesis Energy Limited and Fonterra Co-operative Group Limited.

(b) Unlisted companies

The fair value of shares in unlisted companies is represented by the investment in Pioneer Capital Partners LP. The investment in Pioneer Capital Partners LP is based on the fair value of the Group's investment. The fair value of the Group's investment is valued using common valuation methods such as discounted cash flow and comparable trading multiple methods as set out in the International Private Equity and Venture Capital Valuation Guidelines.

(c) Unlisted companies – Aotearoa Fisheries Limited (AFL) income shares

The fair value of the AFL income shares is based a valuation undertaken by Toroa Strategy Limited. The valuation methodology uses a mixture of historical performance, multiple earnings over a four year period, dividend streams and liquidity. Toroa Strategy Limited is not related to the Group and holds recognised and relevant professional qualifications having had recent experience and knowledge in the assets they have valued.

WAIKATO RAUPATU LANDS TRUST
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

16 INTANGIBLE ASSETS

Consolidated	Software \$'000	Quota \$'000	NZ Units ETS \$'000	Total \$'000
Year ended 31 March 2014				
Opening net book amount	248	20,340	102	20,690
Additions	259	-	-	259
Disposals	(16)	-	-	(16)
Amortisation and impairment	(85)	-	62	(23)
Closing balance	406	20,340	164	20,910
At 31 March 2014				
Cost	856	20,340	476	21,672
Accumulated amortisation and impairment	(450)	-	(312)	(762)
Net book value	406	20,340	164	20,910

Consolidated	Software \$'000	Quota \$'000	NZ Units ETS \$'000	Total \$'000
Year ended 31 March 2015				
Opening net book amount	406	20,340	164	20,910
Additions	171	-	-	171
Disposals	-	-	-	-
Amortisation and impairment	(227)	-	185	(42)
Closing balance	350	20,340	349	21,039
At 31 March 2015				
Cost	1,027	20,340	476	21,843
Accumulated amortisation and impairment	(677)	-	(127)	(804)
Net book value	350	20,340	349	21,039

The Group is deemed a participant in the New Zealand Emission Trading Scheme (ETS) as it is an owner of fishing quota and forestry land. NZUs for 2015 and 2014 relate to 53,702 units that were allocated by the Ministry for the Environment. The units were valued at \$6.50 per unit (2014: \$3.05) resulting in an impairment reversal of \$185,272 (2014: impairment reversal of \$61,758).

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

Quota benefits are expected to be received in perpetuity, therefore the useful life has been assessed as indefinite.

17 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Notes	Farm and owner occupied properties \$'000	Tribal properties \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer, office equipment, furniture & fittings \$'000	Land and buildings (Hotels) \$'000	Total \$'000
Year ended 31 March 2014								
Opening net book value		23,853	8,743	400	265	16,713	40,387	90,361
Acquisition of subsidiary	25	-	-	-	-	5,660	38,380	44,040
Additions		370	204	64	45	806	951	2,440
Disposals		(4)	-	-	-	(23)	-	(27)
Net revaluation	9	3,070	-	-	-	-	-	3,070
Settlement		-	1,943	-	-	-	-	1,943
Transfer from investment properties	18	1,675	-	-	-	-	-	1,675
Depreciation	4	(174)	(312)	(44)	(68)	(966)	(2,438)	(4,002)
Closing net book value		28,790	10,578	420	242	22,190	77,280	139,500
At 31 March 2014								
Cost		27	18,088	1,020	1,162	29,620	78,767	128,684
Valuation		28,786	-	-	-	-	-	28,786
Accumulated depreciation		(23)	(7,510)	(600)	(920)	(7,430)	(1,487)	(17,970)
Closing net book value		28,790	10,578	420	242	22,190	77,280	139,500

	Notes	Farm and owner occupied properties \$'000	Tribal properties \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer, office equipment, furniture & fittings \$'000	Land and buildings (Hotels) \$'000	Total \$'000
Year ended 31 March 2015								
Opening net book value		28,790	10,578	420	242	22,190	77,280	139,500
Additions		210	1,334	146	853	978	-	3,521
Disposals		(53)	(302)	(1)	(59)	(33)	(79)	(527)
Net revaluation	9	821	-	-	-	-	-	821
Transfer from investment properties	18	2,400	-	-	-	-	-	2,400
Depreciation	4	(244)	(313)	(43)	(105)	(3,146)	(1,127)	(4,978)
Closing net book value		31,924	11,297	522	931	19,989	76,074	140,737
At 31 March 2015								
Cost		28	20,109	1,148	1,663	30,316	78,687	131,951
Valuation		31,916	-	-	-	-	-	31,916
Accumulated depreciation		(20)	(8,812)	(626)	(732)	(10,327)	(2,613)	(23,130)
Closing net book value		31,924	11,297	522	931	19,989	76,074	140,737

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17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation of farm and owner occupied properties

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

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

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

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2015 is \$25.4m (2014: \$22.4m). The carrying amount that would have been reported for farm properties under the historical cost method is \$9.3m (2014: \$9.3m). The total value of owner occupied properties valued by Curnow Tizard Limited at 31 March 2015 is \$6.6m (2014: \$6.4m). The carrying amount that would have been reported for other properties under the historical cost method is \$4.5m (2014: \$4.5m).

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

Tribal properties

Tribal properties comprise of land and buildings located at Hopuhopu, reserve lands and a residential property located at Pukawa. These properties are recorded at cost less accumulated depreciation.

Land and buildings (Hotels) pledged as security

Westpac New Zealand and the Bank of New Zealand have security agreements over the assets owned by the Novotel Auckland Airport hotel and the Hamilton Riverview Hotel Limited respectively, refer to note 22.

18 INVESTMENT PROPERTIES

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Balance at beginning of year		564,914	545,288
Development		13,078	11,709
Net gain from fair value adjustment	5	8,007	12,706
Transfer to property, plant and equipment	17	(2,400)	(1,675)
Disposals		(1,773)	(3,114)
Balance at end of year		581,826	564,914

Valuation of investment properties

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

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);

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

Investment property valuations were completed as follows:

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$68m on 31 March 2015 (31 March 2014: \$72m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$311m on 31 March 2015 (31 March 2014: \$298m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

K Sweetman from Colliers International NZ Limited valued properties at fair value of \$90m on 31 March 2015 (31 March 2014: \$80m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

P.A Curnow from Curnow Tizard Limited valued properties at fair value of \$113m on 31 March 2015 (31 March 2014: \$112m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

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

The Group has no work in progress as at 31 March 2015 (2014: \$3m in relation to property located at The Base).

19 TE WHEROWHERO TITLE PROPERTIES

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Investment Property			
Balance at beginning of the year		48,367	38,546
Net gain from fair value adjustments	5	1,808	9,821
		50,175	48,367
Other land			
At cost		1,716	1,716
Closing balance		51,891	50,083

Valuation of Te Wherowhero title properties

Te Wherowhero title properties comprise of properties located at Kawhia, Onewhero, 192 The Terrace in Wellington, Hopuhopu, The Base and the University of Waikato, Hamilton. Te Wherowhero investment properties are held at fair value amounting to \$50m (2014: \$48m), valuations were completed as follows:

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

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19 TE WHEROWHERO TITLE PROPERTIES (CONTINUED)

- comparing market evidence of transaction prices for similar properties.

T. Arnott from CB Richard Ellis Limited valued properties at fair value of \$33m as at 31 March 2015 (31 March 2014: \$32m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$12m as at 31 March 2015 (31 March 2014: \$11m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

P. A. Curnow from Curnow Tizard Limited valued properties at fair value of \$5m as at 31 March 2015 (31 March 2014: \$6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

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

Te Wherowhero land titles located at The Base and the University are subject to an operating leases with Tainui Group Holdings Limited. The sub-lessors interest is held within investment properties (see note18).

20 TRADE AND OTHER PAYABLES

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Inventory acquisition – land		-	3,582
Trade payables		1,682	2,122
Grants payable		6,037	2,850
Subsidiary acquisition	25	-	10,505
Trade payables to related parties	13	46	-
Income received in advance		2,277	3,241
Accrued expenses		11,957	12,515
Employee entitlements		2,587	865
Other payables		552	463
GST		1,349	263
		26,487	36,406

21 TRADE AND OTHER PAYABLES (NON-CURRENT)

	Consolidated	
	2015 \$'000	2014 \$'000
Income received in advance	-	452
	-	452

2.2 INTEREST BEARING LIABILITIES

	Consolidated	
	2015 \$'000	2014 \$'000
Secured		
Bank loans	4,460	-
Total current interest bearing borrowings	4,460	-
Secured		
Bank loans	263,634	211,422
Total non-current interest bearing liabilities	263,634	211,422
Total interest bearing liabilities	268,094	211,422

During the year the Group (excluding the hotels) restructured its arrangements with all banks to align the debt facilities with relevant subsidiary entities that have contributed towards the debt. This has resulted in a cost effective structure which has led to a number of assets being released from unnecessary security (see also note 24.2).

Total interest bearing liabilities for the Group is net of prepaid borrowing costs of \$0.03m (2014: \$0.3m).

Tainui Group Holdings has a multi option credit facility agreement with Westpac New Zealand for \$25m which matures on 31 December 2015 (2014: nil). Borrowings of \$4.5m of the available facility had been drawn at balance date (2014: nil). As part of the facility arrangement, Tainui Group Holdings has agreed to a negative pledge with Westpac New Zealand. In essence, this means Tainui Group Holdings will not enter into any transaction or agreement that will increase Tainui Group Holdings indebtedness without Westpac New Zealand's prior consent.

The Base Limited has debt facilities of \$210m (2014: nil). The facilities include a multi option credit line facility agreement with Westpac New Zealand for \$70.0m (2014: nil), a committed cash advance facility with Bank of New Zealand for \$70m (2014: nil) and term loan facility agreement with ANZ for \$70m (2014: nil). All three facilities mature on 18 January 2020. Borrowings of \$194.7m of the available facilities had been drawn at balance date (2014: nil). ANZ, the Bank of New Zealand and Westpac New Zealand have an equal charge over the present and future acquired assets of The Base Limited as security for the finance facilities (2014: no charge). Tainui Development Limited has established a committed cash advance facility with Bank of New Zealand for \$25m which matures on 24 December 2017 (2014: nil). Borrowings of \$24.7m had been drawn at balance date (2014: nil). The Bank of New Zealand has a charge over the present and future acquired assets of Tainui Development Limited as security for this finance facility (2014: no charge).

Tainui Auckland Airport Hotel holds a Committed Cash Advance Facility with Westpac New Zealand for \$28m (2014: ASB Bank - \$33m) which matures 31 March 2019. Borrowings of \$20.9m of the available facility had been drawn at balance date (2014: \$22.9m). Westpac New Zealand has a first and exclusive security agreement over the assets and undertakings of Tainui Auckland Airport Hotel LP and Tainui Auckland Airport Hotel GP Limited.

Hamilton Riverview Hotel Limited holds a term loan with the Bank of New Zealand for \$24m which matures 27 May 2019. Borrowings of \$23.3m (2014: \$7m) of the available facility had been drawn at balance date. The Bank of New Zealand holds a first and preferential security interest over all property owned by Hamilton Riverview Hotel Limited.

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23 OTHER FINANCIAL LIABILITIES

	Consolidated	
	2015 \$'000	2014 \$'000
Categorised as at fair value through profit or loss		
Interest rate swaps	1,635	1,355
Total current other financial liabilities	1,635	1,355
Interest rate swaps	6,051	3,693
Total non-current other financial liabilities	6,051	3,693
	7,686	5,048

The notional amount of interest rate swaps is \$193m with maturity dates that range from 1-8 years (2014: \$144m, maturing between 1-8 years).

24 FINANCIAL RISK MANAGEMENT

24.1 Financial risk factors

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

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

(a) Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group does not have any significant concentrations of credit risk, other than the relativity settlement receivable and the co-management settlement receivable expected from the Crown (see also note 14). The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as shown in the statement of financial position. The Group does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions with high credit ratings except for funds lent to a related party and an external entity for which the Group has appropriate security and guarantees. The Group further minimises credit exposure by limiting the amount of surplus funds placed with any one financial institution. The cash and cash equivalents of \$177m (2014: \$171m) are held with bank and financial institution counterparties, which are rated AA- to A+, based on Standards and Poors ratings. The Group does not expect non-performance of any obligations at balance date. There are no material financial assets held by the Group at balance date which are past due but not impaired.

(b) Market risk

(i) Currency

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

There are no notional principal or forward foreign exchange contracts at 31 March 2015 (2014: nil).

(ii) Interest rate risk

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

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

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

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

Sensitivity analysis

As at 31 March 2015, if the 90 day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the Group's profit/(loss) for the year and the equity would have been \$481,640 (2014: \$506,974) higher or lower. This movement is attributable to an increase or decrease in the interest expense on floating rate loans and in the interest income from deposits. The sensitivity is slightly lower in 2015 due to a higher level of debt fixed with swap instruments proportional to total bank debt.

(iii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group that are classified at fair value through profit or loss. The Group is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increases/(decreases) of the New Zealand equity index on the Group and the Group's profit and equity for the year. The analysis is based on the assumption that should the equity indexes increase/(decrease) by 10% (2014: 10%) with all other variables held constant and all the Group's equity instruments move according to the historical correlation with the index.

Consolidated	Impact on profit		Impact on equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets at fair value through profit or loss	2,712	196	2,712	196
Financial assets at fair value through profit or loss	(2,712)	(196)	(2,712)	(196)

Profit for the year would increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss. Equity would further increase/(decrease) as a result of gains/(losses) on shares in listed companies classified as at fair value through profit or loss.

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

A movement in the enterprise value of 1% would result in a gain/(loss) in the Groups equity interest in AFL income shares of \$0.1m (2014: \$0.1m) and a movement in the multiple of 1.0 would result in a gain/(loss) in the Groups equity interest in AFL income shares of \$1.4m (2014: \$1.4m).

The price risk assessment in 2014 for other unlisted securities was immaterial in terms of the possible impact on profit or loss or total equity, it had therefore not been included in the sensitivity analysis.

(c) Liquidity risk

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

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24 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Maturities of financial liabilities

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

Consolidated – At 31 March 2015	Notes	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount liabilities \$'000
Non-derivatives							
Trade and other payables	20	10,594	-	-	-	10,594	10,594
Borrowings	22	17,005	12,393	294,702	-	324,100	268,133
Total non-derivatives		27,599	12,393	294,702	-	334,694	278,727
Derivatives							
Derivative financial instrument (outflows)		2,362	1,857	3,355	341	7,915	7,686
Total derivatives	23	2,362	1,857	3,355	341	7,915	7,686

Consolidated – At 31 March 2014	Notes	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount liabilities \$'000
Non-derivatives							
Trade and other payables	20	22,763	-	-	-	22,763	22,763
Borrowings	22	8,678	58,554	172,810	-	240,042	211,755
Total non-derivatives		31,441	58,554	172,810	-	262,805	234,518
Derivatives							
Derivative financial instrument (outflows)		2,012	2,052	2,474	390	6,928	5,048
Total derivatives	23	2,012	2,052	2,474	390	6,928	5,048

(d) Fair value estimation

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

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

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

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

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

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

Consolidated – as at 31 March 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
Assets				
Financial assets at fair value through profit or loss				
– Investments in listed companies	12,881	-	-	12,881
– Investments in unlisted companies	-	-	14,238	14,238
– Investments in unlisted company (AFL income shares)	-	-	10,521	10,521
Total assets	12,881	-	24,759	37,640
Liabilities				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	7,686	-	7,686
Total liabilities	-	7,686	-	7,686

Consolidated – as at 31 March 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
Assets				
Financial assets at fair value through profit or loss				
– Investments in listed companies	1,957	-	-	1,957
– Investments in unlisted companies	-	-	10,883	10,883
– Investments in unlisted company (AFL income shares)	-	-	10,521	10,521
Derivatives – call option agreement for property	-	647	-	647
Total assets	1,957	647	21,404	24,008
Liabilities				
Financial liabilities at fair value through profit or loss				
– Interest rate swaps	-	5,048	-	5,048
Total liabilities	-	5,048	-	5,048

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24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Financial instruments by category

	Assets at fair value through profit or loss \$'000	Assets at amortised cost \$'000	Total \$'000
Financial assets as per statement of financial position			
Consolidated			
At 31 March 2015			
Shares in listed and unlisted companies	37,640	-	37,640
Trade and other receivables	-	98,009	98,009
Cash and cash equivalents	-	176,959	176,959
	37,640	274,968	312,608
At 31 March 2014			
Shares in listed and unlisted companies	23,361	-	23,361
Derivative financial instruments	647	-	647
Trade and other receivables	-	36,435	36,435
Cash and cash equivalents	-	171,470	171,470
	24,008	207,905	231,913
Financial liabilities as per statement of financial position			
Consolidated			
At 31 March 2015			
Borrowings	-	268,133	268,133
Derivative financial instruments	7,686	-	7,686
Trade and other payables	-	10,594	10,594
	7,686	278,727	286,413
At 31 March 2014			
Borrowings	-	211,755	211,755
Derivative financial instruments	5,048	-	5,048
Trade and other payables	-	22,763	22,763
	5,048	234,518	239,566

24.2 Capital risk management

The Group's capital is its equity plus debt, which is comprised of retained earnings and other reserves. Equity is represented by net assets. The Trust is subject to the financial management and accountability provisions of the Charities Act 2005, Waikato Raupatu Claims Settlement Act 1995 and the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Group manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing the Group's equity is to ensure the Group effectively achieves its objectives and purpose, whilst remaining a going concern in order to provide returns for the Waikato Raupatu Lands Trust and to maintain an optimal capital structure to reduce the cost of capital.

During the year the Group (excluding the hotels) restructured its arrangements with all banks to align the debt facilities with relevant subsidiary entities that have contributed towards the debt. This has resulted in a cost effective structure which has led to a number of assets being released from unnecessary security (see also note 22). The Group debt reported is \$268m (2014: 211m) (see note 22). As at 31 March 2015 Tainui Group Holdings Limited's debt was \$224m (2014: \$182m) or 26% of total assets held by Tainui Group Holdings Limited. Tainui Group Holdings Limited's policy is that debt cannot exceed more than 30% of total assets. The Group has not breached any bank covenants as required by the ANZ, ASB Bank, Bank of New Zealand and Westpac New Zealand Limited during the reporting period (see note 22) (2014: no breach). There are no externally imposed capital requirements at balance date (2014: nil).

	Notes	Consolidated	
		2015 \$'000	2014 \$'000
Total borrowings	22	268,094	211,422
Less: cash and cash equivalents		(176,959)	(171,470)
Net debt		91,135	39,952
Total equity		861,561	783,724
Total capital		952,696	823,676
Gearing ratio		10%	5%

25 BUSINESS COMBINATIONS

(a) Summary of acquisitions

On 16 October 2013, Tainui Development Limited acquired 41% of the share capital of Hamilton Riverview Hotel Limited taking its total shareholding to 82%. Hamilton Riverview Hotel Limited owns and operates the Novotel Tainui and Ibis Tainui in Hamilton. Details as at 31 March 2014 of the fair value of the assets and liabilities determined on a provisional basis are provided in Note 25(b). There were no changes to provisional accounting in the year ended 31 March 2015.

In May 2014 the Group acquired the remaining 18% of the issued shares of Hamilton Riverview Hotel Limited for a purchase consideration of \$5m. The Group now holds 100% of the equity share capital of Hamilton Riverview Hotel Limited. The carrying amount of the non-controlling interest in Hamilton Riverview Hotel Limited on the date of acquisition was \$5.9m. The group de-recognised the non-controlling interest and recorded the difference between the consideration paid and value of net assets as at the acquisition date in retained earnings. Details as at 31 March 2015 of the purchase are provided in Note 25(c).

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25 BUSINESS COMBINATIONS (CONTINUED)

(b) Detailed accounting treatment of acquisition of 41% of Hamilton Riverview Hotel Limited

Presented below is detailed accounting treatment of the acquisition that took place in October 2013.

	2014 \$'000
Total acquisition comprises:	
Cash paid	1,000
Trade and other payables (discounted at 7.5%)	10,505
Total net acquisition	11,505
Fair value of equity interest in Hamilton Riverview Hotel Limited held before the business combination	14,191
Total consideration	25,696
Recognised amounts of identifiable assets acquired and liabilities assumed at fair value:	
Cash and cash equivalents	3,293
Property, plant and equipment	44,040
Inventories	40
Trade and other receivables	881
Trade and other payables	(1,219)
Other financial liabilities	(358)
Borrowings	(9,200)
Deferred tax liability	(3,183)
Total identifiable net assets	34,294
Non-controlling interest based on the proportionate interests of the recognised amounts of the net assets and liabilities	(5,914)
Gain on purchase	(2,684)
	25,696

Property, plant and equipment was valued by an independent valuer based on discounted cash flow models.

The Group recognised a gain of \$0.3m as a result of measuring at fair value its 41% equity instrument in Hamilton Riverview Hotel Limited held before the business combination. The gain is included in other income in the Group's statement of comprehensive income for the year ended 31 March 2014.

The revenue included in the consolidated statement of comprehensive income since 16 October 2013 to 31 March 2014 contributed by Hamilton Riverview Hotel Limited was \$6.5m. Hamilton Riverview Hotel Limited also contributed profit of \$0.5m over the same period.

Had Hamilton Riverview Hotel Limited been consolidated from 1 April 2013, the 2014 consolidated statement of income would show pro-forma revenue \$15m and profit of \$1.6m, excluding the impact of gains arising from measurement on acquisition. The gain on purchase is classified within other income (see note 3).

The gain on purchase of \$2.7m has been reported and is the result of the restatement of control due to both the majority shareholding being assumed as well as significant influence. In addition to this, a premium adjustment has been received on the non-controlling interest on purchase.

(c) Detailed accounting treatment of acquisition of remaining shares in Hamilton Riverview Hotel

Presented below is the detailed accounting treatment of the acquisition that took place in May 2014.

	2015 \$'000
Non-controlling interest opening balance	5,914
Profit attributable to non-controlling interest	(4)
Adjustment to value of net assets on acquisition	(910)
Purchase price	5,000

26 LEASES

(a) Group as lessee

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

	Consolidated	
	2015 \$'000	2014 \$'000
Within one year	526	400
Later than one year but not later than five years	1,519	1,498
Later than five years	6,680	6,960
Commitments not recognised in the financial statements	8,725	8,858

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

The operating leases that exist between the Trust and Tainui Group Holdings Limited for land owned by the Trust that are rent free until the first rent review date which is in 2019 and 2022.

(b) Group as lessor

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

	Consolidated	
	2015 \$'000	2014 \$'000
Within one year	31,417	32,915
Later than one year and not later than five years	84,910	86,729
Later than five years	130,269	101,607
	246,596	221,251

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

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

27 CONTINGENCIES

(a) Contingent assets

The Trust had contingent assets at 31 March 2015 in respect of:

There is a contingent asset at balance date in respect of the Relativity Settlement mechanism (refer to Note 1, 2.10 and 14). The mechanism was triggered in 2012 and the amount of \$70m was received in December 2013 upon the first claim being made under the relativity clause. Further to this in the year ended 31 March 2015 an amount of \$12.5m was received as a result of the arbitration process which followed the first claim.

The Trust is still in an ongoing dispute in relation to the first claim made in 2012. The dispute relates to interpretations of specific clauses in Deed of Settlement and valuation of Total Redress Amounts. The final amount of the disputed receivable is contingent on agreement being reached and cannot be reliably measured.

(b) Contingent liabilities

Guarantees

The Group had contingent liabilities at 31 March 2015 in respect of:

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

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

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

28 COMMITMENTS

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

	Consolidated	
	2015 \$'000	2014 \$'000
Property, plant and equipment	-	894
Investment properties	-	1,742
	-	2,636
Other	8,477	17,854
	8,477	17,854

Other commitments are for Tainui Group Holdings Limited and include the capital call commitment for investment in Pioneer Capital for \$7.4m, and livestock purchased for \$1.1m (2014: Pioneer \$8.2m, Genesis Energy shares \$8.3m and livestock \$1.4m).

29 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

At a special general meeting of AFL on 4 June 2015, it was resolved that Iwi will hold all voting and income shares in AFL. The Group currently owns 5.48% of the AFL income shares. Once the legislative changes are made to the Māori Fisheries Act, 2004, the Group will own 6.85% of both AFL voting and income shares. This is expected to have positive impact on fair value of AFL.

30 GROUP STRUCTURE

(a) Subsidiaries:	Charitable Status	Principal activity	Ownership and voting interest	
			2015	2014
The Trust owns the following subsidiaries, which form the Group. All subsidiaries have a March balance date.				
Hamilton Riverview Hotel Limited	No*	Hotel	100%	82%
Raukura Moana Seafoods Limited	Yes	Fishing	100%	100%
Raukura Whare Limited	Yes	Investment	100%	100%
Ruakura Limited	Yes	Property	100%	100%
Tainui Auckland Airport Hotel LP	No	Hotel	70%	70%
Tainui Auckland Airport Hotel GP Limited	No	Hotel	70%	70%
Tainui Development Limited (formerly TDL No. 3 Limited)	Yes	Property	100%	-
TGH Fixed Income Limited (formerly Tainui Corporation Limited)	Yes	Property	100%	100%
Tainui Group Holdings Limited	Yes	Investment	100%	100%
TDL No. 1 Limited	Yes	Hotel	100%	100%
TDL No. 2 Limited	Yes	Direct Investment	100%	100%
TDL No. 3 Limited (formerly Ruakura Fee Simple Limited)	Yes	Direct Investment	100%	100%
TGH Direct Investments Limited	Yes	Direct Investment	100%	-
TGH Equities Limited (formerly TGH No. 1 Limited)	No	Equities	100%	100%
TGH Farms and Forestry Limited	Yes	Primary Industries	100%	-
TGH Hotels Limited	Yes	Hotel	100%	-
TGH Property Limited (formerly Tainui Development Limited)	Yes	Property	100%	100%
TGH Primary Industries Limited	Yes	Primary Industries	100%	-
The Base Limited	Yes	Property	100%	100%
Waikato-Tainui Distributions Limited	No	Investment	100%	100%
Waikato-Tainui Fisheries Limited	No	Fishing	100%	100%
Waikato-Tainui Koiora Collective LP	No	Investment	100%	100%
Waikato-Tainui Koiora Limited	No	Investment	100%	100%
Waikato-Tainui Te Kauhanganui Incorporated	Yes	Investment	100%	100%
Waikato-Tainui Tribal Authority LP	No	Investment	100%	100%
Waikato Raupatu River Trust	No	Investment	100%	100%

* Recognition of profit as charitable was approved in May 2015 (see note 29).

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

30 GROUP STRUCTURE (CONTINUED)

During the 2015 year the Group undertook a restructure of its subsidiaries where companies were aligned with their activity and existing assets transferred. This resulted in five new companies, being Tainui Development Limited, TGH Direct Investments Limited, TGH Farms and Forestry Limited, TGH Hotels Limited and TGH Primary Industries Limited. There has been no impact on the financial statements due to this restructure.

In May 2014 the Group purchased the non-controlling interest in Hamilton Riverview Hotel Limited (see note 25).

(b) Joint venture partnership

The Group has interests in joint venture partnerships, which are all resident in New Zealand.

All joint ventures listed below have transitioned from proportional consolidation to equity accounting (see note 31). On transition to equity accounting, the prior years carrying value has been assessed as the aggregated deemed cost for all joint venture investments. Each joint venture has then been assessed for impairment. There has been no adjustment to the investment balances after impairment assessment.

The interests in the joint venture partnerships are accounted for in the financial statements using equity method of accounting. Information and the effect the joint venture interest had on the Group's financial statements is set out below.

Joint venture	Principal activity	Ownership interest Consolidated		Carrying value of investment Consolidated	
		2015	2014	2015 \$'000	2014 \$'000
Callum Brae Tainui	Property	50%	50%	186	458
Ngai Tahu Tainui Go Bus Holdings Limited	Direct investment	33%	-	24,240	-
Raukura Moana Sealord Limited Partnership	Primary Industries	50%	50%	336	435
Rotokauri Development Limited	Property	70%	70%	5,186	7,737
TAG Forestry Joint Venture	Primary Industries	50%	50%	436	370
Waikato Milking Systems Limited Partnership	Direct investment	32%	33%	14,006	13,189
				44,390	22,189

In July 2014 the Group acquired 33% of the share capital of Ngai Tahu Tainui Go Bus Holdings Limited for a consideration of \$25.6m.

	Consolidated	
	2015 \$'000	2014 \$'000
Movements in carrying amounts of the joint venture partnerships		
Carrying value at the beginning of the year	22,189	7,578
Share of profits/(losses) after income tax	(3,552)	586
New investments	25,570	15,525
Contribution	2,356	-
Dividends received	(2,173)	(1,500)
Balance at 31 March	44,390	22,189

The jointly controlled entities assets and liabilities accounted for using equity accounting was:

	Consolidated	
	2015 \$'000	2014 \$'000
Statement of financial position		
Current assets	33,181	8,765
Non-current assets	76,935	30,833
Total assets	110,116	39,598
Current liabilities	23,569	3,577
Non-current liabilities	42,157	13,832
Total liabilities	65,726	17,409
Net assets	44,390	22,189

The jointly controlled entities income and expenses accounted for using equity accounting was:

	Consolidated	
	2015 \$'000	2014 \$'000
Statement of comprehensive income		
Revenues	48,102	4,772
Expenses	(51,654)	(4,186)
Profit before income tax	(3,552)	586

WAIKATO RAUPATU LANDS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

31 IMPACTS OF CHANGES IN ACCOUNTING POLICY

Due to the voluntary change in accounting policy (see note 2.2), the Group has accounted for its investments in joint ventures using equity method.

The Group recognised its investments in the joint ventures at the beginning of the earliest period presented (1 April 2013), as the total of the carrying amounts of the assets and liabilities that were previously proportionally consolidated by the Group. This is deemed cost of the Group's investment in the joint ventures for applying equity accounting.

Impact of change in accounting policy on statement of comprehensive income

	For year ended 31 March 2014 (previously reported) \$'000	Equity accounting for joint ventures \$'000	For year ended 31 March 2014 (restated) \$'000
Income	78,158	(4,699)	73,459
Expenses	(48,996)	4,180	(44,816)
Net operating profit	29,162	(519)	28,643
Finance costs – bank loans	(13,594)	-	(13,594)
Finance income – short term deposits	6,581	(53)	6,528
Shares of net profits of associates and joint venture partnership accounted for using the equity method	474	586	1,060
Other gains – net	31,862	(14)	31,848
Settlement	20,943	-	20,943
Grant expense	(6,136)	-	(6,136)
Net profit before tax	69,292	-	69,292
Tax credit	1,582	-	1,582
Net profit for the year	70,874	-	70,874
Profit is attributable to:			
Equity holders of Tainui Group Holdings Limited	69,453	-	69,453
Non-controlling interest	1,421	-	1,421
	70,874	-	70,874
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of farm and owner occupied properties	3,070	-	3,070
Other comprehensive income for the year	3,070	-	3,070
Total comprehensive income for the year, net of tax	73,944	-	73,944
Total comprehensive income for the year is attributable to:			
Equity holders of Tainui Group Holdings Limited	72,523	-	72,523
Non-controlling interest	1,421	-	1,421
	73,944	-	73,944

Impact of change in accounting policy on statement of financial position

	As at 31 March 2014 (previously reported) \$'000	Equity accounting for joint ventures \$'000	As at 31 March 2014 (restated) \$'000
ASSETS			
Current assets			
Cash and cash equivalents	172,099	(629)	171,470
Trade and other receivables	12,684	(3,548)	9,136
Inventories	13,769	(10,702)	3,067
Biological assets – livestock	824	-	824
Advances – related parties	-	-	-
Total current assets	199,376	(14,879)	184,497
Non-current assets			
Investments in joint ventures	-	22,189	22,189
Other receivables	29,871	(101)	29,770
Other financial assets	24,008	-	24,008
Intangible assets	45,339	(24,429)	20,910
Property, plant and equipment	140,187	(687)	139,500
Investment properties	564,914	-	564,914
Biological assets – forestry assets	4,733	(369)	4,364
Development properties	50,083	-	50,083
Total non-current assets	859,135	(3,397)	855,738
Total assets	1,058,511	(18,276)	1,040,235
LIABILITIES			
Current liabilities			
Trade and other payables	40,850	(4,444)	36,406
Interest bearing liabilities	124	(124)	-
Other financial liabilities	1,355	-	1,355
Total current liabilities	42,329	(4,568)	37,761
Non-current liabilities			
Other payables	452	-	452
Interest bearing liabilities	225,130	(13,708)	211,422
Deferred tax liabilities	3,183	-	3,183
Other financial liabilities	3,693	-	3,693
Total non-current liabilities	232,458	(13,708)	218,750
Total liabilities	274,787	(18,276)	256,511
Total net assets	783,724	-	783,724
EQUITY			
Reserves	13,523	-	13,523
Retained earnings	755,012	-	755,012
	768,535	-	768,535
Non-controlling interest	15,189	-	15,189
Total equity	783,724	-	783,724

WAIKATO RAUPATU LANDS TRUST
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

31 IMPACTS OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

Impact of change in accounting policy on statement of cash flows

	For year ended 31 March 2014 (previously reported) \$'000	Equity accounting for joint ventures \$'000	For year ended 31 March 2014 (restated) \$'000
Cash flows from operating activities			
Receipts from customers	75,235	(4,801)	70,434
Proceeds from settlement	11,000	-	11,000
Payments to suppliers	(48,079)	4,198	(43,881)
Payments to grant recipients	(5,806)	-	(5,806)
Interest received	6,579	(53)	6,526
Interest paid	(13,594)	-	(13,594)
Net cash generated from/(used in) operating activities	25,335	(656)	24,679
Cash flows from investing activities			
Payments for investments in unlisted companies	(3,917)	-	(3,917)
Receipts for investments in unlisted companies	108	-	108
Dividends received	240	-	240
Net payment for investment in joint venture partnership	(13,059)	-	(13,059)
Amounts (paid to)/received from related parties	(821)	-	(821)
Payments for property, plant and equipment	(2,414)	-	(2,414)
Payments for intangible assets	(278)	27	(251)
Payments for investment properties	(10,769)	-	(10,769)
Proceeds from sale of investment properties	2,984	-	2,984
Net cash generated from /(used in) investing activities	(27,926)	27	(27,899)
Cash flows from financing activities			
Proceeds from borrowings	21,281	-	21,281
Repayment of borrowings	(5,742)	-	(5,742)
Acquisition of subsidiary net cash acquired	2,293	-	2,293
Net cash generated from financing activities	17,832	-	17,832
Net increase/(decrease) in cash and cash equivalents	15,241	(629)	14,612
Cash and cash equivalents at the beginning of the financial year	156,858	-	156,858
Cash and cash equivalents at end of year	172,099	(629)	171,470



Independent Auditors' Report

To the Trustees of Waikato Raupatu Lands Trust

Report on the Financial Statements

We have audited the financial statements of Waikato Raupatu Lands Trust on pages 49 to 94, which comprise the statement of financial position as at 31 March 2015 the statement of comprehensive income and statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Trust and the entities it controlled at 31 March 2015 or from time to time during the financial year.

Trustee's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the entity's preparation of financial statements that present fairly the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Group. Our firm carries out other services for the Group in the areas of tax, advisory and other assurance. These services have not impaired our independence as auditors of the Trust and the Group.

Opinion

In our opinion, the financial statements on pages 49 to 94 present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

Restriction on Use of our Report

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

Chartered Accountants
26 June 2015

Auckland

