



Te Rūnanga o NGĀI TAHU

2018

ANNUAL REPORT SUMMARY

For the full Annual Report
please visit
www.ngaitahu.iwi.nz



From the Kaiwhakahaere

It gives me great pleasure to present our annual report for the year ending 30 June 2018, a year where we as an iwi celebrated some significant milestones and achievements. We continued to make steady and assured progress in our development and in the review and refinement of our operations, while continuing to grow our pūtea. I am honoured to report a total net profit from our commercial activities of \$150m for the financial year, which resulted in a \$61m distribution to Te Rūnanga. Throughout this report we feature some key highlights of the work that has been done to support the cultural, social, environmental and economic sustainability of this, and future, generations of Ngāi Tahu whānui.

It is hard to believe that an entire year has passed since I was elected as Kaiwhakahaere of Te Rūnanga o Ngāi Tahu – a position I remain immensely humbled and proud to hold. Over the past 12 months I have challenged myself and Te Rūnanga to consider how we can better perform our duties as tribal leaders and engage with our whānau.

To ensure we are working effectively, we have sought your feedback in various ways, including the form and function review, the whānau survey and the road shows held throughout Aotearoa and Australia. I want Te Rūnanga to continue to forge a path that all our members can be proud of, and your input is crucial to realising this vision. The reviews and surveys held over the last year are certainly not a one-off, and my door remains open to anyone who wants to kōrero about the direction Te Rūnanga is taking.

Haea Te Awa is a new programme that we have launched to use feedback from whānau to steer our waka over the next 50 years. Haea Te Awa focuses on our investment approach and the mark we leave on the landscape, and I know it will lay the foundations for our future. In terms of the issues facing us today, we have been taking a strong stance on our rights and interests. We know that climate change and freshwater are key issues for our whānau, which is why we have worked hard to create tribal positions, influence government policy and reaffirm our rights and interests in these areas.

As you will see throughout this report, sustainability features strongly, as does nurturing and growing key relationships especially those who share our passion for enhancing the opportunities and potential for our people and our rohe. Te Rūnanga has given clear direction to our subsidiaries that their operations must consider the environment and future generations. The Office of Te Rūnanga is determined to lead the way on this kaupapa, which is why Te Rūnanga o Ngāi Tahu has developed a climate change strategy – He Rautaki mō te Huringa Āhua o te Rangī.

The strategy acknowledges the challenges we face today, but looks forward to the creation of a legacy that future generations of Ngāi Tahu will be proud of. I am confident that our leadership in this area will help shape our iwi development.

A common theme has emerged when meeting with whānau over the past year – freshwater. Te Rūnanga understands the importance of protecting our awa, and I have put together a Kaiwhakahaere advisory group specifically for freshwater management. This group will be working hard to protect our rights and interests as this is crucial to our development, and ensuring that the hard work of those who fought for Te Kerēme does not fall by the wayside.

I want to take this opportunity to acknowledge Trevor Burt, whose steady hand as the Chair of Ngāi Tahu Holdings Group over the last decade has helped steer us to success. Trevor announced his retirement last year, and we thank him once again for his astute financial leadership over the years. It is a hard act to follow, but I am confident that our new Chair Mark Tume will rise to the challenge and bring his own flair to the role.

My thanks also to our Chief Executive Officer, Arihia Bennett, and all the staff of Te Rūnanga o Ngāi Tahu for their hard work over the past year. And to the Te Rūnanga o Ngāi Tahu Board who have worked collectively, guided by the best interests of our Ngāi Tahu whānau, to review and refine our form and function to enhance our governance deliberations – I wish to express my gratitude to each and every member for their passion and commitment that ensures robust discussion and decision-making in all that we do.

Finally, I want to close by sending my aroha and acknowledgement to Ngāi Tahu whānui across the world. Our people are at the heart of everything we do, and the work laid out in this annual report is for you, today and in the future.

Lisa Tumahai
KAIWHAKAHAERE



**“Haea te awa,
puta i tua, puta
i waho, i te pakiaka
o te rākau.”**

Reach for new
horizons, to beyond
where we are now,
and what we know.

Cover photo: As we celebrate 125 years of women's suffrage, we reflect on our many inspirational Ngāi Tahu wāhine and take this time to profile one of our very own. The late Dr Irihapeti Ramsden was one of the most influential and visionary leaders of her time. Paving the way to ensure culturally safe health practices for our people was one of her many achievements. Through her work, the world is a better place and her mana and legacy continue into the future through her daughter Pirimia (seven months hapū) and moko Kahukura

– photo credit: Dean MacKenzie

From the Chief Executive Officer

He Whirika Takata – *Engaging with our people* is the theme of this year's annual report and as I reflect on the past 12 months and what this looks like in tangible terms, I am excited by the multitude of ways in which we are engaging with whānau both in and outside the takiwā, from kaumātua to pēpi. The digital age has created a whole new platform of ways we can connect with whānau globally, while locally we remain focused on the events and forums that bring our people together on shared kaupapa.

With nearly 40% of our tribal members under the age of 25, we are continually exploring opportunities for rangatahi participation across the organisation as we look to create the next generation of tribal leadership – who bring with them a global perspective and a future focus in their thinking. It has been heartening to see the rapidly growing rangatahi interest and engagement in the programmes we are offering: Te Pōkai Ao, Te Ara Whakatipu and Manawa Hou among others. Rautahi Rakatahi is a working party that has been formed to guide the development of an overarching rangatahi strategy to ensure alignment of activities and greater opportunities for our young people.

As Papatipu Rūnanga start to build their own tribal economy and cultural sustainability we need to be attracting our youth into both learning and leadership roles back in the regions. Regional rangatiratanga needs input across all our generations and the Office of Te Rūnanga will continue to support development to make this happen.

Tokona Te Pō Kia Tokona Te Ao is an initiative focused on creating opportunities for growing tribal economies within our whānau and communities that enable them to advance their own business and wellbeing goals specific to their geographical context. The scope of mahi in this area is broad, from the development of ideas to research and technology, marketing and promotion and expansion of businesses to the next level of success. To date \$463,000 has been invested in supporting 90 start-up businesses with 63 of those now operational.

While we concentrate on the home fires and regional development, we must also acknowledge the growing needs of whānau living outside the takiwā. We have seen rapid growth in participation at the road shows each year and with this comes the responsibility of continually finding new and meaningful ways to engage with whānau wherever they live. Suffice to say, connecting and engaging is not a one size fits all approach. With over 60,000 members spread around the globe, each with their own sense of connection, our approach must reflect this diversity.

In recent years we have also been working on ways to strengthen our staff culture and workplace. Recently we completed our third independent Whatumanawa staff satisfaction survey. This year we reached the Aon top quartile for staff satisfaction (across New Zealand and Australia) with 68%. We are delighted by this positive shift and to note that staff concerns are now focused on technical aspects of the organisation rather than on diversity and inclusion.

None of what we do would be possible if it were not for the commitment and passion of our many kaimahi who work tirelessly, and, often at the sacrifice of time with whānau, to deliver the programmes and activities that support the fulfilment of our vision – my heartfelt thanks to you all across the organisation. I also wish to acknowledge all those out in our communities, mostly working in a volunteer capacity, who work so hard to ensure a vibrant future for our iwi – mō tātou, ā, mō kā uri ā muri ake nei.

Arihia Bennett MNZM
CHIEF EXECUTIVE OFFICER



2018
14 Road Shows
3,000+
participants

5,000+
whānau celebrated whanaungatanga
at Hui-ā-Iwi, Tuahiwi, November 2017

206
businesses supported by
Tribal Economies since 2016

Office of Te Rūnanga
52%
Ngāi Tahu kaimahi

Tribal Development
\$516m
invested since settlement

Ngāi Tahu Holdings report From the Chair and Chief Executive

When reflecting on the year in review, it can be best described as one of adjustment to our 'new normal' as we begin the next phase of our journey. We are pleased to report a positive year end result with net operating surplus of \$47.8m and total net profit of \$150m. A Relativity settlement of \$198.9m received last year has strengthened the balance sheet.

We continue to strive to make our commitment to kaitiakitanga real and have signed up with 60 other New Zealand business leaders to form the Climate Leaders Coalition. Coalition members have committed to measuring and reporting their greenhouse gas emissions, setting reduction targets and working with suppliers to reduce emissions. Across our businesses we are working hard on this kaupapa and recently produced our second carbon emissions report.

The Values in Action framework has laid the foundation for how we go about our business and is gaining momentum across the Group. Our businesses have developed their own values strategies by embedding cultural aspects into their operations. The Tower Junction redevelopment is a great example with native plantings, te reo and artwork as visual markers of its Ngāi Tahu ownership. We are focused on improving our engagement with Papatipu Rūnanga across our businesses.

We encourage whānau to visit our redeveloped Ngāi Tahu Holdings website (www.ngaitahuholdings.co.nz), which will be regularly updated with engaging content showcasing what our businesses do, and how they are operating in line with our values.

The year has not been without its challenges with another tough year for Watson & Son. We now own 100% of the honey business while the founding partner has resumed full ownership of MānukaMed. We have restructured the company and established a new management team. Nadine Tunley (Ngāi Tahu – Ngāti Wheke, Ngāti Waewae) has been appointed as the CEO. Nadine was one of the first participants in our Manawa Nui associate director programme – designed to grow Ngāi Tahu leadership capability – and is testament to its value. We are optimistic about the future of the business.

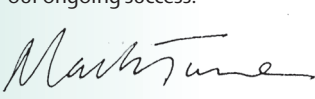
We are mindful of our responsibilities as kaitiaki of the pūtea – being the best we can be on behalf of the iwi. We are piloting the Ngāi Tahu Executive Leadership Programme in partnership with Victoria University and the prestigious Melbourne Business School. This bespoke programme blends our values and cultural dimensions with the best of leadership practice.

We have conducted a formal board review across the Group, using Propero to measure against the core competencies and have appointed KPMG as our new internal auditors with a view to improving our risk management practices.

With the outlook for economic growth slowing, high asset prices and lowering business confidence we are preparing for headwinds on the horizon. Across the Group the future will be driven by ensuring that we are focused on operational excellence and getting the best cash returns from our existing portfolio, while not losing sight of potential opportunities that fit with our investment portfolio.

Haea te Awa begins a new phase in the development of our organisation. We will revisit our investment strategy to ensure it is aligned with achieving the expectations of the iwi.

In closing, we wish to acknowledge our retiring Chair, Trevor Burt who stepped down in August after nine years at the helm. With Trevor's guidance and strategic oversight Ngāi Tahu Holdings has enjoyed an extended period of exceptional growth and outstanding returns, *e te kanohi kai nukere, nāia mātou e mihi nei ki a koe*. And to our staff and governors across the Group we appreciate the professionalism and expertise you bring to your roles that contributes to our ongoing success.



Mark Tume
CHAIR



Mike Sang
CHIEF EXECUTIVE

\$61.05m

distribution to Te Rūnanga o Ngāi Tahu

\$1.57b

Ngāi Tahu Holdings shareholder equity

\$150m

total net profit

Ngāi Tahu Holdings
Group Goal:

20%

Ngāi Tahu kaimahi by 2022



Ngāi Tahu Holdings Subsidiaries

With the exclusion of a poor performance for Watson & Son, it has been a solid year for Ngāi Tahu Capital, with strong returns from Ryman Healthcare, joint venture Go Bus increasing its market share, and a clear strategic direction set for our joint venture Hilton Haulage.

While dairy returns have stabilised, Ngāi Tahu Farming is still to optimise its dairy and beef operations and this is reflected in their results, ending the year with a net operating surplus of \$4.56m. The farming portfolio is capital intensive and the focus ahead will be on increasing the operating and cash performance of the existing farms, along with exploring options for the development of Balmoral. Ngāi Tahu Forestry has had a strong year underpinned by carbon credits. The forestry team has been brought inhouse, which is giving us a visible presence on Te Tai Poutini.

The Ngāi Tahu Property investment portfolio remains solid with 30 properties, 100% occupancy and a portfolio value of \$332m. Development is moving from an extended period of delivering projects into pursuing new opportunities. The new Karamū (Riccarton Racecourse) subdivision includes shared equity housing for whānau and the developments in Hobsonville include affordable housing programmes.

In a time of review that includes the decision to exit from the mussel market, Ngāi Tahu Seafood has managed to net its best result ever in the history of the company due to the value of its kōura market in China. Reliance on one species is a risk; therefore, we need to develop an innovative approach to getting added value from other quota species.

It has been a strong and busy year for Ngāi Tahu Tourism with two key developments being the Earth & Sky project at Takapō with the support of the three local Papatipu Rūnanga; and the new All Blacks Experience at SkyCity in Tāmaki Makaurau in partnership with New Zealand Rugby. With projected growth in visitor numbers, we expect growth in our tourism revenue.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Summary Group Financial Statements for the year ended 30 June 2018

The following Summary Group Financial Statements have been extracted from the audited Full Group Financial Statements dated 15 September 2018. The Full Group Financial Statements were prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The Group is a public benefit entity and has made an explicit statement of compliance with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as applicable for Tier 1 not for profit public benefit entities in the Full Group Financial Statements. The Summary Group Financial Statements cannot be expected to provide as complete an understanding as provided by the Full Group Financial Statements. An unmodified audit opinion was issued on the Full Group Financial Statements.

The Summary Group Financial Statements have been examined by the Group's auditor for consistency with the Full Group Financial Statements and their audit report on the Summary Group Financial Statements has been attached.

Further details about the Group's financial performance and financial position can be obtained from the Full Group Financial Statements.

Each tribal member is entitled to obtain upon request a copy of the Full Group Financial Statements. Requests should be made to the Office of Te Rūnanga o Ngāi Tahu – Attention: Jeff Goldsmith.

The Rūnanga Representatives authorised the issue of the Full Group Financial Statements on 15 September 2018.

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Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Summary Group Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2018

	Notes	2018 \$000	2017 Restated* \$000
Revenue	1	311,731	329,643
Cost of Sales		(121,168)	(136,976)
Gross Profit		190,563	192,667
Other Income		15,388	13,971
Operating Expenses		(133,578)	(118,536)
Borrowing Costs		(11,673)	(8,264)
Share of (Loss) from Associates and Joint Ventures using the Equity Method	6	(12,897)	(8,921)
Net Operating Surplus before Tribal Activities, Tax, Revaluations and Other Significant Items		47,803	70,917
Net Gain on Sale of Non-Current Assets		87,534	25,777
Net Impairment Losses on Non-Current Assets	1	(2,324)	(20,524)
Government Grant Income		2,900	0
Net Gain from Fair Value Adjustments on Investment Properties		6,177	19,060
Net Gain on Fair Value Adjustments on Other Non-Current Assets	1	7,881	18,781
Reversal of Earn Out		0	20,613
Trading Surplus prior to Tribal Activities and Taxation		149,971	134,624
Income relating to Tribal, Rūnanga and Whānau Distributions	2	5,546	7,491
Tribal, Rūnanga and Whānau Distributions and Expenses	2	(38,801)	(32,666)
Rūnanga Direct Distributions – Te Pūtea Tautoko	2	(21,600)	0
Operating Expenses – Te Rūnanga o Ngāi Tahu		(19,999)	(19,736)
Relativity and Fisheries Settlement	3	198,870	0
Other Income		572	488
Net Impairment Losses on Non-Current Assets	1	(372)	(30)
Surplus for the Year before taxation		274,187	90,171
Income Tax Expense	10	(909)	(832)
Surplus for the Year		273,278	89,339
Other Comprehensive Revenue			
Share of Equity Accounted Associates Other Comprehensive (Expense) / Revenue		(4)	87
Share of Equity Accounted Joint Ventures Other Comprehensive (Expense) / Revenue		(436)	3,038
Gain on Revaluation of Property, Plant and Equipment		1,569	23,335
Exchange Differences on Translating Foreign Operations		1,985	30
Movement in Asset Revaluation Reserve – Available-for-Sale		7,873	(24,688)
Movement in Hedge Reserve		(2,001)	5,883
Other Comprehensive Revenue for the Year		8,986	7,685
Total Comprehensive Revenue for the Year		282,264	97,024

Includes sales (mainly relating to farming, seafood, honey, tourism and properties) interest income, rents received, dividends and income from investments.

Includes our share of Whale Watch Kaikōura, Hilton Haulage, Go Bus, Waikato Milking Systems and Watson & Son (5 months).

Includes rūnanga distributions, marae development, Whai Rawa, kaumātua and Ngāi Tahu Fund distributions, along with expenditure associated with protection of natural resources, publications, communications, mātauranga, culture and identity, strategy & influence and expenses for other tribal programmes.

* See note 11 for details regarding the restatement of a prior period amount.

These statements are to be read in conjunction with the notes to the Summary Group Financial Statements attached.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust
Summary Group Statement of Changes in Equity

For the Year Ended 30 June 2018

	2018	2017
	\$000	Restated* \$000
Balance at the Beginning of the Year	1,370,539	1,273,539
<i>Net Gain / (Loss) Recognised Directly in Equity</i>		
Investments in Equity Instruments Valuation Movement	7,873	(24,688)
Property, Plant and Equipment Valuation Movement	1,569	25,606
Translation of Foreign Operations	1,873	188
Cash Flow Hedge Movement	(2,329)	6,579
	8,986	7,685
<i>Profit for the Year:</i>		
Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust	272,665	89,271
Non-Controlling Interest	613	68
	273,278	89,339
Total Comprehensive Revenue for the Year	282,264	97,024
Distributions	(252)	(24)
Balance at End of Year	1,652,551	1,370,539

* See note 11 for details regarding the restatement of a prior period amount.

These statements are to be read in conjunction with the notes to the Summary Group Financial Statements attached.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust
Summary Group Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$000	2017 Restated* \$000
Current Assets			
Cash and Cash Equivalents	Monies owed to Ngāi Tahu by our customers.	14,729	21,674
Receivables and Prepayments	Stock of fish, annual catch entitlement, marine farm crops, honey, retail merchandise and parts stock.	29,874	24,970
Inventories		52,344	11,014
Inventories – Property	Properties and sections planned to be sold within 12 months.	16,242	16,796
Derivative Financial Assets		502	2,371
Assets Classified as Held for Sale	Residential and Commercial Development Property.	7,081	14,027
Total Current Assets		120,772	90,852
Non-Current Assets			
Receivables	Investment properties primarily held for rental income and capital appreciation.	4,031	2,165
Inventories – Property		41,767	14,079
Property, Plant and Equipment	Includes shares in Ryman Healthcare and Aotearoa Fisheries.	434,792	370,200
Biological Assets		70,196	54,846
Investment Properties	Includes our share of Whale Watch Kaikōura, Hilton Haulage, Go Bus and Waikato Milking Systems.	491,820	470,192
Investments in Equity Instruments		305,580	254,177
Interest in Associates and Joint Ventures		190,849	212,872
Derivative Financial Assets		248	871
Fish Quota and Marine Farm Licences		146,022	143,744
Goodwill and Other Intangibles		118,071	62,281
Total Non-Current Assets		1,803,376	1,585,427
Total Assets		1,924,148	1,676,279
Current Liabilities			
Payables and Accruals	Monies owed to suppliers.	41,393	35,655
Provisions		8,153	8,197
Borrowings		6,756	57,589
Other Financial Liabilities		3,808	4,213
Total Current Liabilities		60,110	105,654
Non-Current Liabilities			
Borrowings	Includes syndicated debt facility of \$200m.	201,258	190,259
Provisions		365	352
Other Financial Liabilities		9,864	9,475
Total Non-Current Liabilities		211,487	200,086
Total Liabilities		271,597	305,740
Net Assets		1,652,551	1,370,539
Equity			
Trust Funds in Perpetuity	Funds received from the original Crown Settlement and subsequent Fisheries, Aquaculture and Relativity settlements.	534,574	335,704
Reserves		1,116,877	1,034,096
Non-Controlling Interest		1,100	739
Total Equity		1,652,551	1,370,539

* See note 11 for details regarding the restatement of a prior period amount.

These statements are to be read in conjunction with the notes to the Summary Group Financial Statements attached.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust
Summary Group Statement of Cash Flows
For the Year Ended 30 June 2018

	2018	2017
	\$000	\$000
Cash Flows from Operating Activities		
Cash Receipts from Customers	308,779	290,576
Cash Paid to Suppliers and Employees	(259,910)	(233,148)
Sale of Inventories – Property	17,384	61,393
Purchase of and Expenditure on Development Properties	(36,092)	(31,368)
Relativity Settlement Monies Received	198,870	0
Tribal Distributions	(60,401)	(32,666)
Dividends Received	6,209	6,954
Interest Paid	(12,229)	(9,769)
Interest Received	638	494
Tax Paid	(1,056)	(928)
Net Cash Flow from Operating Activities	162,192	51,538
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(29,540)	(33,737)
Sale of Property, Plant and Equipment	1,970	1,283
Earthquake Insurance Proceeds Received	0	7,985
Purchase of and Expenditure on Investment Properties	(18,339)	(47,549)
Purchase of Investments in Equity Instruments	(45,691)	(81,169)
Sale of Investments in Equity Instruments	60,612	63,820
Acquisition of Watson & Son	(17,266)	0
Acquisition of Investments in Other Entities	(52,863)	(42,427)
Acquisition of Business	0	(8,547)
Sale of Business	10,368	0
Recharge of Mussel Farm Costs	0	237
Purchase of Biological Assets	(7,653)	(9,758)
Purchase of Intangibles	(775)	(1,872)
Sale of Carbon Credits	25,519	10,685
Purchase of and Expenditure on Fish Quota and Marine Farm Resource Consents	(1,138)	(643)
Net Cash Flow from Investing Activities	(74,796)	(141,692)
Cash Flows from Financing Activities		
Drawdown of Syndicated Bank Debt Facility	(42,000)	119,000
(Repayment) of Other Borrowings (net)	(52,089)	(15,903)
Payment of Distribution to Minority Shareholder	(252)	(24)
Net Cash Flow from Financing Activities	(94,341)	103,073
Net (Decrease) / Increase in Cash and Cash Equivalents	(6,945)	12,919
Cash and Cash Equivalents at 1 July	21,674	8,755
Cash and Cash Equivalents at 30 June	14,729	21,674

These statements are to be read in conjunction with the notes to the Summary Group Financial Statements attached.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements

For the Year Ended 30 June 2018

Reporting Entity

Te Rūnanga o Ngāi Tahu is a body corporate incorporated in New Zealand by section 6 of the Te Rūnanga o Ngāi Tahu Act 1996 and Ngāi Tahu Charitable Trust is a charity registered under the Charities Act 2005.

It is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013 and is domiciled in New Zealand.

Te Rūnanga o Ngāi Tahu is responsible for the overall governance of Ngāi Tahu affairs, the representation of the tribe's interests, the protection and advancement of the rights of the members of Ngāi Tahu whānui, and delivering social, cultural and development programmes to Ngāi Tahu members and their communities. Ngāi Tahu Holdings Corporation manages the commercial activities and assets that have been placed in the Ngāi Tahu Charitable Trust, being primarily property investment, property development, farming, tourism, fishing and investment activity in New Zealand.

Te Rūnanga o Ngāi Tahu and the Ngāi Tahu Charitable Trust have common beneficiaries.

Basis of Preparation

The Summary Group Financial Statements have been prepared:

- in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") as it relates to summary financial statements as appropriate for public benefit entities. They comply with PBE FRS 43 Summary Financial Statements;
- in New Zealand dollars rounded to the nearest thousand dollars and;
- on the basis of historical cost, except for the revaluation of certain assets and liabilities.

The Summary Group Financial Statements have been extracted from the audited Full Group Financial Statements dated 15 September 2018. The Full Group Financial Statements were prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The Group is a public benefit entity and has made an explicit statement of compliance with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as applicable for Tier 1 not for profit public benefit entities in the Full Group Financial Statements. The Summary Group Financial Statements cannot be expected to provide as complete an understanding as provided by the Full Group Financial Statements. An unmodified audit opinion was issued on the Full Group Financial Statements.

These summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements from which they are extracted.

The Group Financial Statements were authorised for issue by Te Rūnanga o Ngāi Tahu on 15 September 2018.

Basis of Combination

The Group Financial Statements include the financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust and its subsidiaries and controlled entities. Control is achieved where the entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The trusts have been aggregated by combining on a line-by-line basis the financial statements of the trusts and their subsidiaries, associates and joint ventures with the consolidated financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust and its subsidiaries. Combination is from the date control is transferred to the Group and is discontinued from the date control ceases.

The financial statements of the members of the Group are prepared using consistent accounting policies and the same reporting period. The Group financial statements have been adjusted to eliminate the effect of significant intra-group transactions.

Accounting Policies

Accounting policies that are relevant to the understanding of the financial statements, and summarise the measurement basis, are provided throughout the notes to the financial statements. The accounting policies have been consistently applied to the periods in these financial statements.

Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to exercise its judgement in applying the Group's accounting policies. The full financial statements provide the detail behind critical estimates and judgements. These summary group financial statements should be read in conjunction with the full financial statements.

Estimates and judgements are reviewed by management on an on-going basis, with revisions recognised in the period in which the estimate is revised and in any future periods affected. Areas of estimate or judgement that have the most significant impact on the amounts recognised in the financial statements are:

- Fair Value of Property, Plant and Equipment
- Fair Value of Investment Properties
- Impairment of Goodwill and Other Intangibles
- Fair Value of Biological Assets
- Valuation of Goodwill of Watson & Son Limited Partnership

1. Income and Expenses

	2018	2017
	\$000	\$000
Revenue		
Revenue from the Sale of Goods	185,072	214,986
Revenue from the Rendering of Services	87,374	83,008
Rental received from Properties	34,717	27,237
Recoverable Property Operating Expenses	3,576	2,844
Foreign Exchange Gains on Sale of Goods	992	1,568
	311,731	329,643

Recognition and Measurement

Revenue is recorded at the fair value of the consideration received or receivable, net of GST, discounts and rebates. Revenue is recognised when it is probable that the economic benefits will flow to the Group and that it can be reliably measured.

Revenue from the sale of goods is recognised when title has been transferred and the benefits of ownership and risk pass to the customer.

Revenue from services is taken to the profit and loss when the service is actually provided. Rental income is recognised on a straight line basis over the lease term including any lease incentives and initial direct costs.

Net Impairment Losses on Non-Current Assets

		Restated*
Property, Plant and Equipment	(2,076)	(1,981)
Investments in Equity Instruments	(907)	(367)
Interest in Joint Venture (Watson & Son)	0	(17,772)
Asset Held for Sale	(290)	(434)
Fish Quota	577	0
	(2,696)	(20,554)
Trading Operations	(2,324)	(20,524)
Tribal Activities	(372)	(30)
	(2,696)	(20,554)
Net Gain / (Loss) on Fair Value Adjustments on Other Non-Current Assets		
Financial Assets Held for Trading	7,007	4,198
Biological Assets	2,561	14,248
Hedge Accounted Foreign Exchange Contracts	(1,527)	524
Contingent Consideration	(13)	(5)
Deferred Settlement	(147)	(184)
	7,881	18,781

* See note 11 for details regarding the restatement of a prior period amount.

2. Tribal, Rūnanga and Whānau Distributions

	2018	2017
	\$000	\$000
Income Relating to Tribal, Rūnanga and Whānau Distributions		
Exchange Revenue		
External Funding Received	2,178	3,664
Other Income	3,035	3,827
	5,213	7,491
Non-Exchange Revenue		
External Funding Received	333	0
Total Income Relating to Tribal, Rūnanga and Whānau Distributions	5,546	7,491
Tribal, Rūnanga and Whānau Distributions and Expenses⁽¹⁾		
Rūnanga Direct Distributions and Development	(13,084)	(10,597)
Culture and Identity	(3,091)	(2,588)
Disaster Recovery	(327)	(316)
Mātauranga Grants and Development Expenses, Housing and Kaumātua Distributions	(7,616)	(7,120)
Natural Resources, Tribal Properties and Mahinga Kai	(3,716)	(2,782)
Strategy and Influence	(1,661)	(1,171)
Whai Rawa Distributions and Operating Expenses	(6,789)	(5,589)
Tribal Engagement	(2,517)	(2,503)
	(38,801)	(32,666)
Rūnanga Direct Distributions – Te Pūtea Tautoko ⁽²⁾	(21,600)	0
	(54,855)	(25,175)

(1) The above costs represent the direct costs of the programmes only and do not include an allocation of general operational and administrative expenses.

(2) A payment of \$21.6m was made to the 18 Papatipu Rūnanga during the year.

Recognition and measurement – Grants and External Funding

Revenues from non-exchange transactions is recognised when the Group obtains control of the transferred asset (cash, goods or services), and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and,
- the transfer is free from conditions that require the asset to be refunded or returned to the funding entity if the conditions are not fulfilled.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Group has satisfied these conditions.

3. Relativity and Fisheries Settlements

The following payments were received as an outcome of Crown settlements – Ngāi Tahu Deed of Settlement (Relativity) and Māori Fisheries Settlement and were recognised as tribal income:

	2018 \$000	2017 \$000
Relativity Settlement Monies	198,870	0
	198,870	0

The initiation of the Relativity Mechanism in 2017 resulted in two payments from the Crown to Te Rūnanga o Ngāi Tahu in the current financial year, comprising:

- (i) An undisputed amount of \$179,998,704; and
- (ii) An amount of \$18,871,720 following the arbitrator's award based on the November 2017 arbitration.

Recognition and measurement

Relativity funds are recognised as income when the amount has either been received or has been formally agreed with the Crown prior to year end.

4. Property, Plant and Equipment

Key judgements and estimates

The asset class farm land and buildings are valued at fair value on an annual basis. This requires an estimation of current market values by independent registered valuers. An independent peer review process is also undertaken on this asset class involving another independent registered valuer.

Net Book Value

Land and Buildings at Cost	94,257	66,009
Farm Land and Buildings at Fair Value	240,965	236,001
High Country Stations ("Taonga") at Cost	5,043	5,057
Hiveware at Fair Value	23,047	0
Bearer Plants at Cost	970	838
Plant, Office and Computer Equipment at Cost	66,926	57,773
Work in Progress at Cost	3,584	4,522
	434,792	370,200

Recognition and Measurement

Farm land and buildings and hiveware are stated at fair value at the date of revaluation less any subsequent depreciation and impairment losses. All other property, plant and equipment are stated at cost less depreciation and impairment losses.

Fair value and revaluation of farm land and buildings

Revaluations are performed by professionally qualified valuers on an annual basis or when there are indicators that the asset value has moved materially.

Increases in value arising from revaluation are recognised in other comprehensive revenue and accumulated in the asset revaluation reserve – properties. Decreases in revaluation are recognised in profit or loss unless it directly offsets a previous increase of the same asset in the asset revaluation reserve.

On disposal, the portion of the asset revaluation reserve which relates to that asset, is transferred directly to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated.

4. Property, Plant and Equipment continued

Depreciation

Depreciation is charged to write down the value of the asset on a straight line basis to an estimated residual value over their economic lives. Land and work in progress are not depreciated.

Impairment of asset

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

Disposal of asset

Gains and losses arising on disposal are determined as the difference between the sale proceeds and the carrying amount of the asset. This is recognised in profit or loss. Any balance in the revaluation reserve relating to this asset is transferred to retained earnings.

5. Property Assets – Investment Properties

Key Judgements and Estimates

In estimating the fair value of investment properties, the Group engaged independent registered valuers and have undertaken an independent peer review process on sensitive investment properties where another independent registered valuer is engaged.

	2018	2017
	\$000	\$000
At Fair Value		
Investment Property – Commercial	334,640	199,536
Investment Property – Crown / Local Authority	146,065	139,465
Investment Property – Forestry Land	11,115	12,692
Investment Property under Construction	0	118,499
	491,820	470,192

Recognition and Measurement

Investment Property includes properties held to earn rental income and/or for capital appreciation that are not occupied by the Group. These properties are measured at fair value on an annual basis. Gains or losses arising from a change in fair value are included in profit or loss in the period in which they arise.

6. Investments in Other Entities

Key Judgements and Estimates

The Group needs to determine whether an impairment exists on our interest in associates and joint ventures. This requires the estimation of the recoverable amount of our interest.

	2018 \$000	2017 Restated* \$000
Interest in Associates and Joint Ventures		
Whale Watch Kaikōura Limited	12,223	9,246
Other Associates	0	0
Associates – Total	12,223	9,246
Hilton Haulage Transport Limited Partnership	40,109	39,449
Hobsonville Development Limited Partnership	34,665	6,858
NGL Hobsonville Point Limited	9,891	1,621
Ngāi Tahu Tainui Go Bus Holdings Limited	75,798	65,747
Watson & Son Limited Partnership	0	30,783
Waikato Milking Systems Limited Partnership	12,601	22,810
Other Joint Ventures	3,915	3,295
Goodwill on Acquisition	1,647	33,063
Joint Ventures – Total	178,626	203,626
Group's Total Interest	190,849	212,872
Group's Share of Operating Profit / (Loss)		
Whale Watch Kaikōura Limited	3,416	(729)
Other Associates	0	0
Associates – Total	3,416	(729)
Hilton Haulage Transport Limited Partnership	3,003	4,529
Hobsonville Development Limited Partnership	(11)	(13)
NGL Hobsonville Point Limited	2,126	(21)
Ngāi Tahu Tainui Go Bus Holdings Limited	31	1,446
Watson & Son Limited Partnership	(9,139)	(14,497)
Waikato Milking Systems Limited Partnership	(12,601)	142
Other Joint Ventures	278	222
Joint Ventures – Total	(16,313)	(8,192)
	(12,897)	(8,921)

Recognition and Measurement

A joint venture is an entity where the Group has joint control with one or more parties and have rights to the net assets of the joint venture.

An associate is an entity where the Group has significant influence, being the ability to participate in the financial and operating decisions of the entity.

Interests in associates and joint ventures are accounted for using the equity method of accounting where the investment is recorded at cost plus its share of any profit or loss during the ownership period. Any dividends received are deducted from the investment value.

* See note 11 for details regarding the restatement of a prior period amount.

7. Investments in Equity Instruments

		2018	2017
		\$000	\$000
Financial Assets Carried at Fair Value Through Profit or Loss (FVTPL)			
Pathfinder Socially Responsible Investment Fund		59,952	45,184
Available For Sale Investments at Fair Value			
Ryman Healthcare Limited Shares	Listed Shares	115,770	121,875
Fonterra Co-operative Group Limited Shares	Co-operative Shares	6,655	7,340
Agria Asia Investment Limited Shares	Unlisted Shares	18,107	13,741
Pioneer Capital Partners II Limited Partnership	Private Equity Fund	9,377	7,900
Pioneer Capital Partners III Limited Partnership	Private Equity Fund	4,894	2,400
Pacific Equity Partners Fund V-C Limited Partnership	Private Equity Fund	23,617	17,213
Next Capital III Limited Partnership	Private Equity Fund	18,724	16,060
Waterman Fund 3 Limited Partnership	Private Equity Fund	8,087	3,188
Movac Fund # 4 Limited Partnership	Private Equity Fund	3,987	1,164
Ngāi Tahu Side Car (Movac) Limited Partnership	Private Equity Fund	3,105	717
Direct Capital	Private Equity Fund	9,156	268
Pencarrow V Investment Fund	Private Equity Fund	2,750	0
Amuri Irrigation Co Limited	Unlisted Shares	11,993	8,052
Pukeko Pictures Limited Partnership	Unlisted Shares	2,610	2,488
Sundry Investments	Unlisted Shares	2,296	2,087
		241,128	204,493
Available For Sale Investments Carried at Cost Less Accumulated Impairment			
Aotearoa Fisheries Limited Income Shares	Listed Shares	4,500	4,500
		305,580	254,177

Recognition and Measurement

Investments in an entity where the Group does not have significant influence, joint control or control are split between:

Long term hold investments (Available for Sale financial assets) – the values of these investments are stated at fair value with any change in value taken to an asset revaluation reserve within equity except for dividends, foreign exchange gains and loss and cumulative impairment losses. When this investment is impaired or disposed of, the cumulative gain / loss is taken to the profit or loss. Impairment losses shall not be reversed through profit or loss if the fair value subsequently recovers.

Investments held for trading (FVTPL) – this investment is recorded at fair value with any changes in value being taken to the profit or loss account.

Dividends from these investments are recognised in the profit or loss when the right to receive the dividend is established.

8. Intangible Assets – Fish Quota and Marine Farm Licences

	2018 \$000	2017 \$000
At cost		
Fish Quota – Wetfish – Inshore	25,590	25,176
Fish Quota – Wetfish – Deepwater	18,552	18,458
Fish Quota – Kōura	64,423	62,742
Fish Quota – Pāua	17,811	17,721
Fish Quota – Other	11,199	11,220
Marine Farm Licences	8,447	8,427
	146,022	143,744

Recognition and Measurement

Fish quota and marine farm licences are both indefinite life intangible assets and are recorded at cost less impairment.

9. Borrowings

Current Borrowings

Syndicated Bank Debt Facility (secured) ⁽¹⁾	0	52,000
Te Haumi Whakamana (unsecured)	5,610	5,206
Other Secured Borrowings	933	173
Other Unsecured Borrowings	213	210
	6,756	57,589

Non-current borrowings

Syndicated Bank Debt Facility (secured) ⁽¹⁾	200,000	190,000
Other Secured Borrowings	1,254	91
Other Unsecured Borrowings	4	168
	201,258	190,259
	208,014	247,848

⁽¹⁾ The syndicated debt is secured by a deed of negative pledge and guarantee over all the assets of Ngāi Tahu Holdings Corporation Limited and its guaranteeing subsidiaries. The total debt facility is \$360,000,000 being Facility A of \$60,000,000 expiring 17 December 2019, Facility B of \$50,000,000 expiring 17 December 2018, Facility C of \$90,000,000 expiring 17 December 2018, Facility D of \$100,000,000 expiring 17 December 2020 and Facility E of \$60,000,000 expiring 17 December 2022. The amount drawn under the facility at 30 June 2018 was \$200,000,000 (30 June 2017: \$242,000,000). The financial covenants under this facility have been fully complied with during the financial year. Interest is currently payable at a rate between 2.67% – 2.91% per annum (2017: 2.49% – 2.63% per annum).

Recognition and Measurement

Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost (using the effective interest method). Fees for establishing new borrowings are spread over the term of those borrowings.

Notes to the Summary Group Financial Statements continued

For the Year Ended 30 June 2018

10. Income Tax Payable

	2018 \$000	2017 \$000
Income Tax Expense		
Current Tax Expense	834	774
Adjustments Recognised in the Current Year in Relation to the Current Tax of Prior Years	75	58
Total Current Tax Expense	909	832

An income tax liability of \$154,000 relating to the current year is included in Current Liabilities under Payables and Accruals (2017: Income tax asset of \$7,000 is included in Current Assets under Receivables and Prepayments).

Recognition and Measurement

Te Rūnanga o Ngāi Tahu is taxed on its business income at the Māori Authority tax rate, being 17.5% at reporting date.

Certain entities within the Group have charitable status and accordingly have no taxation liability. Other entities within the Group, including Te Rūnanga o Ngāi Tahu, that are not charitable, are taxable. In this instance, current tax is calculated by using tax rates and tax laws that are in place at the reporting date.

11. Acquisition of Business

Key Judgements and Estimates

On acquisition of a subsidiary, the assets and liabilities of the entity are required to be measured at fair value. This requires the estimation of current market values.

Acquisition of Watson & Son Limited Partnerships

At 30 June 2017, the Watson & Son Group financial information and results for the period were taken from the unaudited Watson & Son Group financial statements. These unaudited financial statements had not been approved or audited due to difficulties experienced by Watson and Son in finalising certain material balances included within.

At this time, the NTHC board and management reviewed all the information available regarding the Watson & Son investment and recorded the fair value of the Watson & Son investment at 30 June 2017 as \$55m. An impairment of \$19,987,000 was recorded in the profit and loss. The fair value was determined by reference to a discounted cash flow model underpinned by a forecast EBITDA estimate, largely consistent with a multiple of earnings approach. This estimate required significant judgment and it was noted at the time that the recorded value of Watson and Son of \$55m may have been materially incorrect. On this basis, the auditors issued a qualified audit opinion.

Due to further information being available in the 2018 financial year, the NTHC board and management have determined that the fair value of the Watson & Son investment at 30 June 2017 is \$62.8m. This has resulted in a prior period adjustment (refer page 21), with a positive movement of \$7.8m to Total Comprehensive Income.

Disposal of interest in Joint Venture

In November 2017, the Group agreed to split the previously jointly held Watson & Son businesses between the two shareholders. As a result of this ownership change, the Group now owns 100% of the mānuka honey business and the Watsons whānau own 100% of MānukaMed.

As part of this agreed split, a cash payment was made and land previously held by the mānuka honey business was transferred to the Watsons whānau. This included land at Surreydale, Mikimiki and Awapuripuri.

The interest in the joint venture now has a nil value, with the value of the Group's share of the joint venture at the date of the change in ownership being reflected as part of the purchase consideration for the mānuka honey business.

The fair value of our interests in the Watson & Son Group has been determined on a willing buyer, willing seller basis which assumes that the assets transferred to the Watson whānau are equivalent to the value of the honey business (plus the additional cash consideration and land assets transferred). The fair value of the mānuka honey business has been determined by considering the various budgets, strategic plans, external benchmarks and historical performance to formulate future cash flow projections and the appropriateness of discount rates and long-term growth rates, which are integral to the valuations.

The terminal value beyond the five-year projection period is based on a 7.0x EBITDA multiple, which has been derived following consideration of comparable transactions and market multiples in the sector that Watson & Son operates.

The Group determined the fair value of its interest in the joint venture as \$71,349,000 at the time of the split. This included our 50% share in the value of MānukaMed which was transferred to the Watson whānau.

The difference between the carrying value of our interest in the joint venture and the value that we have attributed to our share in this joint venture has been recognised in the profit or loss as a gain on disposal of joint venture. This transaction has resulted in the recognition of a gain of \$11,155,000 in the profit and loss in the current period under net gain on sale of non-current assets.

This gain has been calculated as follows:

	\$000
Fair Value of Interest in Joint Venture at Date of Disposal	71,349
Less: Carrying amount of Interest in Joint Venture at Date of Disposal	(60,194)
Gain on Disposal of Interest in Joint Venture	11,155

The Watson & Son value in use calculation is very sensitive to changes in assumptions and is dependent on significant growth in forecast EBITDA. If the forecast levels of EBITDA are not achieved there is likely to be a material impairment of the goodwill balance in future years.

11. Acquisition of Business continued

Recognition and Measurement

The acquisition method of accounting is used to account for all business combinations. The consideration transferred includes the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

When a business combination is achieved in stages, the Group's previously held equity interest is remeasured to its acquisition date fair value and the resulting gain or loss is recognised in the profit or loss. Amounts arising from the interest in the equity interest prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the profit or loss as would be appropriate if the interest was disposed of. Acquisition related costs are expensed as incurred.

The excess of the consideration transferred and any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

Where settlement of the cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. Any contingent consideration is remeasured to its fair value with changes in fair value recognised in the profit or loss.

Acquisition of Subsidiary

As a result of this ownership change at November 2017, the Group now owns 100% of the mānuka honey business which is reflected in these Summary Group financial statements.

The Group has recorded the assets and liabilities of this business at fair value at the date of acquisition.

	Principal activity	Date of acquisition	Proportion of business acquired	Consideration transferred \$000
Watson & Son Limited Partnership	Apiculturist	16-Nov-17	100.0%	78,849

Assets Acquired and Liabilities Recognised at the Date of Acquisition

	\$000
Current Assets	36,879
Non-Current Assets	55,872
Current Liabilities	(70,955)
	21,796
Purchase Consideration	78,849
Goodwill Arising on Acquisition	
Purchase Consideration	78,849
Less: Fair Value of Identifiable Net Asset Acquired	(21,796)
Goodwill Arising on Acquisition	57,053
Net Cash Outflow on Acquisition of Business	17,266

Notes to the Summary Group Financial Statements continued

For the Year Ended 30 June 2018

11. Acquisition of Business continued

Prior Period Adjustment

Due to sufficient information now being available, the Group have corrected this error in the prior period in relation to its interest in the joint venture, Watson & Son Limited Partnership.

This error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	30 June 2017 As Reported \$000	Increase / (Decrease) \$000	30 June 2017 Restated \$000
Impact on Statement of Financial Position			
Interest in Associates and Joint Ventures	205,064	7,808	212,872
Net Assets	1,061,970	7,808	1,069,778
Foreign Translation Reserve	1,932	(96)	1,836
Retained Earnings	(886,091)	(7,712)	(893,803)
Total Equity	(1,061,970)	(7,808)	(1,069,778)
Impact on Statement of Comprehensive Revenue			
Share of (Loss) from Associates and Joint Ventures using the Equity Method	(14,418)	5,497	(8,921)
Net Impairment Losses on Non-Current Assets	(22,739)	2,215	(20,524)
Surplus for the Year	86,473	7,712	94,185
Exchange Differences on Translating Foreign Operations	92	96	188
Total Comprehensive Revenue for the Year	94,062	7,808	101,870

12. Related Parties

Transactions with Related Parties Involving Shareholder Entities

There are material transactions between the entities within the Group during the current financial year. The related parties involved were Ngāi Tahu Charitable Trust, Ngāi Tahu Development Corporation and Te Rūnanga o Ngāi Tahu. All transactions have been eliminated on combination.

Transactions with Related Parties Involving Subsidiaries

The acquisition of helicopter businesses, included a deferred settlement payment and contingent consideration. At 30 June 2018, these amounts were included in Other Financial Liabilities under Current Liabilities of \$1,350,000 (2017: \$1,350,000), Other Financial Liabilities under Non-Current Liabilities \$2,188,000 (2017: \$3,391,000) and Provisions under Non-Current Liabilities of \$216,000 (2017: \$203,000).

Transactions Involving Whai Rawa Fund Trust

The Group Financial Statements include distributions paid or declared to Whai Rawa Fund Trust for \$5,048,309 (2017: \$4,062,634).

13. Employee Bands

The number of employees or former employees of the Group, not being directors, who received remuneration and other benefits (not including redundancy compensation) valued at or exceeding \$100,000 during the financial year under review are outlined in the table below. This is gross remuneration based on actual cash payments:

Remuneration	Remuneration excluding Long Term Incentives		Total Remuneration	
	2018	2017	2018	2017
\$700,000 - \$749,999	0	0	1	0
\$650,000 - \$699,999	1	2	1	3
\$600,000 - \$649,999	1	1	0	0
\$550,000 - \$599,999	1	0	1	1
\$500,000 - \$549,999	0	0	3	3
\$450,000 - \$499,999	1	5	1	2
\$400,000 - \$449,999	6	2	3	2
\$350,000 - \$399,999	1	4	1	3
\$300,000 - \$349,999	3	2	3	2
\$250,000 - \$299,999	7	7	7	8
\$200,000 - \$249,999	18	14	18	14
\$150,000 - \$199,999	32	33	32	33
\$100,000 - \$149,999	78	70	78	69
	149	140	149	140

As a result of restructuring within the Group, there were cash payments in the current year for redundancies, early retirement and termination payments, not included in the table above, of \$932,021 (2017: \$996,000).

14. Key Management Personnel Compensation

All directors of the Group are non-executive and are not involved in the day-to-day operations of the Group. The following fees have been paid to the Group's directors:

	2018	2017
	\$000	\$000
Ngāi Tahu Holdings and Ngāi Tahu Capital		
Trevor Burt (Chair) †*	118	115
Catherine Drayton †	68	66
Paul Silk	56	54
Ngāi Tahu Holdings only		
Mark Tume ⁽¹⁾	19	0
Quentin Hix †	62	60
Tutehounuku Korako*	56	54
Samford Maier †*	68	66
Darryn Russell	56	18
	503	433
Ngāi Tahu Farming		
Gill Cox (Chair) †	83	83
Richard Braddock †	50	50
Andrew MacFarlane*	48	48
Michael Sang	0	0
Richie Smith †*	53	54
Gail Tipa*	48	48
Warwick Tauwhare-George ⁽²⁾	30	0
	312	283
Ngāi Tahu Property		
Barry Bragg (Chair) †*	100	100
Anthony Beverley †	51	51
James Daniels ^{(3)†*}	40	0
Susan Huria*	54	54
David Kerr*	51	51
Peter Nevan*	51	51
Michael Weatherall †	54	54
	401	361

Ngāi Tahu Holdings Corporation Group Committees include: † Audit and Risk Committee, *Remuneration Committee, † Safety and Risk Committee.

The make-up of the committees is as at 30 June 2018. (1) Appointed from 26 February 2018, (2) Appointed from 1 November 2017, (3) Appointed from 1 October 2017.

Notes to the Summary Group Financial Statements continued

For the Year Ended 30 June 2018

14. Key Management Personnel Compensation continued

	2018 \$000	2017 \$000
Ngāi Tahu Seafood		
Craig Ellison (Chair) ^{†*}	82	79
Benjamin Bateman ^{(4)†}	44	0
Jennifer Crawford ^{(4)†*}	44	0
Richard Janes [†]	51	46
Maria Pera [*]	45	45
Robert Pooley ⁽⁵⁾	7	45
Greg Summerton [*]	45	45
Ngāi Tahu Seafood Australia Pty		
Andrew Ferguson	13	13
	331	273
Ngāi Tahu Tourism		
Sarah Smith (Chair) ^{†**‡}	79	79
Paul Bingham [‡]	50	45
David Hawkey ^{†‡}	45	45
Stuart McLauchlan ^{†**‡}	45	45
Tahu Pōtiki ^{**‡}	45	45
Tania Simpson ^{‡(6)}	18	0
	282	259
Watson & Son⁽⁷⁾		
John Rae (Chair)	58	0
Sheena Henderson	26	0
John Nichol [†]	62	0
Michael Sang [†]	0	0
	146	0
Total Directors Fees	1,975	1,609

Ngāi Tahu Holdings Corporation Group Committees include: † Audit and Risk Committee, * Remuneration Committee, ‡ Safety and Risk Committee.

The make-up of the committees is as at 30 June 2018. (4) Appointment from 1 August 2017, (5) Appointed ended 31 July 2017, (6) Appointed from 1 February 2018,

(7) Fees shown are for the period from 16 November 2017 to 30 June 2018, being date of 100% ownership. All directors had been appointed prior to this date.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements continued

For the Year Ended 30 June 2018

14. Key Management Personnel Compensation continued

	2018 \$000	2017 \$000
Te Rūnanga o Ngāi Tahu Representatives		
Lisa Tumahai – Kaiwhakahaere (appointed 12 December 2016 and reappointed 24 November 2017) and Deputy Kaiwhakahaere (role ended 12 December 2016)	171	272
Matapura Ellison – Deputy Kaiwhakahaere (appointed 24 November 2017)	34	0
Tā Mark Solomon – Kaiwhakahaere (role ended 12 December 2016)	0	352
Lisa Tumahai ^{(b)(c)(d)}	45	45
Matapura Ellison ^{(c)(e)}	54	46
Tā Mark Solomon ⁽⁸⁾	0	24
Karen Coutts ^(c)	45	45
Elizabeth Cunningham ^(c)	45	45
James Daniels ⁽⁸⁾	0	41
Gail Gordon ^{(a)(d)}	45	45
Quentin Hix	45	45
Gabrielle Huria ^{(b)(e)}	58	45
Henrietta Latimer	45	4
Darren Kerei-Keepa ^(c)	45	21
Jo McLean ^{(d)(e)}	74	46
Terry Nicholas ^{(a)(d)(e)}	55	45
Maria Pērā ⁽⁸⁾	0	45
David Perenara-O’Connell ^(c)	45	47
Tahu Pōtiki ^(e)	60	45
Tim Rochford ⁽⁸⁾	0	11
Michael Skerrett ^(a)	45	45
Ngaire Tainui ⁽⁸⁾	0	8
Rik Tainui ^(c)	45	37
Gail Thompson ⁽⁹⁾	45	0
Ann Wakefield ^{(a)(d)}	45	45
Susan Wallace ^{(d)(e)}	45	40
	1,091	1,444

⁽⁸⁾ Appointments ended in prior financial year, ⁽⁹⁾ Appointment from 1 July 2017.

Te Rūnanga o Ngāi Tahu Representative Committees include: (a) Audit and Risk Committee, (b) Remuneration Committee, (c) Tē Apārangi Committee, (d) Tē Here Committee, (e) Form and Function Committee. The make-up of the committees is as at 30 June 2018.

14. Key Management Personnel Compensation continued

	2018 \$000	2017 \$000
Te Rūnanga o Ngāi Tahu Alternates		
Rewi Anglem	5	3
Elizabeth Brown	5	6
Hikatea Bull	0	5
Peter Clayton	2	0
Sandra Cook	5	0
Iaeon Cranwell	0	5
Cyril Gilroy	0	3
Stacy Gullen-Reynolds	5	6
Christina Henderson	5	7
Teena Henderson	5	6
Hoani Langsbury	0	4
Donna Matahaere-Atariki	5	2
Tim Rochford	4	0
Katharina Ruckstuhl	5	6
Raewyn Solomon	2	5
Odele Stehlin	5	2
Michael Stevens	5	0
Juliette Stevenson	5	3
Lesley Sykes	0	2
Karaitiana Taiuru	5	6
Karl Te Raki	5	5
Michelle Turrall	0	5
	73	81
Total Directors Fees (as above)	1,975	1,609
Total Representative and Alternate Fees (as above)	1,164	1,525
Independent Audit & Risk and Remuneration Committee Members	65	65
Short-Term Benefits for Senior Management Positions ⁽¹⁴⁾	4,434	3,995
Total Key Management Personnel Compensation	7,638	7,194

⁽¹⁴⁾ Includes 12 senior management positions (2017: 11).

15. Contingent Liabilities

Transactions with related parties involving shareholder entities

A contingent liability is a liability that is not sufficiently certain to qualify for recognition on the balance sheet due to an uncertainty of future event occurring.

There were no contingent liabilities at 30 June 2018 (June 2017: \$nil).

16. Subsequent Events

There are no material events subsequent to balance date.

Independent Auditor's Report on the Summary Financial Statements

To the Members of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Opinion

The summary group financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust (the 'group'), which comprise the summary group statement of financial position as at 30 June 2018, and the summary group statement of comprehensive revenue and expense, summary group statement of changes in equity and summary group statement of cash flows for the year then ended, and related notes, are derived from the audited group financial statements of the group for the year ended 30 June 2018.

In our opinion, the accompanying summary consolidated financial statements, on pages 6 to 26, are consistent, in all material respects, with the audited consolidated financial statements, in accordance with PBE FRS 43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by Public Benefit Entity Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited group financial statements in our report dated 15 September 2018.

Governing body's responsibilities for the summary consolidated financial statements

The Rūnanga Representatives are responsible on behalf of the Group for the preparation of the summary consolidated financial statements in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) ('ISA (NZ)') 810 (Revised): Engagements to Report on Summary Financial Statements.

Our firm carries out other assignments for the group in the area of data analytics, fraud awareness, consultancy services, taxation services, post investment review and treasury policy review. These services have not impaired our independence as auditor of the group. In addition to this, partners and employees of our firm deal with the group on normal terms within the ordinary course of trading activities of the business of the group. The firm has no other relationship with, or interest in the group.

Restriction on use

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

Deloitte Limited

Christchurch, New Zealand
15 September 2018

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust Directory

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Auditor

Deloitte Limited

Bankers

Bank of New Zealand

Westpac Banking Corporation Limited

ANZ National Bank Limited

ASB Bank Limited