



Te Rūnanga o NGĀI TAHU

Annual Report 2017 - Summarised Financial Statements

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



From the Kaiwhakahaere

Ko koutou mā ērā kua hokahokai i te pae
Kua korokī ki runga i ngā tōtara teitei o te wao nui a Tāne
E te weka nunui o te iwi, koutou mā kua haere ki Manawakore
I kiia ai, hikoia te whetū, hikoia te marama
Ka rere, ka rere ko te ata i whāia, haere e ngā mate!
Werohia ki a Papatūānuku, werohia ki tai.
He tuhi mareikura ki te ao tūroa
Turuturu a tai e rua ōna tohu he toroa he amokura
Turuturu a uta, he huia tōna tohu
I kiia ai whakarongo ki te huia e tangi mai nei
Hui, hui, huihuia ngā uri o Tahu Pōtiki
I te ruangahurutanga o te whakataunga kerēme
Huihuia mai, tuituia mai,
Kia Aoraki matatū ai tō tātou iwi e!
Tīhei mauri ora!

As we reflect and celebrate the 20-year milestone of the signing of the Ngāi Tahu Deed of Settlement and its significance for the future pathway of our iwi, it is important that we acknowledge all those who came before us. It is the collective efforts of those who laid the foundations for the exciting future that awaits our iwi.

It gives me great pleasure to present our annual report for the year ending 30 June 2017. In the interests of streamlining our reporting, we have combined Manawa Ngāi Tahu sustainability measures with the annual report in a new format. This is designed to better report to whānau on what is being done, and what has been achieved, to support the cultural, social, environmental and economic sustainability for this and future generations.

In March we held a formal farewell for Tā Mark Solomon in recognition of his 18 years as Kaiwhakahaere of Te Rūnanga o Ngāi Tahu. Tā Mark made an enormous contribution to the betterment of the iwi. I want to again acknowledge Tā Mark for his efforts, and wish him every success in whatever endeavours he puts his talents towards in the future. I would also like to welcome Darran Kerei-Keepa to Te Rūnanga as Kaikōura representative replacing Tā Mark. This year also saw a number of new faces added to Te Rūnanga with the departure of long time representatives, Maria Pera (Awarua), James Daniels (Wairewa), Tim Rochford (Makaawhio) and Ngaire Tainui (Ōnuku). My thanks for the enormous contribution you each made to Te Rūnanga over many years representing your respective rūnanga. We have welcomed Gail Thompson (Awarua), Henrietta Latimer (Wairewa), Susan Wallace (Makaawhio), and Rik Tainui (Ōnuku) who have hit the ground running, and are already adding value to the deliberations of Te Rūnanga.

In November Te Rūnanga will elect a Kaiwhakahaere and Deputy Kaiwhakahaere for the next three years. Both Tā Mark's departure, and the celebration of the 20-year milestone since settlement represent a timely opportunity to review, refine and enhance the

form and function of Te Rūnanga to ensure our structures and processes meet the needs of Ngāi Tahu in the years ahead.

A six member Form and Function Review Committee was appointed from across Te Rūnanga in April. Utilising the combined wisdom and experience accumulated over the past 20 years, their review incorporates previous governance reviews and recommendations, and also assesses best governance practice across comparable organisations. The results are expected in the new year, and will play a major part in enhancing our tribal momentum in the years ahead. Another key area of focus for Te Rūnanga has been on improving communication both internally and externally with our Ngāi Tahu whānau. This will continue as a priority in the coming year.

One of the key highlights for the year were the 11 road shows held across Australia and Aotearoa. The road shows were a huge success with more than 2000 whānau members taking part. It was inspiring to see the enthusiasm of whānau in coming together to celebrate their Ngāi Tahutanga. More than 630 enrolled with the Whakapapa unit and more than 615 joined Whai Rawa. I want to thank all those whānau who took part, and our team who organised the events.

Another highlight was our investment in the pilot home ownership initiative which we envisage growing in the future. The pilot supported five whānau to purchase their first homes in an equity share model.

Once again it has been an incredibly busy and productive year across the Te Rūnanga Group. I am delighted to report that our net worth has continued to grow, increasing by \$89m to \$1.36b. The net profit for the year is \$126.78m and this growth allowed for a direct distribution to Te Rūnanga o Ngāi Tahu of \$49.6m. This provided a direct distribution of \$32.6m (excluding operational and administration costs) for tribal initiatives. This allowed funding of \$7.1m for kaumātua, education and wellbeing grants and \$10.6m direct distribution and development for Papatipu Rūnanga.

Whai Rawa also continues to grow both in membership and in managed funds. This year the fund grew to \$63.75m, an increase of more than \$11m on the previous year.

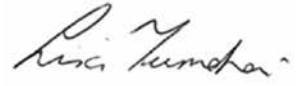
Ngāi Tahu has done incredibly well in managing and growing its collective wealth. However, with more than 58,000 members spread throughout Aotearoa and the world, we must manage the significant needs of our people, against what in reality is a limited pool of funds based on our size. It is a constant process of management, tempered by the importance of continuing to grow our base to ensure we have a consistent means to also support our next generations.

Health and Safety and investment in our people are two key areas of focus for Te Rūnanga. The 2016 Whatumanawa staff survey has led to new initiatives that continue to focus on strengthening the cultural confidence and capability of our team, so that they feel comfortable and confident, in performing their work in our culturally-rich values-driven environment.

We have made good progress, and we have a clear set of priorities for the year ahead. I want to thank our kaimahi led by our Chief Executive Officer Arihia Bennett for their mahi and support throughout the year. Our kaimahi are often the face of our people

to the many communities, organisations and individuals that we engage with. I thank you all for your efforts and contributions.

Finally I would like to acknowledge our people for the support and inspiration they provide for all that we do. Mō tātou, ā, mō kā uri ā muri ake nei.



Lisa Tumahaere,
Kaiwhakahaere

From the Ngāi Tahu Holdings Chair and Chief Executive

Kia ora koutou katoa, welcome to the 2017 annual report summary.

The settlement brought with it a number of mechanisms that have provided a springboard for much of our economic accomplishment, such as the Right of First Refusal (RFR) on a number of Crown properties, the fisheries quota management and relativity. We have maximised the potential growth opportunities arising from these mechanisms and we now need to be focused on developing the springboard for the next generation.

Whatumanawa, our organisational wellness initiative is about organisational culture, being the best we can be, upholding our values and leading by example – our rangatiratanga. We are committed to creating opportunities to enable our leaders to be world-class. We have started this process with our commercial boards through the board competence framework and Manawa Nui, a programme designed to encourage Ngāi Tahu whānau onto Ngāi Tahu Holdings (NTH) boards. In 2018 we will also be running an executive leadership programme for our senior leaders.

In alignment with the expectations of Manawa Ngāi Tahu, Ngāi Tahu Holdings Group has developed a Values in Action Framework. All of our subsidiaries have developed values roadmaps and are working to implement their individual values programmes.

Health and Safety and our commitment to our goal:

Kia hoki ora atu tātou katoa ki te kāika – everyone home safe every day, is an ongoing priority and we are pleased to report that our hard work in this area over the past 12 months has regained our ACC health & safety tertiary accreditation status for the Office, Ngāi Tahu Property, Ngāi Tahu Seafood and Ngāi Tahu Farming.

We continue to explore ways in which we can tangibly demonstrate kotahitanga throughout the NTH Group. Across the subsidiaries there is positive progress being made including the work being done between Ngāi Tahu Tourism and Ngāi Tahu Farming looking at future tourism opportunities on our high country stations.

In the spirit of whanaungatanga we are developing a proposal to introduce a living wage across our businesses as part of our ongoing commitment to the wellbeing of our people.

As kaitiaki, we take our responsibility seriously. We are committed to measuring and reducing our carbon footprint. This year we have produced our first carbon emissions report under the internationally recognised Enviromark Solutions CEMARS programme.

After a long period of strong growth resulting largely from the Ngāi Tahu Property developments along with an upturn in tourism, the strength of the kōura market in China and our farm



conversions, things are now easing back and as the economy flattens, we face a 'new normal' after this prolonged time of exceptional returns.

Further, this year Ngāi Tahu Capital posted a net operating deficit of \$9m. This disappointing result reflected a very poor year for Watson & Son which suffered a significant loss following one of the worst mānuka honey seasons on record.

We can look to the future with confidence, building on our growth over the past two decades; the strength of our brand, our reputation and our capability places us in a strong position. Our focus is on maximising the value of what we currently have and our commitment to being a strong economic force in Te Waipounamu. We will partner more, complete our farm developments and grow our footprint. Te Waipounamu is our tūrangawaewae and will always be our base, however, as we look ahead to the next 20 years we also need to be looking further afield and developing new opportunities.



Mike Sang,
Chief Executive



Trevor Burt,
Chair

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

The following Summary Group Financial Statements have been extracted from the audited Full Group Financial Statements dated 17 October 2017. 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 17 October 2017.

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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 2017

	Notes	2017 \$000	2016 \$000
Revenue	1	329,643	384,631
Cost of Sales		(136,976)	(179,484)
Gross Profit		192,667	205,147
Other Income		13,936	10,918
Operating Expenses		(118,536)	(112,906)
Borrowing Costs		(8,264)	(8,064)
Share of (Loss) / Profit from Associates and Joint Ventures Using the Equity Method	6	(14,418)	8,876
Net Operating Surplus before Tribal Activities, Tax, Revaluations and Other Significant Items		65,385	103,971
Net Gain on Sale of Non-Current Assets		25,777	83,915
Net Impairment Losses on Non-Current Assets	1	(22,739)	(3,360)
Insurance Proceeds		35	8,111
Net Gain from Fair Value Adjustments on Investment Properties		19,060	22,098
Net Gain / (Loss) on Fair Value Adjustments on Other Non-Current Assets	1	18,781	(3,966)
Reversal of Earn Out		20,613	0
Trading Surplus prior to Tribal Activities and Taxation		126,912	210,769
Income Relating to Tribal, Rūnanga and Whānau Distributions	2	7,491	5,368
Operating Expenses – Te Rūnanga o Ngāi Tahu		(19,736)	(16,996)
Tribal, Rūnanga and Whānau Distributions and Expenses	2	(32,666)	(30,156)
Relativity and Fisheries Settlement	3	0	42
Other Income		488	469
Net (Loss) on Sale of Non-Current Assets		0	(15)
Net Impairment Losses on Non-Current Assets	1	(30)	(10)
Surplus for the Year before Taxation		82,459	169,471
Income Tax Expense	10	(832)	(739)
Surplus for the Year		81,627	168,732
Other Comprehensive (Expense) and Revenue			
Share of Equity Accounted Associates Other Comprehensive Income		87	(49)
Share of Equity Accounted Joint Ventures Other Comprehensive Income		2,942	1,154
Gain on Revaluation of Property, Plant and Equipment		23,335	6,427
Exchange Differences on Translating Foreign Operations		30	(1,977)
Movement in Asset Revaluation Reserve - Available-for-Sale		(24,688)	(45,567)
Movement in Hedge Reserve		5,883	(4,237)
Other Comprehensive Revenue / (Expense) for the Year		7,589	(44,249)
Total Comprehensive Revenue for the Year		89,216	124,483

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

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

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

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 2017

	2017	2016
	\$000	\$000
Balance at the Beginning of the Year	1,273,539	1,149,140
Adjustment to Retained Earnings*	0	(4,461)
Adjustment to Asset Revaluation Reserve – AFS*	0	4,461
Restated Balance at the Beginning of the Year	1,273,539	1,149,140
<i>Net Gain / (Loss) Recognised Directly in Equity</i>		
Investments in Equity Instruments Valuation Movement	(24,688)	(45,567)
Property, Plant and Equipment Valuation Movement	25,606	8,184
Translation of Foreign Operations	92	(2,037)
Cash Flow Hedge Movement	6,579	(4,829)
	7,589	(44,249)
<i>Profit for the Year:</i>		
Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust	81,559	168,690
Non-Controlling Interest	68	42
	81,627	168,732
Total Comprehensive Income for the Year	89,216	124,483
Distributions	(24)	(84)
Balance at End of Year	1,362,731	1,273,539

* refer to Correction of Error in the Notes to the Group Financial Statements on page 10

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 2017

	Notes	2017 \$000	2016 \$000
Current Assets			
Cash and Cash Equivalents	Monies owed to Ngāi Tahu by our customers.	21,674	8,755
Receivables and Prepayments		24,970	32,780
Inventories	Stock of fish, annual catch entitlement, marine farm crops, retail merchandise and parts stock	11,014	10,955
Inventories – Property		16,796	25,870
Derivative Financial Assets		2,371	1,653
Assets Classified as Held for Sale		14,027	2,170
Total Current Assets		90,852	82,183
Non-Current Assets			
Accounts Receivable	Properties and sections planned to be sold within 12 months.	2,165	2,146
Inventories – Property		14,079	15,418
Property, Plant and Equipment	4 Residential and commercial development property.	370,200	306,231
Biological Assets		54,846	35,161
Investment Properties	5	470,192	405,578
Investments in Equity Instruments	7	254,177	239,899
Interest in Associates and Joint Ventures	6	205,064	212,878
Derivative Financial Assets		871	388
Fish Quota and Marine Farm Licences	8	143,744	143,268
Goodwill and Other Intangibles		62,281	60,705
Total Non-Current Assets	Includes shares in Ryman Healthcare and Aotearoa Fisheries.	1,577,619	1,421,672
Total Assets		1,668,471	1,503,855
Current Liabilities			
Payables and Accruals	Includes our share of Whale Watch Kaikōura, Hilton Haulage, Go Bus, Watson & Son and Waikato Milking Systems.	35,655	62,525
Provisions		8,197	6,426
Borrowings	9	57,589	3,560
Other Financial Liabilities		4,213	2,714
Total Current Liabilities		105,654	75,225
Non-Current Liabilities			
Borrowings	9 Monies owed to suppliers.	190,259	123,314
Provisions	Includes syndicated debt facility of \$242m.	352	20,613
Other Financial Liabilities		9,475	11,164
Total Non-Current Liabilities	Funds received from the original Crown Settlement and subsequent Fisheries, Aquaculture and Relativity Settlements.	200,086	155,091
Total Liabilities		305,740	230,316
Net Assets		1,362,731	1,273,539
Equity			
Trust Funds in Perpetuity		335,704	335,704
Reserves	The net worth of Ngāi Tahu as measured in the Group Financial Accounts.	1,026,288	937,140
Tribal Equity		1,361,992	1,272,844
Non-Controlling Interest		739	695
Total Equity		1,362,731	1,273,539

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 2017

	2017	2016
	\$000	\$000
Cash Flows from Operating Activities		
Cash Receipts from Customers	290,576	254,734
Cash Paid to Suppliers and Employees	(233,148)	(238,474)
Sale of Inventories – Property	61,393	129,893
Purchase of and Expenditure on Development Properties	(31,368)	(45,498)
Tribal Distributions	(32,666)	(17,802)
Dividends Received	6,954	5,279
Interest Paid	(9,769)	(9,360)
Interest Received	494	1,005
Tax Paid	(928)	(1,010)
Net Cash Inflow from Operating Activities	51,538	78,767
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(33,737)	(39,528)
Sale of Property, Plant and Equipment	1,283	832
Earthquake Insurance Proceeds Received	7,985	161
Purchase of and Expenditure on Investment Properties	(47,549)	(28,096)
Sale of Investment Property	0	26,451
Purchase of Investments in Equity Instruments	(81,169)	(26,873)
Sale of Investments in Equity Instruments	63,820	80,302
Acquisition of Investments in Other Entities	(42,427)	(90,910)
Acquisition of Business	(8,547)	0
Recharge of Mussel Farm Costs	237	0
Purchase of Biological Assets	(9,758)	(4,467)
Purchase of Intangibles	(1,872)	(452)
Sale of Intangibles	10,685	4,669
Purchase of and Expenditure on Fish Quota and Marine Farm Resource Consents	(643)	(5,981)
Net Cash (Outflow) from Investing Activities	(141,692)	(83,892)
Cash Flows from Financing Activities		
Drawdown of Syndicated Bank Debt Facility	119,000	10,000
(Repayment) of Other Borrowings (net)	(15,903)	(16,922)
Payment of Distribution to Minority Shareholder	(24)	(84)
Net Cash Inflow / (Outflow) from Financing Activities	103,073	(7,006)
Net Increase / (Decrease) in Cash and Cash Equivalents	12,919	(12,131)
Cash and Cash Equivalents at 1 July	8,755	20,886
Cash and Cash Equivalents at 30 June	21,674	8,755

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 2017

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 17 October 2017. 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 17 October 2017.

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.

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 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 most significant impact on the amounts recognised in the financial statements are:

Fair Value of Property, Plant and Equipment

Fair Value of Investment Properties

Carrying Value (Impairment and Recognition of Share of Equity Accounted Results) of Interest in Associate and Joint Venture

Impairment of Goodwill and Other Intangibles

Fair Value of Biological Assets

Fair Value of Assets and Liabilities Acquired

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

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, except for the changes outlined below.

Transfers from Investment Properties to Property, Plant and Equipment

The Group has changed when the land held at Balmoral will transfer from Investment Properties to Property, Plant and Equipment. Prior to this financial year, the land at Balmoral was transferred at the commencement of dryland farming. As a result of this change, land will now be transferred at the time the trees are harvested, rental income ceases and the land is being held for future use as owner occupied property. This has resulted in all undeveloped cutover land at Balmoral being transferred to Property, Plant and Equipment in the current financial year.

Bearer Plants

The Group has adopted changes in accounting for bearer plants that were previously accounted for under NZ PBE IPSAS 27 Agriculture and now fall within the scope of NZ PBE IPSAS 17, Property, Plant and Equipment.

Certain comparatives do not correspond to the 2016 financial statements and have been adjusted to reflect the transitional requirements that require bearer plants to be shown as Property, Plant and Equipment from the commencement of the comparative period being 1 July 2015. The affected financial statement line items for the prior periods are:

	30 June 2016 \$000	1 July 2015 \$000
Impact on Equity		
Inventories	627	472
Property, Plant and Equipment	714	575
Biological Assets	(1,341)	(1,047)
Net impact on equity	0	0
Impact on Statement of Comprehensive Income		
Gain from Changes in Fair Value of Biological Assets	70	
Operating Expenses (Depreciation)	(70)	
	0	

The change did not impact the Other Comprehensive Income for the period or the Group's operating, investing and financing cash flows.

There have been no other changes in accounting policies in the current financial year.

CORRECTION OF ERROR

During prior periods, in the years ended 30 June 2014 and 30 June 2015, impairment losses previously recognised in the profit or loss for an investment in an equity instrument have been, on reversal of impairment, reversed back through the profit or loss. Under NZ PBE IPSAS 29, this is not permitted. This does not have an impact on the net equity of the Group although it has impacted equity classifications.

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

	1 July 2015 \$000
Asset Revaluation Reserve – AFS	4,461
Retained Earnings	(4,461)
	0

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

1. INCOME AND EXPENSES

	2017 \$000	2016 \$000
Revenue		
Revenue from the Sale of Goods	214,986	290,799
Revenue from the Rendering of Services	83,008	66,476
Rental Received from Properties	27,237	24,464
Recoverable Property Operating Expenses	2,844	2,892
Foreign Exchange Gains on Sale of Goods	1,568	0
	329,643	384,631

Recognition and Measurement

Revenue is 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:

Property, Plant and Equipment	(1,981)	(1,206)
Investments in Equity Instruments	(367)	(3,978)
Interest in Joint Venture (Watson & Son)	(19,987)	0
Asset Held for Sale	(434)	0
Intangible Assets	0	(15)
Carbon Credits (Reversal of Impairment)	0	1,829
	(22,769)	(3,370)

Trading Operations	(22,739)	(3,360)
Tribal Activities	(30)	(10)
	(22,769)	(3,370)

Net Gain / (Loss) on Fair Value Adjustments on Other Non-Current Assets

Financial Assets Held for Trading	4,198	(3,515)
Biological Assets	14,248	(983)
Hedge Accounted Foreign Exchange Contracts	524	970
Contingent Consideration	(5)	(438)
Deferred Settlement	(184)	0
	18,781	(3,966)

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

2. TRIBAL, RŪNANGA AND WHĀNAU DISTRIBUTIONS

	2017	2016
	\$000	\$000
Income Relating to Tribal, Rūnanga and Whānau Distributions		
External Funding Received (Non-Exchange Revenue)	3,664	2,754
Other Income	3,827	2,614
	7,491	5,368
Less: Expenses		
Rūnanga Direct Distributions & Development	(10,597)	(12,693)
Culture and Identity	(2,588)	(2,169)
Disaster Recovery	(316)	(30)
Mātauranga Grants and Development Expenses, Housing and Kaumātua Distributions	(7,120)	(4,555)
Natural Resources, Tribal Properties and Mahinga Kai	(2,782)	(2,831)
Strategy and Influence	(1,171)	(1,077)
Whai Rawa Distributions and Operating Expenses	(5,589)	(4,729)
Tribal Engagement	(2,503)	(2,072)
	(32,666)	(30,156)
	(25,175)	(24,788)

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

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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

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:

	2017	2016
	\$000	\$000
Relativity Settlement Money	0	0
Fisheries Settlement Assets	0	42
	0	42

Ngāi Tahu Fisheries Settlement Ltd (NTFSL) is Ngāi Tahu's asset holding company under the Māori Fisheries Act 2004. Details of NTFSL's annual plan for FY17 and its performance against that annual plan can be found on the Ngāi Tahu intranet (and are available on request) along with NTFSL's annual plan for FY18. NTFSL's annual plans are developed using the Letter of Expectation (issued by Te Rūnanga) and Statement of Corporate Intent (issued by NTFSL) process used throughout the Te Rūnanga Group. During FY17 NTFSL did not sell or exchange any settlement quota, nor did NTFSL (or its subsidiaries) change its constitutional documents and there are no plans to make such changes in FY18. NTFSL and Ngāi Tahu Seafood Limited (NTS) have entered into a Management Agreement and an ACE Sales Agreement whereby NTS manages NTFSL's operations and ACE (excluding regional development fish stocks). During FY17, NTFSL continued the process of repatriating residual fisheries assets that are held by Te Ohu Kai Moana.

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	66,009	60,011
Farm Land and Buildings at Fair Value	236,001	196,837
High Country Stations ("Taonga") at Cost	5,057	5,173
Bearer Plants at Cost	838	714
Plant, Office and Computer Equipment at Cost	57,773	41,367
Work in Progress at Cost	4,522	2,129
	370,200	306,231

Recognition and Measurement

Farm land and buildings 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 income 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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

4. PROPERTY PLANT AND EQUIPMENT continued

Depreciation

Depreciation is charged to write down the value of the asset on 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 has undertaken an independent peer review process on sensitive investment properties where another independent registered valuer is engaged.

At Fair Value	2017 \$000	2016 \$000
Investment Property – Commercial	199,536	188,700
Investment Property – Crown / Local Authority	139,465	137,825
Investment Property – Forestry Land	12,692	10,179
Investment Property Under Construction	118,499	68,874
	470,192	405,578

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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

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.

	2017 \$000	2016 \$000
Interest in Associates and Joint Ventures		
Whale Watch Kaikōura Limited	9,246	10,223
Other Associates	0	3,029
Associates – Total	9,246	13,252
Joint Ventures		
Hilton Haulage Transport Limited Partnership	39,449	37,089
Hobsonville Development Limited Partnership	6,858	950
Ngāi Tahu Tainui Go Bus Holdings Limited	65,747	50,537
Watson & Son Limited Partnership	22,349	40,184
Waikato Milking Systems Limited Partnership	22,810	16,622
Other Joint Ventures	4,916	568
Goodwill on Acquisition	33,689	53,676
Joint Ventures – Total	195,818	199,626
Group's Total Interest	205,064	212,878
Group's Share of Operating Profit / (Loss)		
Whale Watch Kaikōura Limited	(729)	1,806
Other Associates	0	(8)
Associates – Total	(729)	1,798
Joint Ventures		
Hilton Haulage Transport Limited Partnership	4,529	(963)
Hobsonville Development Limited Partnership	(13)	(15)
Ngāi Tahu Tainui Go Bus Holdings Limited	1,446	2,646
Watson & Son Limited Partnership	(19,994)	4,646
Waikato Milking Systems Limited Partnership	142	795
Other Joint Ventures	201	(31)
Joint Ventures – Total	(13,689)	7,078
	(14,418)	8,876

Watson & Son

The Watson & Son Summary of Financial Information and Results for the period are taken from the unaudited Watson & Son Group financial statements. It is noted that these unaudited financial statements have not been approved or audited due to difficulties experienced by Watson & Son in finalising certain material balances included within. As such, the NTHC Board and Management have determined that given all the information currently available regarding the Watson & Son investment, the fair value of the Watson & Son investment as recorded at 30 June 2017 is \$55m. This value has been 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 has required significant judgment and as a result the recorded value of Watson & Son of \$55m may be materially incorrect. The equity accounted loss based on management accounts is \$19.4m. A further impairment of \$20.0m has also been included in the Statement of Comprehensive Income. In addition, a revaluation of Property Plant and Equipment of \$2.3m has also been recorded through other comprehensive income. Because of the above factors, these balances may also be materially incorrect.

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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

7. INVESTMENTS IN EQUITY INSTRUMENTS

		2017 \$000	2016 \$000
Financial Assets Carried at Fair Value Through Profit or Loss (FVTPL)			
Pathfinder Socially Responsible Investment Fund		45,184	0
Exchange Traded Funds		0	33,610
		45,184	33,610
Available for Sale Investments at Fair Value			
Ryman Healthcare Limited Shares	Listed shares	121,875	156,496
Fonterra Co-operative Group Limited Shares	Co-operative Shares	7,340	6,218
Agria Asia Investment Limited shares	Unlisted Shares	13,741	9,214
Pioneer Capital Partners II Limited Partnership	Private Equity Fund	7,900	6,079
Pioneer Capital Partners III Limited Partnership	Private Equity Fund	2,400	0
Pacific Equity Partners Fund V-C Limited Partnership	Private Equity Fund	17,213	7,909
Next Capital III Limited Partnership	Private Equity Fund	16,060	7,034
Waterman Fund III	Private Equity Fund	3,188	0
MOVAC Fund # 4	Private Equity Fund	1,164	0
MOVAC Fund # 4 - Sidecar	Private Equity Fund	717	0
Amuri Irrigation Co Limited	Unlisted Shares	8,052	4,302
Pukeko Pictures Limited Partnership	Unlisted Shares	2,488	2,403
Sundry Investments	Unlisted Shares	2,355	2,134
		204,493	201,789
Available for Sale Investments Carried at Cost Less Accumulated Impairment			
Aotearoa Fisheries Limited Income Shares	Listed Shares	4,500	4,500
		254,177	239,899

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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

8. INTANGIBLE ASSETS – FISH QUOTA AND MARINE FARM LICENCES

At Cost	2017	2016
	\$000	\$000
Fish Quota - Wetfish – Inshore	25,176	25,176
Fish Quota - Wetfish – Deepwater	18,458	18,458
Fish Quota - Kōura	62,742	62,029
Fish Quota - Pāua	17,721	17,721
Fish Quota - Other	11,220	11,220
Marine Farm Licences	8,427	8,664
	143,744	143,268

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⁾	52,000	0
Te Haumi Whakamana (unsecured)	5,206	2,700
Fonterra Co-operative Group Loan (unsecured)	210	378
Other Secured Borrowings	173	482
	57,589	3,560
Non-current borrowings		
Syndicated Bank Debt Facility (secured) ⁽¹⁾	190,000	123,000
Fonterra Co-operative Group Loan (unsecured)	168	0
Other Secured Borrowings	91	314
	190,259	123,314
	247,848	126,874

(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 \$280,000,000 being Facility B of \$90,000,000 expiring 17 December 2017, Facility C of \$90,000,000 expiring 17 December 2018 and Facility D of \$100,000,000 expiring 17 December 2020.

The amount drawn under the facility at 30 June 2017 was \$242,000,000 (30 June 2016: \$123,000,000).

The financial covenants under this facility have been fully complied with during the financial year. Interest is currently payable at between 2.49% - 2.63% per annum (2016: 2.91% - 3.04% 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.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

10. INCOME TAX PAYABLE

	2017	2016
	\$000	\$000
Income Tax Expense		
Current Tax Expense	774	719
Adjustments Recognised in the Current Year in Relation to the Current Tax of Prior Years	58	20
Total Current Tax Expense	832	739

An income tax asset of \$7,000 relating to the current year is included in Receivables and Prepayments (2016: Income Tax Liability of \$103,000 is included in Current Liabilities under Payables and Accruals).

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. 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 Joint Venture Entities

In the prior year, the acquisition of Watson & Son Limited Partnership, classified as a joint venture, included a contingent consideration. At 30 June 2016, these amounts were included in Payables and Accruals under Current Liabilities of \$16,949,771 and Provisions under Non-Current Liabilities of \$20,175,525. There is no liability for this contingent consideration at 30 June 2017.

Transactions with Related Parties Involving Subsidiaries

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

Transactions Involving Whai Rawa Fund Trust

The Group Financial Statements include distributions paid or declared to Whai Rawa Fund Trust for \$4,062,634 (2016: \$3,292,104).

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

12. 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 and Commission Payments		Total Remuneration	
	2017	2016	2017	2016
\$750,000 - \$799,999	0	0	0	1
\$700,000 - \$749,999	0	0	0	1
\$650,000 - \$699,999	2	0	3	0
\$600,000 - \$649,999	1	1	0	1
\$550,000 - \$599,999	0	2	1	1
\$500,000 - \$549,999	0	0	3	2
\$450,000 - \$499,999	5	1	2	1
\$400,000 - \$449,999	2	5	2	3
\$350,000 - \$399,999	4	3	3	3
\$300,000 - \$349,999	2	3	2	4
\$250,000 - \$299,999	7	8	8	8
\$200,000 - \$249,999	14	8	14	8
\$150,000 - \$199,999	33	29	33	29
\$100,000 - \$149,999	70	67	69	66
	140	127	140	128

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 \$996,000.

13. 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:

	2017 \$000	2016 \$000
Ngāi Tahu Holdings and Ngāi Tahu Capital		
Trevor Burt (Chair) **	115	106
Catherine Drayton ⁺	66	61
Paul Silk [*]	54	50
Ngāi Tahu Holdings only		
Quentin Hix ⁺	60	56
Tutehounuku Korako [*]	54	50
Samford Maier ^{**}	66	61
Darryn Russell ⁽¹⁾	18	0
	433	384

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 2017. ⁽¹⁾Appointed from 27 February 2017.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

13. KEY MANAGEMENT PERSONNEL COMPENSATION continued

	2017 \$000	2016 \$000
Ngāi Tahu Farming		
Gill Cox (Chair) ⁺	83	77
Barry Bragg ⁽²⁾	0	41
Richard Braddock ⁺	50	46
Andrew MacFarlane [*]	48	44
Michael Sang ⁽³⁾	0	0
Richie Smith ^{**}	54	41
Gail Tipa [*]	48	41
	283	290
Ngāi Tahu Property		
Barry Bragg (Chair) ^{**}	100	86
Anthony Beverley ⁺	51	20
Richard Braddock ⁽²⁾	0	24
Susan Huria [*]	54	50
David Kennedy ⁽²⁾	0	8
David Kerr [*]	51	20
Peter Nevan [*]	51	48
Michael Weatherall ⁺	54	50
	361	306
Ngāi Tahu Seafood		
Craig Ellison (Chair) ^{**}	79	61
Richard Janes ^{**}	46	35
Maria Pera ^{**}	45	44
Robert Pooley ^{**}	45	53
Richard Punter ⁽²⁾	0	7
Brian Rhoades ⁽²⁾	0	18
Greg Summerton ^{**}	45	41
Ngāi Tahu Seafood Australia Pty		
Andrew Ferguson	13	13
	273	272
Ngāi Tahu Tourism		
Sarah Smith (Chair) ^{**Δ}	79	68
Paul Bingham ^Δ	45	31
David Hawkey ^{+Δ}	45	31
Phillip Broughton ⁽²⁾	0	17
Ross Keenan ⁽²⁾	0	18
Tahu Pōtiki ^{*Δ}	45	41
Stuart McLauchlan ^{*Δ}	45	41
	259	247
Total Directors Fees	1,609	1,499

Ngāi Tahu Holdings Corporation Group Committees include: ⁺Audit and Risk Committee, ^{*}Remuneration Committee, ^ΔSafety and Risk Committee. The make-up of the committees is as at 30 June 2017. ⁽²⁾ Appointments ended in prior financial year, ⁽³⁾ Appointment from 1 July 2016.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

13. KEY MANAGEMENT PERSONNEL COMPENSATION continued

	2017 \$000	2016 \$000
Te Rūnanga o Ngāi Tahu Representatives		
Tā Mark Solomon – Kaiwhakahaere (role ended 12 December 2016)	352	235
Lisa Tumahai – Deputy Kaiwhakahaere and Kaiwhakahaere (role commenced 12 December 2016)	272	113
Tā Mark Solomon ⁽⁴⁾	24	45
Lisa Tumahai ^{(b)(f)(g)}	45	65
Karen Coutts ^(f)	45	10
Elizabeth Cunningham ^{(b)(d)(f)}	45	45
James Daniels ⁽⁵⁾	41	45
Matapura Ellison ^{(c)(e)(f)(h)}	46	46
Gail Gordon ^{(a)(g)}	45	4
David Higgins ⁽⁶⁾	0	44
Quentin Hix	45	45
Gabrielle Huria ^{(b)(d)}	45	45
Henriette Latimer ⁽⁷⁾	4	0
Darren Kerei-Keepa ⁽⁸⁾	21	0
Jo McLean ^(g)	46	45
Terry Nicholas ^(a)	45	45
Maria Pērā ⁽⁹⁾	45	45
David Perenara-O’Connell ^(f)	47	45
Tahu Pōtiki ^(g)	45	65
Tim Rochford ⁽¹⁰⁾	11	45
Michael Skerrett ^(a)	45	45
Ngairi Tainui ⁽¹¹⁾	8	45
Rik Tainui ^{(12)(f)}	37	0
Ann Wakefield ^{(a)(g)(h)}	45	46
Susan Wallace ^{(13)(g)}	40	0
Ashley Warnes ⁽⁶⁾	0	41
Total Representative Fees	1,444	1,209

Te Rūnanga o Ngāi Tahu Representative Committees include: (a) Audit and Risk Committee, (b) Remuneration Committee, (c) Cultural Mapping Committee, (d) Contracts Review Committee, (e) Ngāi Tahu Pounamu Recovery Committee, (f) Te Apārangi Committee, (g) Te Here Committee, (h) Te Pae Kōrako Committee. The make-up of the committees is as at 30 June 2017.

(4) Appointment ended 12 December 2016, (5) Appointment ended 30 April 2017, (6) Appointments ended in prior financial year, (7) Appointment from 1 May 2017, (8) Appointment from 13 December 2016, (9) Appointment ended 30 June 2017, (10) Appointment ended 14 July 2016, (11) Appointment ended 19 August 2016, (12) Appointment from 20 August 2016, (13) Appointment from 15 July 2016.

Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust

Notes to the Summary Group Financial Statements Continued

13. KEY MANAGEMENT PERSONNEL COMPENSATION continued

	2017 \$000	2016 \$000
Te Rūnanga o Ngāi Tahu Alternates		
Rewi Anglem	3	0
Liz Brown	6	2
Hikatea Bull	5	3
Iaeon Cranwell	5	2
Cyril Gilroy	3	3
Stacy Gullen-Reynolds	6	0
Christina Henderson	7	0
Teena Henderson	6	2
Hoani Langsbury	4	2
Donna Matahaere	2	0
Katharina Ruckstuhl	6	2
Raewyn Solomon	5	2
Odele Stehlin	2	0
Juliette Stevenson	3	0
Lesley Sykes	2	2
Rik Tainui	0	2
Karaitiana Taiuru	6	1
Karl Te Raki	5	1
Michelle Turrall	5	0
Total Alternate Fees	81	24
Total Directors Fees (as above)	1,609	1,499
Total Representative and Alternate Fees	1,525	1,233
Independent Audit & Risk and Remuneration Committee members	65	48
Short Term Benefits for Senior Management Positions ⁽¹⁴⁾	3,995	4,521
Total Key Management Personnel Compensation	7,194	7,301

(14) Includes 11 senior management positions (2016: 11)

14. CONTINGENT LIABILITIES

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

There were no contingent liabilities at 30 June 2017 (June 2016: \$nil).

15. SUBSEQUENT EVENTS

There are no material events subsequent to balance date.



Independent Auditor's Report on the Summary Group 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 2017, 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 2017. We expressed a qualified opinion on those financial statements in our report dated 17 October 2017.

In our opinion, the accompanying summary group financial statements, on pages 2 to 22, are consistent, in all material respects, with the audited group financial statements, in accordance with PBE FRS 43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board. However, the summary group financial statements are impacted by the same matter outlined in our qualified audit opinion on the full audited group financial statements for the year ended 30 June 2017 as summarized below.

Summary group financial statements

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

The audited group financial statements and our report thereon

We expressed a qualified audit opinion on the audited group financial statements in our report dated 17 October 2017.

The group's investment in Watson & Son Limited Partnership ("Watson & Son"), a 50% owned joint venture accounted for using the equity method, is carried at \$55m on the group's statement of financial position as at 30 June 2017. The group's share of Watson & Son's equity accounted loss of \$19.4m is included in the group's statement of revenue and expense for the year then ended, along with a revaluation movement in other comprehensive income of \$2.3m and an impairment expense of \$20.0m.

We were unable to obtain sufficient appropriate audit evidence for these amounts because the Watson & Son audit has not been finalised due to difficulties experienced at the entity, as explained in note 2.3(a) to the full audited group financial statements, and summarized in note 6 to the summary group financial statements. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Rūnanga Representatives responsibilities for the summary group financial statements

The Rūnanga Representatives are responsible on behalf of the group for the preparation of the summary group 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 group financial statements are consistent, in all material respects, with the audited group 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 areas of data analytics, taxation services and the provision of due diligence work. 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.


Christchurch, New Zealand
17 October 2017

This audit report relates to the summary group financial statements of Te Rūnanga o Ngāi Tahu and Ngāi Tahu Charitable Trust (the 'group') for the year ended 30 June 2017 included on the group's website. The Rūnanga Representatives are responsible for the maintenance and integrity of the group's website. We have not been engaged to report on the integrity of the group's website. We accept no responsibility for any changes that may have occurred to the summary group financial statements since they were initially presented on the website. The audit report refers only to the summary group financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary group financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the summary group financial statements and related audit report dated 14 October 2017 to confirm the information included in the summary group financial statements presented on this website.



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AUDITOR

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BANKERS

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Westpac Banking Corporation Limited
ANZ National Bank Limited