



# NGA TOKORIMA A HINEMANUHIRI TRUST

Annual General Meeting

24 August 2019

Pakowhai Marae

NGA TOKORIMA A HINEMANUHIRI TRUST

ANNUAL GENERAL MEETING

SATURDAY 24 AUGUST 2019

PAKOWHAI MARAE

**AGENDA**

Karakia Whakamoemiti

Waiata: He Honore

Mihimihi:

Apologies:

Introductions of new elected trustees

1. The Chairman's Report;
2. Presentation of Annual Report for the previous Income Year, including an explanation of the Trusts general activities;
3. A presentation by the Trustees of financial statements for the previous Income Year;
4. Approval of the Appointment of the auditor for the next Income Year;
5. A Presentation by the Tatau Tatau Representative - Alex Maehe;
6. Approval of the Trustees' remuneration;
7. Setting a date for the next AGM: 8 August 2020
8. Any other General Business
  - Kahui Kaumatua Appointment

Karakia Whakamutunga

## CHAIRMANS REPORT

He toa takitini, takimano!

E nga paa whakawairua o Nga Tokorima a Hinemanuhiri Tena Koutou.

Koia rā hoki ko Matariki Ahunganui e whakatau atu ana ki nga kaipupuri-mauri ki te kei o nga marae maha o Te Wairoa nui tonu.

Te tarauma tangi moteatea ano hoki ki a ratou kua mene atu ki tua...e moe, e moe, hokia!

Ki nga kete korero i te maatauranga, nga kaiwhakatoo i te maaramatanga i nga tahi maunga ki nga kare a Tai ...tēnā koutou, tēnā koutou, tēnā tatou katoa.

Mauri Tu!

As newly elected Trustees of Nga Tokorima a Hinemanuhiri it is only right that we recognise and acknowledge our Whanau, Hapu and Marae for supporting our Koroua, Kuia, our previous mandated Representatives of Te Tira Whakaem, the initial Trustees and the Project / Management Team.

Nga Amorangi ki mua, ko te mihi maioha tenei i nga haapai oo ki muri.

As newly elected Trustees it must also be noted that we delivered the most robust election process out of the whole "rohe o Te Wairoa". We would like to congratulate all 13 Candidates that put their names forward for consideration. Congratulations also to Alex Maehe who is our representative with Tatou Tatau.

Our Karakia "pure" at our first hui was an acknowledgement of the hard work thus far and a tribute from the "mountains to the sea" on Rakaunui, on te tai-pari. All the signs were there to mark a new start for our new team. Mauri Ora!

Our brief now is one of commitment in order that we can process, progress and proceed with caution and for the benefit of our whanau.

Policies, Contracts, Delegations, Carrying on Business, Property, Funding, Investments to name a few responsibilities will consume our time and test our patience, but we are a very close team, skilled, resourceful and extremely appreciative of the opportunity to move forward.

This report will effectively be an update to the Annual Work Plan shared at our inaugural Cluster Hui hosted by our Rangiahua whanau.

### Nga Tokorima a Hinemanuhiri Trust (NTAHT) Annual Work Plan 2019 / 2020

Our priority 1 is a focus on the "Consultation and Representation Model "We have 3 Options ...

a) Appointment by General Membership. b) By Marae Representation c) By Hapu Representation

Timelines - It was resolved at the 26 July Meeting of Trustees that the date for the Special General Meeting (SGM) for the Representation Model be Sat 9 May 2020. NB. (All marae and Hapu structures be set by this date).

This will give us 3 months before the 2nd Annual General Meeting on Sat Aug 8th, 2020. At this second AGM members will vote by secret ballot on their preference and the Trustees will amend where necessary the Deed to reflect the Model.

Kahui Register - It is essential in the Annual communications that we access, recreate and or recover our Kahui Database. TToTWT and Electionz have a responsibility to the confidentiality of that information but they also need to investigate avenues of sharing this information with the appropriate whanau groups. The process and the progress if delayed may require an internal push.

Our 2019 Audit Report and processing ran smoothly and professionally. Thanks all round must go to our newly appointed Treasurer, Tarrant Cotter & Co and to BDO Gisborne Ltd.

In conclusion, the Chair and Deputy thank the team for their positivity in "calls to action" thus far. Kaupapa shared from the Annual Work Plan at our inaugural hui in Rangiahua have been or will be effectively addressed within the timetable. We acknowledge the fact that we all work full-time jobs and that this commitment to the myriads of tasks is an onerous one. We remain optimistic to a pathway ahead of self-determination and of transformation through education.

Noho ora mai, Ma nga mana Atua e Arataki.

Na Blackie Tohiariki - Chairman

# Annual Report

Ngā Tokorima A Hinemanuhiri Trust  
For the period 12 January 2019 to 30 June 2019

Prepared by Tarrant Cotter & Co



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NGA TOKORIMA A HINEMANUHIRI TRUST**

**Report on the Audit of the Financial Statements**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Nga Tokorima a Hinemanuhiri Trust ("the Trust"), which comprise the balance sheet as at 30 June 2019 and the statement of profit or loss and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Trust. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of Opinion**

The Trust has been allocated 14,285,714 Kahui Beneficial Units which confer to a 14.3% interest in the value of the net assets of Tatau Tatau o Te Wairoa Trust. The Trustees have not been provided with financial information to determine the value of the net assets of Tatau Tatau o Te Wairoa Trust as at 30 June 2019 and have therefore not recognised the Trust's share of the net asset value in the financial statements. As a result of this matter, we were unable to determine the value of any adjustments necessary in respect of the Trust's proportional share of the net assets of Tatau Tatau o Te Wairoa Trust.

**Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Trust's members, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trust and the Trust's members, as a body, and should not be distributed to or used by parties other than the Trust the Trust's members. Our opinion is not modified in respect of this matter.

**Trustee's Responsibilities for the Financial Statements**

The Trustees are responsible for the preparation of the financial statements in accordance with the New Zealand Institute of Chartered Accountants' Special Purpose Financial Reporting Framework for use by For-Profit Entities and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**





Our responsibility is to conduct an audit of the Trust's financial statements in accordance with International Standards on Auditing (New Zealand) and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Who we Report to

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

*BDO Gisborne Ltd*

BDO Gisborne Ltd  
Gisborne  
New Zealand  
23 August 2019



# Directory

## Ngā Tokorima A Hinemanuhiri Trust For the period 12 January 2019 to 30 June 2019

### Mission

Mā Ngā Tokorima a Hinemanuhiri e mahi tahikia ora ake tātau ki to whakaharatau i tō tātau Tino Rangatiratanga, kia whaihua mō ngā marae, ngā whānau, hāpu and surrounding environment.

Ngā Tokorima a Hinemanuhiri will work together in a way that will allow us to practice our own Tino Rangatiratanga for the benefit of our marae, whānau, hāpu and surrounding environment.

### Address

P O Box 50  
WAIROA

### New Zealand Business Number

9429047156319

### IRD Number

128-089-888

### Trustees

Blackie Tohiariki (Chair)  
Juanita Cotter  
Alex Maehe  
Ira Heyder  
Huia Huata  
Kate Hudson  
Zeb Nicklin

### Chartered Accountant

Tarrant Cotter & Co  
P O Box 100  
Wairoa

### Bankers

Westpac Bank  
Marine Parade  
Wairoa

### Solicitor

Jason Fox  
Tuhono Limited

### Auditors

BDO Gisborne  
1 Peel Street  
Gisborne



# Approval of Financial Report

**Ngā Tokorima A Hinemanuhiri Trust**  
**For the period 12 January 2019 to 30 June 2019**

The Trustees are pleased to present the approved financial report of Ngā Tokorima A Hinemanuhiri Trust for the period 12 January 2019 to 30 June 2019.

APPROVED

For and on behalf of the Trustees.

J. Cottet Juanita Cottet  
Trustee

Date 23.08.19



# Statement of Profit or Loss

Ngā Tokorima A Hinemanuhiri Trust  
For the period 12 January 2019 to 30 June 2019

NOTES 12 JAN-30 JUN  
2019

## Income

Tatau Tatau O Te Wairoa Distribution	352,333
Total Income	352,333

## Total Income

352,333

## Expenses

Accommodation and Travel	3,541
Advertising	2,163
Bank Fees	122
Consulting & Accounting	1,501
Depreciation	759
Hui & Election Expenses	20,387
Insurance	1,266
Legal Expenses	34,900
Secretarial Expenses	20,228
Printing & Stationery	84
Trustee Expenses	6,219
Subscriptions	609
Telephone & Internet	185
Total Expenses	91,962

## Profit (Loss) Before Taxation

260,371

## Trustees Income Before Tax

260,371

## Net Trustees Income for the Year

260,371



These financial statements should be read in conjunction with the Notes to the Financial Statements.

# Statement of Changes in Equity

## Ngā Tokorima A Hinemanuhiri Trust For the period 12 January 2019 to 30 June 2019

12 JAN-30 JUN  
2019

### Trust Capital

Opening Balance

#### Increases

Trust Settlement

10

Trustees Income for the Period

260,371

Total Increases

260,381

Total Trust Capital

260,381



These financial statements should be read in conjunction with the Notes to the Financial Statements.

# Balance Sheet

## Ngā Tokorima A Hinemanuhiri Trust As at 30 June 2019

	NOTES	30 JUN 2019
<b>Assets</b>		
<b>Current Assets</b>		
Business Transaction Account		276,558
GST Receivable		9
<b>Total Current Assets</b>		<b>276,566</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	5	3,794
<b>Total Non-Current Assets</b>		<b>3,794</b>
<b>Total Assets</b>		<b>280,360</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Mastercard Business Card		642
Trade and Other Payables		19,337
<b>Total Current Liabilities</b>		<b>19,979</b>
<b>Total Liabilities</b>		<b>19,979</b>
<b>Net Assets</b>		<b>260,381</b>
<b>Equity</b>		
Trust Capital		10
Retained Earnings		260,371
<b>Total Equity</b>		<b>260,381</b>

These financial statements should be read in conjunction with the Notes to the Financial Statements..



# Depreciation Schedule

Ngā Tokorima A Hinemanuhiri Trust

For the period 12 January 2019 to 30 June 2019

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
<b>Office Equipment</b>							
Computer Equipment	3,370	-	3,370	-	562	2,808	-
Samsung S9 Mobile Phone	1,183	-	1,183	-	197	986	-
Total Office Equipment	4,553	-	4,553	-	759	3,794	-
<b>Total</b>	<b>4,553</b>	<b>-</b>	<b>4,553</b>	<b>-</b>	<b>759</b>	<b>3,794</b>	<b>-</b>



These financial statements should be read in conjunction with the Notes to the Financial Statements.

# Notes to the Financial Statements

## Ngā Tokorima A Hinemanuhiri Trust For the period 12 January 2019 to 30 June 2019

### 1. Reporting Entity

Ngā Tokorima A Hinemanuhiri Trust is a trust established by a trust deed dated 12 January 2019, and subject to the Trustees Act 1956. Ngā Tokorima A Hinemanuhiri Trust is a kahui member of Tatau Tatau o te Wairoa Trust.

### 2. Statement of Accounting Policies

#### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPF for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the use of Trustees only and meet the minimum requirements of the Inland Revenue Department.

#### Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest dollar, except when otherwise indicated.

#### Changes in Accounting Policies

As this is the first year of operations for the Trust, there are no comparatives for the previous year and no accounting policies previously employed which could have changed.

#### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends received are recognised on receipt, net of non-refundable tax credits.

#### Goods and Services Tax

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST.

#### Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.



**Depreciation**

Account	Method	Rate
Office Equipment	Diminishing Value	50%-67%

**Income Tax**

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

12 JAN-30 JUN  
2019**3. Income Tax Expense**

Net Profit (Loss) Before Tax	260,371
<b>Additions to Taxable Profit</b>	
Non-deductible Expenses	91,962
Total Additions to Taxable Profit	91,962
<b>Deductions from Taxable Profit</b>	
Non-assessable Income	352,333
Total Deductions from Taxable Profit	352,333
Taxable Profit (Loss)	-
Tax Payable at 17.5%	-
Income Tax Payable (Refund Due)	-

12 JAN-30 JUN  
2019**4. Equity**

<b>Trust Capital</b>	
Trust Settlement	10
Total Trust Capital	10
<b>Retained Earnings</b>	
Current Year Earnings	260,371
Total Retained Earnings	260,371
Total Equity	260,381

12 JAN-30 JUN  
2019**5. Property, Plant and Equipment**

<b>Office Equipment</b>	
Office Equipment	4,553
Accumulated depreciation - Office Equipment	(759)
Total Office Equipment	3,794
Total Property, Plant and Equipment	3,794



#### 6. Tatau Tatau o Te Wairoa Trust - Kahui Beneficial Units

Nga Tokorima A Hinemanuhiri Trust has been allocated 14,285,714 (14.3%) Kahui Beneficial Units which confer an equal interest in the value of the net assets of the Tatau Tatau o Te Wairoa Trust. There are 99,999,998 Kahui Beneficial Units in the Tatau Tatau o Te Wairoa Trust.

The Trust's share of net assets in Tatau Tatau o Te Wairoa Trust has not been reflected in the financial statements of the Trust at 30 June 2019. This is due to the finalisation of the Trust's financial statements occurring in advance of the preparation of Tatau Tatau o Te Wairoa Trust's financial statements.





## AGM: Tātau Tātau O Te Wairoa Representative for Ngā Tokorima a Hinemanuhiri

Ko te tapuwae o te manu tipi, ko te tapuwae o te manu topa. Ko ia, ko ia hei hāpai ake. Kia puta ki te ao mārama. Haumie! Uie.. Taiki e....

Ko tēnei te tangi a te Tītī, te tangi a te Kākā, Kā tangi hoki ahau – Tihei Mauri ora! E te Runga Rawa, Te Pūaroha.

Ko ēnei nā ngā uri a Hinemanuhiri  
Kōtahi ki te titiro, Kotahi ki te whakaaro  
Ko a mātou whainga e ngātahi ana  
ki te Kupu ki te ira tangata...

Tēnā rā koutou katoa!

My first Tātau Tātau hui began with a show of support, unity and solidarity among the Ngā Tokorima a Hinemanuhiri whānau who accompanied me. Since this time each Tātau Tātau hui have been an opportunity to understand the breadth and depth of the work ahead for Te Rohe o Te Wairoa. The key priorities, as I see it have been to:

1. Develop a strategic plan that reflects our aspirations as an iwi. Underpinning everything we do should be aimed at building the economic, social, cultural and spiritual wealth of our people that is rich and enduring;
2. Build governance capacity by supporting all Kāhui Trustees to fully participate in training that enables them to fulfil their roles responsibly and with confidence;
3. Ensure all Kāhui property interests are managed equitably and in a timely manner;
4. Develop and grow the collective iwi assets to build and safeguard a strong economic base in order to achieve aspirational goals; and
5. Be responsive to the growing demands placed on Tātau Tātau for leadership, guidance, partnership and support from various individual, local and regional community stakeholders.

Our draft Strategic Plan was first conceived by the previous trustees and further developed by the present Tātau Tātau directors led by an external facilitator. Central to the plan is the *moemoeā* that we will be a prosperous people, healthy and aspirational, proudly identifying with *te ao Māori, Kaitiaki* for a restored natural environment and key decision makers for our future. Tātau Tātau representatives will share the draft plan with their own Kāhui. Ngā Tokorima a Hinemanuhiri Trust and marae plans are well underway.

Tātau Tātau have committed resources to enable Kāhui Trustees to gain valuable knowledge and skills to navigate the complex issues that occur in the boardroom. Often personalities clash and decisions are high stakes. For Tātau Tātau training and development for trustees is a long-term strategy to build capacity, responsibility and succession planning. I am enjoying the experience of working with Tātau Tātau colleagues who are passionate, astute and work tirelessly. However, from time to time, we need to take a moment to stop and connect as whanau.

Presently the Te Reinga and Mangapoike DSP properties are the centre of Kāhui interest. Hinemanuhiri has formally registered its interest in Te Reinga. Other DSP properties will fall due within the next 1-2 years. Tātau Tātau will give Kāhui who have

signalled an interest the heads up on the deadline dates so a formal interest can be lodged.

The establishment of the Commercial Board through the appointment of its directors has signalled the intention of Tātau Tātau in becoming a significant player in the local and regional economic landscape. They as a part of the overall commercial arm are corporate vehicle through which Tātau Tātau engages in commercial activities.

The demands on Tātau Tātau time and resources is something that continues to grow and is noticeable at each meeting. As our plans develop then so should our attention be focused. One *take* of interest to me is the Kāhui Ako (Communities of Learning) where a cluster of schools within Wairoa collaborate to achieve success for their students. The Ministry of Education through Kāhui Ako have approached Tātau Tātau to source hapū and iwi *pūrākau* (stories) for teachers and students to use. This I hope will be a long-term partnership whereby our marae and Kāhui aspirations can be incorporated into the schools'curriculum.

These last few months of serving on Tātau Tātau have been extraordinary. The opportunity to work with, and for whānau is a huge privilege. Treat each other with respect and keep each other honest is the balance to strike in this mahi. Everyone is alive with a passion and desire to move forward, to thrive and prosper - under our own authority.

*"Kia tutuki ki te wawata kē tū anō rātou, whanau, hapū, iwi i runga i o rātou ake mana"*

Nāku noa  
Nā

Alex Maehe  
24 August 2019

# Memorandum

Date: 25 June 2019

FROM: Graeme Olding / Te Aopare Dewes

DIRECT: +64 9 357 9259 / +64 9 358 9839

MOBILE: +64 27 591 6103 / +64 27 209 0810

EMAIL: graeme.olding@chapmantripp.com /

teaopare.dewes@chapmantripp.com

REF: 100336118/7117192.2

To: The directors of Tātau Tātau o Te Wairoa  
Trustee Limited, corporate trustee of  
Tātau Tātau o Te Wairoa Trust

For Your: Information

by email

## DSP PURCHASE PROCESS

### INTRODUCTION

#### Background

- 1 The purpose of this memorandum is to provide an overview of the process for purchasing Deferred Selection Properties (*DSPs*) in accordance with:
  - 1.1 the restated trust deed of the Tātau Tātau o Te Wairoa Trust (the *Tātau Tātau Trust*) dated 30 November 2018 (the *Tātau Tātau Trust Deed*); and
  - 1.2 the deed of settlement between the Iwi and Hapū of Te Rohe o Te Wairoa, the trustees of the Tātau Tātau Trust and the Crown dated 26 November 2016 (the *DoS*).
- 2 It is important that Kāhui understand the DSP purchase process and the time frames involved before the process is commenced due to the risk of missing deadlines and Kāhui losing out on their interests.

#### Different processes

- 3 The compliance requirements differ under the Tātau Tātau Trust Deed and the DoS depending on whether there is only one Kāhui with an interest in the DSP or there are overlapping Kāhui interests.
- 4 Accordingly, where any DSPs are being purchased, the requirements of the Tātau Tātau Trust Deed and the DoS should be checked and followed carefully to ensure compliance.

#### Capitalised terms

- 5 Capitalised terms used in this Memorandum have the meanings given to them in the Tātau Tātau Trust Deed, unless otherwise defined.

## TIMEFRAMES

### Deferred Selection Period

6 A key aspect of the DSP purchase process is understanding the timeframes involved as these impact Tātau Tātau Trust and other Kāhui where there are shared interests. Sending a notice of interest to the Crown starts the DSP purchase process. The timeframes under the DSP purchase process cannot be halted or deferred once the notice of interest has been sent to the Crown.

7 Schedule 1 of this memorandum includes a copy of the Seventh Schedule of the Tātau Tātau Trust Deed. It lists all the DSPs, notes which Kāhui have interests in the various DSPs and notes, for each DSP, the period within which the Tātau Tātau Trust must give the Crown a written notice of interest if it wishes to that property (the *Deferred Selection Period*).

8 To provide for this, clauses 13.1 and 13.2 of the Tātau Tātau Trust Deed require interested Kāhui must notify the trustee of the Tātau Tātau Trust (Tātau Tātau o Te Wairoa Trustee Limited) within 75% of the Deferred Selection Period of their wish to purchase a DSP.

9 We have calculated the 75% deadline for each Deferred Selection Period within which an interested Kāhui may give notice to the Tātau Tātau Trust below (the *75% Deadline*):

Deferred Selection Period	Beneficial Entities representing Kāhui with interest may give the Tātau Tātau Trust notice up to
6 months [Te Reinga (PF 1894 and PF1895)]	11.59pm on 28 March 2019
18 months [Mangapahi Road, Mangapoike (11306)]	11.59pm on 27 December 2019
2 years [All other DSPs]	11.59pm on 13 May 2020

## DSP PURCHASE PROCESS

### Step One – Notice of wish to purchase

10 Where only one Kāhui has an interest in a DSP, before the relevant 75% Deadline, the Beneficial Entity representing that Kāhui may notify the Tātau Tātau Trust in writing that it wishes to purchase the DSP.

11 Where more than one Kāhui has an interest in a DSP, under clause 13.2 of the Tātau Tātau Trust Deed the Kāhui with overlapping interests must establish and nominate

a joint entity (or nominate a joint entity already established) to be the purchaser and notify the Tātau Tātau Trust jointly of a wish to purchase.<sup>1</sup>

- 12 The Seventh Schedule of the Tātau Tātau Trust Deed, included as Schedule 1 of this memorandum, sets out the Kāhui which have interests in DSPs.
- 13 Before this notice is provided, Kāhui may consider giving the Tātau Tātau Trust forewarning of their intention to provide notice. This will provide the Tātau Tātau Trust time to prepare aspects in advance of the mandated timeframes, such as obtaining a valuation report under Step Three.

**Step Two – Notice of interest**

- 14 On receiving a notice of a Kāhui's wish to purchase a DSP, the Tātau Tātau Trust must trigger its right to purchase that DSP under the DoS.<sup>2</sup>
- 15 To trigger a right to purchase a DSP, the Tātau Tātau Trust must give "the Crown" a written notice of interest.<sup>3</sup> A notice to "the Crown" must be sent to *either* Land Information New Zealand (LINZ) or to the Ministry of Justice (Office of Treaty Settlements). Part 3 of the Property Redress Schedule of the DoS sets out for each DSP, whether the notice should be sent to LINZ or the Ministry of Justice (Office of Treaty Settlements).<sup>4</sup>
- 16 The Tātau Tātau Trust's notice must be in writing and signed by at least three directors of Tātau Tātau o Te Wairoa Trustee Limited.

**Step Three – Crown to provide material information/determination of transfer value**

- 17 On receipt of the notice of interest from the Tātau Tātau Trust (the *notification date*):
  - 17.1 the Crown must not later than 10 business days after the notification date, give the Tātau Tātau Trust all material information that, to the best of its knowledge, is in its records about the relevant DSPs, including the encumbrances; and

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<sup>1</sup> Where a Beneficial Entity, or Beneficial Entities jointly, do not notify the Tātau Tātau Trust of a wish to purchase a DSP under clause 13.1 or clause 13.2 of the Tātau Tātau Trust Deed during the first 75% of the Deferred Selection Period, Tātau Tātau o Te Wairoa Commercial Limited may notify a wish to purchase during the remaining 25% of the Deferred Selection Period.

<sup>2</sup> Under clause 13.1, clause 13.2 and clause 13.3 of the Tātau Tātau Trust Deed, the Tātau Tātau Trust must trigger its right to purchase the relevant DSP on receiving notice of a wish to purchase from a Beneficial Entity, Beneficial Entities jointly or Tātau Tātau o Te Wairoa Commercial Limited (as relevant).

<sup>3</sup> Under clause 4.1 of Part 4, Subpart A of the Property Redress Schedule of the DoS, the Tātau Tātau Trust may, at any time during the Deferred Selection Period, give the Crown a written notice of interest if it wishes to purchase a DSP.

<sup>4</sup> Under Part 6 of the Property Redress Schedule of the DoS, notice from the Tātau Tātau Trust to the Crown in relation to DSPs must be addressed to the land holding agency, which will be the Ministry of Justice (Office of Treaty Settlements) or Land Information New Zealand. The land holding agency for each DSP is set out in Part 3 of the Property Redress Schedule of the DoS.

17.2 the transfer value of the DSPs must be determined.<sup>5</sup>

18 The process for determining the transfer value of DSPs is set out in Part 4, Subpart B of the Property Redress Schedule of the DoS. This process requires the Tātau Tātau Trust and the Crown to each instruct a valuer to assess the market value of the DSPs and prepare a valuation report.

19 We have summarised the process for determining the transfer value in Schedule 2.

**Step Four – Notice of approval of transfer value**

20 Under the Tātau Tātau Trust Deed, the Tātau Tātau Trust and the Beneficial Entity or Beneficial Entities jointly must co-operate in good faith in respect of the deferred selection process under the DoS for all DSPs.<sup>6</sup>

21 On the relevant transfer values being determined, the interested Kāhui *may* notify the Trust in writing that:

21.1 the transfer values are acceptable to the Kāhui;

21.2 the Kāhui approves the purchases proceeding; and

21.3 the Kāhui will purchase the relevant DSPs from the Tātau Tātau Trust as soon as is reasonably practicable once they have been transferred to the Tātau Tātau Trust by the Crown.<sup>7</sup>

**Step Five – Notice of election to purchase**

22 The Tātau Tātau Trust will proceed with purchasing the relevant DSPs if it receives notice of approval from the Kāhui. If no notice of approval is received, the Tātau Tātau Trust will not proceed with purchasing the relevant DSPs to transfer to the Kāhui.<sup>8</sup>

23 Under the DoS, the Tātau Tātau Trust *must* give the Crown written notice of whether or not it elects to purchase the DSPs, by not later than 15 business days after the transfer value has been determined or agreed.<sup>9</sup>

24 We recommend that Kāhui give the Tātau Tātau Trust confirmation of whether they wish to purchase the relevant DSPs within 10 business days to ensure there is sufficient time for the Tātau Tātau Trust to provide notice to the Crown.<sup>10</sup>

<sup>5</sup> See clause 4.3 of Part 4, Subpart A of the Property Redress Schedule of the DoS.

<sup>6</sup> See clause 13.4 of the Tātau Tātau Trust Deed. This requirement also applies to Tātau Tātau o Te Wairoa Commercial Limited (as relevant).

<sup>7</sup> This is required for all DSPs from the Beneficial Entity, Beneficial Entities jointly or Tātau Tātau o Te Wairoa Commercial Limited (as relevant) under clause 13.4 of the Tātau Tātau Trust Deed if those entities approve the transfer value and want the Tātau Tātau Trust to proceed with the purchase.

<sup>8</sup> This applies to all DSPs under clause 13.4 of the Tātau Tātau Trust Deed.

<sup>9</sup> This is required for all DSPs under clause 4.4 of Part 4, Subpart A of the Property Redress Schedule of the DoS.

<sup>10</sup> Under Part 4 of the General Matters Schedule of the DoS this would allow the Trust 1 day to prepare the notice and post it, with receipt to occur on the 4th day after posting.

**Step Six – Transfer to the Tātau Tātau Trust**

- 25 If the Tātau Tātau Trust gives the Crown notice of an election to purchase, Tātau Tātau Trust and the Crown will be treated as having entered into an agreement for the sale and purchase of the DSPs at the transfer value, plus GST if any.<sup>11</sup>
- 26 The Crown must transfer the DSPs to the Tātau Tātau Trust on the terms of transfer set out in Part 5 of the Property Redress Schedule of the DoS.

**Step Seven – Transfer to the Kāhui**

- 27 On the DSPs being transferred to the Tātau Tātau Trust, the Tātau Tātau Trust must, as soon as is reasonably practicable, transfer the DSPs to the relevant Kāhui (or its nominee) at the same transfer price that Tātau Tātau Trust paid the Crown for the DSPs.<sup>12</sup>
- 28 The transfer price may be satisfied by the Kāhui by payment of cash, through a redemption of Kāhui Beneficial Units (KBUs) or a mixture of both.<sup>13</sup>

**Impact of redemption of units**

- 29 During the next 3 years, the holders of KBUs are entitled to three payments of around \$350,000<sup>14</sup>, \$1.05m in total<sup>15</sup>, under the "Initial Distribution". The Beneficial Entities have already received their first payment of the Initial Distribution.
- 30 If a Kāhui's Beneficial Entity redeems some of its KBUs to purchase DSPs, the number of KBUs held by that Beneficial Entity will decrease. As a result, the Kāhui's Beneficial Entity will receive less of the Initial Distribution. How much of the Initial Distribution each KBU holder receives will depend on the number of KBUs they hold, and how many of the three Initial Distributions have occurred before any KBUs are redeemed.
- 31 While the KBUs were issued at \$1.00, their current value is determined by the Net Asset Value of the Trust Assets. Accordingly, if a Kāhui's Beneficial Entity purchases DSPs through a redemption of KBUs, the number of KBUs redeemed will be determined based on the current value of the KBUs. The proportion of the Initial Distribution that a Kāhui's Beneficial Entity then receives will be based on the number of KBUs held by the Beneficial Entity after the redemption.

**Option to mitigate**

- 32 A Kāhui's Beneficial entity may mitigate this outcome by:

<sup>11</sup> This will be the case for all DSPs under clause 4.5 of Part 4, Subpart A of the Property Redress Schedule of the DoS.

<sup>12</sup> Transfer to the relevant Beneficial Entity, the nominated joint entity of Beneficial Entities or Tātau Tātau o Te Wairoa Commercial Limited (as relevant) is required for all DSPs transferred to the Tātau Tātau Trust under clause 13.5 of the Tātau Tātau Trust Deed.

<sup>13</sup> Under clause 13.5(a) of the Tātau Tātau Trust Deed, satisfaction of the transfer value may be made in this way by a Beneficial Entity or Beneficial Entities jointly in relation to all DSPs. However where Tātau Tātau o Te Wairoa Commercial Limited (or its nominee) is the purchaser, the transfer value must be satisfied in a manner agreed between Tātau Tātau o Te Wairoa Commercial Limited and the trustee of the Tātau Tātau Trust.

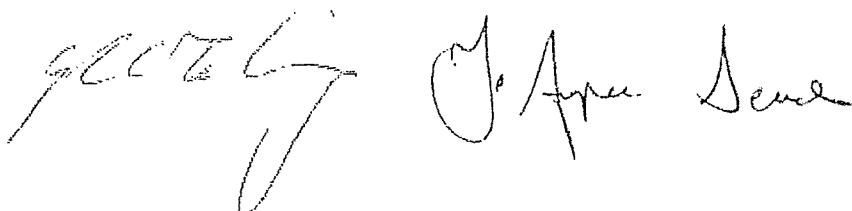
<sup>14</sup> The exact amount is \$352,333.29 per year.

<sup>15</sup> The exact amount is \$1,056,999.86.

- 32.1 using its own cash to purchase DSPs; or
- 32.2 entering into an agreement with the Tātau Tātau Trust, under which the Tātau Tātau Trust purchases the DSP on the Kāhui Beneficial Entities behalf, and transfers the relevant DSP to the Kāhui's Beneficial Entity by payment of cash or through a redemption of KBUs (or a mixture of both) *after* all three of the Initial Distributions have occurred. The transfer price for the DSP to be paid by the Kāhui's Beneficial Entity would be:
  - (a) the purchase price that was paid by the Tātau Tātau Trust to the Crown when it acquired the DSP; PLUS
  - (b) the Net Holding Cost incurred by the Tātau Tātau Trust in buying the DSP, being the holding costs less any income received from the DSP for that holding period, calculated on an after tax basis.

**Conclusion**

- 33 Purchasing DSPs is a process and the Tātau Tātau Trust Deed and the DoS must be complied with.
- 34 Where any DSP is being purchased, the requirements of the Tātau Tātau Trust Deed and the DoS should be checked and followed carefully to ensure compliance.



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**SCHEDULE 1 – KĀHUI WITH INTERESTS IN DEFERRED SELECTION PROPERTIES**

Deferred Selection Properties	PROPERTY	KAHUI INTERESTS
Six Months	Te Reinga Site (Former School) PF 1894  2.0235ha being Part Mangapoike 2A2 Computer Freehold Register 265799  0.1315ha being Part Mangapoike 2A2 Computer Freehold Register 265795	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau 1 Te Hononga o Ngā Awa</b>
Six Months	Te Reinga Site (Former School House) PF 1895  0.5746ha being Sections 6 & 8 Mangapoike 2A2. Computer Freehold Register 270182	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau 1 Te Hononga o Ngā Awa</b>
Two Years	Wharekopae/Pembroke Roads Wharekopae PF 882  1.2140ha being Section 7 Block IX Ngatapa Survey District. Computer Freehold Register GS6B/887	<b>Ngā Tokorima a Hinemanuhiri</b>
Two Years	10 Mackley Street, Wairoa PF 925  0.0830ha being Lot 4 DP 14581. Computer Freehold Register HBK2/739	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	Cnr Kaimoana Street & Airport Road, Wairoa PF 928  0.0870 ha being Lot 2 DP 22517. Computer Freehold Register HBP2/622	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	17 Otoko School Road, Otoko PF 1214  2.4715 ha being Section 13 Block IV Ngatapa Survey District, Lot 1 DP 9501 and Lot 7 DP 2306 Computer Freehold Register GS6C/894	<b>Ngā Tokorima a Hinemanuhiri</b>

Two Years	Ruapapa Road, Ardkeen PF 1499 1.2115 ha being Section 20S Ardkeen Settlement Computer Freehold Register 183383	<b>Ngā Tokorima a Hinemanuhiri</b>
Two Years	Ngati Rangi Street, Nuhaka PF 1816 0.1011 ha being Section 1 SO 9637. All Transfer 8902394.2. Subject to Survey	<b>Ngāti Rākaipaaka</b>
Two Years <i>To be valued separately by both parties with two valuations. One for land, one for forest.</i>	Mahia East Coast Road PF 1856 524.4585ha being Lots 1, 2 and 3 DP 23976. All Transfer 9249187.1	<b>Rongomaiwahine Iwi</b>
Two Years	5 Scott Street, Wairoa PF 692 0.1011 ha being Section 1 SO 9480. Part Gazette Notice 614656.1	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	7 Scott Street, Wairoa PF 693 0.1013 ha being Section 2 SO 9480 Part Gazette Notice 614656.1	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	9 Scott Street, Wairoa PF 694 0.1013 ha being Section 3 SO 9480 Part Gazette Notice 614656.1	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>

Two Years	29 &31 Scott Street, Wairoa PF 695 0.20 ha being Lots 27 & 28 DP 57 Computer Freehold Register HBL3/889 Limited as to parcels. Subject to Survey	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	27-35 Kitchener Street, Wairoa PF 783	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui</b>

	0.1012 ha being Lot 3 DP 18315 Part Transfer 698772.2  0.5059 ha being Lot 4 DP 13446 Computer Freehold Register HBE4/1289	<b>Te Wairoa Tapokorau 1</b>
Two Years	Cnr Paul Street & Queen Street, Wairoa PF 1163  0.17 ha being Part Lot 1 DP 1839, Part Lot 2 DP 9153 and Part Town Section 360 Clyde. All Gazette Notice 594604.1. Limited as to parcels. Subject to Survey.	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	East end of Ormond Drive, Opoutama PF 1332  4.3400 ha being Section 35 Block III Mahanga Survey District. All Gazette Notice 709317.1	<b>Rongomaiwahine Iwi</b>
Two Years	1500 – 1105–1117 Nuhaka Opoutama Road, Opoutama  1.6956 ha being Section 1 SO 351224 Computer Freehold Register 219158	<b>Rongomaiwahine Iwi</b>
Two Years	596 State Highway 2 ex Turiroa School, Wairoa PF 1543  2.2713 ha being Lot 1 Agriculture Section 3 Turiroa Computer Freehold Register 208619	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1 Te Hononga o Ngā Awa</b>
Two Years	158 Carroll Street, Wairoa (SH38) PF 1633  2.6737 ha being Lot 2 DP 390414. Computer Freehold Register 362719	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	103 Huramua( <i>Huramua</i> ) Road, Wairoa PF 1892  42.6539 ha being Lot 12 DP 8981 Computer Freehold Register HBC1/1280	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui</b>
Two Years	207 Awamate Road, Wairoa PF 1893	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui</b>

	26.4487 ha being Lot 3 DP 8981 Computer Freehold Register HBC1/1271  16.4201 ha being Lot 4 DP 8981 Computer Freehold Register HBC1/1272	
18 Months	Mangapahi Road, Mangapoike (11306)  1097.1885 ha being Section 1 SO 8542 Computer Freehold Register GS6A/808	<b>Ngā Tokorima a Hinemanuhiri Whakakī-Nui-A-Rua Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>
Two Years	146 McLean Street, Wairoa PF 696  0.1015 ha being Section 5 SO 9480 Part Gazette Notice 614656.1	<b>Ngā Tokorima a Hinemanuhiri Te Wairoa Tapokorau Whānui Te Wairoa Tapokorau 1</b>

## SCHEDULE 2 – DETERMINATION OF TRANSFER VALUE

1 In summary:

- 1.1 not later than 10 business days after the notification date, the Tātau Tātau Trust and the Crown *must* each instruct a valuer to assess the market value of the DSPs and prepare a valuation report;<sup>16</sup>
- 1.2 the Tātau Tātau Trust and the Crown *may* agree and jointly appoint a person to act as the valuation arbitrator;<sup>17</sup>
- 1.3 each valuer *must* be a registered valuer and the valuation arbitrator *must* be suitably qualified and experienced in determining disputes about the market value of similar properties;
- 1.4 a valuation arbitrator is appointed when he or she confirms his or her willingness to act;
- 1.5 no later than 50 business days after the notification date, each of the Tātau Tātau Trust and the Crown *must* provide a copy of its final valuation report to the other party;
- 1.6 no later than 60 business days after the notification date, each of the Tātau Tātau Trust and the Crown *must* provide its valuer's written analysis report to the other party;
- 1.7 if only one valuation report is delivered by the required date, the transfer value of the DSP *is* the market value as assessed in that report;
- 1.8 if both valuation reports are delivered by the required date:
  - (a) the Tātau Tātau Trust and the Crown *must* endeavour to agree in writing the transfer value of the DSP;
  - (b) either party *may*, if the transfer value of the DSP is not agreed in writing within 70 business days after the notification date and if a valuation arbitrator *has* been appointed, refer that matter to the determination of the valuation arbitrator; or
  - (c) if an agreement has not been reached within 70 business days after the notification date but a valuation arbitrator *has not* been appointed, the parties *must* attempt to agree and appoint a person to act as the valuation arbitrator within a further 5 business days;

<sup>16</sup> Under clause 4.8.1 of Part 4, Subpart B of the Property Redress Schedule of the DoS, the valuer *must* be instructed using the form of instructions in Part 4, Appendix 1 of the Property Redress Schedule of the DoS.

<sup>17</sup> If the Tātau Tātau Trust and the Crown *do not* agree and jointly appoint a valuation arbitrator within 15 business days of the notification date, under clause 4.9 of Part 4, Subpart B of the Property Redress Schedule of the DoS, either party *may* request that the Arbitrators' and Mediators' Institute of New Zealand appoint the valuation arbitrator as soon as is reasonably practicable.

- (d) if a valuation arbitrator is not appointed within the further 5 business days, either party may request that the Arbitrators' and Mediators' Institute of New Zealand appoint a valuation arbitrator as soon as is reasonably practicable;

1.9 the valuation arbitrator must, promptly on his or her appointment, specify to the Tātau Tātau Trust and the Crown the arbitration commencement date and:

- (a) no later than 10 business days after the arbitration commencement date the valuation arbitrator must give the parties notice of the arbitration meeting to be held not later than 30 business days after the arbitration commencement date and establish the procedure for the arbitration meeting;
- (b) no later than 50 business days after the arbitration commencement date, give his or her determination of the market value being no higher than the higher and no lower than the lower assessment of the market value contained in the parties' valuation reports.

2 The transfer value of DSPs is to be determined as at the notification date.<sup>18</sup>

3 If the transfer value is determined by the valuation arbitrator, the valuation arbitrator's determination is final and binding.<sup>19</sup>

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<sup>18</sup> This transfer value for all DSPs must be determined as at the notification date under clause 4.7 of Part 4, Subpart B of the Property Redress Schedule of the DoS.

<sup>19</sup> The transfer value determined by a valuation arbitrator will be final and binding for all DSPs under clause 4.26 of Part 4, Subpart C of the Property Redress Schedule of the DoS.