

**DRAFT MINUTES OF NGATI KAHUNGUNU IWI INCORPORATED
SPECIAL GENERAL MEETING**

**Wednesday, 18 o Mahuru 2024 at War Memorial Conference Room, Marine Parade
Napier at 4.00pm**

PRESENT IN ATTENDANCE

NKII BOARD Bayden Barber -NKII Chair, Thompson Hokianga -NKII Deputy Chair/Heretaunga Taiwhenua, Brian Ruawai-Hamilton – Taurahere (Southern District), Melissa Ihaka - Ngati Kahungunu ki Wairarapa, Hayden Hape – Kahungunu ki Tāmaki nui-ā-Rua Taiwhenua, Jenny Nelson-Smith -Tamatea Taiwhenua

NKII STAFF Chrissie Hape - Chief Executive, Michelle Ferris - Executive Assistant Ngaio Tiuka - Director, Environment & Natural Resources, Ruth Wong - Director of Smart Services and Communications, Te Rangi Huata - Events Manager, Hine Hape -Finance Administrator, Shade Smith -Te Taiao, Melissa White - Director of Te Ara Matua, Te Ara Toiora Team, Nicosia Webster - Te Kura Project Lead, Krystal Haimona – Te Ao Mārama/Paeheretia, Janice Stevens – Te Ara Mātua, Jane Cunningham – Whai Kainga, Whai Oranga, Chris Karaitiana – Te Kura

KAHC Ratahi Cross -KAHC Co-Chair, Mike Devonshire - KAHC Co-Chair Rawinia Lewis - KAHC Business Manager, Mike Knoblock - KAHC

AUDITORS Les Foy, Jennifer Von Deventer, Paul Walker

IWI MEMBERS Marama Tiakitai Hart, James Robin, Moori Tuhi, Mahinarangi Barlow-Bartlett, Mat Mullany, Sandra Mauger, Henry Heke, Shirlene Whaitiri, Waylyn Tahuri-Whaipakanga, Laura Kamau, Tanie Eden, Waiora Rogers, Charles Ropitini, Veronica Young, Zhane Tahau, Jerry Hapuku, Hinewai Ormsby, Te Kaha Hawaikirangi, Matariki Mitchell, Api Robin, Toro Waaka, Chris Hilton, Meihana Watson, Adele Small, Serena Odonnell, Angeline Tangiora, Ana Te Whaiti, Philip Jackson, Mark Rutene, Tawhirimakea Karaitiana, Orine Gillies, ,Darryn Russell, Te Wairama Munro, Pauline Whiting, Tania Thopmans, Khalael Uelese, Rangiwahuia Robin, Shaqaila Uelese, Shayne Nuku, Thompson Hikianga, Traci Tuimaseve, Maia Wati-Cooper, Adriana Murton, Alieta Uelese, Anthea Toheriri, Atareta Smith, Grace Ropitini, Hemi Wong, Jack Pritchard, Jason Whaitiri, Shirlene Whaitiri, Jenny Mauger, Jude Karaitiana, Kane Koko

MIHIMIHI: Thompson Hokianga
HIMENE: He Honore He Kororia
KARAKIA: Zhane Tahau Whelan

Mihi mihi - Tu mai awa tu mai moana ko koe takahia noatia e au, tupe aunuku tupe aurangi, whati ki runga whati ki raro Urumarangaranga pērā hoki rā taku manu nui nā Tane. Taku manu tae koa taku manu haurere e ku manu nei e te kotuku rerengā tahi. Kia tae timu kia tae pari tae whakaheke o ngā mātua tīpuna ki te whanga ā Ruawharo tae noa mai nei ki te Whanganui-ā-Ōrotu. Nika rā whakaaro ka puta ake nei, nau mai, nau mai, piki mai ki runga i te karanga e āhei ana rā tātau te wāngangahia me ngā pata moroiti o te kōrero. Tēnā koutou hara mai rā koutou tae timu, hara mai rā koutou tae pari. Whakakotahi ai tātau i ō tātau whakaaro, tēnā koutou e whakakahutia nei o koutou whakaaro tikangā rā nei, tēnā koutou.

Hara mai ki runga i te karanga o te kaupapa me ngā mihi maioha, me kī nei, ngarū ana te whenua, ngako ana te moana, i te hinganga o te tōtara whakahaē o te wao, nei ka puta i te pō nei kā puta i te pō. Nō reira rā, ngā hau tū, ngā mio i te wā tapu nui a Tane, o te aroha. Koutou kua tiraha mai te rangi, te wiki, te marama, o te tau. Haere atu rā koutou, ngā whaea Kay Paringatai, ko tēnei te reo aumihi i tō rerenga ki tua, nō reira haere atu rā koutou ki te ringa katau o te Atua, te atua te whakapono atu rā koutou.

Huri atu te kei o taku waka mihi kia tātau kua haere mai nei i runga i te karanga, arā kotahi tau pea nā te tono o te iwi kia whakatū tetahi hui pēnei, nō reira tēnā koutou. Aku rangatira, te kāhui kaumatua e pikotia nei e ngā hiahia, e ngā moemoeā, i ngā wawata, hākuī hākoru, tēnā koutou.

Tēnā koutou me o koutou tini āhuatanga o tēnā o tēnā o ngā marae me te kupu kia tātau, he Atua tō tēnā, he Atua tō tēnā. Tēnei au ka tū ake ki te whakatauri nei i a koutou, koutou anō hoki kua tae-a-ipurangi mai, tēnā koutou. Tēnā koutou kua ariari taringa mai, tēnā koutou e kaimāta mai ki ngā hua kua puta āke nei, tēnā tātau. Ānika te pōari o Ngāti Kahungunu, ānika te pōari o tātau nei AHC, kia whakatauri ia koutou ki runga i te kaupapa o te ahiahi nei, tēnā koutou, tēnā koutou tēnā koutou katoa.

Te taea a Hori te tae-a-tinana mai ki te taki karakia mō tātau, ki te whakawairuatia i ngā huarahi mō tātau. Heoi anō, ā tēnei wā ka hoatu au te rākau ki tētahi o ngā minita kei waenganui i a tātau, ko koe papa Jerry, Zhane rānei, tēnei au ka whiu atu te rākau ki a korua.

Kia ora Tamihana, e rā whakatua i a tātau, heoi anō kei te pā whakawairua me Zhane nāu te ara whata ki te rangi kei te whakatuwhera i a tātau i tēnei ahiahi pō. Mei kore ake nei ko koe, otirā tō kupu whakamoemiti e here nei te rangi me te whenua, te ao wairua, te ao kikokiko i runga i a tātau kia pai ai a tātau nei hui i tēnei pō, tēnā koe.

Otirā, ki ngā mana nui, ki ngā hapū, ki ngā karangaranga hapū katoa, mai i runga ki raro, mai te kāro o te Ika-a-Māui Tikitiki-a-Taranga arā, te Wairarapa, heke penei mai ki Tāmaki Nui-a-Rua, ki Tamatea, Heretaunga Haukunui ararau, Haro o te Kahu, Whanga-nui-a-Orotu, e noho nei tātau i tēnei rā, heke haere ki Ngāti Pāhauwera, otirā, Te Wairoa Hopupumatangi-rau, tae noa ake rā mai

tawhiti, nei rā te mihi atu rā kia koutou katoa. Tautoko i ngā mihi whakataua a Tamihana i tēnei pō, haere mai, haere mai, haere mai. Haere mai ki tēnei hui a tau, me ki SGM, ka tū i tēnei pō, tēnei te mihi atu rā kia tātau katoa.

1) APOLOGIES

Ana Carroll, Annette Harris, Danielle Keil, Donna Robin, Kerrin Fair, Marei Apatu, Nigel How, Numia Tomona, Hori Reti, John Robin, Winipere Mauger, Ngahiwi Tomoana, Mere Tomoana, Karanema Bartlet, Leilani Wong, Liz Munro, Maureen Mua, Narelle Huata, Conrad Waitoa, Eruera Beattie, Haami Hilton, Waiora Kireka.

1.2) Motion: Call for apologies to be accepted.

Moved: Sandra Mauger,

Seconded by: Kane Koko

CARRIED ALL

2) OVERVIEW AND PURPOSE OF SGM:

- 2.1) We held our AGM in November 2023 at Splash Planet, with over 200 attendees. It was a successful hui; however, the final audited financials were not available at that time. This is why we are holding the SGM today, to finalise the financials for the 2022-2023 financial year.
- 2.2) Bayden provided an overview of the 2022-23 year, highlighting the relationship between Ohanga (terms that reflect important concepts related to well-being and community) and Oranga (focuses on health and wellbeing). Both aspects highlight the importance of balance and interconnectedness in achieving a thriving community, emphasising the economic health and overall wellbeing on each other, as the work we do in Ohanga and Oranga is for the benefit of the iwi.
- 2.3) Crowe Auditors are present tonight, Les Foy and Paul Walker who will share the financial report for 2022-2023.
- 2.4) Bayden highlighted the relationship between Ohanga (terms that reflect important concepts related to well-being and community) and Oranga (focuses on health and wellbeing). Both aspects highlight the importance of balance and interconnectedness in achieving a thriving community, emphasising the economic health and overall wellbeing on each other, as the work we do in Ohanga and Oranga is for the benefit of the iwi.
- 2.5) **PURPOSE OF THE SGM:** The purpose of our SGM is to address a few remaining matters for Ngāti Kahungunu Iwi. The main issue was K3, which required significant effort to resolve. We needed to address this to allow the auditors to finalise our financials.
- 2.6) **RECOGNITION AND PROGRESS:** Acknowledged the KAHC Board and NKII Board members. Currently, we have only one house under Ngāti Kahungunu. The Ohanga and Oranga are collaborating harmoniously to support iwi. This has involved hard mahi, particularly in addressing

issues that needed fixing. The key message for our people is that we are on the right path, both in terms of our commercial arm and the wellbeing of our people. We're pleased with the progress. Les Foy will speak to the numbers. *He tohu te oranga ake, he tohu te whakapai haere*, our waka is heading in the right direction, and we are all rowing together.

2.7) KOTAHITANGA:

I whakanuihia te hinganga o Kingi Tūheitia Pōtatau Te Wherowhero VII. I reira tēnei au hei te Kotahitanga o te iwi Māori. Mihi atu ki tō tātou whānau Kahungunu i tae atu, mātā toro atu ki Ngaruawāhia, i Tūrangawaewae, me te heke nei te kawe atu i ō tātou aroha me ngā tangi roimata ki a Kingi Tūheitia. Heoi anō, tangihia te Kingi. Otirā, mate atu rā he tētē kura, haere mai rā he tētē kura. He tika tō te kōrero, arā, ko te Kuīni Ngāwai Hono i Te Pō, ka tū anō tō tātou Kingi Māori. Nō reira, ka mihi, ka tika.

2.8) FINANCIAL UPDATE AND CHALLENGES: We had an operating profit of \$1 million, but we also had the closure of Takitimu Seafoods. At the previous AGM, we discussed the process of restructuring, laying off staff, and settling our creditors, which naturally comes with costs. This is reflected in the report, and we are left with a deficit of just over \$2 million for the year ending 2023. However, don't be discouraged; we are in a better position than we've been for some time.

2.9) RISK MITIGATION AND OVERSIGHT: In the office, steps are being taken to mitigate any risks. We have an Audit and Risk Committee (ARC) for both NKII and KAHC, ensuring oversight on any potential risks to the iwi and its assets. Our assets are *he taonga nui* a great treasure, and this is a key message for our people: we have been elected to serve as *kaitiaki*, protecting these funds and ensuring the long-term wellbeing of our iwi.

2.10) ASSET GROWTH AND COLLABORATION: We've been able to add value to our asset base and will continue to grow. One encouraging aspect for our board is that our asset holding company has established an investment committee, focusing on future growth. Over the past two and a half years, Ratahi and Mike, as co-chairs of KAHC, have led a significant cleanup. Now, we're in a position to look forward and grow our assets. We're also working with PSGEs, collectively leveraging our assets, cash, and aspirations for our people. This collaboration is a recipe for success, and we are finally able to look outward rather than inward. *Tino harikoa taku ngākau i tēnei wā ki te kī atu ki tō tātou iwi mō te ahunga whakamua o tō tātou nei iwi. Koinei te ōhanga.*

2.11) FISCAL RESPONSIBILITY AND BANKING RELATIONSHIPS: Due to fiscal constraints, we have had to tighten our belts, resulting in no dividend for Taiwhenua for the 2022-2023 year, as we did not have surplus cash available. Our operations, as well as those of the Asset Holding Company (AHC), have been required to reduce expenditures for good reason, ensuring we live within our means. Building confidence among the NKII and KAHC Boards, as well as within our community, is crucial. A significant aspect of this is maintaining a positive relationship with our banker; we cannot grow our assets without strong banking support. We have faced difficulties in this relationship, which has been strained. However, we are now in a strong position; the bank has reviewed the Credit Yield Performance Objective (CYPO) and evaluated our credit history and financial performance metrics. They are now satisfied with the results, which has led to their willingness to collaborate and extend financial services. This assessment outlines our statement of investment objectives, and we are confident in our ability to work together.

2.12) REPURCHASING FLC SHARES: Before our involvement as Directors of the KAHC a decision was made to sell \$4 million dollars' worth of FLC shares. We have since worked with the bank to facilitate the re-purchase of these shares.

2.13) ORANGA AND TE REO INITIATIVES: In terms of Oranga, the year 2023 marks the beginning of our 25-year plan, with a review of our strategic plan for NKII scheduled for 2026. Despite facing significant challenges such as Cyclone Gabrielle, changes in the political landscape, and financial difficulties discussed at the previous AGM and SGM, Oranga has continued to support Oranga and deliver for our people. Additionally, this week celebrates Te Wiki o Te Reo Māori, which is an important milestone for Ngāti Kahungunu. In 2023, we launched Te Reo ki Tua, an initiative closely related to Toitu Te Reo, and successfully delivered this event with over 1,000 attendees. From our discussions, it became clear that we need to expand our approach and consider how to incorporate different levels of the reo, particularly in bringing in our new and intermediate learners. Toitu Te Reo will be included on the agenda for November 2024. The Te Reo o Kahungunu, me Te Pokaitara initiative and Ngāti Kahungunu kura reo kaupapa are all progressing together towards our aspirations for the reo. Our reo strategy is set to span 25 years in three years' time, and we currently have a review of Kahungunu Kia Eke scheduled to be presented to us in March. Ngāti Kahungunu has made significant strides in promoting the Māori language, reflecting on the journey of the iwi over the past 23 years. We acknowledge that we have come a long way in our language proficiency, and we are committed to moving forward and continuing this progress. The Mātauranga strategy has been revamped over the past couple of years. We had to put a hold on the scholarship offering due to the budgets, but this financial year we have picked it up again. We are in partnership with the Māori Education Trust tripartite relationship to maximise dollar for dollar in our institutions of learning.

2.14) ORANGA: Our Toi Ora team collaborates with Oranga Tamariki and various Māori health providers to support our whānau. We are committed to doing everything we can to prevent our families from entering state care. Through our partnerships, we aim to provide resources and support that promoted the wellbeing of our communities and strengthen family connections. We have seen the fruits coming from this initiative.

2.15) HOUSING:

Seven marae were severely damaged by Cyclone Gabrielle. Our Whai Kainga WhaiO Ranga team has a significant task ahead of them, working to find and create sustainable, affordable housing for our whānau. Ngāti Kahungunu Iwi is fortunate to be one of four prototypes leading this initiative. Throughout 2022-23, our primary focus has been on supporting our whānau during the recovery from cyclone Gabrielle. We provided 86 temporary housing units to support whānau in Ōmahu, Porangahau, Waiohiki, Tangoio and along the Ngāti Kahungunu coast. These homes have been successfully delivered to the communities.

Whakapakari ake te ohanga mā tēnā, ka taea e tātau te anga Whakamua mō te taha oranga. It's about building our financial base to be able to deliver homes to whanau, education oranga, Hauora, Reo and Tikanga, ki ngā uri nga tini nga mano o Ngāti Kahungunu, Nō reira tenei au ka mihi nei kia koutou, ngā hapū ngā marae, koutou e whakatautauhia I ngā ahi o te ka o te kainga. Tena koutou katoa.

3) CROWE AUDITORS:

The auditor was called to the floor to present the financial statements for the year. They provided an overview of the financial performance and position, addressing key areas such as revenue, expenses and any significant financial matters that arose during the audit process. The presentation was followed by a brief discussions and questions from the floor. Les Foy, Senior Auditor at Crow, provided an overview of the audited accounts and expressed gratitude to the board members and Chrissie Hape for the opportunity to present the financial position. He explained the Financial Operating Cycle, making it easier to understand, and emphasized the fundamental accounting equation: $A=L+E$ (Assets = Liabilities + Equity), which in this case is \$96m = represents all assets owned by Ngāti Kahungunu Iwi \$38m liabilities + beneficial owners of Equity are \$58m. This numbers are big and a lot of mahi goes into the board and management to make sure they can maintain the asset base and the equity that is a result.

3.1) **GROW THE BUSINESS:** Income is generated from various sources, including construction contracts, dividend income and grants. After covering all expenses, the remaining amount, or surplus, contributes to the growth of the iwi assets.

3.2) FINANCIAL OPERATING CYCLE:

A = Assets <i>Invest</i>	L + Liabilities <i>Repay</i>	E = Equity <i>Distribution</i>
Income (I)	Minus E (Expenses)	= Net Surplus (S)

This model outlines the full financial operating cycle for both the business and the iwi. The process involves investing in assets, repaying liabilities, and distributing equity. For the iwi, this is a long-term strategy, not just for the next 3-5 years but for future generation.

3.3) **WORKING CAPITAL:** For any organization, including Ngāti Kahungunu Iwi, having enough cash is crucial to survival-hence the saying, "cash is king." The KAHC board has successfully negotiated with ANZ to extend their loans over a longer term, providing financial stability. When it comes to housing construction projects, they are treated as **work in progress (WIP)**, which means they are ongoing projects. The working capital cycle begins with cash, which is invested into WIP (construction projects), turning into stock (completed houses or units), and eventually converting back into cash once sold, which is reflected in the **Debtor** (money owed to the iwi from buyers). This cycle is essential for maintaining a healthy cash flow.

3.4) **STATEMENT OF FINANCIAL PERFORMANCE:** Is previously known as the Profit and Loss Account or P & L for short. The statement is divided in 2 parts, income and expenditure.

Income – this is where NKII draws its funding from.

How reliant is it on one source? How reliable is this source?

The management team ensure that there is income that's either repetitive income or is placement income. For the 2023 year end the **NKII – Total revenue of \$25.5m. The below is a summary of the \$25.5m**

- \$18.7m – of the income comes from, admin and other operating income, and includes
- Construction contracts of \$12.1m and
- Rental income of \$0.9m)

Other revenue is \$3.4m-Hi Ika Revenue

\$0.3m- Dividends that are external to the iwi, FLC and other entity like Moana Fisheries. This is not the dividend that the AHC pay to the iwi as one, because there is no money coming into the group.

\$3.1m-Sales revenue income. This is the revenue \$25.5m

3.4.1) Diversification of Income: NKII's revenue is diversified across several streams, including construction contracts, Hi Ika revenue, and dividends. However, the reliance on construction contracts (\$12.1 million) is a significant portion, which needs careful management.

3.4.2) Long-term Viability: Rental income, though small in comparison to construction contracts, provides a consistent source of cash flow, while the dividends contribute moderately to overall revenue.

3.4.5) EXPENDITURE: - These are the costs incurred in the Iwi, most reflect actual cash payments made. The exception is depreciation, which is the progressive write down in value of a fixed asset over its economic life.

3.4.6) NKII Total Expenses Breakdown – \$24.7m:

- **\$10.0m – Mauri Ora:** This represents the funds spent directly on iwi members to support their wellbeing and community initiatives.
- **\$7.8m – Cost of Sales:** These are the expenses related to the construction project. When revenue is received from construction work, there are associated input costs, including materials, labour, and services, whether sourced from within the iwi or contracted externally.
- **\$4.4m – Administration and Operating Expenses:** As a large iwi, substantial administrative work is required by both the board and management to keep operations running smoothly.
- **\$1.0m – Governance Expenses:** These cover the costs related to the board, the Audit & Risk Committee, and the support and provisions for employees.
- **\$0.8m – Finance Expenses:** This is the interest charged by banks and external lenders.
- **\$0.4m – Hauora Expenses:** These expenses relate to the iwi's wellbeing philosophy, reflecting the costs of initiatives supporting holistic health and wellbeing, managed by the management team.
- **\$0.3m – Impairment:** This reflects the write-offs or reductions in value of assets that are no longer worth their initial value. It is an accounting entry, not an actual cash outflow

3.4.7) Net Surplus for 2023

From continuing operations, we achieved a net surplus of just over \$1 million. This was derived from the \$2.25 million in revenue, with expenses totalling \$24.7 million, resulting in the surplus. This reflects a positive operational outcome. However, due to discontinued operations, particularly with the closure of Takitimu Seafoods as of 30 June 2023, we had to account for a \$3.1 million write-off. As a result, the iwi ended the year with a deficit of \$2.1 million.

3.4.8) Statement of Financial Performance:

Timing – It is important that income and expenditure is recognised in a timely manner to ensure costs and revenues are matched to the events they relate to as they occur. Accruals are used to facilitate this process.

Budgets – the results for a given period are compared with the budget to see if the iwi is performing better or worse than expected. As the year progresses a forecast of the year end outturn should be prepared, and updated, to give a more accurate view (that the original budget of what the likely year end result will be).

Activities – NKII, a second view of the statement of financial performance is prepared showing the statement of financial performance is prepared showing the statement of service performance used for external reporting.

3.4.9) Statement of Financial Position: Previously known as the balance sheet.

This statement is divided into two parts: **assets** and **liabilities**.

- **Assets** – are further split into two categories: **current assets** and **non-current assets**.
- **Current assets** are items expected to be converted into cash or realised within the next 12 months. These typically include the bank account, debtors or Accounts Receivable, stock or inventory, prepayments (such as insurance premiums paid for a term longer than a month,) and short-term investments. that are realisable able or expected to be turned into cash in the next 12 months.
- **NKII Total Current Assets of \$23.3M:**
 - \$15.6m-cash
 - \$6.0m – receivables (sales that have been made, transactions occurred on invoicing)
 - \$0.2m- Inventories
 - \$0.6m-Related party
 - \$0.3m -Other assets
 - \$0.6m – Assets held for sale

3.4.10) Non-Current Assets – these are items that hold long-term value for the iwi, with the major category being **fixed assets**. Fixed assets include equipment, computers, buildings, vehicles at **book value**. Book value represents the cost of these assets minus the accumulated depreciation to date.

3.4.11) NKII Total Non-Current Assets of \$72.6m

\$7.3m – represents property, plant and Equipment used internally to support the operations of the iwi.

\$16.7m-Investment properties, primarily Tautane Station. According to the financial statements, this asset is valued at \$32m as of 30 June 2023. Purchased in 2013, it has proven to be a strong investment, reflecting prudent foresight at the time.

\$26.7m – Quota Shares – as part of the fishing settlement. These shares are owned by the iwi and can be used either for fishing operations or leased out for lease income. A significant portion of the quota shares are currently leased.

\$14.1m - Aotearoa Fisheries

\$7.2m - Fiordland Lobster Company, with the value shown at its current carrying amount.

\$0.5m-Salco Quota Co, a small quota company with \$500,000 investment held by the iwi.

Liabilities – this category encompasses all debts and obligations the organisation owes to external parties, including its owners. **Liabilities** are further divided into three subcategories:

1)Current Liabilities – These are debts that must be settled within the next 12 months, such as:

- Creditors or accounts payable

- Accruals
- Staff leave provisions
- Short-term loans (due within 12 months)

2)Term Liabilities – These are long-term debts that are not due within the next 12 months, typically including long-term loans.

3)Shareholder loans: These are loans provided by the organisation owners.

Equity:

- This represents the owners' interest in the business.
- For Ngāti Kahungunu Iwi Inc, equity is referred to as **Beneficial Owners Funds**.

3.4.12) NKII: Total Current Liabilities of \$34.0m

\$19.0m – Deferred revenue (this represents contract income that has been received and is currently held in the bank)

\$8.8m- ANZ Bank loan (as of 30 June 2023 this loan was due within 12 months but has since been extended. I anticipate that this classification may change in the 2024 audit due to adjustments in total liabilities)

\$6.2m -Creditors and other payables, (these accruals are expected to become due within the 12 months after 30 June 2023).

3.4.13) Term Liabilities -Non-Current Liabilities

NKII: Total Non-Current Liabilities of \$4.0m

\$4m – Ngāti Hineuru Holding Limited, this amount is expected to be resolved by the time the 2024 accounts are finalised.

NKII Total Equity of \$58.0m

There has been significant work done within the iwi, particularly in response to Cyclone Gabrielle and the subsequent events. As a result, our current situation shows that liabilities represent 40% of our assets which is a healthy ratio.

A =	L +	E
\$96m	\$38m	\$58m

3.4.14) Statement of Cash Flows:

This statement is divided into three parts: operating, investing and financial activities.

Operating Activities – this section covers the day-to-day operations of the organisation. If there is not a surplus from these activities, it indicates that the organisation is unable to fund its daily operations through cash flows. This situation may necessitate borrowing or using reserves. Which is not a positive sign for long term sustainability.

Financing Activities – this section includes transactions with the lenders and shareholders, focused on establishing the organisations equity and debt capital structure.

Investing Activities – this covers the acquisition, holding and disposal of fixed assets, capital items and other investments.

4) Opened to the floor for questions:

- 4.1) Matt Mullany** - I want to acknowledge Crowe Auditors, Les Foy and extend my thanks to the NKII Board for the hard mahi. Working for the iwi can sometimes be a thankless task and we truly appreciate the efforts made to improve the iwi position. As a representative of the iwi whānau, I fully support the kaupapa.
- Regarding the 2023 accounts, the main concern with the NKII group accounts is the lack of access to detailed information about the individual business that comprise the group. This absence of information makes it impossible to conduct any reasonable analysis, thereby hindering members ability to hold governors of Ngāti Kahungunu accountable. It is a reasonable request to provide not only the consolidated financial statements of NKII but also the separate financial statements for each entity within the group. The need for more extensive information is even more critical given the deterioration in the overall financial condition of the NKII group. My question pertains to the loan involving Hiki ki Te Rangi Limited Partnership in relation to the K3 Development Limited Partnership. As I understand it, there is a loan of \$652,547.00 due from Hiki ki Te Rangi to the K3 Development Limited Partnership by 30 June 2023 (as noted in note 7).
- Additionally, note 23 refers to an implementation deed with the Waipatu Marae Trust concerning the recovery of the Hiki ki Te Rangi Limited Partnership loan. The deed specifies that NKII will repay \$150,000 of the loan to K#, while the Waipatu Marae Trust will pay \$600,000 to K3 upon the transfer of land to the Waipatu Marae Trust.
- My question is: could you please clarify for the members whether any losses will be incurred as a result of the deed with Waipatu Marae Trust, and if so, have these losses been quantified? Please provide an explanation to the members.
- 4.2) KAHC co-Chair Ratahi Cross** – the answer is somewhat complicated and could take some time to fully explain. However, Ill address the key point of your question. To clarify, no, there are no additional obligations or risks for the other groups involved in this process. Weve worked hard on this project to ensure fairness, even though we may not have satisfied everyone. What's most important is we've minimised any risks to the parties involved, and that remains our primary focus.
- 4.3) M Mullany** – to clarify the question: are losses expected as a result of the deed?
- Regarding the Fiordland Lobster (FLC) shares, (note 15) indicates that \$4 million was borrowed from Hineuru, due for repayment on the 3rd of July. The loan was secured against 50,000 shares held by NKII, which were notionally sold to Hineuru. (Note 23) mentions that an additional loan of \$4.25 million was taken out from ANZ to repay the Hineuru loan and to buy back those 50,000 shares. I'm unclear about the financial implications of these transactions, but the notes suggest that the buy-back of the shares is expected by August 2024. Could you clarify how much was paid for the buy-back, and confirm whether the shares have been purchased back, and if so, at what amount?
- 4.4) KAHC co-Chair M Devonshire** – Yes, those shares have been bought back, and the net effect was anticipated, with the amount being \$4.25 million.
- 4.5) A Ropiha** – I would also like to congratulate you for the work that has been done and I want to acknowledge Chrissie. From my perspective, reading these accounts suggests that Oranga propping up the Ohanga of this house.
- I want to begin with the Fiordland Lobster Company (FLC), which is particularly important to me. The first investment was made in 2008, acquiring 4.5% of the company at a net book value of \$1.43 million for \$720,000. By 2016 the shareholding had increased to 131,590 shares at a total cost of \$1.453,850, with a net book value was \$9.785,972 and we were receiving dividends regularly as reflected in the financial statements. However, in 2020, dividend reporting ceased, despite us receiving \$341,000 in 2019 with a book value of \$14 million at that time. This

investment continued to grow, reaching 136,670 shares and a net book value of \$15,822,976.00 by 2021.

Then, there was a significant drop in value, which I understand is attributed to using the “*golden goose to buy a dead duck*” specifically, *two dead ducks*: Glomfyord Pania Reef Fisheries Limited and Takitimu Seafoods Limited.

My question is: Why is there a reported value of \$7,173,600 in (note 12) of the statements, while further in that same note, the value for the same shares is listed as \$5,130,850? This creates a discrepancy of approximately \$2million that is unaccounted for.

Additionally, I want to highlight that our shareholding has decreased from 5.87% in FLC to just 1.44%. We are experiencing a loss in dividends, and overall value, and the reporting on this issue has diminished since 2019. Can you explain the reason for the \$2 million difference in (note 12)?

- 4.6) Crowe Auditor Paul Walker**, to clarify the difference between \$7 million value on the balance sheet and the \$5 million dollars that’s reported in terms of the note description. The \$5 million dollars is in the narrative relates to the iwi proportionate share of the book value of FLC, so that is the net equity the percentage share. The \$7 million dollars represents the fair values, the value of those shares if you were to sell them and that’s the key difference. The FLC financials the equity doesn’t show what the value would be if that business was sold. The \$7 million dollars the iwi is reporting is its share of the company if those shares were able to be sold on the market.
- 4.7) M Devonshire** – we are discussing a point in June 2023. Following the date, we repurchased the shares that had been sold under contract. It’s important to recognise that FLC has faced challenges in the last couple of years due to COVID-19, particularly concerning the China market and the relationship between the Australian Government and the Chinese Government, given their significant investments in Australia, such as Selco Investment. Since the initial purchase of those shares, their value has significantly increased, leading to positive returns and good dividends. I cannot comment on events that occurred before my tenure, as I have been here for two years. During this time, we have encountered a series of situations that we have worked to address in the best possible way for the benefit of the iwi, and I believe we have succeeded in that.
- 4.8) A Ropiha** this relates to reporting fair value if the assets were to be sold, as opposed to the net book value, which I understood had been the previous mode of reporting. When did this change occur and is there an explanation for it in the accounts, if not there should be.
- 4.9) Crowe Auditor, Paul Walker** – to answer your question, yes, there was a change in accounting policy for the iwi in 2023 fiscal year. A new accounting standard was introduced that requires those investments to be reported at fair value. There will be a change in accounting policy note in the financial statements that explains this change and its impact on the comparative year.
- 4.10) A Ropiha** – what about the 47,000 shares that were returned to FLC shareholders? The \$4 million buyback involved, 50,000 shares for Ngāti Hineuru, but the report mentions the 47,000 shares in the same note.
- 4.11) Co-Chair M Devonshire** – its recorded as subsequent shares as a separate transaction related to Hineuru funding arrangement, which supports other operations within the KAHC business. This was an agreement made by our predecessors to repurchase those shares. However, the separate transaction was unrelated, and there was no agreement to buy those shares back. Consequently, those shares have returned to the shareholders at FLC. Shares become available for purchase from time to time, but any repurchase would need to meet our investment criteria. We now have an updated Statement of Corporate Intent that

reflects our current investment philosophy. Given the price of the shares and their dividend returns, it's a difficult argument to justify buying back more shares.

- 4.12) A Ropiha** thanked Mike for the explanation as this differs from the previous one and I appreciate that. I want to revisit a point raised by Matt Mullany: It is crucial for us to understand the performance of each entity within the group. However, I believe we should also receive the return on investment, which has not been clearly declared. We are aware of where the losses are, and this is clearly stated. This is an important point.
- 4.13) M Devonshire** – it's a good statement and I'm sure we will discuss this with the shareholders. We have some investments that are not expected to deliver strong returns. For example, Tautane is one of those investments; we have a farm valued at \$32 million that only generates \$85,000 per month in return, requiring additional investment on top of that. The key point is that we need to work diligently to achieve a reasonable return while simultaneously growing the asset base by 100%.
- 4.14) A Ropiha** there should be notes to explain the factors behind the reported return on investment. I also want to ask about Pania Reef Fisheries. I understand it's a partnership, but we are still incurring costs. Invoices showed \$444,000 in 2022 and \$143,000 in 2023, totalling over half a million dollars over last two years for Pania Reef Fisheries Limited. This joint venture (JV) was established in 2016, and it involved purchasing a deep-water trawler, which resulted in a loss and an impairment of \$5.5 million in 2021. How long will it take for us to exit this joint venture, and what are the expected ongoing costs.
- 4.15) M Devonshire** – this has been exited and halted. Essentially, we are discounting all non-performing investments is stopping them.
- 4.16) Aramanu** – so this stopped after 2023.
- 4.17) Co-Chair Ratahi Cross** – to elaborate further, one of the things we have had to do was address issues we previously unaware of. It felt like trying to navigate through a very dark space. It was crucial for us to get to the core of these problems as quickly as possible. The best way forward was to draw a line through those issues to ensure they wouldn't cause us any further harm, and we successfully accomplished that. In hindsight, we could have approached some matter more prudently, but we are obligated to make the payments you mentioned.
- 4.18) A Ropiha** – I want to ask about Kahutia Accord. In the 2022 annual report it was noted that Kahutia Accord purchased the Kenderdine Forest, which is listed in today's report with an asset value of \$3.1 million. In 2021 it made profit but in 2022 incurred a loss, and I am not sure what happened in 2023. What's likely to be presented next year and beyond? I understand this is all related to carbon credits. What can we expect in this area, especially when we hear that the government is struggling to find buyers for their carbon credits.
- 4.19) Co-Chair Mike Devonshire** – it's a long-term investment. We recently visited Kenderdine, which is currently in its second rotation. If your familiar with forestry, you generally plant your plantations and can expect about three crops over a long period. The land has a reasonably good value, and the crop is well managed. The major costs associated with the business have already been incurred. Regarding carbon, there is potential to grow the investment or to conclude the trade. While we cannot predict what will happen, this remains an option. The underlying value should not

diminish. There are positives, including some quadrable sections of land that will help offset any further operational costs. There is a separate board for Kahutia investigating these matters. This investment needs careful management and oversight, but I believe it is well-supported in both aspects. Aramanu thanked Mike for the explanation.

- 4.20) A Ropiha** – I would like to ask about the \$12 million consolidated loan that is due in 2027. Until then, is it an interest-only loan?
- 4.21) Co-Chair M Devonshire** – KAHC have re-negotiated that in the year that has just gone and completed the funding. There is a split between long-term short-term. The issue was from a banking perspective we were perceived as reasonably high risk in terms of the operations that were underway. As we wound those down and negotiated with them, we earned a good deal. One of our key concerns is that we were being stung in interest and we did not have a lot of come back until we sorted out our obvious problem with some of the investments and that has been done.
- 4.22) A Ropiha** – my final question is: Will the board provide individual reports, on the companies that will be wound down, and the businesses that have closed during their term, including the total losses for each of those entities. u
- 4.23) Co-Chair M Devonshire** – we have addressed these issues, and they will be properly reflected in the accounts. We are required to report on them, and we have nothing to hide. The reason we needed to resolve matters, such as K3, was because there were solvency issues, and we had to fully understand the situation. We worked through this with the iwi (shareholder) to sort things out.
- 4.24) Co-Chair R Cross** – this has been an important question that was raised earlier. We are obligated to report on all transactions for your company, and those will be reported back to you. However, we need to ensure that we are reporting the correct and accurate information, which is why it's taking a bit longer. The process is a little complicated at the moment.
- 5) Makena Logan** – Thank you all for coming. I want to support what Matt has said. If we had the financial statements for each individual company, alongside the consolidated report, we could better assess the profit and losses of each company, understand which ones may need to be re-evaluated, and identify which are generating profit. This would provide a balanced view for both the board and us as beneficiaries and stakeholders. I believe we have the right to this information.
- I am also curious about the sources of income for each holding company within the assets group. A figure was mentioned earlier that caught my attention: Tautane book value is \$32 million, and you stated we are receiving \$85,000 per month income, and considering the farming forecast, we seem quite fortunate.
- However, after the consolidated report was released, I requested the financial reports for each of the asset holding companies. I haven't received them yet, and I'm wondering if there's an issue. As a stakeholder and beneficiary, I believe I, and everyone else in this room, have the right to request that information. That's my main concern at this point.
- 6) S Walker** – The auditor has been appointed on our behalf, but it seems more appropriate for the CFO to handle this presentation. While the auditor did a great job explaining financial literacy, it would be helpful if certain details were clearer in the audit report itself, rather than just in the presentation.
- There are two key questions I'd like to raise:

Fair Value of FLC shares: There's been a significant jump in the fair value of these shares. Could you clarify who determined this fair value? Was it based on an auditor's assessment, like a stock market evaluation, or is it aligned with the iwi groups valuation policy?

- 6.1) Crowe Auditor, Paul Walker** – Regarding the question on how the fair value is determined? The fair value is based on the price that can be achieved for those shares in the open market. Both the company and the iwi have valued it by considering the actual transactions occurring with the FLC shares, including the buying and selling activities in the market. From an audit perspective, we have reviewed the audit evidence related to these transactions, both during the year and after the balance date. Our audit work confirms that the share valuation, based on the trading value of the shares, accurately reflects their fair value.
- 6.2) S Walker – Debt and Equity:** I have a concern about the 40% debt-to-60% ratio. While the auditor views this as a healthy balance, I believe it's worth revising. In comparison to other iwi companies, a 40% debt appetite seems uncommon, depending on the industry. I'd appreciate clarification on this to better understand if our current approach is sound or if there's room for adjustment.
- Lastly, I'd like to express my appreciation for all the work that has been done, especially in areas such as Oranga, Toitu te Reo and kōrero a te motu. There are opportunities for further collaboration, and I look forward to exploring those in the future.
- 6.3) Co-Chair M Devonshire** – answer for Shane question: The asset's holding company operates under a different profile which is detailed in the statement. I'm happy to send a copy of the statement and provide further discussion at a later date. I also agree with your point. From our perspective, we aim to grow the asset base and leverage as much as possible, but always in a way that avoids putting anything at risk.
- 6.4) S Walker** – what is the current ratio under that policy?
- 6.5) B Barber** - Unable to provide exact figure but it's not significant. Speaking on behalf of KAHC, I can confirm that we are not in breach, and this is monitored on a monthly basis.
- 7) G Ropitini** - What is happening with the properties at Pandora?
- 7.1) Co-Chair M Devonshire** – There are two properties; one is fully leased with a mix of short term and some slightly longer-term tenants. We are currently negotiating a longer-term lease with one of them. Across the road, we have had several expressions of interest for parts of that site, but this is not related to the 2023 period. Our main objective is to freehold the land, which requires entering into a process with the Napier City Council, the current owners. We lease the land in perpetuity. If we can secure freehold ownership, and we are working with someone who can assist with the concept, it will change our long-term strategy for how we can invest in the property and the type of businesses or tenants we want to attract.
- 7.2) Co-Chair R Cross** – further to that question; it's important to keep in mind that we are reporting on the 2023 period. Some of the things you asked about pertain to today and the future, which can cause confusion. It's crucial that we take the time to discuss this and understand that these are two separate issues. We need to ensure we stick to the process relevant to that specific period so that our reporting remains accurate and clear.
- Can you clarify whether the Pandora properties are included in the plant and equipment list? Are they listed?

7.3) T Eden- the first thing I want to highlight is that governance has failed to provide us with adequate accounts regarding several areas, specifically the breakdown of revenue and profit generated by each entity. I request a detailed breakdown of revenue and profit by operations, as it is currently challenging to discern what is making money and what is not. Additionally, I want to address the deferred revenue of \$90 million—where is that coming from? We need to know the details. There have been common themes in recent years when reviewing the financials, particularly regarding the impairment of assets and investments, which has been significant. Key themes around impairment issues include:

- **Impairment of loans** related to parties that did not deliver on certain projects concerning K3.
- **Diversity of operations**, which now spans construction, seafood quotas, and social services.
- **Audit delays**, as the financial statements were signed off more than a year ago, and it has nearly been ten months since our last AGM.
- **Renegotiation of bank facilities**, which has been acknowledged and is being addressed, as Bayden has been speaking with ANZ.
- One of the key indicators for us at the AGM was accountability and responsibility regarding the decisions made. In examining Takitimu Seafoods and the losses incurred there, I ask: who conducted the due diligence in the outset? These questions were raised at the last AGM, and I want to reiterate them now.

What did the inquiry referenced in the link provided to us actually establish? What investment decisions have been enhanced and approved as a result of the lessons learned from failed investments made on behalf of us, the people of Kahungunu?

I want to know who has ultimate sign-off on investment decisions, as there have been no clear answers concerning that accountability. How have investments been monitored? My whānau and I expect monthly updates from the board regarding this matter.

Furthermore, I would like to see the presentation of forecasts by major operating divisions for the year ended 30 June, along with projections for the future. It would also be beneficial to see the cash flow forecast leading into FY25.

Going forward, I want clarity on the plan and projections related to this. How is NKII benchmarking against the best-performing iwi in the country? Are we looking at another iwi?

Many of us are involved with PSGEs, so what is the plan for us to assist you, Bayden, and your board in terms of investments and related matters.

7.4) M Devonshire – What you're seeing here are the consolidated NKII accounts. When the company reports, it's under a different framework. We've already started conversations with shareholders about clearer reporting for these forums, as it's evident this could be improved. I believe everyone recognizes that, and I'm sure Bayden can address it further. The shareholders will need to agree on those changes.

Regarding risk, we've spent the last two years focusing on mitigating it. We're discussing the period up to June 2023, but as of now, we're another year on and have finally managed to resolve these risks. We're no longer in a position where negative cash flow is a concern, and we're not scrambling to sell assets or make deals just to maintain cash flow. Our forecasts now show positive cash flow, healthy returns, and dividends being paid.

We have individual P&L statements and monitor balance sheets monthly. In terms of our investments, our philosophy has shifted, and the Statement of Corporate Intent (SOI) should be accessible to all members. It is regularly reviewed by the NKII Board, which meets every two months to discuss it. I am accountable for this process. Additionally, we have an Audit and Risk Committee at the AHC level, which became operational almost immediately after we took over this board.

This is about having definitive processes proper reporting from a corporate perspective. We have these in place, and they are measured against benchmarks and returns. However, we must appreciate the amount of time it took to stop the super tanker from going in the wrong direction. It has been difficult, but for the year in question, we've addressed and dealt with those issues.

In response to the questions regarding authority levels, the Statement of Corporate Intent (SOI) allows us to make investments up to \$4 million. For any investment exceeding that amount, we are required to consult with the shareholder board. We would never proceed with an investment without a clear set of criteria, which is thoroughly addressed and discussed.

To ensure this, we have an Investment Committee with well-defined terms of reference and a structured investment framework in place. At the Asset Holding Company level, we have six board members, three of whom are chartered accountants. One of these members, Alex [last name], chairs both the Audit and Risk Committee as well as the Investment Committee. Additionally, there is a Group Audit and Risk Committee, chaired by Hori Reti, with Brian Ruawai-Hamilton as a member.

- 7.5) T Eden** – you talked about having cross over between the group and parent accounts being presented on the same statement what was your idea going forward in respect for clearer financials for our people, so our people can understand the accounts going forward for any other reports.
- 7.5.1) B Barber** – We are clearly hearing that you want to see more detailed reporting, and we will have those discussions at both the parent board level and within KAHC, as all these businesses fall under KAHC. Some issues have been resolved, so the list you see now won't be as extensive as it has been in the past. I want to reassure our people that we take on these roles as kaitiaki of these funds seriously. We have a strong set of directors who are confident in managing the risks, and we have committees that oversee those risks to ensure we don't repeat past mistakes. We will continue to assess this, and at the moment, the system is working well. If our people want more clarity, kei te pai, it can be done. We are putting the right processes in place to keep both our people and our funds secure. We also have a clear CYPO that outlines where we aim to go in the future in terms of asset growth, target percentages, rates of return, and risk management.'
- 8) C Ropitini** – Bayden, I feel it was inappropriate for you to interrupt the chairperson of the KAHC at the start of the hui, and I'm disappointed by that. Mike, as the chairperson of the KAHC, you should have been given the opportunity to speak at the beginning.
- 8.1)** I am also concerned about the governance costs; a million dollars is a significant amount, and it seems like a very expensive table. I would appreciate some commentary on this cost, as it appears quite high, and I would like to understand it better.
- 8.2)** My second question is directed to you, Mike: was there any advice given from the AHC to the shareholders regarding the shutdown of K3

8.3) M Devonshire – No. Let's discuss K3 and what we are currently focusing on from the perspective of the AHC Board. We initially found the strategy and its execution to be unclear. We have been working closely with Chrissie and her team to ensure that the projects can be delivered effectively, particularly the valuable work done around trades training when everything was retained. It's also important to understand that the iwi has a significant program of work related to building. This is critical to what the iwi aims to achieve, and it's vital that these efforts are sustained. At no point did we intend to shut down these initiatives; instead, we aimed to ensure that the positive aspects of K3 were preserved and transitioned to the iwi, where they rightfully belong. This transition has occurred after the balance date

8.4) R Cross – 'd like to revisit Tania's point regarding the reporting process from the KAHC Board to the NKII Board. As the Asset Holding Company (AHC), we must remain agile as investors. It's important to note that what we report one month may change in the following months because an investment may have shifted in a different direction. We want to ensure transparency, so when you notice a change, it will be clearly explained and rationalized in our reporting processes.

8.5) C Hape - At that time, it was important to address the issues with K3 from an iwi perspective. Our first priority was to fulfil our obligations regarding the Whai Kainga Whai Oranga funding, as well as to our two hapū involved in the transactions with K3. We needed to investigate and minimize any potential risks or liabilities, ensuring that our creditors were satisfied and that we could continue providing the program.

As an iwi, we had invested a significant amount into K3 for building houses. When we took back those houses and the remaining balance of that fund, it was a strategy to minimize any potential risk or liability while ensuring our ability to deliver on the program. This approach was essential for meeting our obligations to Hiki ki Te Rangī and Omahu Te Piringa Hapū.

8.6) T Eden – were K3 insolvent when they were operating?

8.7) M Devonshire - No, they weren't insolvent, and we don't believe so.

9) P Paku – I am here as Tamatea Pokaiwhenua are we correct in thinking that NKII is forgiving \$450,000 in the Hiki ki Te Rangī arrangement. What if the arrangement of the \$600,000 is not paid.

9.9.1) R Cross – no to the first question and the second one an arrangement has been met between Hiki ki Te Rangī the iwi and K3.

9.9.2) P Paku - could you provide some clarification on Mauri ora, specifically regarding areas beyond students.

9.9.3) C Hape can advise Ruth to upload our finances related to Tihei Mauri ora. Mauri Ora encompasses our investments in leadership, whanau events, sponsorships, environmental, wellbeing, economic initiatives, research, Māori education, and health. It consolidates all of our activities and investments into key categories.

9.9.4) P Paku – in relation to the cyclone response, can you provide any further details about whether NKII received any funding, and if so, how that funding was allocated

9.9.5) C Hape – the iwi received \$1.2 million in koha, which was then distributed to the main affected areas and marae. Additionally, the Tihei Mauri Ora initiative operated on a fiscally neutral basis in relation to the CEDEM arrangement for the distribution of supplies and facilities managed from the Tomoana show grounds.

9.9.6) P Paku – regarding contracts totalling over \$50 million and the \$3.4 million already spent, could you provide details on who will be involved and where you plan to allocate these funds refer to (note 21) ?

9.9.7) C Hape – the 45.3 million funding from whai kainga whai oranga is for the prototype program, and for the delivery of 131 homes, an agreement signed by Ngati Kahungunu iwi Te Puni Kōkiri and MHUD. None of that funding was lost in the transaction involving K3, and we are actively working with that capital to deliver our homes.

9.9.8) P Paku -The deferred revenue of \$19 million could you clarify what this relates to: Chrissie advised that it pertains to our contracts in advance for the commissioning agreement with TPK for the delivery of Paeheretia te muka tangata, and Oranga Tamariki, and the whai kainga whai oranga funding for housing. She also mentioned that a breakdown of this can be provided after the meeting if needed.

Now that I'm working in this space and learning about accountability, numbers, figures, and projections, one key point that has come up today is Kotahitanga, particularly in relation to working with PSGEs. From my understanding, the decisions made by KAHC were ultimately endorsed by the NKII board. Could you clarify this process.

9.9.9) B Barber - The KAHC directors operate under the Companies Act and make decisions on behalf of Ngāti Kahungunu Iwi. They have a threshold limit of \$4 million, after which they must consult with the parent board. The KAHC directors are appointed based on their merits, skills, and experience, and their role is to manage our investments and assets. We, as the parent board, trust them to handle that work and allow them to focus on fulfilling their responsibilities.

9.9.10) P Paku-regarding Kotahitanga and the management of investments, which obviously impact all of us including the members and, in this post-settlement era, the PSGEs as well, how have you, since the AGM, been working towards fostering Kotahitanga? And what are your plans for continuing to support it in the future.

9.9.11) B Barber - We are part of the TKO Te Kahui Ohanga attend meetings monthly that's where we mahi tahi with the PSGEs in addition to that in terms of our housing we called a hui to sit down with PSGEs to discuss how we could do housing together. There are plenty more opportunities to look at how we can work together, we are working with TPW in potential property. We welcome the opportunity to work together with our PSGEs.

9.9.12) P Paku – yes, absolutely. I want to point out that we have purchased land, and with your efforts in procuring houses, it's truly a match made in heaven. In the spirit of transparency, we are eager to work together. However, I ask that you keep in mind the presence of PSGEs around us as we strive to maintain our trajectory. Our commitment is to support our iwi from the ground level, and while we understand our roles, it's crucial that we clearly define the boundaries of our responsibilities moving forward.

10) Co-Chair R Cross - I want to clarify something important: both Mike and I joined the board together, and we were unaware of the situation our iwi was facing with the asset-holding

company. Our primary role has been to address and repair a broken system. While we didn't create the issues, taking on the responsibility means acknowledging the challenges that come with it.

Accepting liability is not easy, especially when it involves amounts exceeding \$2 or 3 million. Respectfully, the directors have been working diligently to correct these issues before we can focus on growing the business, which we have been given the opportunity to do.

It's crucial for everyone, especially the PSGEs, to understand that we are a highly capable board with significant business acumen. However, our priority must be to fix what's broken first. This situation may not reflect well on us, but I assure you that we are committed to excellence.

It would be a disservice to the NKII Board not to leverage our skills for the benefit of you and your PSGEs. I felt it was essential to make this point, especially as we enter a phase where we need to address past issues that are not of our making. Ultimately, the liability is ours to manage, and as directors, our first responsibility in any company is to resolve those liabilities.

11) S Mauger

We truly appreciate everyone here and are keenly aware of the challenges our iwi has been facing. While money is one form of finance, we must also consider the people and the knowledge (mātauranga) we possess. I want to emphasize that this isn't to diminish your skills; we appointed you all to these roles because we believe in a win-win scenario for everyone involved.

There are talented individuals in this room, and I would like to ask how you, as board members, are involving us in your work. How can we share our skills to help keep you grounded and support the initiatives moving forward.

12) A Robin – do we still own a trawler and what is happening with those buildings over at Takitimu? Wghat I have noticed from the members addressing us is that you don't have any intention of throwing anyone under the bus and is it now the iwi intention to continue sweeping serious matters under the mat?

12.1) Bayden advised that we take our roles very seriously and that is to do the mahi and we have come in at a time where there is a lot of mahi to do. When we came in their role other whanau sitting in some of our seats ko ta matau nei te whakatika ae te haerenga o tenei waka kaore matau mo te tuku tetahi ki raro I te pahi , nga mea e mohio ana ko mohio engari kore ratau te whakapuaki ingoa kaore matau te whakahe tangata kaore matau te whakahawea te whakataki I te mana, na te mea he mana tonu ta te tangata , no reia kei te rongo matau ki o kōrero a Api.

12.1) We are focusing on how we can best deliver for our people Ngati Kahungunu whanui to have a commercial with good returns on our assets arm and a delivery providing education, jobs training, reo tikanga , Taiao and the best events in the motu and we are doing this and our energy and efforts are; ng awa o mua waiho ki reira na rei ra ko te anamata ko te apopo ta matau e whai nei ta matau e aronui atu nei no reira koira te whakautu kia koe Api me haere ngatahi tatau ae, Kotahitanga koira te kaupapa nui o tenei wa . To answer your question Sandra what are we doing how are we bringing our people along and is probably a korero we had with hui a iwi, hui a motu we are in the next phase of where we are looking at our next 25 year plan. We are excited for the next 25 years and move forward tomorrow is exciting and despite the challenges.

- 13)** **Crowe Senior Auditor Les Foy** through the chair I ask if we can conclude the discussion on the Statement of Performance?
- 13.1)** **Crowe Auditor Paul Walker** - I appreciate the korero, as it helps us as auditors understand our role in reporting to the iwi members. I am grateful for what has been shared today, as it enhances our understanding of how we can better serve Ngāti Kahungunu Iwi as auditors.
- 13.2)** The Statement of Service Performance is a new report for 2023, introduced due to a new reporting standard that requires the inclusion of non-financial information regarding service performance. While it's important to discuss the financial aspects (pueta) and the organisation's financial health, it is equally crucial to highlight the service delivery and the benefits the iwi provides to its members. This reporting standard aims to clarify why NKII exists as an organisation, what it intends to achieve, the impact it aims to have, and how it conducts its activities, as well as detailing what has been accomplished during the year.
- 13.3)** The few pages compiled by the iwi for the 2022-23 financial year cover the service performance. They detail the seven core activities undertaken by the iwi, including the revitalization of Te Reo, the Mātauranga Strategy, the Whai Kainga Whai Oranga initiative, the benefits provided to members, and the recovery efforts following Cyclone Gabrielle. These activities are linked back to the strategic plan and the corresponding strategic areas.
- 13.4)** As auditors, we are tasked with auditing the Statement of Service Performance to ensure that it aligns with the required reporting framework. We assess whether it faithfully presents all the activities the iwi has undertaken during the year and whether the information provided is relevant and useful for accountability and decision-making.
- 13.5)** Our audit opinion encompasses both the financial information and the service performance information. Regarding the service performance data, we affirm that it provides a true and fair reflection of the activities NKII has undertaken. There are no missing areas in the report, and we have verified the information presented, confirming that the iwi indeed delivered the stated number of activities, and we have been able to corroborate that with our audit evidence, confirming that these activities did indeed occur.
- 13.6)** Bayden thanked Paul for providing the explanation and noted that the iwi has reached and expenditure level that now requires another level of performance reporting, which has been demonstrated today.

13.7 Motion: to accept the full financial statements for 2022-2023

Moved: Api Robin

Seconded by: Marama Tiakitai

CARRIED: All in Favor, with the following exceptions:

Opposed: Tania Eden

Abstained: Sandra Mauger, Makena Logan

14) General Business:

The AGM and Pā Wars Sports Day will be held on 23 November 2024 at Splash Planet in Hastings.

14.1) Te Rangi Huata: There are three key places that hold significance for all Kahungunu adults: where we work, where we live, and where we gather for whanaungatanga, camaraderie, and shared connection. One such gathering place is Splash Planet, where we hold our AGM and Pā Wars Sports Day. This event is an opportunity for our iwi to come together. We invite all of our 90 marae across six rohe to bring their flags, wear their marae t-shirts, and compete in nine different sports, including the currently popular Māori sport, pickleball. We also encourage whānau to attend the AGM at 9am at the Splash Planet Conference Centre. For those attending Pā Wars, Splash Planet offers 14 fun activities for both young and old to enjoy together. We have secured access for up to 3,000 members. Although we've had up to 5,000-12,000 participants in the past, the Hastings District Council (HDC) has placed a limit on attendance for health and safety reasons.

Normally, the entry fee is \$26, but for this special day, it will only be \$5. However, attendees must be registered through their marae and participate in the sports. Lunch will include BBQ ribs, salad, and a drink. Tickets will go on sale after Labour Weekend. We invite everyone to come along and fill up the place!

Vision in 2026 Board whakaaro in the next 25 years

15) B Barber Te Amorangi ki Mua Working Group is a dedicated team of 12 individuals from across the motu tasked with advancing the kaupapa that emerged from the Hui Taumata held at Omaha Marae. This hui was a pivotal gathering for iwi leaders and representatives to come together, discuss significant challenges and opportunities, and set a course for the future. The working group was formed as a result of the hui to ensure the decisions, visions, and strategies discussed are carried forward with coordinated effort and focus.

Each member of Te Amorangi ki Mua brings a wealth of knowledge and skills from their respective regions, ensuring that the group is representative of diverse perspectives and needs from across the iwi. Their role is to drive the kaupapa forward, The working group will also provide regular updates to the iwi and marae, ensuring transparency and collective input as they work to implement the strategies set out at the Hui Taumata. We look forward to travelling to Kaitahu for the hui a motu on the 22nd October, that hui will be the last of the four winds and we have had our say on what Kotahitanga looks like. All of the information can be found on the Hui Taumata website.

Kua nui ēnei pō, kua nui ēnei pātai, anei te mihi, te mihi nei ki a koutou o ngā kanohi, ngā marae maha o Ngāti Kahungunu kua tae ā-tinana mai, tēnā koutou. Me ngā mea kua hono mā te hui topa, pukemata, tēnā koutou katoa kua tūhono mai ki ēnei kōrero. Nō mātou te māringi nui, te noho mai ki tēnei taha hei pōari, hei whakahaere nei ngā rawa i ngā taonga tuku iho i ō tātou tīpuna mātua. Nō reira, anei mātou, mātou ngā pononga, mātou ngā taringa, me ngā kanohi, he kawē nei i ngā whakaaro ā tātou nei tamariki mokopuna. Nō reira, ka nui te mihi

Himene Whakaria Mai

Karakia whakamutunga: Tawhirimakea Karaitiana