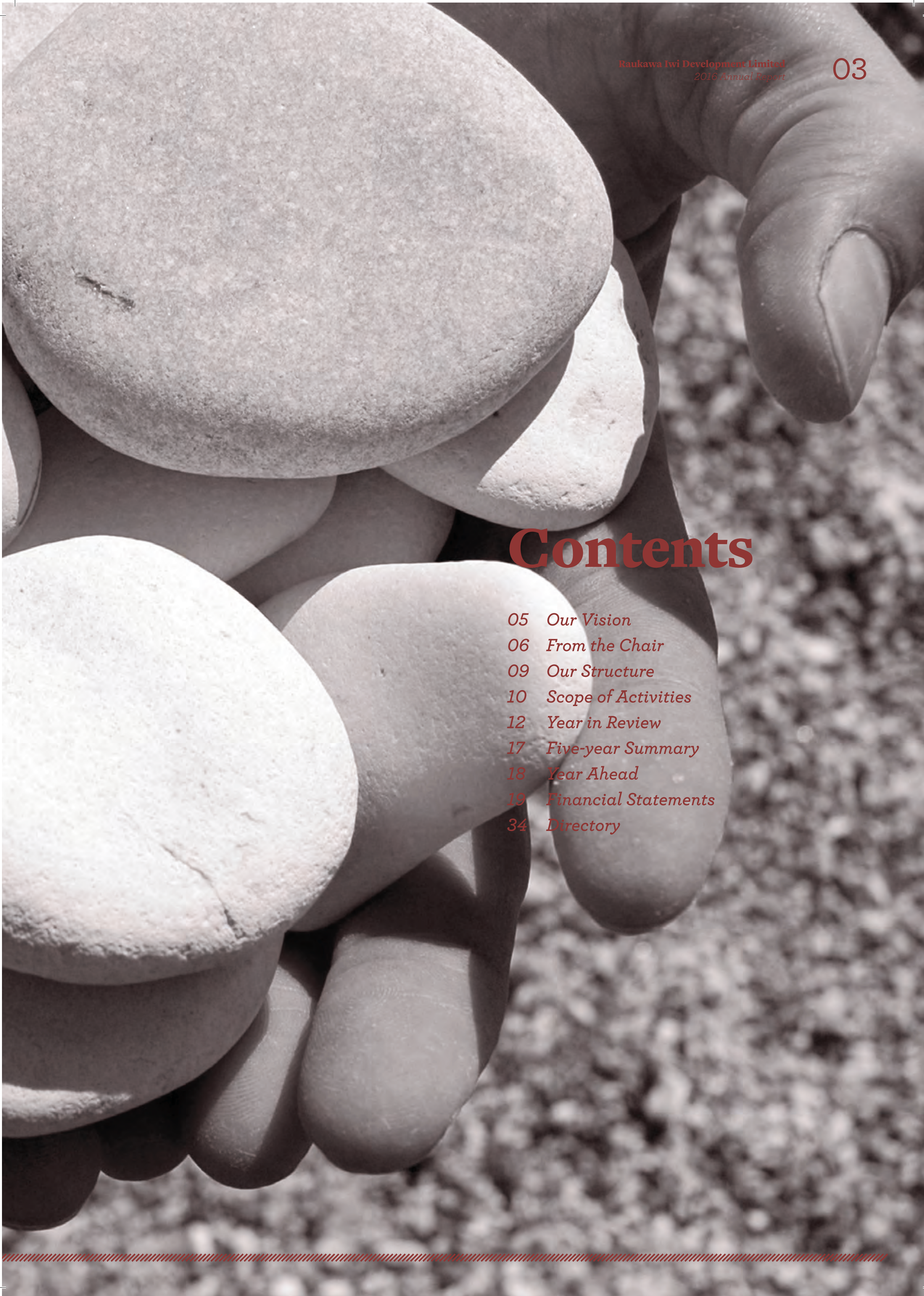
Raukawa Iwi
Development Limited

Annual Report

2016



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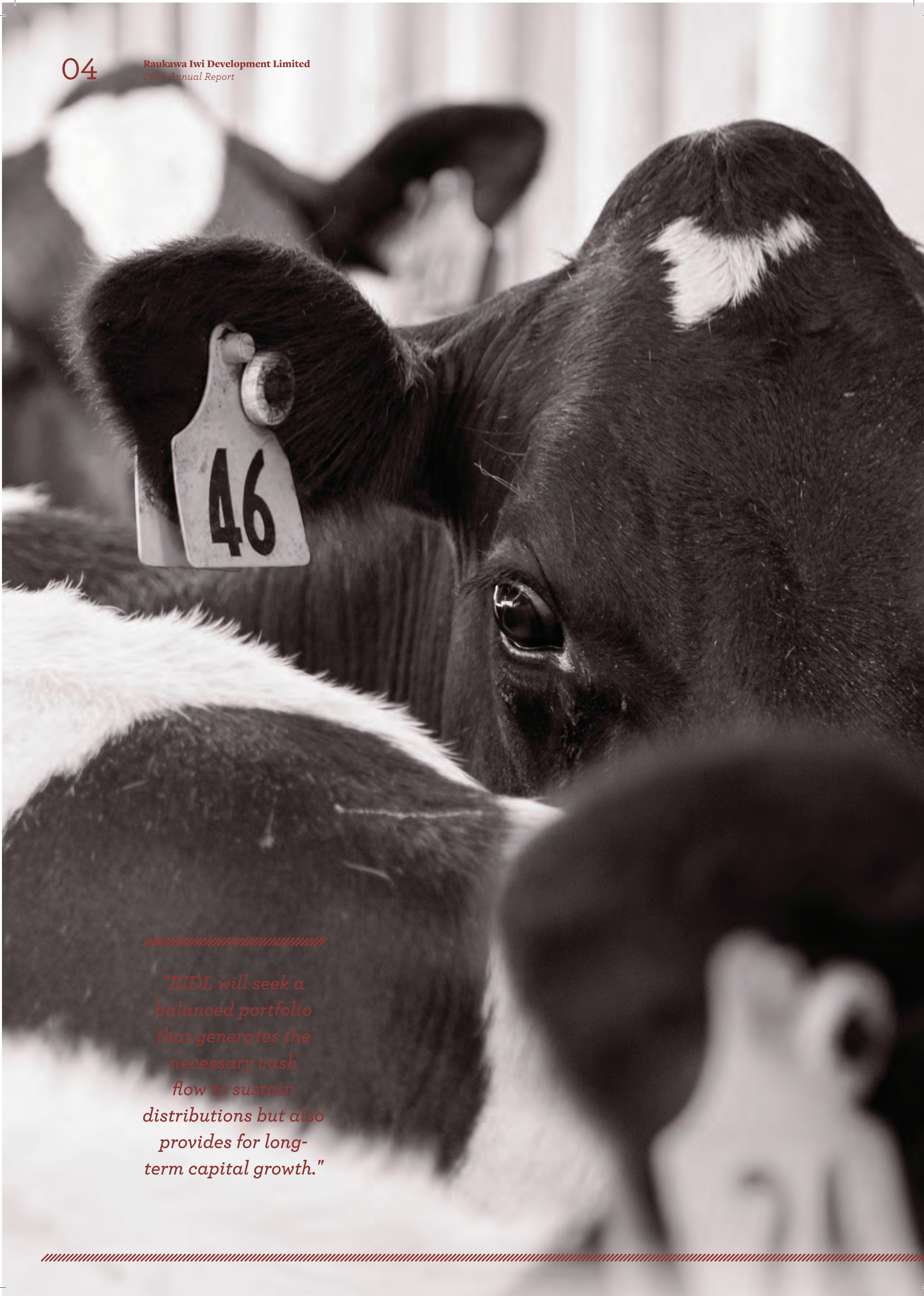

"RIDL will seek a balanced portfolio that generates the necessary cash flow to sustain distributions but also provides for long-term capital growth."

Our Vision

To be an outstanding iwi investment company and a respected leader within the Central North Island economy.

Raukawa Iwi Development Limited ('RIDL') aims to grow wealth and influence for Raukawa through excellent management of its assets in a manner that provides sustainable distributions for its shareholder, now and in the future.

Our Objectives

Excellence
To be an excellent commercial manager of the assets of Raukawa.

Growth
To grow the assets and cash flows at a pace that allows a reliable distribution to meet the ongoing requirements of its shareholder.

Influence
To exert Raukawa rangatiratanga by being an investor, especially in industries and assets which contribute to the regional economy.

Integrity
To enhance the mana of Raukawa through commercial and financial success and by upholding the values of Raukawa.

Our Investment Approach

Conservative
RIDL will take a long-term commercially disciplined approach to its investment decisions and will only invest where it believes it can generate appropriate risk-adjusted returns on capital.

Compatible
RIDL's primary focus in the long-term will be direct investment into areas in which RIDL enjoys a competitive advantage and access through statutory rights, strong relationships or existing capacity. In situations where direct investment opportunities do not exist or when RIDL does not possess the required capacity, it will utilise passive investment.

Balanced
RIDL will seek a balanced portfolio that generates the necessary cash flow to sustain distributions but also provides for long-term capital growth.

From the Chair

I am pleased to report on RIDL's fifth year of operations.

"We aim for improvement and growth year to year but we want to achieve this prudently and sustainably."

I wish to begin by making special acknowledgement of the late John Edmonds, who we lost in June 2016. I worked with John for almost five years on the RIDL board during which time I appreciated his practical inputs, well grounded in both the daily realities of business, especially agriculture, as well as in the history and aspirations of Raukawa.

John has been and will continue to be sadly missed by our board.

This is RIDL's fifth annual report and this provides an opportunity to reflect on what has been achieved since we were established about four and a half years ago.

Our key investment values are outlined in the preceding pages. These values inform our investment strategy and the investment strategy has guided us since foundation and will continue so to do.

We aim for improvement and growth year to year but we want to achieve this prudently and sustainably. While we have a perpetual investment horizon that can accommodate volatility, we like to see each investment decision as a block in an overall balanced strategy.

In purely financial terms, from FY12 to FY16, RIDL's

- Gross investment income has doubled from $4m to just under $8m
- Operating profit has doubled from $3.6m to over $7.2m
- Total distributions and donations to Raukawa have increased from $1.5m in FY12 to $2.6m in FY16
- Equity has grown substantially through retained earnings and unrealised gains in managed funds and major value uplift in Kākano since we invested. Excluding the value of our interest in CNI (classed as a contingent asset for statutory reporting purposes) the RIDL balance sheet now shows close to $113m of equity, from total RST contributions of around $86m

Over this time RIDL has also started gradually developing its asset base. RIDL was established with the bulk of the significant Raukawa settlement pūtea. At foundation this was invested either at the bank or across a range of independently selected best in class fund managers.

The combination of managers and funds was designed to match our investment goals, including for annual distribution and capital growth, and investment horizons. For a newly formed investment company like RIDL, passive investment of this nature is the most efficient and cost effective form of management.

We have however always seen RIDL gradually becoming an owner of a portfolio of high quality direct investments. Our goal has been to develop management capacity and experience and then move into areas that fit with our long term portfolio objectives and where we are confident of our expertise to execute and manage.

This plan of measured movement into direct investment informs our investment strategy. We set a high bar for direct investments, which we cover in more detail below in the "Year in Review" but in essence we are looking for quality long term assets, where we have confidence in management and where we think Raukawa brings added value as an investor that should in turn result in premium returns for the level of risk.

We have made several direct investments, and assessed many more that were not, in the end, suitable.

Since 2012 RIDL has:

- Bought a number of properties under the Deferred Settlement ('DSP') and Right of First Refusal ('RFR') mechanisms included in the Deed of Settlement with the Crown. Some of these properties had tenancies in place while some may provide development opportunities in the future. Notable acquisitions in FY16 included the ground underlying both the Tokoroa courthouse and the Tokoroa police station
- Made our first major direct investment into Kākano, a holding vehicle for six CNI iwi for a minority stake in the standing trees of the Kaingaroa forest alongside other investors the New Zealand Superannuation Fund ('NZSF'), Canada's Public Sector Pension Plan ('PSPP') and Harvard University. This has proven an outstanding performer both in cash generation and value growth since we invested
- Undertaken our first commercial property development, of the Gull station at the Bridge St site in Tokoroa on what was previously a derelict and underused property in a strong traffic flow location

In this past year, this pace has increased with two major direct investments undertaken – Ranginui Station and the Raukawa Group Headquarters Project. These two projects have formed the bulk of our focus for this past year and we are proud of each on a standalone basis, but also together as part of the development of our long term investment strategy.

Ranginui

At the end of calendar 2016, we invested into a roughly 45% share in Ranginui Station Limited Partnership. This is a large scale dairying operation that was developed by Pouakani Trust on land they received through settlement.

Ranginui includes three dairying units and a drystock unit, spread over more than 3,000ha. It has been operating for several years already but displays opportunity for value and productivity uplift. In Pouakani we also have a partner with a long term investment horizon, with whom Raukawa enjoys numerous links, and who is also focussed on steady improvement of operating returns.

The current difficulties for the dairy industry and with the milk price is well known, but RIDL saw this as presenting a good opportunity to move into the industry. We understand and accept that there will be volatility of commodity industries. We want to capture some of the potential upside and we manage the downside at a portfolio level by ensuring we have a broad range of investments as defined by their risk profiles. Buying into the dairy sector in a downturn ensured we were able to negotiate a compelling price for entry as one of Pouakani's former partners sought to leave.

We were grateful to Raukawa Charitable Trust ('RCT') for their help and advice to assess the environmental aspects of Ranginui as we went through the due diligence process and make sure it met the high standards we require.

Raukawa Group Headquarters

RIDL spent almost a year looking at viable options for a new tribal headquarters in Tokoroa that would be practical from an accommodation and from an economic point of view.

In the end we settled on the acquisition of 'Grayburn House', a large empty and rundown building at Tokoroa's 'shop window', facing onto State Highway One and in the centre of town. It had been built by the Ministry of Works for the Crown's Forestry Service.

We spent significant time developing a total refurbishment plan that would meet group needs. Construction began early in calendar 2016.

At year's end, Grayburn is being developed into what will feel like a brand new building to accommodate RST, RCT and RIDL. There will be a welcoming entry hall, a taonga room, waka house, landscaped grounds and several third party commercial tenancies.

There is still much work to be done, but we are hopeful that the building will set a new standard for the South Waikato while also providing RIDL with a good quality, solid asset. We are looking at delivery of the completed building by the end of 2016.

We are well positioned to continue a steady momentum of building a high quality direct investment portfolio in FY17 and beyond.

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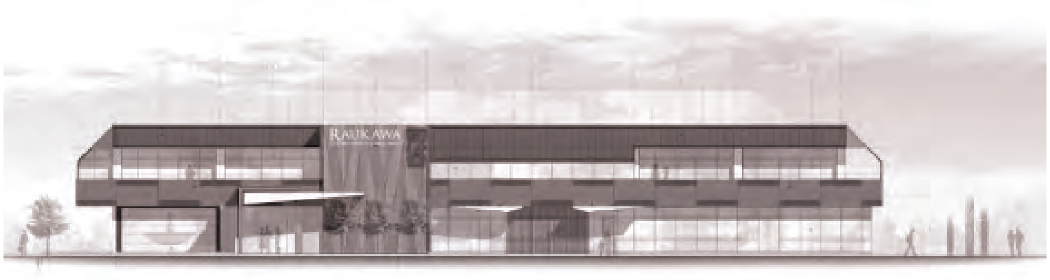


Raukawa Group Headquarters

In the meantime, our liquid assets have also delivered substantial returns for Raukawa, on the back of a now multi-year bull market. We know that the stock market goes up and down and fully expect that the elevated returns of the last three years cannot continue indefinitely. We have purposefully designed our holdings to match our direct investment time horizon and ensure we are not forced to seek liquidity during cyclical downturns.

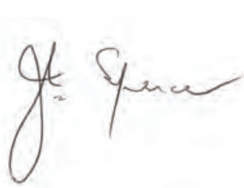
In last year's report I noted concern about volatility in FY16. This occurred, but the trend remained defiantly upwards. Strong returns from managed funds helped us to deliver a bottom line this year that, normalised for a one-off Crown Agreed Proportion ('CAP') payment out of CNI Holdings of $2.4m, was equal to the record returns in FY15.

We remain concerned about capital markets volatility but assure tribal members that the board is constantly considering the trade-off between security and missing out on income.

Overall, we as a board, believe the first five years have set a strong financial foundation for RIDL and for Raukawa. We look forward to delivering continued ongoing growth and managed diversification.

In conclusion I would like to thank my fellow board members for their work through what has been a successful year. My thanks go to Elthea Pakaru, Jon Stokes and Vanessa Eparaima. I would also like to thank Kim Blomfield for her tireless support of RIDL and its directors and Andrew Harrison for his work as investment manager.

Best wishes to all tribal members for the year ahead. We will continue to focus on doing a good job on your behalf.



John Spencer CNZM
Chairperson

Our Structure

RIDL is a subsidiary of Raukawa Settlement Trust ('RST'), the post settlement governance entity for Raukawa.

RST was the signatory to, and beneficiary of, the settlement of Treaty of Waitangi claims against the Crown for and on behalf of all members of Raukawa.

These Raukawa members affiliate to the sixteen Raukawa marae. These marae in turn elect a representative each to serve on RST.

RST established RIDL as its 100% owned subsidiary for undertaking all commercial and investment activities.

RIDL is a separate legal entity that operates under the Companies Act 1993 and other relevant legislation and is governed by a board of directors. RIDL's board of directors is responsible and accountable for the company's performance.

This board is appointed by RST, in conjunction with advice from the sitting board members, and in accordance with the RIDL's constitution, which specifies:

- The Board of Directors of the Company shall consist of a minimum of five (5) Directors and a maximum of six (6) Directors
- A minimum of fifty percent (50%) of the Directors appointed by the Shareholder must be Trustees
- A maximum of three (3) Directors appointed by the Shareholder may be Trustees
- One of the non-Trustee directors must be a member of the Raukawa iwi

RIDL makes investments directly but also in some cases invests via subsidiaries.

- *Raukawa Members*
  - *Raukawa Settlement Trust*
    - *Raukawa Charitable Trust*
    - *Raukawa Iwi Development Limited*
    - *Raukawa Asset Holding Company*
  - *Kaumātua Kaunihera*

Scope of Activities

The scope and nature of RIDL's business activities has been agreed between RST and RIDL in the Shareholder's Agreement.

"RIDL has delegated responsibility for all commercial activity of RST."

RIDL has delegated responsibility for all commercial activity of RST including, but not limited to:

- Management of the settlement pūtea of Raukawa
- Acquisition and management Settlement properties with a commercial application
- Interest in pan-iwi entities with commercial activities, such as CNI Iwi Holdings Limited

RIDL undertakes these activities in accordance with commercial best practice by:

- Ensuring appropriate governance processes are in place to protect Raukawa assets for future generations
- Operating appropriate internal risk management practices
- Developing and reviewing strategic direction and strategic investment policies (SIPO)
- Generating, analysing, executing and managing new commercial investment including direct opportunities in line with its SIPO
- Management of cash flow, treasury functions, and the balance sheet of RIDL to ensure agreed distributions to RST are met
- Overseeing the portfolio of investments including management and monitoring of performance
- Communicating with RST and directly with iwi members as appropriate on RIDL matters
- Ensuring compliance with applicable New Zealand laws, the Trust Deed, RIDL constitution and the Shareholder's Agreement

Commercial fisheries activity is run by Raukawa Asset Holding Company Limited ('RAHC'). RAHC has its own board of three directors, who are also directors of RIDL. RAHC's operations are conducted under contract by RIDL and it reports to RAHC quarterly.

Year in Review

Each year RIDL sets its goals and focus via the annual planning process.

"Our long term strategy is to build a portfolio of high quality direct investments."

Each year RIDL sets its goals via the annual planning process. The Annual Plan is prepared by management, approved and adopted by the board and then presented to RST for ratification.

The Annual Plan covers RIDL's:

- Budget and financial performance
- Portfolio and investment activities
- Operational and non-financial objectives
- Total distributions (dividend and donations) to be made to RST and RCT

Financial Performance

Operating profit was a record in FY16 of $7.2m.

Supported by a one-off CAP payment out of CNI Holdings of almost $2.4m and by strong returns from managed funds.

FY15 had seen record breaking returns out of the capital markets and these have flowed through to strong income out of our managed fund positions. We went into FY16 expecting that strong managed fund returns of FY15 could not be replicated and set budgets accordingly but in actual fact performance was at the same level again. During the year we took steps to de-risk the fund portfolio by changing our fund mixture, so the returns were delivered from a lower risk base.

The other key income generating areas for RIDL are cash at the bank, Kākano and the lease and rental payments from CNI Iwi Holdings. These all performed well, with a strong improvement in payments out of CNI as restructuring and cost cutting measures begin to bear fruit.

Operating expenses continue to be closely managed and remain at around 0.5% of net assets, which is competitive by any benchmark standard.

The table to the right summarises RIDL's financial performance year ended 30 June 2016.

Financial Position

The table to the right also summarises RIDL's financial position for the year ended 30 June 2016.

In the past financial year, equity growth has been thanks to retained earnings driven by operating profits, continuing gains on managed funds and a circa $2.3m further increase in the fair value of Kākano.

Our Portfolio and Investment Activities

RIDL's long term strategy is to build a portfolio of high quality direct investments. We will do this by pursuing opportunities that take advantage of RIDL's natural competitive advantages.

These advantages may arise from RIDL's position as an iwi investment company, its relationship with the Crown and the Crown's asset disposal process and our investment horizon and scale. These advantages should help RIDL deliver premium risk adjusted returns from certain assets.

Financial Performance

For the Year Ended 30 June 2016	2016 ($)	2015 ($)
Total Operating Income	7,868,721	6,297,804
Expenses	(676,512)	(615,588)
Operating Profit	7,192,208	5,682,216
Donations	(2,108,950)	(1,958,448)
Profit before Income Tax	5,083,259	3,723,768
Taxation Expense	(596,096)	(357,909)
Net Profit After Tax	4,487,163	3,365,859
Change in Fair Value of investments	(483,056)	5,794,391
Other comprehensive income	2,448,215	2,253,680
Total Comprehensive Income	6,452,322	11,413,930

Financial Position

For the Year Ended 30 June 2016	2016 ($)	2015 ($)
Current assets	9,956,860	20,439,860
Investments and other non-current assets	108,915,061	90,831,650
RIDL total assets	118,871,921	111,271,510
Total liabilities	6,349,579	4,726,254
RIDL net assets	112,522,337	106,545,256

$7.2m

Operating profit was a record in FY16 of $8.05m

Areas in which we believe good opportunities might arise include property related opportunities – particularly those accessible as a result of settlement with the Crown – dairy and agriculture, forestry, seafood and select areas of private equity style investment where RIDL can take advantage of good relationships and partner with expertise, particularly with other aligned iwi.

Whenever we assess potential opportunities we look for one or more of:

- Identifiable alignment with RIDL strategy and values
- Priority access channel
- Ability to co-invest with aligned, high-quality or highly skilled investment partners
- Opportunity for RIDL to take an equity stake in the range of $5m - $20m for a meaningful role
- Robust governance and ownership structures
- Access to high quality management with demonstrable track record and appropriate skills
- Ability to monitor the investment and gauge performance

In addition to this year's major investments in Ranginui and Grayburn, RIDL also acquired some smaller properties from the Crown under Treaty settlement mechanisms. This included the underlying land of the Tokoroa Courthouse, the Tokoroa police station and the Putaruru police station.

These investments represent a direct tangible outcome from the Treaty Settlement negotiations. Special thanks needs to be recorded to all those who did the mahi through the negotiations to lay the foundation for these opportunities.

We are constantly assessing potential direct opportunities but in the meantime however, and since the establishment of RIDL, the bulk of funds have been placed either with a mix of High Street banks or committed to a range of fund managers.

RIDL uses independent fund advisers to help select best-in-class potential managers whose strategies individually and collectively align with RIDL's overall investment strategy.

Portfolio Breakdown

- Cash and Current Assets **7%**
- Managed Funds **42%**
- Property, Plant and Equipment **2%**
- Investment Property **2%**
- Kākano **19%**
- Ranginui Station **7%**
- CNI Holdings **21%**

This sort of passive management remains the most cost effective and prudent form of management for RIDL while the direct investment portfolio is built.

As discussed above, this development into direct investment is already well underway. The various direct investments over the last two to three years mean that RIDL now has a portfolio 51% in direct investments (including the value of CNI, which is not included on the balance sheet).

We expect the preponderance of direct investments to grow over the next five to six years but will continually review its expectations on planned capital expenditure and investment and adjust its fund management weightings accordingly.

Distributions

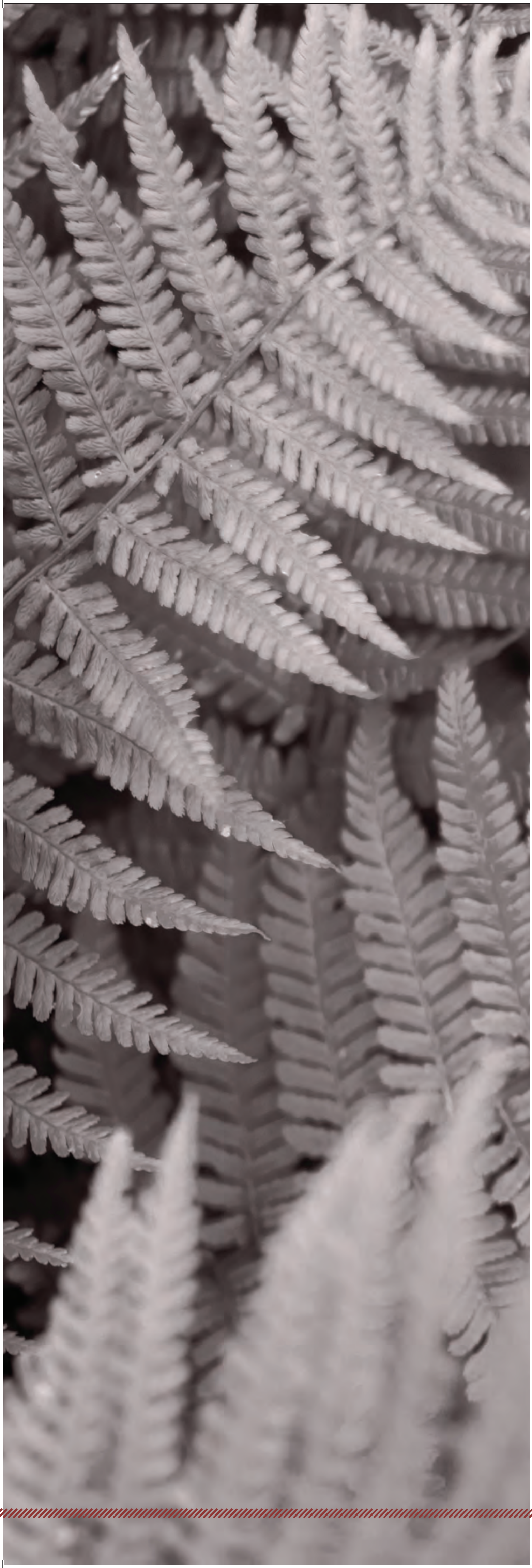
RIDL provided total distributions to the Raukawa Group of $2.58m in FY16.This was almost precisely the level indicated in the FY16 annual plan of $2.65m, with the difference of $7k related to minor accounting adjustments.

Our Performance Against Annual Objectives

RIDL is proud to report achievement of all Annual Plan objectives in FY16.

Annual Plan Objective

	Target achievement	Progress over FY16
Continuing prudent management of RIDL's financial investments	• Regular monitoring to ensure fund manager selection and performance remains best in class • Reassessing allocations and mix of managers in light of changing market conditions • By keeping a close eye on changing market conditions and manager performance	• All managers on target • Performance over budget and overall equal to record FY15 • Reduced risk by lowering allocation to growth funds • Independent fund manager health check at year end undertaken
Ongoing assessment and execution of properties available under the settlement arrangements with the Crown	• Complete at least five DSP acquisitions in the coming financial year	• Completed three during the year with six more approved for acquisition, which will take place in FY17
Raukawa group headquarters	• Determine preferred option and initiate build	• Grayburn House acquired, rebuild designed and contractors engaged • Full redevelopment underway at year end and ready in 1H17
Focus on other priority investment areas in line with the SIPO (dairy, private equity, commercial property etc)	• Assess and execute an investment in dairy/ag • Assess other appropriate (as outlined in SIPO) direct investment opportunities via either a preferential channel and/or aligned with high quality partners incl iwi	• Ranginui Station analysed, negotiated, settled and operating • Various other opportunities reviewed during the year



Shareholder Interactions and Governance

RST's responsibility, as a single shareholder, for exercising strategic governance over RIDL is recognised through the strong accountability mechanisms encapsulated in the three key foundation documents:

- RIDL constitution
- Statement of Investment Policy and Objectives (SIPO)
- Shareholder's Agreement

RIDL also provides quarterly reports to RST during the financial year updating its performance and activities and will continue so to do, as well as timely reporting on major projects or investments.

The three foundation documents provide RIDL with the agreed parameters with which to operate and ensure that the best interest of its shareholder, being the RST, is upheld.

During FY16 the SIPO was revised and updated. This was presented to RST for ratification, which was duly received.

This included outline of the forward indicative distribution levels.

Financial Year Ending	Target Total Distribution
30 June 2017	$2,800,000
30 June 2018	$2,873,700
30 June 2019	$2,959,911
30 June 2020	$3,048,708
30 June 2021	$3,140,170

RIDL has committed in its Annual Plan for FY17 to a total distribution of $2.8m for the year.

$2.8m

committed total distribution


DOLLAR

Five-year Summary

Income

Operating Profit

2016 ($)	2015 ($)	2014 ($)	2013 ($)	2012 ($)
7,192,208	5,682,216	4,742,256	5,510,056	3,581,489

Total Comprehensive Income After Tax

2016 ($)	2015 ($)	2014 ($)	2013 ($)	2012 ($)
8,561,272	13,372,378	6,695,543	7,532,785	2,626,454

Total Distribution to Raukawa

2016 ($)	2015 ($)	2014 ($)	2013 ($)	2012 ($)
2,584,191	2,405,228	2,255,430	3,161,025	1,500,961

Balance Sheet

Closing Shareholder’s Equity

2016 ($)	2015 ($)	2014 ($)	2013 ($)	2012 ($)
112,522,337	106,545,256	90,731,331	85,424,218	50,958,930

Year Ahead

As well as ongoing oversight of the existing direct investment portfolio, RIDL's focus for FY17 will be on:

"Optimising dairy production at Ranginui and delivering a completed Raukawa HQ are key activities for RIDL in FY17."

1 Prudently managing RIDL's financial investments including instituting regular fund reviews.

RIDL will continue to run an in-house treasury function for cash management.

External fund managers will be reviewed regularly in light of market conditions and direct investment opportunities.

2 Ongoing assessment and execution of properties available under the settlement arrangements with the Crown and potentially through alignment with other iwi.

RIDL will be looking at a selection of development opportunity properties in FY17. These are higher risk/ potential reward but in general are small scale investments.

Subject to final valuation negotiation, RIDL's objective is to complete at least three further DSP acquisitions in the coming financial year and turn at least one into a successful development project.

3 Completing successful Raukawa Group HQ project.

The development of the Raukawa HQ is well advanced and is expected to be completed before the end of calendar 2016.

Management will focus on a successful project conclusion and delivering an HQ of which Raukawa can be proud, including recruitment of appropriate tenants for the commercial spaces.

4 Improving productivity and hence average costs at Ranginui.

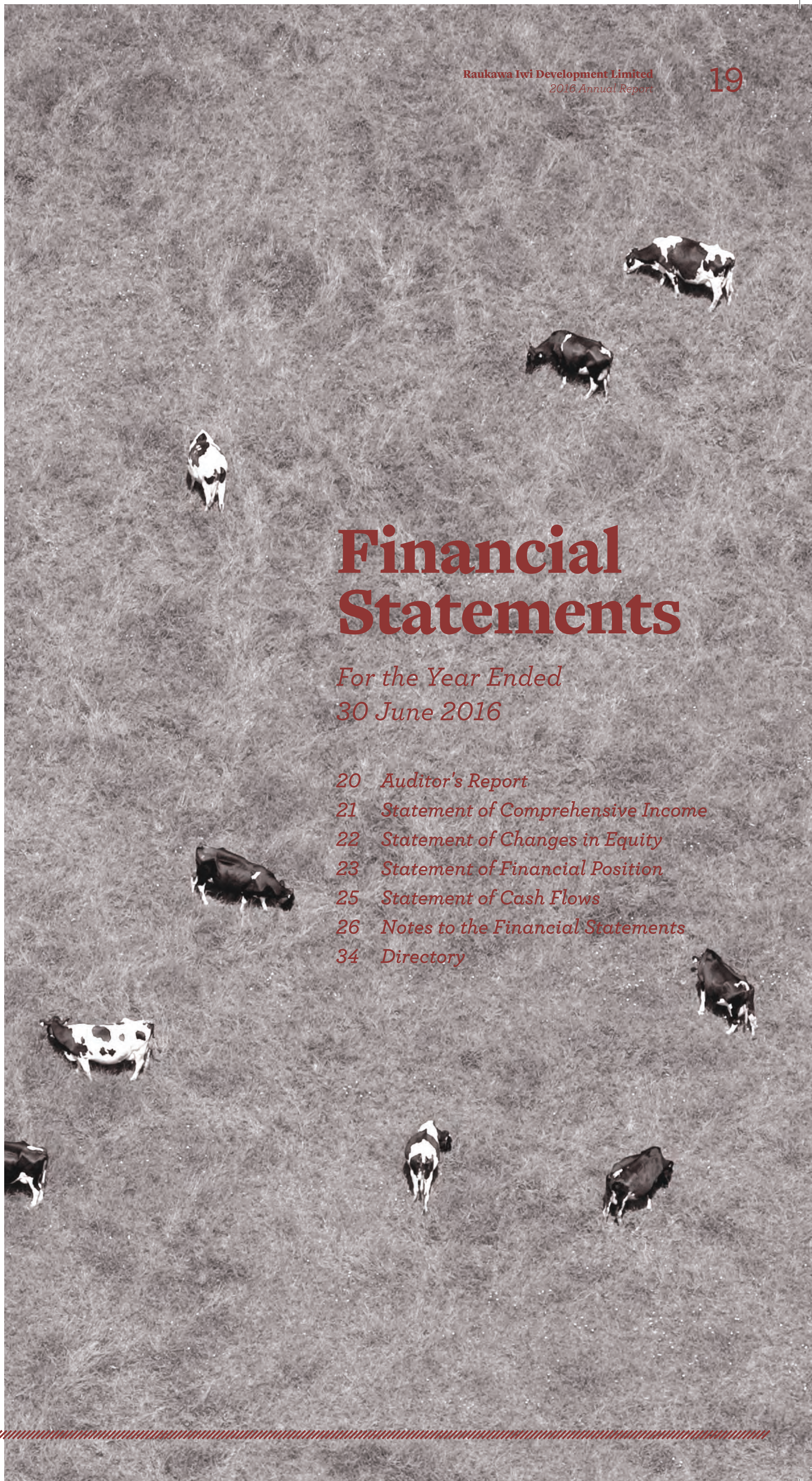
RIDL has invested in the dairy industry with its stake in the substantial Ranginui Station operation.

The focus at Ranginui for FY17 will be optimising production. The acquisition process has built some good resource around the future of Ranginui and RIDL will be attuned to the pressures on farm balance sheets and values from low milk prices.

5 Focus on other priority investment areas in line with the SIPO.

In particular RIDL will continue to look at dairy (given likely opportunity pipeline growth from market conditions) whether sole or in partnership/alignment/consortia with others including iwi and other Maori commercial entities.

Another focus area for investigation will be more Crown and commercial property including opportunities accessed via either a preferential channel and/or aligned with high quality partners (including co-investment with iwi).



Financial Statements

For the Year Ended 30 June 2016

Auditor's Report

KPMG

To the shareholders of Raukawa Iwi Development Limited

We have audited the accompanying financial statements of Raukawa Iwi Development Limited (''the company'') on pages 21 to 32. The financial statements comprise the statement of financial position as at 30 June 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in the 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 company's shareholders as a body, for our audit work, this report or any of the opinions we have formed.

Directors' responsibility for the financial statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

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

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

Opinion

In our opinion, the financial statements on pages 21 to 32 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of Raukawa Iwi Development Limited as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

KPMG.

13 October 2016
Hamilton

Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Notes	2016 ($)	2015 ($)
Income			
CNI Distribution	5	**4,290,284**	1,556,723
Dividends Received		**2,749,598**	2,608,057
Forestry Rental		**14,170**	117,524
Interest Income		**443,300**	738,691
Kākano Investment Limited Partnership – Share of Profit	14	**828,333**	912,179
Ranginui Station Limited Partnership – Share of Loss	15	**(844,813)**	-
Lease Income		**386,874**	326,777
Sundry Income		**974**	37,852
		7,868,721	6,297,804
Less Expenses			
Accountancy Fees		**32,000**	32,410
AGM Expenses		**12,721**	2,830
Audit Fees		**20,000**	20,000
Administration		**78,676**	50,271
Communications		**9,933**	693
Depreciation		**33,983**	61,673
Loss on Revaluation of Property		**22,164**	-
Facilities		**242**	18,845
General		**213,358**	4,454
Governance Expenses		**25,739**	215,666
Personnel Costs		**182**	186
Specialist Advice		**205,679**	201,837
Travel		**11,166**	6,386
Total Expenses		**665,843**	615,251
Finance Expenses		**10,669**	337
Net Financing Costs		**10,669**	337
Profit Before Distributions, Donations and Income Tax		**7,192,208**	5,682,216
Less Donations RCT		**2,108,950**	1,958,448
Profit Before Income Tax		**5,083,259**	3,723,768
Taxation Expense for the Year	4	**596,096**	357,909
Profit/(Loss) for the Period		**4,487,163**	3,365,859
Other Comprehensive Income			
Change in Fair Value of Investments		**(483,056)**	3,372,746
Kākano Investment Limited Partnership – Share of Other Comprehensive Income	14	**2,339,156**	5,794,391
Ranginui Station Limited Partnership – Share of Other Comprehensive Income	15	**337,061**	-
Deferred Tax		**(228,002)**	(1,119,066)
Total Comprehensive Income/(Loss) for the Period		**6,452,322**	11,413,930

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements, and the Auditor's Report on page 20.

Statement of Changes in Equity

For the Year Ended 30 June 2016

	Notes	2016 ($)	2015 ($)
Retained Earnings			
Opening Balance		**8,167,665**	5,248,586
Total Profit/(Loss) for the Period		**4,487,163**	3,365,859
		12,654,828	8,614,445
Less Dividend Paid		**(475,241)**	(446,780)
Closing Balance		**12,179,587**	8,167,665
Reserves			
Opening Balance		**12,621,150**	4,573,079
Change in Fair Value of Investments		**(483,056)**	3,372,746
Kākano Investment Limited Partnership – Share of Other Comprehensive Income		**2,339,156**	5,794,391
Ranginui Station Limited Partnership – Share of Other Comprehensive Income		**337,061**	-
Deferred Tax		**(228,002)**	(1,119,066)
Closing Balance		**14,586,309**	12,621,150
Share Capital			
Opening Balance		**85,756,441**	80,909,666
Capital Introduced		**-**	4,846,775
Closing Balance		**85,756,441**	85,756,441
Total Equity			
Opening Balance		**106,545,256**	90,731,331
Total Comprehensive Income for the Period		**6,452,322**	11,413,930
Capital Introduced		**-**	4,846,775
		112,997,578	106,992,036
Less Distributions Paid		**(475,241)**	(446,780)
Closing Balance		**112,522,337**	106,545,256

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements, and the Auditor's Report on page 20.

Statement of Financial Position

For the Year Ended 30 June 2016

	Notes	2016 ($)	2015 ($)
Current Assets			
Cash and Cash Equivalents	6	**9,623,394**	20,188,440
GST Refund Due		**78,556**	-
Taxation		**162,873**	93,683
Accounts Receivable		**17,782**	-
Accrued Interest		**74,255**	157,737
Total Current Assets		**9,956,860**	20,439,860
Non-Current Assets			
Property, Plant and Equipment	8	**2,477,207**	937,448
Investments			
Investment Property	7	**3,140,847**	2,340,448
Managed Fund - Harbour Asset Management		**11,694,037**	11,003,203
Managed Fund - Milford Asset Management		**28,668,581**	25,854,107
Managed Fund - Schroders		**23,257,882**	24,520,600
Kākano Investment Partnership	14	**28,093,366**	26,175,842
Ranginui Station Limited Partnership	15	**10,811,901**	-
Waitaha Rebuild Fund Limited Partnership		**771,240**	-
		106,437,854	89,894,202
Total Non-Current Assets		**108,915,061**	90,831,650
TOTAL ASSETS		**118,871,921**	111,271,510
Current Liabilities			
GST Due for Payment		**-**	2,380
Inter-company Current Accounts	12	**4,216,004**	3,053,264
Income in Advance		**10,630**	10,640
Accounts Payable		**367,779**	35,721
Accrued Expenses		**20,000**	20,000
Total Current Liabilities		**4,614,413**	4,726,254
Non-Current Liabilities			
Deferred Tax	10	**1,735,166**	1,604,249
TOTAL LIABILITIES		**6,349,579**	4,726,254
NET ASSETS		**112,522,337**	106,545,256

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements, and the Auditor's Report on page 20.

Represented by:

Company Funds

Share Capital	16	**85,756,441**	85,756,441
Reserves		**14,586,309**	12,621,150
Retained Earnings		**12,179,587**	8,167,665
TOTAL COMPANY FUNDS		**$112,522,337**	106,545,256

For and on behalf of the Board:

Chairperson ______________ Director ______________ **13 October 2016**

Statement of Cash Flows

For the Year Ended 30 June 2016

	Notes	2016 ($)	2015 ($)
Cash Flows from Operating Activities			
Cash was Provided from:			
Receipts from Operations		**3,585,692**	3,129,145
Interest Received		**526,782**	794,657
Dividends Received		**4,679,935**	2,608,057
		8,792,409	6,531,859
Cash was Applied to:			
Payments to Suppliers		**(2,779,682)**	(3,669,960)
Income Tax Paid		**(762,367)**	(160,719)
		(3,542,049)	(3,830,679)
NET CASH FLOW – OPERATING ACTIVITIES		**5,250,360**	2,701,180
Cash Flows from Investing Activities			
Cash was Provided from:			
Cash Received from Associates		**426,231**	357,798
		21,982	-
		1,262,718	-
		11,306,046	-
Loan from Related Parties		**1,162,740**	906,599
		14,179,717	1,264,397
Cash was Applied to:			
Term Deposits		**(1,617,433)**	(3,422,464)
Investment in Properties		**(1,288,381)**	(903,448)
Investment in Associates		**(11,319,653)**	-
Investments in Managed Funds		**(3,988,364)**	(3,751,601)
		(18,213,831)	(7,897,513)
NET CASH FLOW – INVESTING ACTIVITIES		**(4,034,114)**	(6,633,116)
Cash Flows from Financing Activities			
Cash was Provided from:			
Issuance of Shares		**-**	4,846,775
		-	4,846,775
Cash was Applied to:			
Dividends Paid		**(475,241)**	(446,780)
NET CASH FLOW – FINANCING ACTIVITIES		**(475,241)**	4,399,995
Net Cash Flow for the Year from all Activities		**741,002**	468,060
Cash at Beginning of Year		**2,789,078**	2,321,018
Cash at End of Year		**3,530,080**	2,789,078
Represented by:			
Cash on Hand and at Bank	6	**3,530,080**	2,789,078
		3,530,080	2,789,078

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements, and the Auditor's Report on page 20.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1. Statement of Accounting Policies

Reporting Entity

These are the financial statements for Raukawa Iwi Development Limited ("the Company"). Raukawa Iwi Development Limited is a company incorporated in New Zealand registered under the Companies Act 1993. Raukawa Iwi Development Limited is engaged in the business of investment.

These financial statements were authorised for issue on 13 October 2016.

2. Basis of Preparation

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ("NZ IFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

The Company is defined as a tier 2 for profit entity and qualifies for the reduced disclosure regime as it is not publicly accountable as defined in the framework.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

Investment properties, land and buildings and equity securities held in market portfolios classified as available for sale financial assets are measured at fair value.

(c) Functional and Presentation Currency

These financial statements are presented in New Zealand dollars (NZD), which is Raukawa's functional currency.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 Investment Property
- Note 10 Deferred Tax – in respect of deferred tax assets only

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently to Company entities.

(a) Basis of Consolidation

i) Investments in Associate Entities
Associate entities are entities over which the company has significant influence but not control. They are recognised initially at cost, and adjusted for share of profit (or loss) and share of changes in Other Comprehensive Income.

ii) Transactions Eliminated on Consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Financial Instruments

i) Non-Derivative Financial Instruments
Non-derivative financial instruments comprise investments in equity securities accounted for as available-for-sale financial assets, trade receivables, cash and cash equivalents, short-term borrowings, and trade payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through Statement of Comprehensive Income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially removing all the risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash flows.

ii) Available-for-sale Financial Assets
The Company's investments in equity securities except for investments in subsidiaries are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value by reference to published price quotations and changes therein, other than impairment losses, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss.

iii) Trade receivables
Trade receivables classified as other non-derivative financial instruments are stated at amortised cost using the effective interest method, less any impairment losses.

iv) Trade Payables
Trade payables are classified as other non-derivative financial instruments and are stated at amortised cost.

c) Property, Plant and Equipment

i) Recognition and Measurement
Items of property, plant and equipment except for land and buildings are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land & Buildings and Investment property have been revalued to fair value as determined by an independent valuer. Revaluation of land and buildings and investment property is carried out when there is objective evidence a change in fair value may have occurred.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

iii) Depreciation
Property, plant & equipment are depreciated over their estimated useful lives. Depreciation is charged to the Statement of Comprehensive Income.

Land is not depreciated.

The following rates have been used:

- Buildings 2% SL
- Office Equipment 50 - 67% DV
- Vehicles 30% DV

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

d) Leases as a Leasee

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership as a leasee are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Company's balance sheet.

e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

f) Impairment

The carrying amounts of the Company's assets, are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

i) Impairment of Loans and Receivables, and Equity Instruments
Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

The recoverable amount of the Company's loans and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the Statement of Comprehensive Income.

Equity instruments are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price. Any subsequent recovery of an impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income. For this purpose prolonged is regarded as any period longer than nine months and significant as more than 20 percent of the original purchase price of the equity instrument.

ii) Impairment of Property, Plant and Equipment
The carrying amounts of the property, plant and equipment, and intangibles, and subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Employee Benefits

i) Short-term Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

h) Revenue

i) Services
Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is measured with reference to the project milestones.

ii) Goods Sold
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

iii) Interest/Dividend Income
Income comprises interest income on funds invested, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

i) Lease Payments

Payments made under operating leases by the company as a lesee are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

j) Finance Expenses

Finance expenses comprise impairment losses and interest recognised on financial assets (except for trade receivables).

k) Income Tax

Income tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that had been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Income Tax Expense

	2016 ($)	2015 ($)
Tax Recognised in Profit and Loss		
Current Tax Expense		
Current Period	693,181	357,909
Adjustment for Prior Periods	-	-
Deferred Tax Expense		
Origination and Reversal of Temporary Differences	(97,085)	-
Change in Unrecognised Temporary Differences	-	-
Total Income Tax Expense	596,096	357,909
Tax Recognised in Equity		
Other Comprehensive Income	(228,002)	(1,119,066)
Total Recognised in Equity	(228,002)	(1,119,066)

	2016 (%)	2016 ($)	2015 (%)	2015 ($)
Profit for the Period After Tax	-	4,487,163	-	3,365,859
Total Income Tax Expense	-	596,096	-	357,909
Profit Excluding Income Tax	-	5,083,259	-	3,723,768
Income Tax using the Maori Authority Tax Rate (17.5%)	17.50%	889,570	17.50%	651,659
Non-deductible Expenses	0.00%	1,328	0.00%	1,328
Non-assessable Income	(5.00%)	(294,802)	(7.90%)	(295,078)
Tax Exempt Income	-	-	-	-
Origination and Reversal of Temporary Differences	-	-	-	-
	12.50%	596,096	9.6%	357,909

5. CNI Dividends

As part of CNI Holdings Trust settlement referred to in Note 10, the Company has received the right to receive annual distributions from CNI Iwi holdings Trust until 2044. The directors estimate the present value of this right to be approximately $35.3m (2015: $32.2m). This estimate has been based on an independent valuation undertaken by Esperance Capital utilising discounted cash flow methodology. No asset has been recognised in this respect.

6. Cash and Cash Equivalents

	Notes	2016 ($)	2015 ($)
Bank Balances		3,530,080	2,789,078
Short Term Deposits		6,093,314	17,399,362
Cash and Cash Equivalents	11	9,623,394	20,188,440
Cash and Cash Equivalents in the Statement of Cash Flows		9,623,394	20,188,440

7. Investment Property

	2016 ($)	2015 ($)
Balance at 1 July	2,340,448	1,437,000
Acquisitions	800,399	903,448
Change in Fair Value	-	-
Balance at 30 June	3,140,847	2,340,448

All investment property has been recorded at fair value at reporting date. Fair value has been determined by Kendall Russ, a registered valuer of Telfer Young Limited using current market values. The most recent sales in the area and sales of comparable properties are used to assist in analysing the current market values.

8. Property, Plant and Equipment

	Land	Buildings	Motor Vehicles	Office Equipment	Total
Cost					
Balance at 1 July 2014	475,580	373,778	520,387	3,368	1,373,113
Additions	-	-	-	-	-
Revaluation	-	-	-	-	-
Balance at 30 June 2015	475,580	373,778	520,387	3,368	1,373,113
Balance at 1 July 2015	475,580	373,778	520,387	3,368	1,373,113
Additions	340,000	1,281,463	-	-	1,621,463
Disposals	-	-	(76,039)	-	(76,039)
Revaluation	(188,964)	163,225	-	-	(25,739)
Balance at 30 June 2016	626,616	1,818,466	444,348	3,368	2,892,798
Accumulated Depreciation					
Balance at 1 July 2014	-	30,358	340,487	3,147	373,992
Depreciation for the year	-	7,588	53,971	114	61,673
Disposals	-	-	-	-	-
Balance at 30 June 2015	-	37,946	394,458	3,261	435,665
Balance at 1 July 2015	-	37,946	394,458	3,261	435,665
Depreciation for the year	-	7,588	33,261	54	40,903
Disposals	-	-	(60,976)	-	(60,976)
Balance at 30 June 2016	-	45,534	366,743	3,316	415,592
Carrying Amounts					
At 1 July 2014	475,580	343,420	179,900	221	999,121
At 30 June 2015	475,580	335,832	125,929	107	937,448
At 30 June 2016	**626,616**	**1,772,932**	**77,605**	**52**	**2,477,207**

9. Contingent Asset

As a beneficiary of the CNI Iwi Holdings Trust, the Company will be entitled to receive title to specific forest land currently held by the CNI Iwi Holdings Trust. The exact land eligible to be transferred will be determined through the Mana Whenua process which is currently underway between the eight Iwi beneficiaries of the CNI Iwi Holdings Trust. Once this due process is completed and there is unanimous agreement by the trustees of the CNI Iwi Holdings Trust, then land may be transferred. The Company has the right after 2044 to receive all income directly generated from its forest land and the return of full control of this land to the trust. As the Company does not have control or has yet to specially identify what land will be distributed to the Company, no assets have been recognised in these financial statements.

10. Deferred Tax Assets and Liabilities

Recognised Deferred Tax Assets and Liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 ($)	Assets 2015 ($)	Liabilities 2016 ($)	Liabilities 2015 ($)	Net 2016 ($)	Net 2015 ($)
Property, Plant and Equipment	**4,504**	-	**-**	-	**4,504**	-
Managed Funds	**-**	-	**(34,361)**	(590,231)	**(34,361)**	(590,231)
Accruals	**-**	-		-	**-**	-
Other Items	**92,581**	-	**(1,797,890)**	(1,014,018)	**(1,705,309)**	(1,014,018)
Tax Loss Carry-forwards	**-**	-	**-**	-		-
Tax Assets/(Liabilities)	**97,085**	-	**(1,832,251)**	(1,604,249)	**(1,735,166)**	(1,604,249)

Movement in Temporary Differences During the Year
Deferred tax assets and liabilities are attributable to the following:

	Balance 1-Jul-14	Recognised in P&L	Recognised in Equity	Balance 30-Jun-15	Recognised in P&L	Recognised in Equity	Balance 30-Jun-16
Property, Plant and Equipment	-	-	-	-	4,504	-	**4,504**
Managed Funds	(182,324)	-	(407,914)	(590,231)	-	555,870	**(34,361)**
Accruals	-	-	-	-	-	-	**-**
Other Items	(302,859)	-	(711,152)	(1,014,018)	92,581	(783,872)	**(1,705,309)**
Total	(485,183)	-	(1,119,066)	(1,604,249)	97,085	(228,002)	**(1,735,166)**

11. Financial Assets and Liabilities

Accounting Classification and Fair Values

Fair Values Versus Carrying Amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows.

	Notes	Loans and Receivables	Available-for-sale	Other Financial Liabilities	Total Carrying Amount	Fair Value
30-Jun-16						
Cash and Cash Equivalents	6	9,623,394	-	-	9,623,394	9,623,394
Trade and Other Receivables		-	-	-	-	-
Investment Securities:						
- Equity Securities		-	2	-	2	2
- Financial Assets at Fair Value Through Profit and loss		-	-	-	-	-
- Managed Funds		-	63,620,500	-	63,620,500	63,620,500
		9,623,394	63,620,500	-	63,620,500	63,620,500
Trade Payables and Accruals		-	-	387,779	387,779	387,779
		-	-	387,779	387,779	387,779
30-Jun-15						
Cash and Cash Equivalents	6	20,188,440	-	-	20,188,440	20,188,440
Trade and Other Receivables		-	-	-	-	-
Investment Securities:						
- Equity Securities		-	2	-	2	2
- Financial Assets at Fair Value Through Profit and loss		-	-	-	-	-
- Managed Funds		-	61,377,910	-	61,377,910	61,377,910
		20,188,440	61,377,912	-	81,566,352	81,566,352
Trade Payables and Accruals		-	-	55,720	55,720	55,720
Bank Overdraft		-	-	-	-	-
		-	-	55,720	55,720	55,720

12. Related Party Transactions

At balance date the following balances were receivable/(payable) by related parties of the Company:

	2016 ($)	2015 ($)
Raukawa Charitable Trust	**(1,574,325)**	(1,574,323)
Raukawa Settlement Trust	**(2,641,679)**	(1,478,941)
Total	**(4,216,004)**	(3,053,264)

During the year Raukawa Iwi Development Limited:

- Paid allocated costs to Raukawa Charitable Trust of $83,687. (2015: $58,979)
- Paid donations to Raukawa Charitable Trust of $2,108,950. (2015: $1,958,448)
- Received property and vehicle lease income from Raukawa Charitable Trust of $220,401. (2015: $268,444)

As at 30 June 2016, Raukawa Iwi Development Limited had:

- Accounts payable to Raukawa Charitable Trust of $7,572. (2015: $4,893)
- Accounts payable to Raukawa Settlement Trust of $Nil. (2015: $2,218)

These amounts are included in Accounts Payable.

Koau Capital Partners Limited are managers of Raukawa Iwi Development Limited and Waitaha Rebuild Fund Limited Partnership.

During the year Raukawa Iwi Development Limited paid management fees of $162,000 to Koau Captial Partners Limited (2015: $162,000). Koau Capital Partners Limited were also paid $150,000 for services provided resulting in the successful acquisition of shares in Ranginui Station Limited Partnership (2015: $0). These services were provided over the period from June 2014 to November 2015. Amounts totalling $19,667 were also paid to Koau Capital Partners Limited for other services, including due diligence services related to various projects (2015: $16,360).

13. Commitments

In 2017, the Company has a commitment to pay donations of $2.2 million to Raukawa Charitable Trust and a $2.25 million committed capital contribution to Waitaha Rebuild Fund Limited Partnership.

14. Kākano Investments Limited Partnership

Kakano Investments Limited Partnership is a Limited Liability Partnership created by six North Island iwi to buy a 2.5% stake in Kaingaroa Timberlands, a forestry business. Raukawa Iwi Development Limited holds 31.5% of the equity in the partnership. The investment is classified as an investment in associate and has a carrying value of $28,093,366.

	2015 ($)	2015 ($)
Opening Balance	**26,175,842**	20,739,249
Capital Investment	**-**	-
Less Capital Repayments	**(1,249,965)**	(1,269,977)
Add Share of Profit/Loss	**828,333**	912,179
Add Share of Other Comprehensive Income	**2,339,156**	5,794,391
Closing Balance	**28,093,366**	26,175,842

15. Ranginui Station Limited Partnership

Ranginui Station Limited Partnership owns and operates four farms in the South Waikato region on behalf of three iwi investors. During the year ended 30 June 2016, Raukawa Iwi Development Limited acquired 44.74% of the equity in this Limited Partnership. The investment had a cost of $11,319,653.

	2015 ($)	2015 ($)
Opening Balance	**-**	-
Capital Investment	**11,319,653**	-
Add Share of Profit/Loss	**(844,813)**	-
Add Share of Other Comprehensive Income	**337,061**	-
Closing Balance	**10,811,901**	-

Under the agreement to invest in Ranginui Station Limited Partnership, Raukawa Iwi Development Limited has the right to receive up to $2.2 million in reimbursements from the vendor subject to Ranginui Station Limited Partnership not achieving certain earnings levels until the 2019 financial year. No asset has been recognised in respect of this as Raukawa Iwi Development Limited cannot reliably estimate any amount that may become due.

16. Share Capital

	2015 ($)	2015 ($)
Opening Balance	**85,756,441**	80,909,666
Issue of Shares	**-**	4,846,775
Closing Balance	**85,756,441**	85,756,441

All shares are fully paid and have equal rights to vote, dividends and to residual assets on liquidation.

17. Subsequent Events

In July 2016 the Board approved the purchase of four investment properties totalling $667,000.

Directory

Raukawa Iwi Development Limited

26-32 Campbell Street
Private Bag 8
Tokoroa 3444

P: 07 885 0260
F: 07 885 0261

Directors

John Spencer (Chairperson)
Vanessa Eparaima
John Edmonds
Jon Stokes
Elthea Pakaru

Staff

Andrew Harrison (Investment Manager)
Kim Blomfield (Executive Assistant)

Accountants

GHA Limited Chartered Accountants
PO Box 1712
Rotorua 3040

Bankers

Westpac New Zealand Limited
Westpac House
Level 6
430 Victoria Street
P O Box 9446
Hamilton 3240

Auditors

KPMG
P O Box 929
Hamilton 3240