

**NGA HAPU O NGARUAHINE IWI  
INCORPORATED**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 March 2010**



Brian E. Prestidge & Associates  
ACCOUNTANTS



# INDEX

| Page   |                                    |
|--------|------------------------------------|
| 2      | Trust Directory                    |
| 3      | Statement of Financial Performance |
| 4      | Statement of Movements in Equity   |
| 5 – 6  | Statement of Financial Position    |
| 7 – 10 | Notes to the Financial Statements  |
| 13     | Auditor's Report                   |



Brian E. Prestidge & Associates  
ACCOUNTANTS



**NGA HAPU O NGARUAHINE IWI INCORPORATED**

**TRUST DIRECTORY  
FOR THE YEAR ENDED 31 March 2010**

|                            |  |
|----------------------------|--|
| <b>Nature of Business:</b> | Care for the interests and affairs of the Hapu of Ngaruahine in the following specific areas; Representation, Co-operation, Tikanga, Social, Economics and other.                          |
| <b>Registered Office:</b>  | 16 Tauranga-A-Ika Street<br>Manaia   |
| <b>Trustees:</b>           | Allie Hemara-Wahanui<br>John Nyman<br>Marlene Davis<br>Charmaine Nuku<br>Christine Henare<br>Peter Moeahu<br>Barry Whakaruru<br>Daisy Noble<br>John Hooker<br>Bonita Bigham<br>Wendy Eynon |
| <b>Accountants:</b>        | Brian E. Prestidge & Associates<br>139 Princes Street<br>Hawera  |
| <b>Auditors:</b>           | Silks Audit Chartered Accountants<br>24 Bell Street<br>Wanganui  |
| <b>Bankers:</b>            | TSB Bank Ltd<br>High Street<br>Hawera  |
| <b>Solicitors:</b>         | KensingtonSwan<br>Wellington & Auckland  |
| <b>Business Location:</b>  | 33 Morrissey Street<br>Hawera  |



NGA HAPU O NGARUAHINE IWI INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 March 2010

|   | Notes | Group<br>2010       | Group<br>2009     | Parent<br>2010     | Parent<br>2009    |
|---|-------|---------------------|-------------------|--------------------|-------------------|
| Operating Revenue   | 2     | <u>2,004,428</u>    | <u>345,587</u>    | <u>3732</u>        | <u>220,320</u>    |
| Operating Surplus (Deficit) before<br>Taxation  | 3     | 1,888,058           | 294,693           | (86,197)           | 185,106           |
| Income Tax Benefit (Expense)  |       | -                   | -                 | -                  | -                 |
| Operating Surplus (Deficit) after<br>Taxation   |       | <u>1,888,058</u>    | <u>294,693</u>    | <u>(86,197)</u>    | <u>185,106</u>    |
| <b>Net Surplus (Deficit) Attributable to<br/>the Shareholders of the Parent Trust</b> |       | <u>\$ 1,888,058</u> | <u>\$ 294,693</u> | <u>\$ (86,197)</u> | <u>\$ 185,106</u> |

The accompanying notes form part of these financial statements.



NGA HAPU O NGARUAHINE IWI INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 March 2010

|  | Notes | Group<br>2010       | Group<br>2009     | Parent<br>2010    | Parent<br>2009    |
|--|-------|---------------------|-------------------|-------------------|-------------------|
| <b>Equity at Beginning of Period</b>                             |       | <u>309,151</u>      | <u>14,459</u>     | <u>199,564</u>    | <u>14,459</u>     |
| Net Surplus (Deficit) Attributable to:                           |       |                     |                   |                   |                   |
| - Parent Trust Shareholders                                      |       | 1,888,058           | 294,693           | (86,197)          | 185,106           |
| <b>Total Recognised Revenues and<br/>(Expenses) for the Year</b> |       | <u>1,888,058</u>    | <u>294,693</u>    | <u>(86,197)</u>   | <u>185,106</u>    |
| <b>Equity at End of Year</b>                                     | 4     | <u>\$ 2,197,209</u> | <u>\$ 309,152</u> | <u>\$ 113,367</u> | <u>\$ 199,565</u> |

The accompanying notes form part of these financial statements.



**NGA HAPU O NGARUAHINE IWI INCORPORATED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 March 2010**

|   | Notes | Group<br>2010       | Group<br>2009     | Parent<br>2010    | Parent<br>2009    |
|---|-------|---------------------|-------------------|-------------------|-------------------|
| <b>Equity</b>                             |       |                     |                   |                   |                   |
| Attributable to Parent Trust Shareholders | 4     | 2,197,209           | 309,152           | 113,367           | 199,565           |
| <b>Total Equity</b>                       |       | <u>2,197,209</u>    | <u>309,152</u>    | <u>113,367</u>    | <u>199,565</u>    |
| <b>Current Liabilities</b>                |       |                     |                   |                   |                   |
| Accounts Payable & Accruals               |       | 26,138              | 7,000             | 24,638            | 7,000             |
| Current Portion of Term Liabilities       |       |                     |                   |                   |                   |
| Provision for Annual Leave & Other        |       | 4,368               |                   | 4,368             |                   |
| Provision for Tax                         |       |                     |                   |                   |                   |
| GST Payable/(Receivable)                  |       | 1,025               | (375)             |                   |                   |
| Customer Deposits                         |       |                     |                   |                   |                   |
| <b>Total Current Liabilities</b>          |       | <u>31,531</u>       | <u>6,625</u>      | <u>29,006</u>     | <u>7,000</u>      |
| <b>Non Current Liabilities</b>            |       |                     |                   |                   |                   |
| Finance Leases                            |       |                     |                   |                   |                   |
| Loans                                     |       |                     |                   |                   |                   |
| <b>Total Non Current Liabilities</b>      |       | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <b>Total Equity and Liabilities</b>       |       | <u>\$ 2,228,740</u> | <u>\$ 315,777</u> | <u>\$ 142,373</u> | <u>\$ 206,565</u> |

The accompanying notes form part of these financial statements.



NGA HAPU O NGARUAHINE IWI INCORPORATED

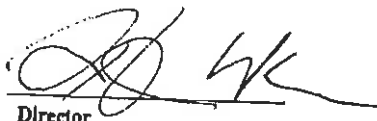
STATEMENT OF FINANCIAL POSITION  
AS AT 31 March 2010

|                                     | Notes | Group<br>2010       | Group<br>2009     | Parent<br>2010    | Parent<br>2009    |
|-------------------------------------|-------|---------------------|-------------------|-------------------|-------------------|
| <b>Current Assets</b>               |       |                     |                   |                   |                   |
| Cash and Bank                       |       | 239,658             | 209,164           | 139,014           | 200,002           |
| Accounts Receivable and Prepayments |       |                     | 5,177             |                   | 5,177             |
| Inventories                         | 6     |                     |                   |                   |                   |
| Finance Lease – Unexpired Interest  |       | 4,640               | 1,276             | 2,479             | 1,226             |
| RWT Refundable                      |       |                     |                   |                   |                   |
| <b>Total Current Assets</b>         |       | <u>244,298</u>      | <u>215,617</u>    | <u>141,493</u>    | <u>206,405</u>    |
| <b>Non Current Assets</b>           |       |                     |                   |                   |                   |
| Property, Plant & Equipment         | 8     | 880                 |                   | 880               |                   |
| Preliminary Expenses                |       |                     | 160               |                   | 160               |
| Investment – TSB Bank               | 9     | 100,000             | 100,000           |                   |                   |
| Investment in Aotearoa Fisheries    | 10    | 1,305,472           |                   |                   |                   |
| Quota Shares                        | 11    | 578,090             |                   |                   |                   |
| <b>Total Non Current Assets</b>     |       | <u>1,984,442</u>    | <u>100,160</u>    | <u>880</u>        | <u>160</u>        |
| <b>Total Assets</b>                 |       | <u>\$ 2,228,740</u> | <u>\$ 315,777</u> | <u>\$ 142,373</u> | <u>\$ 206,565</u> |

For and on behalf of the Board;



Director  
Dated: 6 April 2011



Director

The accompanying notes form part of these financial statements.

Page 6



NGA HAPU O NGARUAHINE IWI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 March 2010

1. Statement of Accounting Policies

**Reporting Entity**

NGA HAPU O NGARUAHINE IWI INCORPORATED ('the Trust') is a Trust registered under the Charitable Trust Act 1957 and a reporting entity for the purposes of the Financial Reporting Act 1993. The financial statements of the Trust have been prepared in accordance with the Financial Reporting Act 1993.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

- a) **Trade Receivable**  
Trade receivables are recognised at estimated realisable value.
- b) **Inventories**  
Inventories are recognised at the lower of cost, determined on a first-in first-out basis, and net realisable value.
- c) **Property, Plant & Equipment**  
Property, Plant & Equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 1994.
- Expected useful lives of major asset categories are as follows:
- |                                  |            |
|----------------------------------|------------|
| • Vehicles                       | 4-5 years  |
| • Fixtures and Fittings          | 4-5 years  |
| • Office Furniture and Equipment | 4-5 years  |
| • Plant and Equipment            | 4-10 years |
| • Computer Equipment & Software  | 2-3 years  |
- e) **GST**  
The financial statements have been prepared on a GST exclusive basis.
- f) **Income Tax**  
The Incorporation has charity status with the charities commission and is therefore exempt from the income tax.
- g) **Basis of Consolidation – Purchase Method**  
The consolidated financial statements include the parent Trust and its subsidiaries are accounted for using the purchase method. All significant inter-Trust transactions are eliminated on consolidation. In the Trust's financial statements investments in subsidiaries are recognised at cost.





**NGA HAPU O NGARUAHINE IWI INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued  
FOR THE YEAR ENDED 31 March 2010**

**h) Goodwill**

Goodwill represents the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets, acquired at the time of acquisition of a business or equity interest in a subsidiary. Goodwill is amortised using the straightline method over a period during which benefits are expected to be received (currently 6 years).

**i) Differential Reporting**

The Trust qualifies for differential reporting as it is not publicly accountable and is not large as defined in the Framework for Differential Reporting. The Trust has taken advantage of all available differential reporting exemptions.

**Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

**2. Operating Revenue**

|                                      | Notes | Group<br>2010      | Group<br>2009    | Parent<br>2010 | Parent<br>2009 |
|--------------------------------------|-------|--------------------|------------------|----------------|----------------|
| Fisheries Settlement<br>Distribution |       | 1,883,562          | -                | -              | -              |
| Sales                                |       | 111,579            | 118,138          |                |                |
| Interest Revenue                     |       | 9,057              | 33,838           | 3,502          | 33,709         |
| Grants Received                      |       |                    | 193,611          |                | 186,611        |
| Koha Received                        |       | 230                |                  | 230            |                |
|                                      |       | <u>\$2,004,428</u> | <u>\$345,587</u> | <u>\$3,732</u> | <u>220,320</u> |

**3. Operating Surplus (Deficit) before Taxation**

|  | Group<br>2010 | Group<br>2009 | Parent<br>2010 | Parent<br>2009 |
|--|---------------|---------------|----------------|----------------|
| Operating Surplus  | 1,888,058     | 294,693       | (86,197)       | 185,106        |
| The operating surplus (deficit) from trading was arrived at after charging the following expenses: |               |               |                |                |
| Depreciation   | 120           | -             | 120            | -              |
| Bad and Doubtful Debts; Expense  | -             | -             | -              | -              |
| Interest and Finance Charges   | 15,146        | -             | 15,146         | -              |
| (Profit)/Loss on Disposal of Assets  | -             | -             | -              | -              |
| Rental and Operating Lease Expenses  | -             | -             | -              | -              |
| Auditors Fees:   |               |               |                |                |
| • Auditing the financial statements  | 4,083         | 675           | 2,750          | 675            |
| • Other services   | -             | 160           | -              | -              |
| Diminution in the Value of Assets  | -             | -             | -              | -              |
| Goodwill written off   | -             | -             | -              | -              |
| Amortisation of Goodwill   | -             | -             | -              | -              |
| Directors' Fees  | 5000          | 5,000         | -              | -              |



**NGA HAPU O NGARUAHINE IWI INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued  
FOR THE YEAR ENDED 31 March 2010**

**4. Total Equity**

|                   | Notes | Group<br>2010      | Group<br>2009    | Parent<br>2010   | Parent<br>2009   |
|-------------------|-------|--------------------|------------------|------------------|------------------|
| Share Capital     |       | -                  | -                | -                | -                |
| Retained Earnings | 5     | <u>2,197,209</u>   | <u>309,152</u>   | <u>113,367</u>   | <u>199,565</u>   |
|                   |       | <u>\$2,197,209</u> | <u>\$309,152</u> | <u>\$113,367</u> | <u>\$199,565</u> |

**5. Retained Earnings**

|   | Notes | Group<br>2010    | Group<br>2009  | Parent<br>2010 | Parent<br>2009 |
|---|-------|------------------|----------------|----------------|----------------|
| Balance at Beginning of Year                                    |       | 309,151          | 14,459         | 199,564        | 14,459         |
| Net Surplus (Deficit) Attributable to Parent Trust Shareholders |       | 1,888,058        | 294,693        | (86,197)       | 185,106        |
| <b>Total Retained Earnings</b>                                  |       | <u>2,197,209</u> | <u>309,152</u> | <u>113,367</u> | <u>199,565</u> |

**6. Inventory**

No inventories are specifically and separately pledged as security for liabilities.

**7. Related Party Transactions**

There were no related party transactions during the year under review.

**8. Property, Plant & Equipment**

|  | Group<br>2010 | Group<br>2009 | Parent<br>2010 | Parent<br>2009 |
|--|---------------|---------------|----------------|----------------|
| Office Equipment                             | 1,000         |               | 1,000          |                |
| Accumulated Depreciation                     | <u>120</u>    |               | <u>120</u>     |                |
|  | 880           |               | 880            |                |
| <b>Total Property, Plant &amp; Equipment</b> | <u>\$ 880</u> |               | <u>\$ 880</u>  |                |

**9. Investment in Subsidiaries**

| Subsidiaries             | Percentage Held |      | Business        |
|--------------------------|-----------------|------|-----------------|
|                          | 2010            | 2009 |                 |
| Ngaruahine Fisheries Ltd | 100%            | 100% | Fisheries Quota |

**10. Investments – Shares in Aotearoa Fisheries Ltd**

These shares are valued at the value as assessed by Te Ohu based on the net equity of AFL as at 30 Sept 2006.

**11. Quota**

Quota transferred from Te Ohu is valued at Te Ohu's assessed value for Quota shares which only values those quota which have been traded or where there has been significant catches. Quota purchased is valued at cost.



**NGA HAPU O NGARUAHINE IWI INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued  
FOR THE YEAR ENDED 31 March 2010**

12. **Capital and Operating Lease Commitments**  
There were no capital commitments at balance date (2009: Nil).
13. **Contingent Liabilities**  
The Trust has no significant contingent liabilities that the Board is aware of (2009: Nil).
14. **Events After Balance Date**  
There have been no material events subsequent to balance date except the Registration of the Fisheries with the Charities Commission.
15. **Fisheries Settlement - Te Ohu Kaimoana**  
As a result of the Maaori Fisheries Act 2004, Te Ohu Kaimoana ("Te Ohu") was established. (Legal name Te Ohu Kai Moana Trustee Limited). Te Ohu's main role is administrating, allocating and transferring fisheries settlement assets to mandated iwi organisations along the allocation model contained within the Maaori Fisheries Act.

All fishing quota and the majority of cash held directly by the Treaty of Waitangi Fisheries Commission will be transferred to mandated iwi organisations who will manage these assets on behalf of all of their iwi members. These assets represent around half of the settlement assets estimated at \$350 million.

Each of the 57 Iwi recognised in Schedule 3 of the Maaori Fisheries Act 2004 will receive (or have received) a mix of:

- quota
- income shares in Aotearoa Fisheries Limited ("AFL") – a subsidiary of Te Ohu
- cash.

Refer to [www.teohu.maori.nz](http://www.teohu.maori.nz) for further information

To receive the assets Nga Hapu o Ngaruahine Iwi Incorporated has set up a subsidiary Ngaruahine Fisheries Ltd as it's mandated iwi organisation and assets have been placed into this company.

Assets on settlement (at valuation methods as per the policies in Note 1) were as follows:

| Asset Type           | 2009<br>\$       | Total<br>\$      |
|----------------------|------------------|------------------|
| Quota Share Value    | 578,090          | 578,090          |
| Income Shares in AFL | 1,305,472        | 1,305,472        |
| <b>Total</b>         | <b>1,883,562</b> | <b>1,883,562</b> |

The Company owns 482 out of a total 125,000 income shares in AFL. This shareholding therefore has a book value of \$1.5m based on the latest AFL audited accounts (Sept 09).





24 Bell Street  
Wanganui 4500  
PO Box 7144  
Wanganui 4541  
New Zealand

## Audit Report

To the Members of Nga Hapu O Ngaruahine Iwi Incorporation

T: (06) 345 8539  
F: (06) 345 2212

We have audited the financial report on pages 3 to 10. The financial report provides information about the past financial performance of the Incorporation and its financial position as at 31 March 2010. This information is stated in accordance with the accounting policies set out on pages 7 and 8. E: silks@silks.co.nz  
www.silksaudit.co.nz

This report is provided solely for your exclusive use and solely for the purpose of expressing an opinion on the financial statements for the year ended 31 March 2010. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

## The Committee's Responsibilities

The Committee's are responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Incorporation as at 31 March 2010 and the results of operations for the year ended on that date.

## Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Committee.

## Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Committee s in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Incorporation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

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

## Qualified Opinion

We were unable to satisfy ourselves, by any audit procedures, as to the Accounts Receivable, Accounts Payable, and Investment balances stated at 31 March 2009. Any misstatement of these balances would affect the results for the year ended 31 March 2010.

In this respect alone:

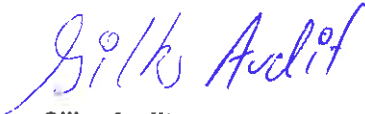
- we have not obtained all the information and explanation that we have required; and
- we were unable to determine whether proper accounting records have been kept.

In our opinion except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning those balances above, the financial report on pages 3 to 10.

- complies with generally accepted accounting practice in New Zealand;
- gives a true and fair view of the results of the Incorporations operations for the year ended.

In our opinion, the financial report on pages 3 to 10 gives a true and fair view of the financial position of the Incorporation as at 31 March 2010.

Our audit was completed on 6 April 2011 and our qualified opinion is expressed as at that date.



**Silks Audit**  
**Chartered Accountants**  
**Wanganui, New Zealand**