

**NGA HAPU O NGARUAHINE IWI
INCORPORATED**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2011**

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NGA HAPU O NGARUAHINE IWI INCORPORATED

TRUST DIRECTORY
FOR THE YEAR ENDED 31 March 2011

Nature of Business: Care for the interests and affairs of the Hapu of Ngaruahine in the following specific areas: Representation, Co-operation, Tikanga, Social, Economics and other.

Registered Office: 16 Tauranga-A-Ika Street
Manaia

Trustees:

Alison Hemara-Wahanui	<i>Secretary (resigned 28/01/11)</i>
Bonita Bigham	
Daisy Noble	<i>Executive Chair</i>
John Hooker	
John Nyman	
Ngawai (Christine) Henare	
Peter Moeahu	<i>Deputy Chair</i>
Pue Whakaruru	
Puhi (Charmaine) Nuku	
Te Rau Oriwa (Marlene) Davis	
Wendy Eynon	<i>Treasurer</i>

Accountants: Auaha Ltd
93 Morley Street
New Plymouth

Auditors: Silks Audit Chartered Accountants
24 Bell Street
Wanganui

Bankers: TSB Bank Ltd

Solicitors: Kensington Swan
88 The Terrace
Wellington

Business Location: Hawera

NGA HAPU O NGARUAHINE IWI INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 March 2011

		Group	Group	Parent	Parent
	Notes	2011	2010	2011	2010
Operating Revenue	2	<u>281,555</u>	<u>2,004,428</u>	<u>152,650</u>	<u>3,732</u>
Operating Surplus (Deficit) before Taxation	3	(40,723)	1,888,058	(132,970)	(86,197)
Income Tax Benefit (Expense)		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Surplus (Deficit) after Taxation		(40,723)	1,888,058	(132,970)	(86,197)
Net Surplus (Deficit) Attributable to the Shareholders of the Parent Trust		<u>\$ (40,723)</u>	<u>\$ 1,888,058</u>	<u>\$(132,970)</u>	<u>\$ (86,197)</u>

NGA HAPU O NGARUAHINE IWI INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 March 2011

		Group	Group	Parent	Parent
	Notes	2011	2010	2011	2010
Equity at Beginning of Period		<u>2,197,209</u>	<u>309,151</u>	<u>113,367</u>	<u>199,564</u>
Net Surplus (Deficit) Attributable to:					
- Parent Trust Shareholders		(40,723)	1,888,058	(132,970)	(86,197)
Total Recognised Revenues and (Expenses) for the Year		<u>(40,723)</u>	<u>1,888,058</u>	<u>(132,970)</u>	<u>(86,197)</u>
Equity at End of Year	4	<u><u>2,156,485</u></u>	<u><u>\$2,197,209</u></u>	<u><u>(19,603)</u></u>	<u><u>\$113,367</u></u>

NGA HAPU O NGARUAHINE IWI INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2011

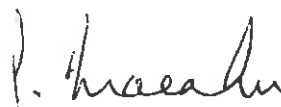
	Notes	Group 2011	Group 2010	Parent 2011	Parent 2010
Equity					
Attributable to Parent Trust Shareholders	4	2,156,485	2,197,209	(19,603)	113,367
Total Equity		<u>2,156,485</u>	<u>\$2,197,209</u>	<u>\$(19,603)</u>	<u>\$113,367</u>
Current Liabilities					
Accounts Payable & Accruals		61,607	26,138	57,574	24,638
Credit Card		3,560	0	3,560	0
Provision for Annual Leave & Other		3,096	4,368	3,096	4,368
Provision for Tax		0	0	0	0
GST Payable/(Receivable)		(10,673)	1,025	(11,290)	0
Unsecured Loan – Reimbursements		(503)	0	(503)	0
Total Current Liabilities		<u>57,087</u>	<u>\$31,531</u>	<u>52,437</u>	<u>\$29,006</u>
Non Current Liabilities					
Loans		0	0	0	0
Total Non Current Liabilities		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equity and Liabilities		<u>2,213,572</u>	<u>\$2,228,740</u>	<u>32,834</u>	<u>142,373</u>
Current Assets					
Cash and Bank		81,634	239,658	15,342	139,014
Accounts Receivable and Prepayments		18,840	0	912	0
Inventories	6	0	0	0	0
Inter Company Current Accounts		477	0	0	0
RWT Paid		14,209	4,640	3,032	2,479
Total Current Assets		<u>115,159</u>	<u>244,298</u>	<u>19,285</u>	<u>141,493</u>
Non Current Assets					
Property, Plant & Equipment	8	14,851	880	13,549	880
TSB Investment		200,000	100,000	0	0
Investment in Aotearoa Fisheries	10 & 14	1,305,472	1,305,472	0	0
Quota Shares	11 & 14	578,090	578,090	0	0
Total Non Current Assets		<u>2,098,413</u>	<u>1,984,442</u>	<u>13,549</u>	<u>880</u>
Total Assets		<u>2,213,572</u>	<u>\$2,228,740</u>	<u>\$32,834</u>	<u>\$142,373</u>

For and on behalf of the Board:



Trustee

11 October 2011



Trustee

11 October 2011

NGA HAPU O NGARUAHINE IWI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2011

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 2011**

h) 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 2011	Group 2010	Parent 2011	Parent 2010
Fisheries Settlement		0	1,883,562	0	0
Land Claim Negotiations	15	149,000	0	149,000	0
Fishery Income		83,402	111,579	0	0
Interest Revenue		11,024	9,057	1,675	3,502
Koha Received		1,975	230	1,975	0
Other Income		36,154	0	0	230
		<u>\$281,555</u>	<u>\$2,004,428</u>	<u>\$152,650</u>	<u>\$3,732</u>

3. Operating Surplus (Deficit) before Taxation

	Group 2011	Group 2010	Parent 2011	Parent 2010
The operating surplus (deficit) from trading was arrived at after charging the following expenses:	(40,723)	1,888,058	(132,970)	(86,197)
Depreciation	2,479	120	1,920	120
Bad and Doubtful Debts Expense	0	0	0	0
Interest and Finance Charges	57	15,146	57	15,146
(Profit)/Loss on Disposal of Assets	0	0	0	0
Rental and Operating Lease Expenses	3,652	0	3,652	0
Auditors Fees:				
• Auditing the financial statements	5,145	4,083	3,725	2,750
• Other services	0	0	0	0
Diminution in the Value of Assets	0	0	0	0
Goodwill written off	0	0	0	0
Amortisation of Goodwill	0	0	0	0
Directors' Fees	5,000	5,000	0	0
Prior Period Adjustment	(4,743)	0	(4,743)	0

NGA HAPU O NGARUAHINE IWI INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 March 2011**

4. Total Equity

	Notes	Group 2011	Group 2010	Parent 2011	Parent 2010
Share Capital		0	0	0	0
Retained Earnings	5	2,156,485	2,197,209	(19,603)	113,367
		<u>\$2,156,485</u>	<u>\$2,197,209</u>	<u>\$(19,603)</u>	<u>\$113,367</u>

5. Retained Earnings

	Notes	Group 2011	Group 2010	Parent 2011	Parent 2010
Balance at Beginning of Year		2,197,209	309,151	113,367	199,564
Net Surplus (Deficit) Attributable to Parent Trust Shareholders		(40,723)	1,888,058	(132,970)	(86,197)
Balance at Year End		<u>\$2,156,485</u>	<u>\$2,197,209</u>	<u>(19,603)</u>	<u>\$113,367</u>

6. Inventory

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

7. Related Party Transactions

During the year: Trust Board Members appointed to positions of employment

- Board Chairperson Tihi Daisy Noble appointed on 14 April 2010 to position of Executive Chair (2010: Nil)
- Trustee Bonita Bigham appointed on 18 May 2010 to position of Interim Administrator. This position concluded on 28 January 2011 (2010: Nil)

8. Property, Plant & Equipment

	Group 2011	Group 2010	Parent 2011	Parent 2010
Office Equipment	16,105	1,000	14,244	1,000
Accumulated Depreciation	(2,397)	(120)	(1,839)	(120)
Other Fixed Assets	1,345	0	1,345	1,000
Accumulated Depreciation	(202)	0	(202)	(120)
	<u>14,851</u>	<u>880</u>	<u>13,549</u>	<u>880</u>
Total Property, Plant & Equipment	<u>\$14,851</u>	<u>\$ 880</u>	<u>\$13,549</u>	<u>\$ 880</u>

NGA HAPU O NGARUAHINE IWI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued FOR THE YEAR ENDED 31 March 2011

9. Investment in Subsidiaries

Subsidiaries	Percentage Held		Business
	2011	2010	
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.

12. Contingent Liabilities

- (a) A Maori Appellant Court case for the lodgements made by Rata Pue and Hori Manuirirangi against the incorporation, the outcomes and cost of this case is not yet known, at balance date (2010: Nil).
- (b) Any treaty settlement costs which are not covered by legal aide payable to Kensington Swan are the liability of the Incorporation (2010: Nil)

13. Capital & Lease Commitments

- (a) There are no capital commitments at balance date (2010: Nil)
- (b) The Incorporation lease the premises at 33 Morrissey Street, Hawera. \$150 per week incl GST on a month by month basis.
- (c) The Incorporation lease a ricoh copier for \$330.41 per month ending 12 February 2012.

14. Fisheries Settlement – Te Ohu Kaimoana

As a result of the Maori 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 Maori 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 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 Maori 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 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.

NGA HAPU O NGARUAHINE IWI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 March 2011

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

Asset Type	2010	Total
Quota Share Value	578,090	578,090
Income Shares in AFL	1,305,472	1,305,472
Total	<u>1,883,562</u>	<u>1,883,562</u>

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 2010).

15. **Treaty Negotiations**

The office of Treaty Settlements have provided funding to the incorporation on behalf of the Iwi for \$1,364,000. These funds will be used for the historical treaty claims of Nga Hapu o Ngaruahine Iwi Incorporated which are currently being undertaken.

16. **Legal Aide**

Legal Services Agency will fund \$175,000 towards legal aid for treaty settlement negotiations paid directly to Kensington Swan. Any costs which are not met by legal aide will become a liability of Nga Hapu O Ngaruahine Iwi Incorporated (refer to contingent liability note 12).

17. **Bank Guarantee**

Nga Hapu o Ngaruahine has a bank guarantee of \$30,000 in favour of ASB Bank Ltd.

18. **Events After Balance Date**

- (a) The Incorporation entered into a Lease of premises at 20 High Street Hawera from 23 May 2011 to 23 May 2014 at \$16,000 +GST payable annually following a deposit of \$32,000 +GST paid on 11 May 2011.
- (b) A short term loan was made from Ngaruahine Fisheries Limited to Nga Hapu o Ngaruahine Incorporated for a period of 90 days.



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INDEPENDENT AUDITORS REPORT

To the Committee of Management of Nga Hapu o Ngaruahine Iwi Incorporation

Report on the Consolidated financial statements

We have audited the consolidated financial statements of Nga Hapu o Ngaruahine Iwi Incorporation and its subsidiaries on pages 3 to 10 which comprise the consolidated statement of financial position as 31 March 2011 and the consolidated statement of financial performance, consolidated statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Consolidated financial statements

The Committee's is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Committee's determine is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 overall presentation of the consolidated 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 Incorporation or any of its subsidiaries.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of Nga Hapu o Ngaruahine Iwi Incorporated as at 31 March 2011, and of its consolidated financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Silks Audit
Chartered Accountants
Wanganui, New Zealand

Date: 11 October 2011